

WATEROUS ENERGY FUND

November 4, 2020

Dear Osum Oil Sands Corp. Shareholder,

On behalf of WEF Osum Acquisition Corp. (the "**Offeror**"), a company wholly-owned by Waterous Energy Fund (Canadian) LP, Waterous Energy Fund (US) LP, Waterous Energy Fund (International) LP, WEF Osum Co-Invest I LP, WEF Osum Co-Invest II LP and WEF Osum Co-Invest III LP (collectively, "**WEF**"), each an Alberta limited partnership managed by Waterous Energy Fund Management Corp., we invite you to consider our offer ("**Offer**") for your common shares ("**Common Shares**") of Osum Oil Sands Corp. ("**Osum**"). Our Offer gives you the opportunity to realize fair value and immediate liquidity for your investment.

Under the terms of the Offer, Osum's shareholders will receive **\$2.40 in cash** for each Common Share subject to the Offer (the "**Offer Price**").

WEF is currently the owner of approximately 45% of the outstanding Common Shares. The Offeror is making this Offer to acquire up to a maximum of 52,500,000 of Osum's remaining outstanding Common Shares, or approximately 72% of the shares not already owned by WEF. If the Offer is successful, the Offeror intends to acquire all of the remaining Common Shares not validly deposited under the Offer, or not taken up pursuant to the Offer, as applicable, for the same \$2.40 in cash for each Common Share, as soon as possible following, but no later than 120 days after, the date of expiry of the Offer, by causing one or more special meetings to be called of the then holders of Common Shares to consider an amalgamation, statutory arrangement, capital reorganization, amendment to its articles, consolidation or other transaction involving the Offeror and/or an affiliate of the Offeror and Osum and/or the Osum shareholders for the purpose of Osum becoming, directly or indirectly, a wholly-owned subsidiary of the Offeror.

Reasons to Accept the Offer

- **Largest Three Shareholders Have Already Exited at the Offer Price.** On July 31, 2020, Blackstone Capital Partners, Warburg Pincus LLC and GIC Private Limited sold their Common Shares, representing approximately 45% of the equity ownership in Osum, to WEF at the Offer Price. The Initial Selling Shareholders were Osum's largest investors and had the right to appoint (in the case of GIC Private Limited, through a group of other institutional investors) five of the nine directors on Osum's board of directors. These investors are highly sophisticated global financial institutions with extensive experience in the Canadian oil and gas industry. These investors and their financial advisors ran a thorough and competitive sale process for their Common Shares which involved a number of arm's length third party bidders and WEF was the successful bidder in that process by paying the highest price. The rigor of the process leading to the sale by three independent shareholder groups should give Osum's shareholders confidence that fair market value for the Common Shares was established.
- **Next Five Largest Shareholders Have Agreed to Tender at the Offer Price.** Waterous Energy Fund Management Corp., on behalf of the Offeror, has executed lock-up agreements with certain Osum shareholders (the "**Locked-Up Shareholders**"), under which, subject to certain conditions, the Locked-Up Shareholders have agreed to tender their Common Shares to the Offer. The Locked-Up Shareholders hold Common Shares representing in aggregate approximately 19% of the total outstanding Common Shares or approximately 35% of the Common Shares not already owned by WEF.
- **Full and Fair Value.** The Offer price of \$2.40 per Common Share represents an attractive value that fairly reflects Osum's asset base, business plan and current economic environment. This is also the same consideration paid by WEF in its initial arm's length transaction with the Initial Selling Shareholders. Since transacting with the Initial Selling Shareholders, the price of West Texas Intermediate crude oil has dropped (as of the date of the Offer), and the industry has continued to face headwinds. Given the increased uncertainty in the sector, we believe offering the same offer

price is highly compelling for Osum's shareholders today. We believe that the Offer represents full and fair value for your Common Shares.

- **Liquidity and Certainty of Value.** The Offer provides 100% cash consideration for the Common Shares subject to the Offer, giving Osum's shareholders certainty of value and immediate liquidity in the face of volatile markets. The status quo alternative for Osum's shareholders is highly uncertain given the lack of dividends and liquidity options.
- **Fully Financed Offer.** The Offer is not subject to a financing condition. The Offeror has secured, on a committed basis, all financing required to fund the entire consideration payable for the Common Shares subject to the Offer.
- **High Likelihood of Completion.** In order for the Offer to be successful, the Offeror must satisfy the Minimum Tender Condition (defined in the accompanying Offer to Purchase and Circular), such that more than 50% of the Common Shares not currently owned by WEF are tendered. The Common Shares subject to the Lock-Up Agreements already represent approximately 35% of the outstanding Common Shares not currently owned by WEF, or approximately 70% of the outstanding Common Shares required to be tendered to achieve the Minimum Tender Condition. Accordingly, the Offeror believes there is a high likelihood that it will achieve the Minimum Tender Condition and that the Offer will be successful.

Status Quo is a Risky Option for Your Investment

- **Competing Offer Highly Unlikely.** The Offeror believes that it is highly unlikely that a competing all-cash offer for the Common Shares not already owned by WEF will be made at a premium to the price being offered by the Offeror, particularly in light of the thorough auction process run by the Initial Selling Shareholders throughout the spring and summer of 2020. Moreover, because WEF already owns approximately 45% of the Common Shares, any alternative transaction involving the acquisition of Osum would be subject to WEF's approval.
- **Failure to Return Capital to Shareholders or Provide any Meaningful Liquidity Event.** Osum's business plan is not compelling in the current macroeconomic environment. 15 years after being formed, Osum still has not been able to pay a dividend to its owners or achieve an initial public offering or other value enhancing transaction to provide its shareholders with a liquidity event.

You can tender your Common Shares to the Offer now by contacting your broker or our Depositary and Information Agent, Kingsdale Advisors. The Offer expires at 5:00 p.m. (Calgary time) on February 24, 2021, unless extended, varied or withdrawn by the Offeror in accordance with its terms. If you have any questions or require assistance, please contact Kingsdale Advisors, by telephone toll-free in North America at 1-866-581-0506 and outside of North America at 1-416-867-2272 or by e-mail at contactus@kingsdaleadvisors.com.

Sincerely,

WEF OSUM ACQUISITION CORP.

(signed) "*Adam Waterous*"

Adam Waterous
President and Director

No securities deposited to this bid will be taken up until (a) more than 50% of the outstanding securities of the class sought (excluding those securities beneficially owned, or over which control or direction is exercised by the Offeror (as defined herein) or any person acting jointly or in concert with the Offeror) have been validly deposited and not withdrawn, (b) at least the minimum deposit period required under applicable securities laws has elapsed, and (c) any and all other conditions of the bid have been complied with or, where permitted, waived, as applicable. If these criteria are met, the Offeror will take up securities deposited under the bid in accordance with applicable securities laws and extend its bid for an additional period of 10 days to allow for further deposits of applicable securities.

This document is important and requires your immediate attention. If you are in doubt as to how to deal with it, you should consult your investment advisor, stockbroker, bank manager, trust company manager, accountant, lawyer or other professional advisor. Questions can also be directed to the Depository and Information Agent, Kingsdale Advisors, whose contact details are provided on the back cover of this document.

The Offer (as defined herein) has not been approved or disapproved by any securities regulatory authority, nor has any securities regulatory authority passed upon the fairness or merits of the Offer or upon the adequacy of the information contained in this document. Any representation to the contrary is an offence.

This document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being made to, nor will deposits be accepted from, or on behalf of, Shareholders (as defined herein) in any jurisdiction in which the making or acceptance of the Offer would not be in compliance with the Laws (as defined herein) of such jurisdiction. However, the Offeror may, in its sole discretion, take such action as it may deem necessary to extend the Offer to Shareholders in any such jurisdiction.

November 4, 2020

WEF OSUM ACQUISITION CORP.

an entity wholly-owned by

**WATEROUS ENERGY FUND (CANADIAN) LP, WATEROUS ENERGY FUND (US) LP,
WATEROUS ENERGY FUND (INTERNATIONAL) LP, WEF OSUM CO-INVEST I LP, WEF
OSUM CO-INVEST II LP AND WEF OSUM CO-INVEST III LP**

OFFER TO PURCHASE FOR CASH

up to 52,500,000 Common Shares of

OSUM OIL SANDS CORP.

at a price of \$2.40 in cash per Common Share

WEF Osum Acquisition Corp. (the "**Offeror**", "**we**", or "**us**") is a corporation in which Waterous Energy Fund (Canadian) LP, Waterous Energy Fund (US) LP, Waterous Energy Fund (International) LP, WEF Osum Co-Invest I LP, WEF Osum Co-Invest II LP and WEF Osum Co-Invest III LP (collectively, "**WEF**") collectively hold 100% of the common shares. The Offeror hereby offers (the "**Offer**") to purchase, on the terms and subject to the Minimum Tender Condition and the other conditions of the Offer, up to 52,500,000 Common Shares of Osum Oil Sands Corp. ("**Osum**") (excluding Common Shares beneficially owned, or over which control or direction is exercised, by the Offeror or by any person acting jointly or in concert with the Offeror), including any Common Shares that may become outstanding after the date of the Offer but prior to the Expiry Time (as defined herein) upon the exercise, vesting, exchange or conversion into, or settling in, Common Shares of any securities of Osum that are exercisable, exchangeable, or convertible into, or that can be settled in, Common Shares, including Options (as defined herein), PSUs (as defined herein) and RSUs (as defined herein) (collectively, the "**Convertible Securities**"), at a price of \$2.40 in cash per Common Share.

The Offer is open for acceptance from the date hereof until 5:00 p.m. (Calgary time) on February 24, 2021 (the "Expiry Time"), unless the Offer is extended, varied, or withdrawn by the Offeror in accordance with its terms.

The Depositary and Information Agent for the Offer is:

Kingsdale Advisors

If you have any questions or require assistance in depositing your Common Shares, please contact Kingsdale Advisors, the Depositary and Information Agent, by telephone toll-free at 1-866-581-0506 within North America and at 1-416-867-2272 outside of North America or by e-mail at contactus@kingsdaleadvisors.com.

The Offer is conditional upon the specified conditions being satisfied, or where permitted, waived at the Expiry Time or such earlier or later time during which Common Shares may be deposited under the Offer, excluding the mandatory 10-day extension period, which include: (a) the Minimum Tender Condition (as defined herein) having been satisfied; (b) the Offeror having determined, in its sole judgment, that there does not exist and there shall not have occurred or been publicly disclosed since the date of the Offer, a Material Adverse Effect (as defined herein); (c) the Offeror having determined, in its sole judgment, that no material asset sales outside of the Ordinary Course (as defined herein) have occurred; (d) the Regulatory Approvals (as defined herein) having been obtained and/or waiting periods expired, including clearance under the *Competition Act* (Canada), and (e) WEF Directors representing at least a majority of the Osum Board (as defined herein), as more particularly described herein. The Minimum Tender Condition cannot be waived by the Offeror. These and other conditions of the Offer are described in Section 4 of the Offer to Purchase, "Conditions of the Offer". The Offer is not subject to any conditions relating to due diligence, financing or shareholder approval of the Offeror.

The Offeror has engaged Kingsdale Advisors to act as the Depositary and Information Agent (the "**Depositary and Information Agent**") for the Offer.

Registered Shareholders who wish to accept the Offer must properly complete and duly execute the accompanying Letter of Transmittal (printed on **YELLOW** paper) and deposit it, at or prior to the Expiry Time, together with certificate(s) or DRS Statement(s), as applicable, representing their Common Shares and all other required documents, with the Depositary and Information Agent at its office in Toronto, Ontario at the address indicated in the Letter of Transmittal, in accordance with the instructions set out in the Letter of Transmittal. Alternatively, registered Shareholders may accept the Offer by (a) following the procedures for book-entry transfer of Common Shares set out in Section 3 of the Offer to Purchase, "Manner of Acceptance – Acceptance by Book-Entry Transfer", or (b) where the certificate(s) representing such Common Shares are not immediately available, or if the certificates and all of the required documents cannot be delivered to the Depositary and Information Agent following the procedure for guaranteed delivery set out in Section 3 of the Offer to Purchase, "Manner of Acceptance – Procedure for Guaranteed Delivery", using the accompanying Notice of Guaranteed Delivery (printed on **PINK** paper), or a manually executed facsimile thereof.

Shareholders whose Common Shares are registered in the name of an investment advisor, stockbroker, bank, trust company or other nominee should immediately contact that nominee for assistance if they wish to accept the Offer in order to take the necessary steps to be able to deposit such Common Shares under the Offer. Intermediaries likely have established deposit cut-off times that are prior to the Expiry Time. Shareholders must instruct their brokers or other intermediaries promptly if they wish to deposit their Common Shares.

Questions and requests for assistance may be directed to the Depositary and Information Agent, whose contact details are provided on the back cover of this document. Additional copies of this document, the Letter of Transmittal and the Notice of Guaranteed Delivery may be obtained without charge on request from the Depositary and Information Agent. All website addresses contained herein, including, without limitation, www.waterous.com, are provided for informational purposes only and no information contained on, or accessible from, any such website is incorporated by reference herein unless expressly incorporated by reference.

No broker, dealer, salesperson or other person has been authorized to give any information or make any representation other than those contained in this document, and, if given or made, such information or representation must not be relied upon as having been authorized by the Offeror or the Depositary and Information Agent.

All cash payments by the Offeror for Common Shares taken up and paid for under the Offer will be made in Canadian dollars. The obligation of the Offeror under the Offer will be fully satisfied upon the payment of the Offer Price, less any required withholding taxes, for all validly deposited Common Shares that are taken up by the Offeror to the Depositary and Information Agent in Canadian dollars.

Shareholders will not be required to pay any fee or commission if they accept the Offer by validly depositing their Common Shares directly with the Depository and Information Agent to accept the Offer. Shareholders should consult their investment advisor, stockbroker or other nominee to determine whether other charges will apply.

NOTICE TO SHAREHOLDERS OUTSIDE OF CANADA

The Offer is being made for the securities of a Canadian company and, while the Offer is subject to disclosure requirements under applicable Canadian Laws, investors should be aware that these requirements are different from those of the United States or other jurisdictions.

The Offer to Purchase and Circular do not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being made to, nor will deposits be accepted from or on behalf of, Shareholders residing in any jurisdiction in which the making or the acceptance of the Offer would not be in compliance with the Laws of such jurisdiction. However, the Offeror may, in the Offeror's sole discretion, take such action as the Offeror may deem necessary to make the Offer in any jurisdiction and extend the Offer to Shareholders in any such jurisdiction.

Shareholders should be aware that the acceptance of the Offer may have tax consequences in Canada, the United States and in other jurisdictions. Such consequences may not be fully described herein and holders are urged to consult their own tax advisors, including concerning section 116 of the Tax Act and Canadian tax liability for Non-Resident Holders (as defined herein). See Section 20 of the Circular, "Certain Canadian Federal Income Tax Considerations".

It may be difficult for Shareholders in the United States to enforce their rights and any claim they may have arising under United States federal securities Laws since the Offeror, WEF and Osum are existing under the Laws of a province of Canada, some or all of the officers and directors of each of the Offeror, WEF and Osum reside outside the United States, some of the experts named herein may reside outside the United States, and all or a substantial portion of the assets of the Offeror, WEF and Osum and the other above-mentioned persons are located outside the United States. Shareholders in the United States may not be able to sue the Offeror, WEF or Osum, or their respective officers or directors, in a non-U.S. court for violation of United States federal securities Laws. It may be difficult to compel such parties to subject themselves to the jurisdiction of a court in the United States or to enforce a judgment obtained from a court of the United States.

NOTICE TO HOLDERS OF CONVERTIBLE SECURITIES

The Offer is being made only for Common Shares and is not made for any Convertible Securities. Any holder of Convertible Securities who wishes to accept the Offer must, to the extent permitted by the terms of such Convertible Securities and applicable Laws, exercise such Convertible Securities in order to obtain certificates representing Common Shares and deposit those Common Shares in accordance with the terms of the Offer. Any such exercise must be completed sufficiently in advance of the Expiry Time to ensure that the holder of such Convertible Securities will have certificates representing the Common Shares received on such exercise available for deposit at or prior to the Expiry Time, or in sufficient time to comply with the procedures referred to in Section 3 of the Offer to Purchase, "Manner of Acceptance – Procedure for Guaranteed Delivery".

Common Shares issued on the exercise, exchange, conversion or settlement of Convertible Securities shall, subject to compliance with the procedures applicable generally to the tendering of the Common Shares of the Offer, be eligible to be deposited under the Offer.

The tax consequences to holders of Convertible Securities of exercising, exchanging or converting such securities are not described in Section 20 of the Circular, "Certain Canadian Federal Income Tax Considerations". Holders of Convertible Securities should consult their tax advisors for advice with respect to potential income tax consequences to them in connection with the decision whether to exercise, exchange or convert their Convertible Securities.

NOTICE REGARDING INFORMATION

Except as otherwise expressly indicated herein, the information concerning Osum contained in this Offer to Purchase and Circular has been taken from or is based upon publicly available documents and other public sources available at the time of the Offer. Although the Offeror has no knowledge that would indicate that any statements contained herein concerning Osum taken from, or based upon, such information contain any untrue statement of a material fact or omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made, neither the Offeror nor WEF, nor their respective directors or officers, has verified, nor do they assume any responsibility

for, the accuracy or completeness of such information or statements or for any failure by Osum to disclose events or facts which may have occurred or which may affect the significance or accuracy of any such information or statements but which are unknown to the Offeror. Except as otherwise indicated, information concerning Osum is given as of November 4, 2020 and the Offeror and WEF do not undertake any duty to update any such information, except as required by applicable Law.

FORWARD-LOOKING STATEMENTS

Certain statements in the Offer and accompanying Circular under "Reasons to Accept the Offer", "Purpose of the Offer", and "Acquisition of Common Shares Not Deposited and/or Taken Up", in addition to certain statements contained elsewhere in the Offer to Purchase and Circular 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 are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. In particular, the Offer and accompanying Circular include forward looking statements with respect to (i) the anticipated Expiry Time of the Offer, (ii) the Offeror's expectation regarding the results of the Offer, (iii) the Offeror's intention to complete a Subsequent Acquisition Transaction to acquire all Common Shares not acquired pursuant to the Offer and the timing thereof, (iv) the Offeror's expectations regarding the absence of an alternative proposal to acquire Osum, and (v) the Offeror's expectations regarding the ability of all conditions to the Offer to be satisfied or, where permitted, waived at the Expiry Time. Important factors that could cause actual results to differ materially from the Offeror's expectations include, among other things, general business and economic conditions, industry risks and other risks commonly attributed to oil and gas companies in Canada. Such forward looking statements should, therefore, be construed in light of such factors and the Offeror 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.

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GLOSSARY

This Glossary forms a part of the Offer to Purchase and Circular. In the Offer to Purchase and Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery, unless otherwise specified or the subject matter or context is inconsistent therewith, the following terms shall have the meanings set out below, and grammatical variations thereof shall have the corresponding meanings:

"**ABCA**" means the *Business Corporations Act* (Alberta), as amended from time to time;

"**affiliate**" means an "affiliate" within the meaning ascribed to it by NI 62-104;

"**allowable capital loss**" has the meaning given to it in Section 20 of the Circular, "Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Capital Gains and Capital Losses";

"**Alternative Acquisition Proposal**" means, with respect to a Locked-Up Shareholder, any bona fide written offer for the Common Shares, any offer concerning any sale of Osum or any of its material Subsidiaries or any of their material properties, assets or any amalgamation, arrangement, merger, business combination, take-over bid, tender or exchange offer, variation of a take-over bid, tender or exchange offer or similar transaction involving Osum, which competes or interferes, by delay or otherwise, with the Offer made to the Shareholders or directly to such Locked-Up Shareholder;

"**Alternative Transaction**" means, in respect of Osum: (a) an amalgamation, merger, arrangement, consolidation, or any other transaction involving Osum, or an amendment to the terms of a class of its equity securities, as a consequence of which the interest of a holder of an equity security of Osum may be terminated without the holder's consent, regardless of whether the equity security is replaced with another security, but does not include: (i) a consolidation of securities that does not have the effect of terminating the interests of holders of equity securities of Osum in those securities without their consent, except to an extent that is nominal in the circumstances, (ii) a circumstance in which Osum may terminate a holder's interest in a security, under the terms attached to the security, for the purpose of enforcing an ownership or voting constraint that is necessary to enable Osum to comply with legislation, lawfully engage in a Osum activity or have a specified level of Canadian ownership, or (iii) a transaction solely between or among Osum and one or more of its Subsidiaries; or (b) a sale, lease or exchange of all or substantially all the property of Osum if the sale, lease or exchange is not in the ordinary course of its business, but does not include a sale, lease or exchange solely between or among Osum and one or more of its Subsidiaries;

"**ARC**" means an advance ruling certificate issued by the Commissioner pursuant to Section 102 of the Competition Act;

"**ASA**" means the *Securities Act* (Alberta), as amended from time to time;

"**Asset Monetization**" has the meaning given to it in Section 7 of the Circular, "Purpose of the Offer and Plans for Osum";

"**associate**" has the meaning given to it in NI 62-104;

"**Blackstone**" means Blackstone Capital Partners;

"**BNS**" means The Bank of Nova Scotia;

"**Book-Entry Confirmation**" means confirmation of a book-entry transfer of a Shareholder's Common Shares into the Depository and Information Agent's account at CDS;

"**business combination**" has the meaning given to it in MI 61-101;

"**business day**" means a day that is other than a Saturday, a Sunday or a day that is a statutory holiday in any province or territory in Canada;

"CDS" means CDS Clearing and Depository Services Inc. or its nominee, which at the date hereof is CDS & Co.;

"CDSX" means the CDS on-line tendering system pursuant to which book-entry transfers may be effected;

"Circular" means the circular accompanying and forming part of the Offer;

"Commissioner" has the meaning given to it in Section 19 of the Circular, "Regulatory Matters – Competition Act";

"Commitment Letter" has the meaning given to it in Section 8 of the Circular, "Source of Funds";

"Common Shares" means the outstanding common shares of Osum and "Common Share" means any one common share of Osum;

"Competition Act" means the *Competition Act* (Canada);

"Competition Act Clearance" means, with respect to the transactions contemplated by the Offer, either: (a) the Commissioner has issued an ARC, which ARC shall not have been rescinded or amended; or (b) (i) any applicable waiting period, including any extension of a waiting period, under Section 123 of the Competition Act shall have expired or been terminated, or the requirement to submit a notification shall have been waived under paragraph 113(c) of the Competition Act, and (ii) unless waived by the Offeror, at its sole discretion, the Offeror shall have received a No-Action Letter without any condition or on conditions that are acceptable to the Offeror, in its reasonable judgment, which No-Action Letter shall not have been rescinded or amended;

"Convertible Securities" means any securities of Osum that are exercisable, exchangeable or convertible into, or that can be settled in, Common Shares, including Options, PSUs and RSUs;

"COVID-19 Measures" means any quarantine, "shelter in place", "stay at home", workforce reduction, social distancing, shut down, closure, sequester or any other applicable Law, guidelines or recommendations by any Governmental Entity in connection with or in response to COVID-19;

"Crescentwood" has the meaning given to it in Section 8 of the Circular, "Source of Funds";

"Depository and Information Agent" means Kingsdale Advisors, which can be contacted within North America at 1-866-581-0506 and outside of North America at 1-416-867-2272 or by e-mail at contactus@kingsdaleadvisors.com;

"Deposited Common Shares" has the meaning given to it in Section 3 of the Offer to Purchase, "Manner of Acceptance – Dividends and Distributions";

"Distributions" has the meaning given to it in Section 3 of the Offer to Purchase, "Manner of Acceptance – Dividends and Distributions";

"DRS Statement" means a Direct Registration System statement evidencing Common Shares issued under the name of the applicable Shareholder and registered electronically in Osum's records;

"Eligible Institution" means a Canadian Schedule I chartered bank, or an eligible guarantor institution with membership in an approved Medallion signature guarantee program, including certain trust companies in Canada, a member of the Securities Transfer Agents Medallion Program (STAMP), a member of the Stock Exchanges Medallion Program (SEMP) or a member of the New York Stock Exchange Medallion Signature Program (MSP);

"Equity Commitment Agreement" has the meaning given to it in Section 8 of the Circular, "Source of Funds";

"Expiry Time" means 5:00 p.m. (Calgary time) on February 24, 2021 or such later or earlier time or times and date or dates as may be fixed by the Offeror from time to time pursuant to Section 5 of the Offer to Purchase, "Extension, Variation or Change in the Offer";

"**First Take Up Time**" has the meaning given to it in Section 6 of the Offer to Purchase, "Take Up of and Payment for Deposited Common Shares";

"**Fully-Diluted Basis**" means, with respect to the number of outstanding Common Shares at any time, the number of Common Shares that would be outstanding if all Convertible Securities, whether vested or unvested, were exercised, exchanged, converted into, or settled in, Common Shares;

"**GIC**" means GIC Private Limited;

"**Governmental Entity**" means: (a) any multinational or supranational body or organization, nation, government, state, province, country, territory, municipality, quasi-government, administrative, judicial or regulatory authority, agency, board, body, bureau, commission, instrumentality, court or tribunal or any political subdivision thereof, or any central bank (or similar monetary or regulatory authority) or taxing authority thereof, or any ministry or department or agency of any of the foregoing; (b) any self-regulatory organization or stock exchange; (c) any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government; and (d) any corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any of such entities or other bodies;

"**Holder**" has the meaning given to it in Section 20 of the Circular, "Certain Canadian Federal Income Tax Considerations";

"**includes**" or "**including**" means "includes without limitation" or "including without limitation";

"**Initial Deposit Period**" means the period during which Common Shares may be deposited under the Offer, excluding the Mandatory Extension Period;

"**Initial Interest Acquisition**" has the meaning given to it in Section 4 of the Circular, "Background to the Offer";

"**Initial Selling Shareholders**" means, collectively, Blackstone, Warburg and GIC;

"**Initial WEF Directors**" has the meaning given to it in Section 1 of the Circular, "The Offeror and WEF";

"**insider**" has the meaning given to it in section 1 of the ASA;

"**Laws**" means any applicable laws, including international, national, provincial, state, municipal and local laws, treaties, statutes, ordinances, judgments, decrees, injunctions, writs, certificates and orders, notices, by-laws, rules, regulations, ordinances, or other requirements, policies or instruments of any Governmental Entity having the force of law and the term "applicable" with respect to such Laws and in a context that refers to one or more persons, means such Laws as are applicable to such person or its 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;

"**Lenders**" has the meaning given to it in Section 8 of the Circular, "Source of Funds";

"**Letter of Transmittal**" means the letter of transmittal in the form accompanying the Offer (printed on **YELLOW** paper);

"**Loan Documents**" has the meaning given to it in Section 8 of the Circular, "Source of Funds";

"**Lock-Up Agreements**" has the meaning given to it in Section 5 of the Circular, "Lock-Up Agreements";

"**Locked-Up Shareholders**" has the meaning given to it in Section 5 of the Circular, "Lock-Up Agreements";

"**Mandatory Extension Period**" has the meaning given to it in Section 6 of the Offer to Purchase, "Take Up of and Payment for Deposited Common Shares";

"Material Adverse Effect" means (a) any material decline in the market price of crude oil or natural gas on a current or go forward basis; or (b) any condition, event, circumstance, change, effect, development, occurrence or state of facts which, when considered either individually or in the aggregate:

- (i) is, or could reasonably be expected to be, material and adverse to the assets, liabilities (whether absolute, accrued, conditional or otherwise and including, without limitation, any contingent liabilities that may arise through outstanding, pending or threatened litigation or otherwise), business, operations, results of operations, financial condition, prospects, rights or status for tax purposes of Osum, its Subsidiaries and its material joint ventures, taken as a whole;
- (ii) could reasonably be expected to reduce the anticipated economic value to the Offeror of the acquisition of the Common Shares or make it inadvisable for, or impair the ability of, the Offeror to proceed with the Offer and/or with taking up and paying for Common Shares deposited under the Offer or completing a Subsequent Acquisition Transaction; or
- (iii) could, if the Offer or any Subsequent Acquisition Transaction were to be consummated, be material and adverse to the Offeror or which could limit, restrict or impose limitations or conditions on the ability of the Offeror to acquire 100% of the Common Shares, or to own, operate or effect control over Osum or any material portion of the business or assets of Osum or its Subsidiaries or material joint ventures or would compel the Offeror or any of its affiliates to dispose of or hold separate any material portion of the business or assets of Osum or its Subsidiaries or material joint ventures;

"MI 61-101" means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*, as amended or replaced from time to time;

"Minimum Tender Condition" has the meaning given to it in Section 4 of the Offer to Purchase, "Conditions of the Offer";

"NI 62-104" means National Instrument 62-104 – *Take-Over Bids and Issuer Bids*, as amended or replaced from time to time;

"No-Action Letter" means a letter from the Commissioner advising the parties in writing that he does not, at that time, intend to challenge the transaction by making an application to the Competition Tribunal under Section 92 of the Competition Act;

"Non-Resident Holder" has the meaning given to it in Section 20 of the Circular, "Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada";

"Notice of Guaranteed Delivery" means the notice of guaranteed delivery in the form accompanying the Offer (printed on **PINK** paper);

"Notifiable Transactions" has the meaning given to it in Section 19 of the Circular, "Regulatory Matters – Competition Act";

"Notifications" has the meaning given to it in Section 19 of the Circular, "Regulatory Matters – Competition Act";

"Offer" or **"Offer to Purchase"** means the offer to purchase up to 52,500,000 Common Shares made hereby to the Shareholders pursuant to the terms and subject to the conditions set out herein;

"Offer Price" has the meaning given to it in Section 1 of the Offer to Purchase, "The Offer";

"Offer to Purchase and Circular" means the Offer to Purchase and the Circular, including the Summary and the Glossary;

"**Offeror**" means WEF Osum Acquisition Corp., a corporation existing under the ABCA;

"**Offeror Facility**" has the meaning given to it in Section 8 of the Circular, "Source of Funds";

"**Options**" means the options to acquire Common Shares granted pursuant to the Stock Option Plan;

"**Ordinary Course**" means, with respect to an action taken by Osum or any of its Subsidiaries, that such action is consistent with past practices of Osum and is taken in the ordinary course of the normal day to day operations of Osum but does not include any applicable COVID-19 Measures or other actions taken by Osum or any of its Subsidiaries in response to the actual or reasonably anticipated effect of the COVID-19 pandemic or other pandemic involving Canada;

"**Osum**" means Osum Oil Sands Corp.;

"**Osum Board**" means the board of directors of Osum;

"**Osum Term Loan**" means the Credit Agreement dated as of July 31, 2014 (as amended pursuant to that Amendment Agreement dated as of April 13, 2016, that Amendment Agreement dated as of March 2, 2018, that Amendment Agreement dated as of December 17, 2018, that Amendment No. 4 dated as of June 28, 2019, that Amendment No. 5 dated as of September 25, 2019, and as further amended, amended and restated, supplemented or otherwise modified from time to time) among Osum Holdings Corp., Osum Production Corp. each lender from time to time party thereto and Barclays Bank PLC, as administrative agent.;

"**Prospective Asset Buyer**" has the meaning given to it in Section 7 of the Circular, "Purpose of the Offer and Plans for Osum";

"**PSUs**" means the performance share units of Osum;

"**Purchased Securities**" has the meaning given to it in Section 3 of the Offer to Purchase, "Manner of Acceptance – Power of Attorney";

"**RBC**" means RBC Capital Markets;

"**Regulatory Approvals**" means: (a) the Competition Act Clearance; and (b) such other sanctions, rulings, consents, orders, exemptions, permits and other approvals (including the lapse, without objection, of a prescribed time under a statute or regulation that states that a transaction may be implemented if a prescribed time lapses following the giving of notice without an objection being made) of any Governmental Entity that the Offeror, acting reasonably, determines are required in connection with the commencement of the Offer or the consummation of the Offer or any Subsequent Acquisition Transaction;

"**Resident Holder**" has the meaning given to it in Section 20 of the Circular, "Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada";

"**Reviewable Transaction**" has the meaning given to it in Section 19 of the Circular, "Regulatory Matters – Investment Canada Act";

"**RSUs**" means the restricted share units of Osum;

"**Second Take Up Time**" has the meaning given to it in Section 6 of the Offer to Purchase, "Take Up of and Payment for Deposited Common Shares";

"**Securities Regulatory Authorities**" means, the applicable securities commission or similar regulatory authorities in each of the provinces of Canada and the United States;

"**Shareholders**" means the holders of Common Shares (other than the Offeror or any person acting jointly or in concert with the Offeror);

"**Stock Option Plan**" means Osum's stock option plan, as amended from time to time;

"**Subsequent Acquisition Transaction**" has the meaning given to it in Section 13 of the Circular, "Acquisition of Common Shares Not Deposited and/or Taken Up – Subsequent Acquisition Transaction";

"**Subsidiaries**" means any entity with respect to which Osum (or a Subsidiary thereof) has the power, through the ownership of securities or otherwise, to elect at least a majority of the directors, or similar managing body, or in which Osum owns directly or indirectly 50% or more of the fair market value of the equity of such entity;

"**Supplementary Information Request**" has the meaning given to it in Section 19 of the Circular, "Regulatory Matters – Competition Act";

"**take up**", in reference to Common Shares, means to accept such Common Shares for payment by giving written notice of such acceptance to the Depository and Information Agent, and "**take up**", "**taking up**" and "**taken up**" have corresponding meanings;

"**Tax Act**" has the meaning given to it in Section 20 of the Circular, "Certain Canadian Federal Income Tax Considerations";

"**taxable capital gain**" has the meaning given to it in Section 20 of the Circular, "Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Capital Gains and Capital Losses";

"**TD**" means TD Securities, Inc.;

"**Valuation Requirements**" has the meaning given to it in Section 19 of the Circular, "Regulatory Matters – Canadian Securities Laws – Valuation Requirements";

"**Warburg**" means Warburg Pincus LLC;

"**WEF**" means, collectively, Waterous Energy Fund (Canadian) LP, Waterous Energy Fund (US) LP, Waterous Energy Fund (International) LP, WEF Osum Co-Invest I LP, WEF Osum Co-Invest II LP and WEF Osum Co-Invest III LP;

"**WEF Directors**" means the Initial WEF Directors, as well as any other individuals nominated by WEF in substitution thereof and any additional individuals nominated by the Offeror and WEF to fill any vacancies on the Osum Board;

"**WEF Management Corp**" means Waterous Energy Fund Management Corp; and

"**WTI**" means West Texas Intermediate.

SUMMARY

The following is a summary only and is qualified in its entirety by the detailed provisions contained elsewhere in the Offer to Purchase and Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery. Shareholders are urged to read the Offer to Purchase and Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery in their entirety. Terms defined in the Glossary and not otherwise defined in this Summary have the respective meanings given to them in the Glossary, unless the context otherwise requires.

THE OFFER

The Offeror hereby offers to purchase, on the terms and subject to the Minimum Tender Condition and the other conditions of the Offer, up to 52,500,000 Common Shares (representing approximately 72% of the outstanding Common Shares, excluding the Common Shares beneficially owned, or over which control or direction is exercised, by the Offeror or by any person acting jointly or in concert with the Offeror), such amount to include any Common Shares that may become outstanding after the date of the Offer but before the Expiry Time upon the exercise, vesting, exchange or conversion into, or settling in, Common Shares of Convertible Securities, at a price of \$2.40 in cash per Common Share, without any interest and less any required withholding taxes. See Section 1 of the Offer to Purchase, "The Offer".

If more than 52,500,000 Common Shares are deposited under the Offer and not withdrawn, the Common Shares to be purchased from each depositing Shareholder will, as required by applicable Laws, be determined on a proportionate basis according to the number of Common Shares deposited by each Shareholder, disregarding fractions, by rounding down to the nearest whole number of Common Shares.

If all 72,594,101 outstanding Common Shares not owned by WEF are deposited under the Offer, the Offeror will take up the maximum 52,500,000 Common Shares, and approximately 72% of each Shareholder's Common Shares will be taken up and paid for under the Offer (assuming, for the purposes of this illustrative example, that no Common Shares are issued after the date of the Offer but prior to the Expiry Time upon the exercise, vesting, exchange or conversion into, or settling in, of any Convertible Securities). If fewer than 72,594,101 Common Shares are deposited under the Offer, the percentage of Common Shares taken up from each depositing Shareholder will be greater than the take-up percentage noted in the preceding sentence. If the Minimum Tender Condition is met, but less than 52,500,000 Common Shares are deposited to the Offer, then all of the Common Shares deposited by a depositing Shareholder will be taken up and paid for by the Offeror.

The Offer is being made only for Common Shares and is not made for any Convertible Securities. Any holder of Convertible Securities who wishes to accept the Offer must, to the extent permitted by the terms of such Convertible Securities and applicable Laws, exercise, exchange or convert such Convertible Securities in order to obtain certificates representing Common Shares and deposit those Common Shares in accordance with the terms of the Offer. Any such exercise, exchange or conversion must be completed sufficiently in advance of the Expiry Time to ensure that the holder of such Convertible Securities will have certificates representing the Common Shares received on such exercise, exchange or conversion available for deposit at or prior to the Expiry Time, or in sufficient time to comply with the procedures referred to in Section 3 of the Offer to Purchase, "Manner of Acceptance – Procedure for Guaranteed Delivery".

Common Shares issued on the exercise, exchange, conversion or settlement of Convertible Securities shall, subject to compliance with the procedures applicable generally to the tendering of the Common Shares of the Offer, be eligible to be deposited under the Offer.

The tax consequences to holders of Convertible Securities exercising, exchanging or converting such securities are not described in Section 20 of the Circular, "Certain Canadian Federal Income Tax Considerations". Holders of Convertible Securities should consult their tax advisors for advice with respect to potential income tax consequences to them in connection with the decision whether to exercise, exchange or convert their Convertible Securities.

The obligation of the Offeror to take up and pay for Common Shares pursuant to the Offer is subject to certain conditions. See Section 4 of the Offer to Purchase, "Conditions of the Offer".

TIME FOR ACCEPTANCE

The Offer is open for acceptance until 5:00 p.m. (Calgary time) on February 24, 2021, unless the Offer is extended, varied or withdrawn by the Offeror in accordance with its terms. See Section 5 of the Offer to Purchase, "Extension, Variation or Change in the Offer".

If the Minimum Tender Condition is satisfied and the other conditions to the Offer are satisfied or waived at the Expiry Time, such that the Offeror is obligated to proportionately take up Deposited Common Shares to the extent permitted by Law, the Offeror will make a public announcement of the foregoing matters and extend the period during which Common Shares may be deposited under the Offer for the Mandatory Extension Period. See Section 6 of the Offer to Purchase, "Take Up of and Payment for Deposited Common Shares".

The Initial Deposit Period under the Offer satisfies the requirement for a minimum statutory deposit period of at least 105 days under applicable Law. The Initial Deposit Period under the Offer may be shortened in the following circumstances, subject to a minimum deposit period of at least 35 days from the date of the Offer: (a) if Osum issues a deposit period news release in respect of either the Offer or another offeror's take-over bid that stipulates a deposit period of less than 105 days, the Offeror may, but is not required to, vary the terms of the Offer to shorten the Initial Deposit Period to at least the same number of days from the date of the Offer as stated in the deposit period news release; (b) if Osum issues a news release announcing that it has agreed to enter into, or determined to effect, an Alternative Transaction; or (c) if permitted by an order of the applicable Securities Regulatory Authorities. In these circumstances, the Offeror may vary the terms of the Offer to shorten the Initial Deposit Period to at least 35 days from the date of the Offer.

The primary objective of the 105-day minimum statutory deposit period is to allow the Osum Board to identify any potential superior transactions to maximize shareholder value. Given that WEF very recently acquired its 45% ownership position through a rigorous auction process run by sophisticated institutional investors, the Offeror believes that it is highly unlikely that any other superior transaction exists.

Pursuant to the Commitment Letter, the Initial Deposit Period cannot be extended for more than 23 days without the consent of the Lenders.

THE OFFEROR

The Offeror is a corporation incorporated under the ABCA on October 29, 2020 for the purposes of completing the Offer. The Offeror's common shares are 100% owned collectively by WEF. The Offeror has not carried on any business prior to the date hereof, other than in respect of the Offer. The Offeror's head office and principal place of business is located at Suite 600, 301 – 8th Avenue S.W., Calgary, Alberta, T2P 1C5.

Each of Waterous Energy Fund (Canadian) LP, Waterous Energy Fund (US) LP, Waterous Energy Fund (International) LP, WEF Osum Co-Invest I LP, WEF Osum Co-Invest II LP and WEF Osum Co-Invest III LP, is a limited partnership formed under the Laws of Alberta and managed by WEF Management Corp.

WEF engages in oil and gas exploration and production within Canada through investee companies and partnerships. WEF is a leading energy-focused private equity firm headquartered in Canada, with offices in Calgary, Houston and New York. The head office of WEF is located at Suite 600, 301 – 8th Avenue S.W., Calgary, Alberta, T2P 1C5.

WEF is a significant Shareholder of Osum, currently holding approximately 45% of the Common Shares. WEF has the right to nominate four directors to the Osum Board so long as it holds a minimum proportionate amount of the outstanding Common Shares. WEF's current nominees to the Osum Board are Messrs. Robert Morgan, Andrew Kim, Michael Buckingham and Adam Waterous.

OSUM

Osum is a corporation formed on May 16, 2007 by the amalgamation of Oil Sands Recovery Inc. and Osum Oil Sands Corp.

Osum's business consists of developing and operating in-situ bitumen projects utilizing its wholly and partially owned oil sands assets located in the Cold Lake and Saleski regions of Alberta, Canada. Osum's sole commercial production comes from its wholly-owned in-situ project in Cold Lake, the Orion oil sands project, consisting of a central processing facility and five well pads. Osum also owns a 100% interest in five additional potential development projects in Cold Lake and is a 40% non-operating interest holder in a joint venture based in Saleksi. Osum has two wholly-owned Subsidiaries, Osum Production Corp. and Osum Holdings Corp.

The registered office of Osum is located at 421 – 7th Avenue S.W., Suite 4000, Calgary, Alberta T2P 4K9 and its head office is located at Suite 1900, 255 – 5th Avenue S.W., Calgary, Alberta T2P 3G6.

PURPOSE OF THE OFFER

The purpose of the Offer is to enable the Offeror and WEF to acquire ownership of at least two-thirds of all outstanding Common Shares, inclusive of WEF's current ownership of approximately 45% of the outstanding Common Shares. If the Offer is successful, the Offeror and WEF will be the beneficial holders of a minimum of approximately 73% and a maximum of approximately 85% of the outstanding Common Shares. The Offeror intends to acquire all of the remaining Common Shares pursuant to a Subsequent Acquisition Transaction as soon as possible following, but no later than 120 days after, the date of expiry of the Offer. See Section 7 of the Circular, "Purpose of the Offer and Plans for Osum", and Section 13 of the Circular, "Acquisition of Common Shares Not Deposited and/or Taken Up".

REASONS TO ACCEPT THE OFFER

The Offeror believes that Shareholders will enjoy the following significant benefits from the Offer:

- **Largest Three Shareholders Have Already Exited at the Offer Price.** On July 31, 2020, the Initial Selling Shareholders, sold their Common Shares, representing approximately 45% of the equity ownership in Osum, to WEF at the Offer Price. The Initial Selling Shareholders were Osum's largest investors and had the right to appoint (in the case of GIC, through a group of other institutional investors) five of the nine directors on the Osum Board. These investors are highly sophisticated global financial institutions with extensive experience in the Canadian oil and gas industry. These investors and their financial advisors ran a thorough and competitive sale process for their Common Shares which involved a number of arm's length third party bidders and WEF was the successful bidder in that process by paying the highest price. The rigor of the process leading to the sale by three independent Shareholder groups should give Shareholders confidence that fair market value for the Common Shares was established.
- **Next Five Largest Shareholders Have Agreed to Tender at the Offer Price.** WEF Management Corp, on behalf of the Offeror, has executed the Lock-Up Agreements with the Locked-Up Shareholders, under which, subject to certain conditions, the Locked-Up Shareholders have agreed to tender their Common Shares to the Offer. The Locked-Up Shareholders hold Common Shares representing in aggregate approximately 19% of the total outstanding Common Shares or approximately 35% of the Common Shares not already owned by WEF.
- **Full and Fair Value.** The Offer Price of \$2.40 per Common Share represents an attractive value that fairly reflects Osum's asset base, business plan and current economic environment. This is also the same consideration paid by WEF in its initial arm's length transaction with the Initial Selling Shareholders. Since transacting with the Initial Selling Shareholders, the price of WTI crude oil has dropped (as of the date of the Offer), and the industry has continued to face headwinds. Given the increased uncertainty in the sector, the Offeror believes offering the same Offer Price is highly compelling for Shareholders today. The Offeror believes that the Offer represents full and fair value for your Common Shares.

- **Liquidity and Certainty of Value.** The Offer provides 100% cash consideration for the Common Shares subject to the Offer, giving the Shareholders certainty of value and immediate liquidity in the face of volatile markets. The status quo alternative for the Shareholders is highly uncertain given the lack of dividends and liquidity options.
- **Fully Financed Offer.** The Offer is not subject to a financing condition. The Offeror has secured, on a committed basis, all financing required to fund the entire consideration payable for the Common Shares subject to the Offer.
- **High Likelihood of Completion.** In order for the Offer to be successful, the Offeror must satisfy the Minimum Tender Condition, such that more than 50% of the Common Shares not currently owned by WEF are tendered. The Common Shares subject to the Lock-Up Agreements already represent approximately 35% of the outstanding Common Shares not currently owned by WEF, or approximately 70% of the outstanding Common Shares required to be tendered to achieve the Minimum Tender Condition. Accordingly, the Offeror believes there is a high likelihood that it will achieve the Minimum Tender Condition and that the Offer will be successful.

Status Quo is a Risky Option for Your Investment

- **Competing Offer Highly Unlikely.** The Offeror believes that it is highly unlikely that a competing all-cash offer for the Common Shares not already owned by WEF will be made at a premium to the price being offered by the Offeror, particularly in light of the thorough auction process run by the Initial Selling Shareholders throughout the spring and summer of 2020. Moreover, because WEF already owns approximately 45% of the Common Shares, any alternative transaction involving the acquisition of Osum would be subject to WEF's approval.
- **Failure to Return Capital to Shareholders or Provide any Meaningful Liquidity Event.** Osum's business plan is not compelling in the current macroeconomic environment. 15 years after being formed, Osum still has not been able to pay a dividend to its owners or achieve an initial public offering or other value enhancing transaction to provide Shareholders with a liquidity event.

See Section 6 of the Circular, "Reasons to Accept the Offer".

CONDITIONS OF THE OFFER

The Offer is conditional upon the specified conditions being satisfied, or where permitted, waived at the Expiry Time or such earlier or later time during which Common Shares may be deposited under the Offer, excluding the Mandatory Extension Period, which include: (a) the Minimum Tender Condition having been satisfied; (b) the Offeror having determined, in its sole judgment, that there does not exist and there shall not have occurred or been publicly disclosed since the date of the Offer, a Material Adverse Effect; (c) the Offeror having determined, in its sole judgment, that no material asset sales outside of the Ordinary Course have occurred; (d) the Regulatory Approvals having been obtained and/or waiting periods expired, including the Competition Act Clearance, and (e) WEF Directors representing at least a majority of the Osum Board, as more particularly described herein. The Minimum Tender Condition cannot be waived by the Offeror. These and other conditions of the Offer are described in Section 4 of the Offer to Purchase, "Conditions of the Offer". The Offer is not subject to any conditions relating to due diligence, financing or shareholder approval of the Offeror.

Notwithstanding any other provision of the Offer, but subject to applicable Laws, we will have the right to withdraw the Offer or extend the Offer, and shall not be required to take up and pay for any Common Shares validly deposited under the Offer, unless the conditions described in Section 4 of the Offer to Purchase, "Conditions of the Offer", are satisfied or, where permitted, waived at or prior to the Expiry Time.

THE OFFEROR'S SOURCE OF FUNDING FOR THE OFFER

If we acquire all 52,500,000 Common Shares subject to the Offer, the total amount required for the purchase will be \$126 million, plus related fees and expenses associated with the Offer. The Offeror has made adequate arrangements to ensure that the required funds are available to effect payment in full, less any required withholding taxes, of the consideration for all of the Common Shares acquired pursuant to the Offer and any Subsequent Acquisition Transaction. See Section 8 of the Circular, "Source of Funds".

LOCK-UP AGREEMENTS

WEF Management Corp, on behalf of the Offeror, has entered into the Lock-Up Agreements with the Locked-Up Shareholders pursuant to which, subject to certain conditions, they have agreed to tender their Common Shares to the Offer. As of November 4, 2020, the Lock-Up Agreements represented approximately 19% of the total outstanding Common Shares, which represents approximately 35% of the Common Shares not owned by WEF, and approximately 70% of the outstanding Common Shares required to be deposited pursuant to the Offer to achieve the Minimum Tender Condition.

Under the Lock-Up Agreements, each of the Locked-Up Shareholders has agreed, subject to certain conditions, to take all actions necessary to validly deposit under the Offer, or cause to be validly deposited, all of the Common Shares owned by such Locked-Up Shareholder or over which the Locked-Up Shareholder exercises control or direction (including any other Common Shares directly or indirectly acquired by or issued to such Locked-Up Shareholder after the date of the applicable Lock-Up Agreement). In addition, the Locked-Up Shareholders have agreed not to sell or transfer any of their Common Shares and not to exercise any statutory or other rights of withdrawal in respect of the Offer. See Section 5 of the Circular, "Lock-Up Agreements".

MANNER OF ACCEPTANCE

A Shareholder who wishes to accept the Offer must properly complete and execute the accompanying Letter of Transmittal (printed on **YELLOW** paper) and deposit it, at or prior to the Expiry Time, together with certificate(s) or DRS Statement(s), as applicable, representing their Common Shares and all other required documents, with the Depository and Information Agent at its office in Toronto, Ontario at the address indicated in the Letter of Transmittal in accordance with the instructions set out in the Letter of Transmittal. See Section 3 of the Offer to Purchase, "Manner of Acceptance – Letter of Transmittal".

If a Shareholder wishes to accept the Offer and validly deposit its Common Shares under the Offer and the certificate(s) representing such Shareholder's Common Shares is (are) not immediately available, or if the certificate(s) and all other required documents cannot be provided to the Depository and Information Agent at or prior to the Expiry Time, such Common Shares nevertheless may be validly deposited under the Offer in compliance with the procedures for guaranteed delivery using the accompanying Notice of Guaranteed Delivery (printed on **PINK** paper), or a manually executed facsimile thereof, in accordance with the instructions in the Notice of Guaranteed Delivery. See Section 3 of the Offer to Purchase, "Manner of Acceptance – Procedure for Guaranteed Delivery".

Shareholders may accept the Offer by following the procedures for book-entry transfer established by CDS, provided that a Book-Entry Confirmation through CDSX is received by the Depository and Information Agent at its office in Toronto, Ontario at the address indicated in the Letter of Transmittal at or prior to the Expiry Time. Shareholders accepting the Offer through book-entry transfer must make sure such documents are received by the Depository and Information Agent at or prior to the Expiry Time. See Section 3 of the Offer to Purchase, "Manner of Acceptance – Acceptance by Book-Entry Transfer".

Shareholders will not be required to pay any fee or commission if they accept the Offer by validly depositing their Common Shares directly with the Depository and Information Agent. Shareholders should consult their investment advisor, stockbroker or other nominee to determine whether other charges will apply.

Shareholders whose Common Shares are registered in the name of an investment advisor, stockbroker, bank, trust company or other nominee should immediately contact that nominee for assistance if they wish to accept

the Offer. Intermediaries likely have established deposit cut-off times that are prior to the Expiry Time. Shareholders must instruct their brokers or other intermediaries promptly if they wish to validly deposit their Common Shares.

Shareholders should contact the Depositary and Information Agent or a broker or dealer for assistance in accepting the Offer and in validly depositing Common Shares with the Depositary and Information Agent. The Depositary and Information Agent can be contacted within North America at 1-866-581-0506 and outside of North America at 1-416-867-2272 or by e-mail at contactus@kingsdaleadvisors.com.

LOST CERTIFICATES

If a certificate representing Common Shares has been lost or destroyed, the Letter of Transmittal should be completed to the extent possible and forwarded, together with a letter describing the loss and a contact telephone number, to the Depositary and Information Agent at its office specified in the Letter of Transmittal. The Depositary and Information Agent will forward a copy to the transfer agent for the Common Shares and such transfer agent will advise the Shareholder of the steps that the Shareholder must take to obtain a replacement certificate for its Common Shares. The foregoing action must be taken sufficiently in advance of the Expiry Time in order to obtain a replacement certificate in sufficient time to permit the Common Shares represented by the replacement certificate to be deposited under the Offer at or prior to the Expiry Time.

TAKE UP AND PAYMENT FOR DEPOSITED COMMON SHARES

If all of the conditions of the Offer described in Section 4 of the Offer to Purchase, "Conditions of the Offer", have been satisfied or, where permitted, waived by us at the Expiry Time, we will, (a) at the First Take Up Time, proportionately take up the maximum number of Common Shares validly deposited under the Offer and not properly withdrawn as permitted by applicable Laws and will pay for such Common Shares taken up as soon as possible but in any event not later than three business days after the First Take Up Time, and (b) extend the Offer for the Mandatory Extension Period.

Any Deposited Common Shares not taken up at the First Take Up Time in accordance with applicable Laws, and Common Shares deposited during the Mandatory Extension Period, must be proportionately taken up (subject to the maximum of 52,500,000 Common Shares under the Offer and taking into account, for each depositing Shareholder, any Common Shares already taken up at the First Take Up Time) at the Second Take Up Time and paid for as soon as possible but not later than three business days after the Second Take Up Time. See Section 6 of the Offer to Purchase, "Take Up of and Payment for Deposited Common Shares".

The obligation of the Offeror under the Offer will be fully satisfied upon the payment of the Offer Price, less any required withholding taxes, for all validly Deposited Common Shares that are taken up by the Offeror to the Depositary and Information Agent in Canadian dollars.

WITHDRAWAL OF DEPOSITED COMMON SHARES

Subject to certain exceptions, Common Shares validly deposited under the Offer may be properly withdrawn by or on behalf of the depositing Shareholder at any time before the Common Shares have been taken up by the Offeror under the Offer and in the other circumstances described in Section 7 of the Offer to Purchase, "Withdrawal of Deposited Common Shares". Except as so indicated or as otherwise required by applicable Laws, deposits of Common Shares are irrevocable.

To properly withdraw previously deposited Common Shares, Shareholders must send a written notice of withdrawal to the Depositary and Information Agent prior to the occurrence of certain events and within the time periods set forth in Section 7 of the Offer to Purchase, "Withdrawal of Deposited Common Shares". The notice must contain the specific information outlined in Section 7 of the Offer to Purchase, "Withdrawal of Deposited Common Shares". If a Shareholder's stockbroker, dealer, bank or other nominee has deposited Common Shares on the Shareholder's behalf and the Shareholder wishes to properly withdraw such Common Shares, the Shareholder must arrange for such nominee to timely withdraw such Common Shares.

ACQUISITION OF COMMON SHARES NOT DEPOSITED AND/OR TAKEN UP

The Offeror intends to acquire all of the remaining Common Shares not acquired under the Offer pursuant to a Subsequent Acquisition Transaction as soon as possible following, but no later than 120 days after, the date of expiry of the Offer. We intend to cause the Common Shares acquired under the Offer to be voted in favour of such Subsequent Acquisition Transaction. The timing and details of such a Subsequent Acquisition Transaction will depend on a variety of factors at the time of such transaction. Pursuant to the terms of the Commitment Letter, the Offeror agreed with the Lenders that any Subsequent Acquisition Transaction will be completed as soon as possible following, but no later than 120 days after, the date of expiry of the Offer. In connection therewith, the Offeror and Crescentwood have entered into the Equity Commitment Agreement to backstop funding of the Subsequent Acquisition Transaction, if needed.

If the Offeror takes up Common Shares under the Offer, the Offeror and WEF will hold more than 66 $\frac{2}{3}$ % of the Common Shares, which will limit the ability of other Shareholders to influence actions of Osum. See Section 13 of the Circular, "Acquisition of Common Shares Not Deposited and/or Taken Up".

DISSENT OR APPRAISAL RIGHTS

Shareholders will not have dissent or appraisal rights in connection with the Offer. However, Shareholders who do not validly deposit their Common Shares under the Offer, or whose Common Shares are not taken up pursuant to the Offer, as applicable, may have certain rights of dissent in the event the Offeror acquires their Common Shares by way of a Subsequent Acquisition Transaction. See Section 13 of the Circular, "Acquisition of Common Shares Not Deposited and/or Taken Up".

CERTAIN TAX CONSIDERATIONS

If you are in any doubt as to your tax position or are subject to taxation in any jurisdiction other than Canada, you should consult an appropriate professional advisor immediately.

Certain Canadian Federal Income Tax Considerations

Generally, a Resident Holder who deals at arm's length with us and Osum, who is not affiliated with us or Osum, who did not acquire Common Shares pursuant to an employee compensation plan, who holds the Common Shares as capital property and who disposes of the Common Shares to us under the Offer will realize a capital gain (or capital loss) equal to the amount by which the cash received, net of any reasonable costs of disposition, exceeds (or is exceeded by) the aggregate adjusted cost base to the Resident Holder of those Common Shares immediately before the disposition.

Generally, a Non-Resident Holder who does not use or hold its Common Shares in connection with carrying on a business in Canada will not be subject to tax under the Tax Act on any capital gain realized on a disposition of the Common Shares pursuant to the Offer, unless the Common Shares constitute "taxable Canadian property" of the Non-Resident Holder for purposes of the Tax Act and the Non-Resident Holder is not entitled to relief under an applicable income tax convention between Canada and the country in which the Non-Resident Holder is resident.

In the event that the Common Shares constitute taxable Canadian property to a particular Non-Resident Holder on the disposition thereof pursuant to the Offer, the provisions of section 116 of the Tax Act will apply to such Non-Resident Holder and the Offeror in respect of the disposition of Common Shares. Non-Resident Holders should consult their own tax advisors concerning section 116 of the Tax Act and their Canadian tax liability.

The foregoing is a very brief summary of certain Canadian federal income tax considerations and is qualified in its entirety by Section 20 of the Circular, "Certain Canadian Federal Income Tax Considerations", which provides a summary of the principal Canadian federal income tax considerations generally applicable to certain Shareholders. Shareholders are urged to consult their own tax advisors to determine the particular tax

consequences to them of disposing of the Common Shares under the Offer or a Subsequent Acquisition Transaction.

DEPOSITARY AND INFORMATION AGENT

The Offeror has retained Kingsdale Advisors to act as the Depositary and Information Agent to provide information to Shareholders in connection with the Offer and to receive deposits of certificate(s) or DRS Statement(s), as applicable, or other evidence representing Common Shares and accompanying Letters of Transmittal deposited under the Offer at its office in Toronto, Ontario at the address specified in the Letter of Transmittal. In addition, the Depositary and Information Agent will receive deposits of Notices of Guaranteed Delivery at its office in Toronto, Ontario at the address specified in the Notice of Guaranteed Delivery. The Depositary and Information Agent will also be responsible for giving certain notices, if required by applicable Law, and for making payment for all Common Shares purchased by the Offeror under the Offer. The Depositary and Information Agent will also facilitate book-entry transfers of Common Shares. The Depositary and Information Agent will receive reasonable and customary compensation from the Offeror for its services in connection with the Offer, will be reimbursed for certain out-of-pocket expenses and will be indemnified against certain liabilities. The Depositary and Information Agent can be contacted by telephone toll-free at 1-866-581-0506 within North America and at 1-416-867-2272 outside of North America or by e-mail at contactus@kingsdaleadvisors.com.

Full contact details for the Depositary and Information Agent are provided on the last page of this document. See Section 21 of the Circular, "Depositary and Information Agent".

Shareholders should also contact their respective dealers, brokers, investment advisors, lawyers and other professional advisors for assistance concerning the Offer.

No fee or commission will be payable by any Shareholder who transmits such Shareholder's Common Shares directly to the Depositary and Information Agent to accept the Offer.

OFFER TO PURCHASE

The accompanying Circular, which is incorporated into and forms part of the Offer to Purchase, contains important information that should be read carefully before making a decision with respect to the Offer. Unless the context otherwise requires, terms used but not defined in the Offer to Purchase have the respective meanings given to them in the accompanying Glossary.

November 4, 2020

TO: THE SHAREHOLDERS OF OSUM OIL SANDS CORP.

1. The Offer

The Offeror hereby offers to purchase, on the terms and subject to the Minimum Tender Condition and the other conditions of the Offer, up to 52,500,000 Common Shares (representing approximately 72% of the outstanding Common Shares, excluding the Common Shares beneficially owned, or over which control or direction is exercised, by the Offeror or by any person acting jointly or in concert with the Offeror), including any Common Shares that may become outstanding after the date of the Offer but before the Expiry Time of the Offer upon the exercise, vesting, exchange or conversion into, or settling in, Common Shares of Convertible Securities, at a price of \$2.40 in cash per Common Share (the "**Offer Price**"), without any interest and less any required withholding taxes.

If more than 52,500,000 Common Shares are deposited under the Offer and not withdrawn, the Common Shares to be purchased from each depositing Shareholder will, as required by applicable Laws, be determined on a proportionate basis according to the number of Common Shares deposited by each Shareholder, disregarding fractions, by rounding down to the nearest whole number of Common Shares.

If all 72,594,101 outstanding Common Shares not owned by WEF are deposited under the Offer, the Offeror will take up the maximum 52,500,000 Common Shares, and approximately 72% of each Shareholder's Common Shares will be taken up and paid for under the Offer (assuming, for the purposes of this illustrative example, that no Common Shares are issued after the date of the Offer but prior to the Expiry Time upon the exercise, vesting, exchange or conversion into, or settling in, of any Convertible Securities). If fewer than 72,594,101 Common Shares are deposited under the Offer, the percentage of Common Shares taken up from each depositing Shareholder will be greater than the take-up percentage noted in the preceding sentence. If the Minimum Tender Condition is met, but less than 52,500,000 Common Shares are deposited to the Offer, then all of the Common Shares deposited by a depositing Shareholder will be taken up and paid for by the Offeror.

The Offer is being made only for Common Shares and is not made for any Convertible Securities. Any holder of Convertible Securities who wishes to accept the Offer must, to the extent permitted by the terms of such Convertible Securities and applicable Laws, exercise, exchange or convert such Convertible Securities in order to obtain certificates representing Common Shares and deposit those Common Shares in accordance with the terms of the Offer. Any such exercise, exchange or conversion must be completed sufficiently in advance of the Expiry Time to ensure that the holder of such Convertible Securities will have certificates representing the Common Shares received on such exercise, exchange or conversion available for deposit at or prior to the Expiry Time, or in sufficient time to comply with the procedures referred to in Section 3 of the Offer to Purchase, "Manner of Acceptance – Procedure for Guaranteed Delivery".

Common Shares issued on the exercise, exchange, conversion or settlement of Convertible Securities shall, subject to compliance with the procedures applicable generally to the tendering of the Common Shares of the Offer, be eligible to be deposited under the Offer.

The tax consequences to holders of Convertible Securities exercising, exchanging or converting such securities are not described in Section 20 of the Circular, "Certain Canadian Federal Income Tax Considerations". Holders of Convertible Securities should consult their tax advisors for advice with respect to potential income tax consequences to them in connection with the decision whether to exercise, exchange or convert their Convertible Securities.

The obligation of the Offeror to take up and pay for Common Shares pursuant to the Offer is subject to certain conditions. See Section 4 of the Offer to Purchase, "Conditions of the Offer".

The obligation of the Offeror under the Offer will be fully satisfied upon the payment of the Offer Price, less any required withholding taxes, for all Deposited Common Shares that are taken up by the Offeror to the Depositary and Information Agent in Canadian dollars.

Shareholders who do not validly deposit their Common Shares under the Offer will not be entitled to any right of dissent or appraisal in connection with the Offer. However, Shareholders who do not validly deposit their Common Shares under the Offer or whose Common Shares are not taken up pursuant to the Offer, as applicable, may have certain rights of dissent in the event the Offeror acquires such Common Shares by way of a Subsequent Acquisition Transaction, including the right to seek judicial determination of the fair value of their Common Shares. See Section 13 of the Circular, "Acquisition of Common Shares Not Deposited and/or Taken Up".

Shareholders should contact the Depositary and Information Agent or a broker or dealer for assistance in accepting the Offer and in validly depositing Common Shares with the Depositary and Information Agent. The Depositary and Information Agent can be contacted within North America at 1-866-581-0506 and outside of North America at 1-416-867-2272 or by e-mail at contactus@kingsdaleadvisors.com.

Shareholders will not be required to pay any fee or commission if they accept the Offer by validly depositing their Common Shares directly with the Depositary and Information Agent. However, an investment advisor, stockbroker, bank, trust company or other intermediary through whom Shareholders own Common Shares may charge a fee to tender any such Common Shares on their behalf. Shareholders should consult their investment advisor, stockbroker, bank, trust company or other intermediary to determine whether other charges will apply.

This document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being made to, nor will deposits be accepted from or on behalf of, Shareholders in any jurisdiction in which the making or acceptance of the Offer would not be in compliance with the Laws of such jurisdiction. However, the Offeror may, in its sole discretion, take such action as it may deem necessary to extend the Offer to Shareholders in any such jurisdiction.

2. Time for Acceptance

The Offer is open for acceptance from the date of the Offer until 5:00 p.m. (Calgary time) on February 24, 2021 or such later time or times and date or dates as may be fixed by the Offeror from time to time pursuant to Section 5 of the Offer to Purchase, "Extension, Variation or Change in the Offer", unless the Offer is otherwise varied or withdrawn by the Offeror.

If the Minimum Tender Condition is satisfied and the other conditions to the Offer are satisfied or waived at the Expiry Time, such that the Offeror is obligated to proportionately take up Deposited Common Shares to the extent permitted by Law, the Offeror will make a public announcement of the foregoing matters and extend the period during which Common Shares may be deposited under the Offer for the Mandatory Extension Period. See Section 6 of the Offer to Purchase, "Take Up of and Payment for Deposited Common Shares".

The Initial Deposit Period under the Offer satisfies the requirement for a minimum statutory deposit period of at least 105 days under applicable Law. The Initial Deposit Period under the Offer may be shortened in the following circumstances, subject to a minimum deposit period of at least 35 days from the date of the Offer: (a) if Osum issues a deposit period news release in respect of either the Offer or another offeror's take-over bid that stipulates a deposit period of less than 105 days, the Offeror may, but is not required to, vary the terms of the Offer to shorten the Initial Deposit Period to at least the same number of days from the date of the Offer as stated in the deposit period news release; (b) if Osum issues a news release announcing that it has agreed to enter into, or determined to effect, an Alternative Transaction; or (c) if permitted by an order of the applicable Securities Regulatory Authorities. In these circumstances, the Offeror may vary the terms of the Offer to shorten the Initial Deposit Period to at least 35 days from the date of the Offer.

Shareholders whose Common Shares are registered in the name of an investment advisor, stockbroker, bank, trust company or other nominee should immediately contact such nominee for assistance in validly depositing their Common Shares. Intermediaries likely have established deposit cut-off times that are prior to the Expiry Time. Shareholders must instruct their brokers or other intermediaries promptly if they wish to deposit their Common Shares.

3. Manner of Acceptance

Letter of Transmittal

The Offer may be accepted by Shareholders delivering to the Depository and Information Agent at its office in Toronto, Ontario at the address indicated in the Letter of Transmittal (printed on **YELLOW** paper) accompanying the Offer, so as to be received at or prior to the Expiry Time:

- (a) certificate(s) or DRS Statement(s), as applicable, representing the Common Shares in respect of which the Offer is being accepted;
- (b) a Letter of Transmittal in the form accompanying the Offer or a manually executed facsimile thereof, properly completed and executed in accordance with the instructions set out in the Letter of Transmittal (including signature guarantee if required); and
- (c) all other documents required by the terms of the Offer and the Letter of Transmittal.

The Offeror understands that CDS will be issuing instructions to their participants as to the method of validly depositing such Common Shares under the terms of the Offer.

Shareholders will not be required to pay any fee or commission if they accept the Offer by validly depositing their Common Shares directly with the Depository and Information Agent to accept the Offer.

The signature on the Letter of Transmittal must be guaranteed by an Eligible Institution or in some other manner acceptable to the Depository and Information Agent (except that no guarantee is required for the signature of a depositing Shareholder which is an Eligible Institution) if it is signed by a person other than the registered owner(s) of the Common Shares being deposited, or if the Common Shares not purchased are to be returned to a person other than such registered owner(s) or sent to an address other than the address of the registered owner(s) as shown on the registers of Osum, or if payment is to be issued in the name of a person other than the registered owner(s) of the Common Shares being deposited. If a Letter of Transmittal is executed by a person other than the registered holder of the Common Shares represented by the certificate(s) deposited therewith, or if the cash payable is to be delivered to a person other than the registered holder, then the certificate(s) must be endorsed or be accompanied by an appropriate share transfer power of attorney duly and properly completed by the registered holder, with the signature on the endorsement panel or share transfer power of attorney guaranteed by an Eligible Institution.

In all cases, the Offer will be deemed to be accepted only if the Depository and Information Agent has actually received these documents at its office in Toronto, Ontario at the address indicated in the Letter of Transmittal at or prior to the Expiry Time. Alternatively, Common Shares held by a Shareholder may be validly deposited under the Offer in compliance with the procedures for guaranteed delivery set out below under the heading "Manner of Acceptance – Procedure for Guaranteed Delivery" or in compliance with the procedures for book-entry transfers set out below under the heading "Manner of Acceptance – Acceptance by Book-Entry Transfer".

Procedure for Guaranteed Delivery

If a Shareholder wishes to validly deposit Common Shares pursuant to the Offer and: (a) the certificate(s) representing such Common Shares is (are) not immediately available; or (b) the certificate(s) and all other required documents cannot be delivered to the Depository and Information Agent at or prior to the Expiry Time, such Common Shares may nevertheless be validly deposited under the Offer provided that all of the following conditions are met:

- (a) the deposit is made by or through an Eligible Institution;
- (b) a properly completed and executed Notice of Guaranteed Delivery (printed on **PINK** paper) in the form accompanying the Offer, or a manually executed facsimile thereof, including the guarantee of delivery by an Eligible Institution in the form set out in the Notice of Guaranteed Delivery, is received by the Depository and Information Agent at its office in Toronto, Ontario at the address indicated in the Notice of Guaranteed Delivery at or prior to the Expiry Time; and
- (c) the certificate(s) representing all Deposited Common Shares in proper form for transfer, together with a Letter of Transmittal, or a manually executed facsimile thereof, properly completed and duly executed as required by the instructions set out in the Letter of Transmittal (including signature guarantee if required) and all other documents required by the terms of the Offer and the Letter of Transmittal, are received by the Depository and Information Agent at its office in Toronto, Ontario at the address indicated in the Letter of Transmittal prior to 5:00 p.m. (Toronto time) on the second business day after the Expiry Time.

The Notice of Guaranteed Delivery must be delivered by courier or transmitted by facsimile or mailed to the Depository and Information Agent at its office in Toronto, Ontario at the address indicated in the Notice of Guaranteed Delivery at or prior to the Expiry Time and must include a guarantee by an Eligible Institution in the form set out in the Notice of Guaranteed Delivery. Delivery of the Notice of Guaranteed Delivery and the Letter of Transmittal and accompanying certificate(s) representing Common Shares and all other required documents to an address or transmission by facsimile to a facsimile number other than those specified in the Notice of Guaranteed Delivery does not constitute delivery for purposes of satisfying a guaranteed delivery.

Acceptance by Book-Entry Transfer

Shareholders whose Common Shares are held through CDS may accept the Offer by following the procedures for a book-entry transfer established by CDS, provided that a Book-Entry Confirmation through CDSX is received by the Depository and Information Agent at its office in Toronto, Ontario at the address indicated in the Letter of Transmittal at or prior to the Expiry Time. The Depository and Information Agent has established an account at CDS for the purpose of the Offer. Any financial institution that is a participant in CDS may make a book-entry transfer of a Shareholder's Common Shares into the Depository and Information Agent's account in accordance with CDS procedures for such transfer. Delivery of Common Shares to the Depository and Information Agent by means of a book-entry transfer will constitute a valid deposit of such Common Shares under the Offer.

Shareholders, through their respective CDS participants, who utilize CDSX to accept the Offer through a book-entry transfer of their holdings into the Depository and Information Agent's account with CDS shall be deemed to have completed and submitted a Letter of Transmittal and to be bound by the terms thereof and therefore such instructions received by the Depository and Information Agent are considered a valid deposit under and in accordance with the terms of the Offer.

General

In all cases, the Offer will be deemed to be accepted by a Shareholder only if the Depository and Information Agent has actually received the requisite documents at its office in Toronto, Ontario at the address indicated in the Letter of Transmittal at or prior to the Expiry Time. In all cases, payment to the Shareholder from the Depository and Information Agent for Common Shares validly deposited and taken up by the Offeror will be made only after timely receipt by the Depository and Information Agent of (a) the certificate(s) representing the Common Shares (or, in the case of a book-entry transfer to the Depository and Information Agent, a Book-Entry Confirmation for the Common Shares), (b) a Letter of Transmittal, or a manually executed facsimile thereof, properly completed and duly executed, covering those Common Shares with the signatures guaranteed, if required, in accordance with the instructions set out in the Letter of Transmittal, or in the case of Common Shares validly deposited by book-entry transfer, a Book-Entry Confirmation, and (c) all other required documents.

The method of delivery of certificate(s) or DRS Statement(s), as applicable, representing Common Shares, the Letter of Transmittal, the Notice of Guaranteed Delivery and all other required documents is at the option and

risk of the person depositing such documents. The Offeror recommends that Shareholders deliver all such documents by courier to the Depository and Information Agent and obtain a receipt or, if mailed, that registered mail, with return receipt requested, be used and that proper insurance be obtained. It is suggested that any such mailing be made sufficiently in advance of the Expiry Time to permit delivery to the Depository and Information Agent before the Expiry Time. Delivery will only be effective upon actual physical receipt by the Depository and Information Agent.

All questions as to the validity, form, eligibility (including, without limitation, timely receipt) and acceptance of any Common Shares deposited pursuant to the Offer will be determined by the Offeror in its sole discretion. Depositing Shareholders agree that such determination shall be final and binding. The Offeror reserves the absolute right to reject any and all deposits which it determines not to be in proper form or which may be unlawful to accept under the Laws of any applicable jurisdiction. The Offeror reserves the absolute right to waive any defects or irregularities in any deposit of any Common Shares. There shall be no duty or obligation on the Offeror, the Depository and Information Agent or any other person to give notice of any defects or irregularities in any deposit and no liability shall be incurred by any of them for failure to give any such notice. The Offeror's interpretation of the terms and conditions of the Offer, the Circular, the Letter of Transmittal, the Notice of Guaranteed Delivery and any other related documents will be final and binding.

The Offeror reserves the right to permit the Offer to be accepted in a manner other than that set out in this Section 3.

Under no circumstance will interest accrue or any amount be paid by the Offeror or the Depository and Information Agent by reason of any delay in making payments for Common Shares to any person on account of Common Shares accepted for payment under the Offer.

Shareholders will not be required to pay any fee or commission if they accept the Offer by validly depositing their Common Shares directly with the Depository and Information Agent.

The Offer to Purchase and Circular, Letter of Transmittal and Notice of Guaranteed Delivery are being sent to both Registered Shareholders and, if applicable, non-registered Shareholders of the Common Shares and Convertible Securities. If you are a non-registered Shareholder, and the Offer to Purchase and Circular, Letter of Transmittal and Notice of Guaranteed Delivery have been sent directly to you, your name and address and information about your holdings of the Common Shares and Convertible Securities, as applicable, have been obtained in accordance with applicable securities Laws from the intermediary holding on your behalf.

Shareholders whose Common Shares are registered in the name of an investment advisor, stockbroker, bank, trust company or other nominee should immediately contact such nominee for assistance in validly depositing their Common Shares if they wish to accept the Offer. Intermediaries likely have established deposit cut-off times that are prior to the Expiry Time. Shareholders must instruct their brokers or other intermediaries promptly if they wish to deposit their Common Shares.

Participants of CDS should contact the Depository and Information Agent or a broker or dealer if they require assistance in accepting the Offer and in validly depositing Common Shares with the Depository and Information Agent.

Dividends and Distributions

Subject to the terms and conditions of the Offer and subject, in particular, to Common Shares being properly withdrawn by or on behalf of a depositing Shareholder, and except as provided below, by accepting the Offer pursuant to the procedures set out herein, a Shareholder assigns to the Offeror all right, title and interest in and to the Common Shares covered by the Letter of Transmittal or book-entry transfer (collectively, the "**Deposited Common Shares**") and in and to all rights and benefits arising from such Deposited Common Shares including, without limitation, any and all dividends, distributions, payments, securities, property or other interests that may be declared, paid, accrued, issued, distributed, made or transferred on or in respect of the Deposited Common Shares or any of them on and after the date of the Offer, including, without limitation, any dividends, distributions or payments on such dividends, distributions, payments, securities, property or other interests (collectively, "**Distributions**").

Notwithstanding such assignment, if, on or after the date of the Offer, Osum should declare, set aside or pay any dividend or declare, make or pay any other distribution or payment on or declare, allot, reserve or issue any securities, rights or other interests with respect to any Common Share, which is or are payable or distributable to Shareholders on a record date prior to the date of transfer into the name of the Offeror or its nominee or transferee on the securities register maintained by or on behalf of Osum in respect of Common Shares accepted for purchase under the Offer, then (and without prejudice to its rights under Section 4 of the Offer to Purchase, "Conditions of the Offer"): (a) in the case of any such cash dividends, distributions or payments that in an aggregate amount do not exceed the purchase price per Common Share payable, the amount of the dividends, distributions or payments will be received and held by the depositing Shareholder for the account of the Offeror until the Offeror pays for such Common Shares and the purchase price per Common Share payable by the Offeror pursuant to the Offer will be reduced by the amount of any such dividend, distribution or payment, and (b) in the case of any such cash dividends, distributions or payments that in an aggregate amount exceeds the purchase price per Common Share payable by the Offeror pursuant to the Offer, or in the case of any non-cash dividend, distribution, payment, securities, property, rights, assets or other interests, the whole of any such dividend, distribution, payment, securities, property, rights, assets or other interests (and not simply the portion that exceeds the purchase price per Common Share payable by the Offeror under the Offer) will be received and held by the depositing Shareholder for the account of the Offeror and will be promptly remitted and transferred by the depositing Shareholder to the Depository and Information Agent for the account of the Offeror, accompanied by appropriate documentation of transfer. Pending such remittance, the Offeror will be entitled to all rights and privileges as the owner of any such dividend, distribution, payment, securities, property, rights, assets or other interests and may withhold the entire purchase price payable by the Offeror under the Offer or deduct from the consideration payable by the Offeror under the Offer the amount or value thereof, as determined by the Offeror in its sole discretion. See also Section 9 of the Offer to Purchase "Changes in Capitalization; Adjustments; Liens".

The declaration or payment of any such dividend or distribution may have tax consequences not described under Section 20 of the Circular, "Certain Canadian Federal Income Tax Considerations". Shareholders should consult their own tax advisors as to the tax consequences of the declaration or payment of any such dividend or distribution.

Power of Attorney

The execution of a Letter of Transmittal (or, in the case of Common Shares deposited by book-entry transfer, the making of the book-entry transfer) irrevocably constitutes and appoints, effective at and after the First Take Up Time or the Second Take Up Time, as the case may be, each director and officer of the Offeror, and any other person designated by the Offeror in writing, as the true and lawful agent, attorney, attorney-in-fact and proxy of the holder of the Deposited Common Shares (which Deposited Common Shares upon being taken up are, together with any Distributions thereon, hereinafter referred to as the "**Purchased Securities**") (or on whose behalf a book-entry transfer) with respect to such Purchased Securities, with full power of substitution (such powers of attorney, being coupled with an interest, being irrevocable), in the name of and on behalf of such Shareholder:

- (a) to register or record the transfer and/or cancellation of such Purchased Securities, to the extent consisting of securities, on the appropriate securities registers maintained by or on behalf of Osum;
- (b) for so long as any such Purchased Securities are registered or recorded in the name of such Shareholder, to exercise any and all rights of such Shareholder including, without limitation, the right to vote, to execute and deliver (provided the same is not contrary to applicable Laws), as and when requested by the Offeror, any and all instruments of proxy, authorizations or consents in form and on terms satisfactory to the Offeror in respect of any or all Purchased Securities, to revoke any such instruments, authorizations or consents given prior to or after the First Take Up Time or the Second Take Up Time, as the case may be, and to designate in any such instruments, authorizations or consents any person or persons as the proxyholder of such Shareholder in respect of such Purchased Securities for all purposes including, without limitation, in connection with any meeting or meetings (whether annual, special or otherwise, or any adjournments thereof, including, without limitation, any meeting to consider a Subsequent Acquisition Transaction) of holders of relevant securities of Osum;

- (c) to execute, endorse and negotiate, for and in the name of and on behalf of such Shareholder, any and all cheques or other instruments representing any Distributions payable to or to the order of, or endorsed in favour of, such Shareholder; and
- (d) to exercise any other rights of a Shareholder with respect to such Purchased Securities, all as set out in the Letter of Transmittal.

A Shareholder accepting the Offer under the terms of the Letter of Transmittal (including by book-entry transfer) (or on whose behalf a book-entry transfer) revokes any and all other authority, whether as agent, attorney-in-fact, attorney, proxy or otherwise, previously conferred or agreed to be conferred by the Shareholder at any time with respect to the Deposited Common Shares or any Distributions. Such depositing Shareholder agrees that no subsequent authority, whether as agent, attorney-in-fact, attorney, proxy or otherwise will be granted with respect to the Deposited Common Shares or any Distributions by or on behalf of the depositing Shareholder unless the Deposited Common Shares are not taken up and paid for under the Offer or are properly withdrawn in accordance with Section 7 of the Offer to Purchase, "Withdrawal of Deposited Common Shares".

A Shareholder accepting the Offer under the terms of the Letter of Transmittal (including by book-entry transfer) (or on whose behalf a book-entry transfer) also agrees not to vote any of the Purchased Securities at any meeting (whether annual, special or otherwise or any adjournments thereof, including, without limitation, any meeting to consider a Subsequent Acquisition Transaction) of holders of relevant securities of Osum and, except as may otherwise be agreed with the Offeror, not to exercise any of the other rights or privileges attached to the Purchased Securities, and agrees to execute and deliver to the Offeror any and all instruments of proxy, authorizations or consents in respect of all or any of the Purchased Securities, and agrees to designate or appoint in any such instruments of proxy, authorizations or consents, the person or persons specified by the Offeror as the proxy or the proxy nominee or nominees of the holder of the Purchased Securities. Upon such appointment, all prior proxies and other authorizations (including, without limitation, all appointments of any agent, attorney or attorney-in-fact) or consents given by the holder of such Purchased Securities with respect thereto will be revoked and no subsequent proxies or other authorizations or consents may be given by such person with respect thereto.

Further Assurances

A Shareholder accepting the Offer covenants under the terms of the Letter of Transmittal (including by book-entry transfer) (or on whose behalf a book-entry transfer) to execute, upon request of the Offeror, any additional documents, transfers and other assurances as may be necessary or desirable to complete the sale, assignment and transfer of the Purchased Securities to the Offeror. Each authority therein conferred or agreed to be conferred is, to the extent permitted by applicable Laws, irrevocable and may be exercised during any subsequent legal incapacity of such Shareholder and shall, to the extent permitted by applicable Laws, survive the death or incapacity, bankruptcy or insolvency of the Shareholder and all obligations of the Shareholder therein shall be binding upon the heirs, executors, administrators, attorneys, personal representatives, successors and assigns of such Shareholder.

Formation of Agreement; Shareholder's Representations and Warranties

The acceptance of the Offer pursuant to the procedures set out above constitutes a binding agreement between a depositing Shareholder and the Offeror, effective immediately following the applicable time at which the Offeror takes up such number of Common Shares, after applying proration if applicable, in accordance with the terms of the Offer, validly deposited by such Shareholder, in accordance with the terms and conditions of the Offer and the Letter of Transmittal. This agreement includes a representation and warranty by the depositing Shareholder that (a) the person signing the Letter of Transmittal or on whose behalf a book-entry transfer is made has full power and authority to deposit, sell, assign and transfer the Deposited Common Shares and all rights and benefits arising from such Deposited Common Shares including, without limitation, any Distributions, (b) the person signing the Letter of Transmittal or on whose behalf a book-entry transfer is made owns the Deposited Common Shares and any Distributions deposited under the Offer, (c) the Deposited Common Shares and Distributions have not been sold, assigned or transferred, nor has any agreement been entered into to sell, assign or transfer any of the Deposited Common Shares or Distributions, to any other person, (d) the deposit of the Deposited Common Shares and Distributions complies with applicable Laws, and (e) when the Deposited Common Shares and Distributions are taken up and paid for by the Offeror, the

Offeror will acquire good title thereto (and to any Distributions), free and clear of all security interests, liens, restrictions, charges, encumbrances, claims and rights of others.

A Shareholder will be deemed not to have accepted the Offer if such Shareholder does not make the above representations when submitting its Letter of Transmittal. The Offeror reserves the right, in its sole discretion, to investigate, in relation to any acceptance, whether the representations could have been truthfully given by the relevant Shareholder and, if such investigation is made and as a result the Offeror determines that such representation could not have been so given, such acceptance shall not be valid if so determined by the Offeror.

4. Conditions of the Offer

Notwithstanding any other provision of the Offer, but subject to applicable Law, and in addition to (and not in limitation of) the Offeror's right to vary or change the Offer at any time prior to the Expiry Time pursuant to Section 5 of the Offer to Purchase, "Extension, Variation or Change in the Offer", the Offeror will not take up, purchase or pay for, any Common Shares unless, at the Expiry Time or such earlier or later time during which Common Shares may be deposited under the Offer, excluding the Mandatory Extension Period, there shall have been validly deposited under the Offer and not withdrawn that number of Common Shares that constitutes more than 50% of the outstanding Common Shares, excluding any Common Shares beneficially owned, or over which control or direction is exercised, by the Offeror or by any person acting jointly or in concert with the Offeror (the "**Minimum Tender Condition**"). In the event that the Minimum Tender Condition is not satisfied, the Offeror will have the right to withdraw or terminate the Offer or to extend the period of time during which the Offer is open for acceptance. The Minimum Tender Condition cannot be waived by the Offeror.

In addition, the Offeror will have the right to withdraw the Offer (or extend the Offer to postpone taking up and paying for any Common Shares deposited under the Offer), and shall not be required to take up, purchase or pay for any Common Shares deposited under the Offer, unless all of the following additional conditions are satisfied or waived by the Offeror at or prior to the Expiry Time or such earlier or later time during which Common Shares may be deposited under the Offer, excluding the Mandatory Extension Period:

- (a) the Offeror shall have determined, in its sole judgment, that there does not exist and there shall not have occurred or been publicly disclosed since the date of the Offer, a Material Adverse Effect;
- (b) the Offeror shall have determined, in its sole judgment, that neither Osum nor any of its Subsidiaries has taken any action, agreed to take any action, disclosed that it intends to take any action or disclosed any previously undisclosed action to sell, licence, lease, pledge or dispose of an interest in material assets other than sales from operations in the Ordinary Course;
- (c) all Regulatory Approvals (including the Competition Act Clearance) that are, in the Offeror's sole discretion, necessary or desirable to complete the Offer or a Subsequent Acquisition Transaction and/or prevent or avoid the occurrence of a Material Adverse Effect as a result of the completion of the Offer or a Subsequent Acquisition Transaction, shall have been obtained, received or concluded or, in the case of waiting or suspensory periods, expired or been terminated, each on terms and conditions satisfactory to the Offeror in its sole discretion, and no objection or opposition shall have been filed, initiated or made by any Governmental Entity during any applicable statutory or regulatory period which shall not have been withdrawn, defeated or overcome;
- (d) all requisite third party consents, approvals or waivers of rights that are, in the Offeror's sole judgment, necessary or advisable to complete the Offer or a Subsequent Acquisition Transaction shall have been obtained on terms satisfactory to the Offeror in its sole judgment;
- (e) there does not exist any prohibition at Law against the Offeror making the Offer or taking up and paying for the Common Shares under the Offer or completing a Subsequent Acquisition Transaction in respect of Common Shares not acquired under the Offer;
- (f) the Offeror shall have determined, in its sole judgment, that

- (i) no act, action, suit or proceeding shall have been threatened, taken or commenced by or before, and no judgment or order shall have been issued by, any domestic or foreign elected or appointed public official or private person (including, without limitation, any individual, corporation, firm, group or other entity), any governmental agency or Governmental Entity or administrative agency or commission in Canada or elsewhere, any domestic or foreign court, tribunal or other Governmental Entity or any other person in any case, whether or not having the force of Law, and
- (ii) no Law shall have been proposed, enacted, promulgated, amended or applied,

in either case: (A) to prevent or challenge the Offer or the Offeror's ability to maintain the Offer; (B) to cease trade, enjoin, prohibit, impose material limitations or conditions on or require a material variation of or make materially more costly the making of the Offer, the purchase by or the sale to the Offeror of the Common Shares, the right of the Offeror to own or exercise full rights of ownership over the Common Shares, or the consummation of a Subsequent Acquisition Transaction or which could have any such effect; (C) which has had or could have a Material Adverse Effect; (D) which seeks to compel the Offeror or any of its affiliates to dispose of or hold separate any material portion of the business, properties or assets of Osum or any of its Subsidiaries; or (E) which may make uncertain the ability of the Offeror, its affiliates or any person acting jointly or in concert with the Offeror, to complete the Offer or a Subsequent Acquisition Transaction;

- (g) the Offeror shall have determined, in its sole judgment, that neither Osum nor any of its Subsidiaries has taken any action, agreed to take any action, publicly disclosed that it intends to take any action or publicly disclosed any previously undisclosed action taken by any of them, that might make it inadvisable for the Offeror to proceed with the Offer, to take up and pay for Common Shares deposited under the Offer or complete a Subsequent Acquisition Transaction including, without limitation:
 - (i) the adoption or implementation of a shareholder rights plan or any other action that provides rights to Shareholders to purchase any securities of Osum as a result of the Offer or a Subsequent Acquisition Transaction;
 - (ii) any purchase, licence, lease or acquisition of an interest in assets other than in the Ordinary Course;
 - (iii) any amendment to their respective articles or by-laws;
 - (iv) any material capital expenditures by Osum or any other expenditures, distributions, payments or similar actions by Osum or any of its Subsidiaries, which would result in unrestricted cash as of the Expiry Time being less than \$120 million;
 - (v) any incurrence of debt or of hedge or similar obligations, the granting of any liens or security or agreements restricting the grant of liens or security, other than in the Ordinary Course;
 - (vi) except as may be required by Law, the adoption, establishment or entering into of any new, or material amendment to any existing, employment, change in control, severance, compensation, benefit or similar agreement, arrangement or plan with or for one or more of Osum's employees, consultants or directors (other than the entering into of employment agreements with new employees after November 4, 2020 who are not directors, officers or family members of directors or officers, if made in the Ordinary Course), the making of grants or awards pursuant to any agreements, arrangements or plans to provide for increased benefits to one or more employees, consultants or directors of Osum (other than the making of any grants or awards to the extent required to be made pursuant to any agreement in effect prior to November 4, 2020), or making any payment or otherwise altering the terms of any outstanding awards (including, without limitation, Convertible Securities) to provide for a payment or other entitlement that represents a material increase from that disclosed in Osum's public filings or a material deviation from the past practice of Osum;
 - (vii) any release, relinquishment or impairment of, or any threat to, any material contractual rights, leases, licences or other statutory rights;

- (viii) any guarantee of the payment of any material amount of indebtedness, liabilities or obligations of a third party;
 - (ix) any declaration, payment, authorization of any dividend, distribution or payment of or on any of its securities, other than interest payments on Osum's outstanding indebtedness in the Ordinary Course;
 - (x) any change to the capitalization of Osum or any of its Subsidiaries, including, without limitation, any issuance, authorization, adoption or proposal regarding the issuance of, or purchase, or proposal to purchase, any Common Shares or Convertible Securities other than pursuant to the exercise, conversion or exchange of Convertible Securities outstanding as of the date of the Offer;
 - (xi) any take-over bid or tender offer (including, without limitation, an issuer bid or self-tender offer) or exchange offer, merger, amalgamation, plan of arrangement, reorganization, consolidation, business combination, reverse take-over, sale of substantially all of its assets, sale of securities, recapitalization, liquidation, dissolution, winding up or similar transaction involving Osum or any of its Subsidiaries; or
 - (xii) any material joint venture, other mutual co-operation agreement or distribution agreement;
- (h) the Offeror shall have determined, in its sole judgment, that, except as expressly set forth in this Circular, no covenant, term or condition (individually or in the aggregate) exists in any material license, permit, franchise, instrument or agreement to which Osum or any of its Subsidiaries is a party or to which they or any of their assets are subject, which, if the Offer or a Subsequent Acquisition Transaction were to be consummated, might:
- (i) be impaired or otherwise adversely affected, or cause any obligation to vest or accelerate or become due prior to its stated due date (in each case, either immediately, or after notice or passage of time or both) that might materially reduce the value to it of Osum or the Common Shares or might have a Material Adverse Effect;
 - (ii) result in any material liability or obligation of the Offeror, Osum or any of their respective affiliates or subsidiaries;
 - (iii) result in any breach or default under or cause the suspension or termination of, or give rise to any right of any party to suspend or terminate, any such license, permit, franchise, instrument or agreement or any material right or benefit thereunder of Osum or any of its Subsidiaries;
 - (iv) limit any material right or benefit of Osum or any of its Subsidiaries under, or reduce the value, in any material respect, of any such license, permit, franchise, instrument or agreement; or
 - (v) adversely impact or could adversely impact the ability of the Offeror to acquire, redeem or defease any Convertible Securities that have not been converted into, exchanged for or otherwise become Common Shares at the Expiry Time or, to complete the Offer or a Subsequent Acquisition Transaction;
- (i) the Offeror shall have determined, in its sole judgment, that there shall not have occurred or been threatened on or after the date of the Offer:
- (i) any extraordinary or material adverse change in the financial, banking or capital markets in Canada;
 - (ii) a declaration of a banking moratorium or any suspension of payments in respect of banks in Canada;

- (iii) any limitation (whether or not mandatory) by any Governmental Entity on, or other event that, in the reasonable judgment of the Offeror, might affect the extension of credit by banks or other financial institutions;
- (iv) any material change in currency exchange rates or a suspension or limitation on the markets therefor,
- (v) a commencement of war or armed hostilities or other national or international calamity or pandemic involving Canada; or
- (vi) in the case of any of the foregoing existing at the time of the commencement of the Offer, a material acceleration or worsening thereof;

that might make it inadvisable for the Offeror to proceed with the Offer, to take up and pay for Common Shares deposited under the Offer or complete a Subsequent Acquisition Transaction;

- (j) neither the Offeror nor any of its affiliates shall have entered into a definitive agreement or an agreement in principle with Osum providing for a plan of arrangement, amalgamation, merger, acquisition of assets or other business combination with Osum or for the acquisition of securities of Osum or for the commencement of a new offer for the Common Shares, pursuant to which the Offeror has determined that the Offer will be terminated; and
- (k) a sufficient number of the directors of Osum who are not WEF Directors nor the nominees of any other Shareholder(s) shall have resigned and, to the extent necessary, additional directors nominated by the Offeror and WEF shall have been appointed to fill such vacancies such that WEF Directors represent at least a majority of the Osum Board and in connection therewith, such resigning directors shall have executed and delivered to Osum, with a copy to the Offeror, instruments pursuant to which they will have resigned as directors of Osum in favour of Offeror's nominees, with such resignations to become effective prior to or upon the First Take Up Time, and shall not have withdrawn or amended such resignations and, to the extent necessary, the Osum Board shall have delivered to the Offeror evidence satisfactory to the Offeror of the appointment of such additional WEF Directors effective prior to or upon the First Take Up Time.

The foregoing conditions, other than the Minimum Tender Condition, are for the exclusive benefit of the Offeror and may be asserted by the Offeror in its sole discretion at any time, regardless of the circumstances giving rise to such assertion (including any action or inaction by the Offeror giving rise to any such assertions). The Offeror, in its sole discretion, may waive any of the foregoing conditions, other than the Minimum Tender Condition, in its sole discretion, in whole or in part, at any time and from time to time, both before and after the Expiry Time, without prejudice to any other rights which the Offeror may have. Each of the foregoing conditions is independent of and in addition to each other such conditions and may be asserted irrespective of whether any other such conditions may be asserted in connection with any particular event, occurrence or state of facts or otherwise. The failure by the Offeror at any time to exercise or assert any of the foregoing rights shall not be deemed to constitute a waiver of any such right; the waiver of any such right with respect to particular facts or circumstances shall not be deemed to constitute a waiver with respect to any other facts or circumstances, and each such right shall be deemed an ongoing right which may be asserted at any time and from time to time by the Offeror. Any determination by the Offeror concerning any event or other matter described in the foregoing conditions will be final and binding upon all parties.

Any waiver of a condition or the withdrawal of the Offer shall be effective upon written notice or other communication confirmed in writing by the Offeror to that effect to the Depositary and Information Agent at its office in Toronto, Ontario. The Offeror, promptly upon giving any such notice, shall make a public announcement of such waiver or withdrawal, shall cause the Depositary and Information Agent, if required by Law, as soon as practicable thereafter to notify the Shareholders thereof in the manner set forth in Section 10 of the Offer to Purchase, "Notices and Delivery". If the Offer is withdrawn, the Offeror shall not be obligated to take up or pay for any Common Shares validly deposited under the Offer and the Depositary and Information Agent will promptly return all certificates representing Deposited Common Shares, Letters of Transmittal, Notices of Guaranteed Delivery and related documents in its possession to the parties by whom they were deposited at the Offeror's expense. See Section 8 of the Offer to Purchase, "Return of Deposited Common Shares".

5. Extension, Variation or Change in the Offer

The Offer is open for acceptance from the date of the Offer until, but not after, the Expiry Time, subject to extension or variation in accordance with the terms of the Offer, unless the Offer is withdrawn by the Offeror. In addition, if the Offeror is obligated to proportionately take up Deposited Common Shares to the extent permitted by applicable Laws at the Expiry Time, the Offer will be extended and will be open for acceptance for the Mandatory Extension Period. See Section 6 of the Offer to Purchase, "Take Up of and Payment for Deposited Common Shares".

Subject to the limitations set out below and to Section 4 of the Offer to Purchase, "Conditions of the Offer", the Offeror may, in its sole discretion, at any time and from time to time while the Offer is open for acceptance (or at any other time if permitted by applicable Laws), extend the Expiry Time or vary the Offer where permitted by applicable Laws by giving written notice (or other communication subsequently confirmed in writing, provided that such confirmation is not a condition of the effectiveness of the notice) of any extension or variation to the Depositary and Information Agent at its office in Toronto, Ontario, and by causing the Depositary and Information Agent, if required by applicable Laws, as soon as practicable thereafter to communicate such notice in the manner set out in Section 10 of the Offer to Purchase, "Notices and Delivery", to all registered Shareholders whose Common Shares have not been taken up prior to the extension or variation. The Offeror shall, as soon as practicable after giving notice of an extension, variation or change to the Depositary and Information Agent, make a public announcement of the extension or variation to the extent and in the manner required by applicable Laws. Any notice of extension, variation or change will be deemed to have been given and be effective on the day on which it is delivered or otherwise communicated to the Depositary and Information Agent at its office in Toronto, Ontario.

The Initial Deposit Period under the Offer satisfies the requirement for a minimum statutory deposit period of at least 105 days under applicable Law. The Initial Deposit Period under the Offer may be shortened in the following circumstances, subject to a minimum deposit period of at least 35 days from the date of the Offer: (a) if Osum issues a deposit period news release in respect of either the Offer or another offeror's take-over bid that stipulates a deposit period of less than 105 days, the Offeror may, but is not required to, vary the terms of the Offer to shorten the Initial Deposit Period to at least the same number of days from the date of the Offer as stated in the deposit period news release; (b) if Osum issues a news release announcing that it has agreed to enter into, or determined to effect, an Alternative Transaction; or (c) if permitted by an order of the applicable Securities Regulatory Authorities. In these circumstances, the Offeror may vary the terms of the Offer to shorten the Initial Deposit Period to at least 35 days from the date of the Offer.

Pursuant to the Commitment Letter, the Initial Deposit Period cannot be extended for more than 23 days without the consent of the Lenders.

Where the terms of the Offer are varied (other than a variation consisting solely of a waiver of one or more conditions of the Offer and any extension of the Offer resulting from such waiver, other than the Mandatory Extension Period), the Offer will not expire before 10 days after the notice of such variation has been given to the Shareholders, unless otherwise permitted by applicable Laws and subject to abridgement or elimination of that period pursuant to such orders or other forms of relief as may be granted by Securities Regulatory Authorities.

If, before the Expiry Time or after the Expiry Time but before the expiry of all rights of withdrawal with respect to the Offer, a change occurs in the information contained in the Offer or the Circular, a notice of change, or a notice of variation that would reasonably be expected to affect the decision of a Shareholder to accept or reject the Offer (other than a change that is not within the control of the Offeror or of an affiliate of the Offeror), the Offeror will give written notice of such change to the Depositary and Information Agent at its office in Toronto, Ontario, and will cause the Depositary and Information Agent, if required by applicable Laws, as soon as practicable thereafter, to provide notice of such change in the manner set out in Section 10 of the Offer to Purchase, "Notices and Delivery", to all registered Shareholders whose Common Shares have not been taken up under the Offer at the date of the occurrence of the change. As soon as practicable after giving notice of the change in information to the Depositary and Information Agent, the Offeror will make a public announcement of the change in information to the extent and in the manner required by applicable Laws. Any notice of change in information will be deemed to have been given and to be effective on the day on which it is delivered or otherwise communicated to the Depositary and Information Agent at its office in Toronto, Ontario.

Notwithstanding the foregoing, but subject to applicable Laws, the Offer may not be extended by the Offeror if all of the terms and conditions of the Offer, except those waived by the Offeror, have been fulfilled or complied with except for the Mandatory Extension Period.

During any extension or in the event of any variation of the Offer or change in information, all Common Shares previously validly deposited and not taken up or properly withdrawn will remain subject to the Offer and may be taken up by the Offeror in accordance with the terms hereof, subject to Section 7 of the Offer to Purchase, "Withdrawal of Deposited Common Shares". An extension of the Expiry Time, a variation of the Offer or a change in information does not, unless otherwise expressly stated, constitute a waiver by the Offeror of its rights under Section 4 of the Offer to Purchase, "Conditions of the Offer".

If the consideration being offered for the Common Shares under the Offer is increased, the increased consideration will be paid to all depositing Shareholders whose Common Shares are taken up under the Offer, whether or not such Common Shares were taken up before the increase.

6. Take Up of and Payment for Deposited Common Shares

If more than 52,500,000 Common Shares (representing approximately 72% of the outstanding Common Shares excluding the Common Shares beneficially owned, or over which control or direction is exercised, by the Offeror or by any person acting jointly or in concert with the Offeror) are deposited under the Offer and not withdrawn, the Common Shares to be purchased from each depositing Shareholder will, as required by applicable Laws, be determined on a proportionate basis according to the number of Common Shares deposited by each Shareholder, disregarding fractions, by rounding down to the nearest whole number of Common Shares. The Offeror is not obligated to take up and pay for more than 52,500,000 Common Shares deposited under the Offer.

If all of the conditions described in Section 4 of the Offer to Purchase, "Conditions of the Offer", have been satisfied or, where permitted, waived by the Offeror at or prior to the Expiry Time, immediately thereafter (the "**First Take Up Time**"), the Offeror will proportionately take up the maximum number of Common Shares validly deposited under the Offer and not properly withdrawn permitted by applicable Laws and will pay for the Common Shares taken up as soon as possible but in any event not later than three business days after the First Take Up Time.

The Initial Deposit Period under the Offer satisfies the requirement for a minimum statutory deposit period of at least 105 days under applicable Law. The Initial Deposit Period under the Offer may be shortened in the following circumstances, subject to a minimum deposit period of at least 35 days from the date of the Offer: (a) if Osum issues a deposit period news release in respect of either the Offer or another offeror's take-over bid that stipulates a deposit period of less than 105 days, the Offeror may, but is not required to, vary the terms of the Offer to shorten the Initial Deposit Period to at least the same number of days from the date of the Offer as stated in the deposit period news release; (b) if Osum issues a news release announcing that it has agreed to enter into, or determined to effect, an Alternative Transaction; or (c) if permitted by an order of the applicable Securities Regulatory Authorities. In these circumstances, the Offeror may vary the terms of the Offer to shorten the Initial Deposit Period to at least 35 days from the date of the Offer.

In accordance with applicable Laws, and if at the Expiry Time, the Offeror is obligated to proportionately take up Deposited Common Shares, the Offeror will extend the Offer for an additional period of 10 days following the Expiry Time (the "**Mandatory Extension Period**"). Any Deposited Common Shares not taken up at the First Take Up Time in accordance with applicable Laws, and Common Shares deposited during the Mandatory Extension Period, must be proportionately taken up (subject to the maximum of 52,500,000 Common Shares under the Offer and taking into account, for each depositing Shareholder, any Common Shares already taken up at the First Take Up Time) by the Offeror not later than one business day (the "**Second Take Up Time**") after: (a) the expiry of the Mandatory Extension Period; or (b) after the expiry of any withdrawal rights described in Section 7(c) of the Offer to Purchase, if applicable, and the Offeror shall pay for any Common Shares validly deposited under the Offer as soon as possible but not later than three business days after the Second Take Up Time.

The Offeror is exempt from the obligation to immediately take up all of the Deposited Common Shares at the Expiry Time if all of the conditions of the Offer have been satisfied or waived by the Offeror. National Policy 62-203 – *Take-Over Bids and Issuer Bids* and Section 2.32.1(6) of NI 62-104 require the Offeror to take up, at the First Take Up Time, only the maximum number of securities that it can without contravening the *pro rata* take up requirement of NI 62-104. The Offeror will, therefore, make a determination of the maximum number of Deposited Common Shares it can take up at the First Take Up Time based on the number of Common Shares properly deposited at such time and assuming that all other Common Shares subject to the Offer, including any which may be issued on the exercise, exchange, conversion or settlement of Convertible Securities, will be deposited during the Mandatory Extension Period.

Based on the foregoing, upon and subject to the terms and conditions of the Offer, the number of Common Shares that the Offeror is obligated to take up and pay for at the First Take Up Time and the Second Take Up Time, as the case may be, is dependent upon the number of Common Shares properly deposited and not withdrawn at each such time.

The Offeror will be deemed to have taken up and accepted for payment Common Shares validly deposited and not properly withdrawn pursuant to the Offer if, as and when the Offeror gives written notice, or other communication confirmed in writing, to the Depositary and Information Agent, at its office in Toronto, Ontario, to that effect. Subject to applicable Laws, the Offeror expressly reserves the right, in its sole discretion, to delay taking up and paying for any Common Shares or to terminate or withdraw the Offer and not take up or pay for any Common Shares if any condition specified in Section 4 of the Offer to Purchase, "Conditions of the Offer", is not satisfied or, where permitted, waived, by giving written notice thereof, or other communication confirmed in writing, to the Depositary and Information Agent at its office in Toronto, Ontario.

The Offeror will pay for Common Shares validly deposited under the Offer (proportionately, up to a maximum of 52,500,000 Common Shares) and not properly withdrawn by providing the Depositary and Information Agent with sufficient funds at the applicable time (by bank transfer or other means satisfactory to the Depositary and Information Agent) for transmittal to depositing Shareholders. Under no circumstances will interest accrue or any amount be paid by the Offeror or the Depositary and Information Agent to persons depositing Common Shares on the purchase price of Common Shares purchased by the Offeror, regardless of any delay in making payments for Common Shares.

The Depositary and Information Agent will act as the agent of persons who have validly deposited Common Shares in acceptance of the Offer for the purposes of receiving payment from the Offeror and transmitting such payment, less any required withholding taxes, to such persons, and receipt of payment by the Depositary and Information Agent will be deemed to constitute receipt of payment by persons validly depositing Common Shares under the Offer.

All cash payments by the Offeror for Common Shares taken up and paid for under the Offer will be made in Canadian dollars.

Settlement with each Shareholder who has validly deposited (and not properly withdrawn) Common Shares under the Offer will be made by the Depositary and Information Agent issuing or causing to be issued a cheque (except for payments in excess of \$25 million, which will be made by wire transfer, as set out in the Letter of Transmittal) payable in Canadian funds in the amount to which the person depositing Common Shares is entitled. Unless otherwise directed by the Letter of Transmittal, the cheque will be issued in the name of the registered holder of the Common Shares so validly deposited. The cheque will be forwarded by first class mail to such person at the address specified in the Letter of Transmittal. If no such address is specified, the cheque will be sent to the address of the registered holder as shown on the securities register maintained by or on behalf of Osum. Cheques mailed in accordance with this paragraph will be deemed to be delivered at the time of mailing. Pursuant to applicable Laws, the Offeror may, in certain circumstances, be required to make withholdings from the amount otherwise payable to a Shareholder.

The obligation of the Offeror under the Offer will be fully satisfied upon the payment of the Offer Price, less any required withholding taxes, for all Deposited Common Shares (up to a maximum of 52,500,000 Common Shares) that are taken up by the Offeror to the Depositary and Information Agent in Canadian dollars.

Shareholders will not be required to pay any fee or commission if they accept the Offer by validly depositing their Common Shares directly with the Depositary and Information Agent. However, a broker or other nominee through

whom a Shareholder owns Common Shares may charge a fee to validly deposit any such Common Shares on behalf of the Shareholder. Shareholders should consult their investment advisors, stockbrokers or other nominees to determine whether any charges will apply.

7. Withdrawal of Deposited Common Shares

Except as otherwise stated in this Section 7 or as otherwise required by applicable Laws, all deposits of Common Shares under the Offer are irrevocable. Unless otherwise required or permitted by applicable Laws, any Common Shares validly deposited in acceptance of the Offer may be properly withdrawn by or on behalf of the depositing Shareholder:

- (a) at any time before the Common Shares have been taken up by the Offeror under the Offer; provided, however, that if the Offeror has taken up Deposited Common Shares at the First Take Up Time, a depositing Shareholder may not withdraw during the period following the First Take Up Time and ending on the Second Take Up Time any Deposited Common Shares deposited before the First Take Up Time and not taken up by the Offeror at such time because such take up would have contravened the maximum number of Deposited Common Shares permitted by applicable Laws to be taken up by the Offeror at the First Take Up Time;
- (b) if the Common Shares have not been paid for by the Offeror within three business days after having been taken up following the First Take Up Time or the Second Take Up Time, as the case may be; or
- (c) at any time before the expiration of 10 days from the date upon which either:
 - (i) a notice of change relating to a change which has occurred in the information contained in the Offer to Purchase or the Circular, a notice of change or a notice of variation, that would reasonably be expected to affect the decision of a Shareholder to accept or reject the Offer (other than a change that is not within the control of the Offeror or of an affiliate of the Offeror), in the event that such change occurs before the Expiry Time or after the Expiry Time but before the expiry of all rights of withdrawal in respect of the Offer, or
 - (ii) a notice of variation concerning a variation in the terms of the Offer (other than a variation consisting solely of an increase in the consideration offered for the Common Shares where the Expiry Time is not extended for more than 10 days, or a variation consisting solely of a waiver of one or more conditions of the Offer, or both),

is mailed, delivered or otherwise properly communicated (subject to abridgement of that period pursuant to such order or orders or other forms of relief as may be granted by applicable courts or Securities Regulatory Authorities) and only if such Deposited Common Shares have not been taken up by the Offeror at the date of the notice unless such Deposited Common Shares were deposited before the First Take Up Time and have not been taken up by the Offeror because such take up would have contravened the maximum number of Deposited Common Shares permitted by applicable Laws to be taken up by the Offeror at the First Take Up Time and the date of the notice is after the First Take Up Time.

Withdrawals of Common Shares validly deposited under the Offer must be effected by a written notice of withdrawal made by or on behalf of the depositing Shareholder and must be actually received by the Depository and Information Agent at the place of deposit of the applicable Common Shares (or Notice of Guaranteed Delivery in respect thereof) within the time limits indicated above in order to be effective. Notices of withdrawal: (a) must be made by a method that provides the Depository and Information Agent with a written or printed copy; (b) must be signed by or on behalf of the person who signed the Letter of Transmittal accompanying (or Notice of Guaranteed Delivery in respect of) the Common Shares which are to be withdrawn; and (c) must specify such person's name, the number of Common Shares to be withdrawn, the name of the registered holder and the certificate number shown on each certificate representing the Common Shares to be withdrawn. No signature guarantee is required on a notice of withdrawal if the notice of withdrawal is signed by the registered Shareholder exactly as the name of the Shareholder appears on the certificate(s) representing Common Shares deposited with the Letter of Transmittal or if the Common Shares were deposited for

the account of an Eligible Institution. In all other cases, the signature on a notice of withdrawal must be guaranteed by an Eligible Institution.

If Common Shares have been validly deposited pursuant to the procedures for book-entry transfer, as set out in Section 3 of the Offer to Purchase, "Manner of Acceptance – Acceptance by Book-Entry Transfer", any notice of withdrawal must specify the name and number of the account at CDS to be credited with the withdrawn Common Shares and otherwise comply with the procedures of CDS.

A withdrawal of Common Shares validly deposited under the Offer can only be accomplished in accordance with the foregoing procedures. The withdrawal will take effect only upon actual receipt by the Depository and Information Agent of the properly completed and executed written notice of withdrawal.

Investment advisors, stockbrokers, banks, trust companies or other nominees may set deadlines for the withdrawal of Common Shares validly deposited under the Offer that are earlier than those specified above. Shareholders should contact their investment advisor, stockbroker, bank, trust company or other nominee for assistance. Intermediaries likely have established deposit cut-off times that are prior to the Expiry Time. Shareholders must instruct their brokers or other intermediaries promptly if they wish to deposit their Common Shares.

All questions as to the validity (including, without limitation, timely receipt) and form of notices of withdrawal will be determined by the Offeror in its sole discretion and such determination will be final and binding. There is no duty or obligation of the Offeror, the Depository and Information Agent or any other person to give notice of any defect or irregularity in any notice of withdrawal and no liability shall be incurred or suffered by any of them for failure to give such notice.

If the Offeror extends the period of time during which the Offer is open, is delayed in taking up or paying for Common Shares or is unable to take up or pay for Common Shares for any reason, then, without prejudice to the Offeror's other rights, Common Shares validly deposited under the Offer may, subject to applicable Laws, be retained by the Depository and Information Agent on behalf of the Offeror until such Common Shares are properly withdrawn by Shareholders in accordance with this Section 7 or pursuant to applicable Laws.

Withdrawals cannot be rescinded and any Common Shares properly withdrawn will be deemed not validly deposited for the purposes of the Offer, but may be re-deposited at any subsequent time at or prior to the Expiry Time by following any of the procedures described in Section 3 of the Offer to Purchase, "Manner of Acceptance".

In addition to the foregoing rights of withdrawal, Shareholders in the provinces of Canada are entitled to one or more statutory rights of rescission, price revision or to damages in certain circumstances. See Section 22 of the Circular, "Statutory Rights".

8. Return of Deposited Common Shares

Any Deposited Common Shares that are not taken up and paid for by the Offeror pursuant to the terms and conditions of the Offer for any reason will be returned, at the Offeror's expense, to the depositing Shareholder promptly after the Expiry Time, the Mandatory Extension Period or the Second Take Up Time, if and as applicable in the case of required proration under applicable Laws, or withdrawal of the Offer, by either (a) sending certificate(s) or DRS Statement(s), as applicable, representing the Common Shares not purchased by first-class insured mail to the address of the depositing Shareholder specified in the Letter of Transmittal or, if such name or address is not so specified, in such name and to such address as shown on the securities register maintained by or on behalf of Osum, or (b) in the case of Common Shares validly deposited by book-entry transfer of such Common Shares pursuant to the procedures set out in Section 3 of the Offer to Purchase, "Manner of Acceptance – Acceptance by Book-Entry Transfer", such Common Shares will be credited to the depositing holder's account maintained with CDS.

9. Changes in Capitalization; Adjustments; Liens

If, on or after the date of the Offer, Osum should divide, combine, reclassify, consolidate, convert or otherwise change any of the Common Shares or its capitalization, issue any Common Shares, or issue, grant or sell any Convertible Securities, or disclose that it has taken or intends to take any such action, then the Offeror may, in its sole discretion and without prejudice to its rights under Section 4 of the Offer to Purchase, "Conditions of the Offer", make such adjustments as it considers appropriate to the purchase price and other terms of the Offer (including, without limitation, the type of securities offered to be purchased and the amount payable therefor) to reflect such division, combination, reclassification, consolidation, conversion, issuance, grant, sale or other change. See Section 5 of the Offer to Purchase, "Extension, Variation or Change in the Offer".

Common Shares and any Distributions acquired under the Offer shall be transferred by the Shareholder and acquired by the Offeror free and clear of all liens, restrictions, charges, encumbrances, claims and equities and together with all rights and benefits arising therefrom, including, without limitation, the right to any and all dividends, distributions, payments, securities, property, rights, assets or other interests which may be accrued, declared, paid, issued, distributed, made or transferred on or after the date of the Offer on or in respect of the Common Shares, whether or not separated from the Common Shares. See Section 3 of the Offer to Purchase, "Manner of Acceptance– Dividends and Distributions".

10. Notices and Delivery

Without limiting any other lawful means of giving notice, and unless otherwise specified by applicable Laws, any notice to be given by the Offeror or the Depositary and Information Agent under the Offer will be deemed to have been properly given if it is mailed by first class mail, postage prepaid, to the registered Shareholders at their respective addresses as shown on the register maintained by or on behalf of Osum in respect of the Common Shares, and, unless otherwise specified by applicable Laws, will be deemed to have been received on the first business day following the date of mailing. For this purpose, "business day" means any day other than a Saturday, Sunday or statutory holiday in the jurisdiction to which the notice is mailed. These provisions apply notwithstanding any accidental omission to give notice to any one or more Shareholders and notwithstanding any interruption of mail services following mailing. Except as otherwise permitted by applicable Laws, if mail service is interrupted or delayed following mailing, the Offeror intends to make reasonable efforts to disseminate the notice by other means, such as publication. Except as otherwise required or permitted by applicable Laws, if post offices in Canada are not open for the deposit of mail, any notice which the Offeror or the Depositary and Information Agent may give or cause to be given to Shareholders under the Offer will be deemed to have been properly given and to have been received by Shareholders if (a) it is published once in the National Edition of *The Globe and Mail* or *The National Post*, or (b) it is given to the Canada Newswire Service, for dissemination through their respective facilities.

The Offer to Purchase and Circular and the accompanying Letter of Transmittal and Notice of Guaranteed Delivery will be mailed to registered Shareholders by first class mail, postage prepaid, or made in such other manner as is permitted by applicable Laws and the Offeror will use its reasonable efforts to furnish such documents to brokers, investment advisors, banks and similar persons whose names, or the names of whose nominees, appear in the register maintained by or on behalf of Osum in respect of the Common Shares or, if security position listings are available, who are listed as participants in a clearing agency's security position listing, for subsequent transmittal to the beneficial owners of Common Shares where such listings are received.

These security holder materials are being sent to registered owners of securities.

Wherever the Offer calls for documents to be delivered by or on behalf of Shareholders to the Depositary and Information Agent, such documents will not be considered delivered unless and until they have been physically received at the address listed for the Depositary and Information Agent specified in the Letter of Transmittal or in the Notice of Guaranteed Delivery, as applicable. Wherever the Offer calls for documents to be delivered to an applicable office of the Depositary and Information Agent, such documents will not be considered delivered unless and until they have been physically received at its office in Toronto, Ontario at the address indicated in the Letter of Transmittal or Notice of Guaranteed Delivery, as applicable.

11. Mail Service Interruption

Notwithstanding the provisions of the Offer to Purchase and Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery, cheques and any other relevant documents will not be mailed if the Offeror determines that delivery thereof by mail may be delayed. The Offeror shall provide notice of any such determination not to mail made under this Section 11 as soon as reasonably practicable after the making of such determination and in accordance with Section 10 of the Offer to Purchase, "Notices and Delivery". Notwithstanding Section 6 of the Offer to Purchase, "Take Up of and Payment for Deposited Common Shares", cheques and any other relevant documents not mailed for the foregoing reason will be conclusively deemed to have been delivered on the first day upon which they are available for delivery to the depositing Shareholder at the Toronto, Ontario office of the Depositary and Information Agent.

12. Other Terms of the Offer

- (a) The Offer and all contracts resulting from acceptance thereof shall be governed by and construed in accordance with the Laws of the Province of Alberta and the federal Laws of Canada applicable therein. Each party to any agreement resulting from the acceptance of the Offer unconditionally and irrevocably attorns to the exclusive jurisdiction of the courts of the Province of Alberta and all courts competent to hear appeals therefrom.
- (b) The Offeror reserves the right to transfer to one or more affiliates of the Offeror the right to purchase all or any portion of the Common Shares validly deposited pursuant to the Offer, but any such transfer will not relieve the Offeror of its obligations under the Offer and will in no way prejudice the rights of persons depositing Common Shares to receive payment for Common Shares validly deposited and accepted for payment under the Offer.
- (c) In any jurisdiction in which the Offer is required to be made by a licensed broker or dealer, the Offer shall be made on behalf of the Offeror by brokers or dealers licensed under the Laws of such jurisdiction.
- (d) No broker, dealer or other person has been authorized to give any information or make any representation on behalf of the Offeror not contained herein or in the accompanying Circular, and, if given or made, such information or representation must not be relied upon as having been authorized. No broker, dealer or other person shall be deemed to be the agent of the Offeror or the Depositary and Information Agent for the purposes of the Offer.
- (e) The provisions of the Summary, the Glossary, the Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery accompanying the Offer to Purchase, including the instructions contained therein, as applicable, form part of the terms and conditions of the Offer.
- (f) The Offeror, in its sole discretion, shall be entitled to make a final and binding determination of all questions relating to the interpretation of the terms and conditions of the Offer (including, without limitation, the satisfaction of the conditions of the Offer), the Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery, the validity of any acceptance of the Offer and the validity of any withdrawals of Common Shares.
- (g) The Offer to Purchase and Circular do not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being made to, nor will deposits be accepted from or on behalf of, Shareholders residing in any jurisdiction in which the making or the acceptance of the Offer would not be in compliance with the Laws of such jurisdiction. However, the Offeror may, in the Offeror's sole discretion, take such action as the Offeror may deem necessary to make the Offer in any jurisdiction and extend the Offer to Shareholders in any such jurisdiction.
- (h) The Offeror reserves the right to waive any defect in acceptance with respect to any particular Common Shares or any particular Shareholder. There shall be no duty or obligation of the Offeror, the Depositary and Information Agent or any other person to give notice of any defect or irregularity in the deposit of Common

Shares or in any notice of withdrawal and, in each case, no liability shall be incurred or suffered by any of them for failure to give such notice.

DATED: November 4, 2020

WEF OSUM ACQUISITION CORP.

By: (signed) "Adam Waterous"
Name: Adam Waterous
Title: Director

WATEROUS ENERGY FUND (CANADIAN) LP, by its general partner, **WEF GP (CANADIAN) CORP.**

By: (signed) "Adam Waterous"
Name: Adam Waterous
Title: President & Director

WATEROUS ENERGY FUND (US) LP, by its general partner, **WEF GP (US) CORP.**

By: (signed) "Adam Waterous"
Name: Adam Waterous
Title: President & Director

WATEROUS ENERGY FUND (INTERNATIONAL) LP, by its general partner, **WEF GP (INTERNATIONAL) LTD.**

By: (signed) "Adam Waterous"
Name: Adam Waterous
Title: President & Director

WEF OSUM CO-INVEST I LP, by its general partner, **WEF OSUM I GP LTD.**

By: (signed) "Adam Waterous"
Name: Adam Waterous
Title: President & Director

WEF OSUM CO-INVEST II LP, by its general partner, **WEF OSUM II GP LTD.**

By: (signed) "Adam Waterous"
Name: Adam Waterous
Title: President & Director

WEF OSUM CO-INVEST III LP, by its general partner, **WEF OSUM III GP LTD.**

By: (signed) "Adam Waterous"
Name: Adam Waterous
Title: Director

The Offer to Purchase and the accompanying Circular together constitute the take-over bid circular required under applicable Canadian securities Laws with respect to the Offer. Shareholders are urged to refer to the accompanying Circular for additional information relating to the Offer.

CIRCULAR

This Circular is furnished in connection with the accompanying Offer to Purchase dated November 4, 2020 to purchase up to a maximum of 52,500,000 Common Shares not already owned by the Offeror or any of its affiliates. The terms and conditions of the Offer to Purchase, the Letter of Transmittal and the Notice of Guaranteed Delivery are incorporated into and form part of this Circular. Shareholders should refer to the Offer to Purchase for details of the terms and conditions of the Offer, including details as to payment and withdrawal rights. Unless the context otherwise requires, terms used but not defined in the Circular have the respective meanings given to them in the accompanying Glossary.

No securities deposited to this bid will be taken up until (a) more than 50% of the outstanding securities of the class sought (excluding those securities beneficially owned, or over which control or direction is exercised by the Offeror or any person acting jointly or in concert with the Offeror) have been validly deposited and not withdrawn, (b) at least the minimum deposit period required under applicable securities laws has elapsed, and (c) any and all other conditions of the bid have been complied with or, where permitted, waived, as applicable. If these criteria are met, the Offeror will take up securities deposited under the bid in accordance with applicable securities laws and extend its bid for an additional period of 10 days to allow for further deposits of applicable securities.

1. The Offeror and WEF

The Offeror is a corporation incorporated under the ABCA on October 29, 2020 for the purposes of completing the Offer. The Offeror's common shares are 100% owned collectively by WEF. The Offeror has not carried on any business prior to the date hereof, other than in respect of the Offer. The Offeror's head office and principal place of business is located at Suite 600, 301 – 8th Avenue S.W., Calgary, Alberta, T2P 1C5.

Each of Waterous Energy Fund (Canadian) LP, Waterous Energy Fund (US) LP, Waterous Energy Fund (International) LP, WEF Osum Co-Invest I LP, WEF Osum Co-Invest II LP and WEF Osum Co-Invest III LP is a limited partnership formed under the Laws of Alberta and managed by WEF Management Corp.

WEF engages in oil and gas exploration and production within Canada through investee companies and partnerships. It is a leading energy-focused private equity firm headquartered in Canada, with offices in Calgary, Houston and New York. The head office of WEF is located at Suite 600, 301 – 8th Avenue S.W., Calgary, Alberta, T2P 1C5.

WEF is a significant Shareholder of Osum, currently holding 60,035,152 Common Shares, representing approximately 45% of the outstanding Common Shares as of the date hereof. WEF has the right to nominate four directors to the Osum Board so long as it holds a minimum proportionate amount of the outstanding Common Shares. WEF's current nominees to the Osum Board are Messrs. Robert Morgan, Andrew Kim, Michael Buckingham and Adam Waterous (collectively, the "**Initial WEF Directors**").

2. Osum

Osum is a corporation formed on May 16, 2007 by the amalgamation of Oil Sands Recovery Inc. and Osum Oil Sands Corp.

Osum's business consists of developing and operating in-situ bitumen projects utilizing its wholly and partially owned oil sands assets located in the Cold Lake and Saleski regions of Alberta, Canada. Osum's sole commercial production comes from its wholly-owned in-situ project in Cold Lake, the Orion oil sands project, consisting of a central processing facility and five well pads. Osum also owns a 100% interest in five additional potential development projects in Taiga, Sepiko Kesik, Saleski West, Liege and Portage and is a 40% non-operating interest holder in a joint venture based in Saleksi. Osum has two wholly-owned Subsidiaries, Osum Production Corp. and Osum Holdings Corp.

The registered office of Osum is located at 421 – 7th Avenue S.W., Suite 4000, Calgary, Alberta T2P 4K9 and its head office is located at Suite 1900, 255 – 5th Avenue S.W., Calgary, Alberta T2P 3G6.

3. Certain Information Concerning Securities of Osum

Share Capital of Osum

Osum's authorized share capital consists of an unlimited number of Common Shares. The Offer is being made only for Common Shares and is not made for any Convertible Securities. Holders of Common Shares are entitled to: (a) receive notice of and to vote at every meeting of holders of Common Shares and shall have one vote thereat for each such Common Share so held, (b) receive any dividend declared on the Common Shares by Osum; and (c) receive the remaining property of Osum on dissolution, liquidation or winding up.

Based solely on information contained in Osum's management information circular dated May 6, 2020 for its June 1, 2020 annual general meeting, as updated by its Q2 2020 Interim Report to Shareholders dated August 5, 2020, the Offeror estimates that there were outstanding 132,629,253 Common Shares, 6,075,000 Options, 1,513,000 RSUs and 3,007,000 PSUs. At the date of the Offer, WEF beneficially owns, directly or indirectly, collectively, 60,035,152 Common Shares representing approximately 45% of the outstanding Common Shares.

Convertible Securities

The Offer is being made only for Common Shares and is not made for any Convertible Securities. Any holder of Convertible Securities who wishes to accept the Offer must, to the extent permitted by the terms of such Convertible Securities and applicable Laws, exercise such Convertible Securities in order to obtain certificates representing Common Shares and deposit those Common Shares in accordance with the terms of the Offer. Any such exercise must be completed sufficiently in advance of the Expiry Time to ensure that the holder of such Convertible Securities will have certificates representing the Common Shares received on such exercise available for deposit at or prior to the Expiry Time, or in sufficient time to comply with the procedures referred to in Section 3 of the Offer to Purchase, "Manner of Acceptance – Procedure for Guaranteed Delivery".

Common Shares issued on the exercise, exchange, conversion or settlement of Convertible Securities shall, subject to compliance with the procedures applicable generally to the tendering of the Common Shares of the Offer, be eligible to be deposited under the Offer.

The tax consequences to holders of Convertible Securities of exercising, exchanging or converting such securities are not described in Section 20 of the Circular, "Certain Canadian Federal Income Tax Considerations". Holders of Convertible Securities should consult their tax advisors for advice with respect to potential income tax consequences to them in connection with the decision whether to exercise, exchange or convert their Convertible Securities.

Previous Distributions of Common Shares

To the knowledge of the Offeror and WEF, there have been no distributions of Common Shares during the five years preceding the date of the Offer (excluding the Common Shares purchased or sold pursuant to the exercise of Options, warrants and conversion rights, the details of which are publicly available on Osum's website), other than as described below:

- As disclosed in Osum's 2017 Annual Report to Shareholders dated March 13, 2018, on December 1, 2016, Osum called 8,000,000 outstanding Common Share purchase warrants for an equivalent number of Common Shares, representing all such outstanding warrants, with an exercise price of \$12.50 per Common Share purchase warrant and issued an aggregate of 8,000,000 Common Shares for total proceeds of \$100 million received in February of 2017.

To the knowledge of the Offeror and WEF, during the twelve months preceding the date of the Offer, Osum has not purchased or sold any securities of Osum (excluding securities purchased or sold pursuant to the exercise of Options, warrants and conversion rights, the details of which are publicly available on Osum's website), other than as described below:

- As disclosed in Osum's Q2 2020 Interim Report to Shareholders dated August 5, 2020, during the six months ended June 30, 2020, Osum issued 373,200 RSUs and 1,050,000 PSUs to employees, directors and contractors of Osum. As disclosed in Osum's 2019 Annual Report to Shareholders dated March 26, 2020, during the year ended December 31, 2019, Osum issued 559,700 RSUs and 897,400 PSUs to employees, directors and contractors of Osum. The RSUs and PSUs granted vest all at once on the third anniversary date. The number of PSUs that ultimately vest is subject to Osum satisfying certain performance criteria within a target range set by the Osum Board. A multiplier (ranging from 0.5 to 2.0) will be applied to any vested PSUs to the extent such performance criteria are satisfied. Notwithstanding the Osum Board's discretion to settle vested units in cash or with Common Shares, according to the terms of the share unit plan, a unitholder may elect to receive up to 50% of their vested units in the form of a cash payment.
- As disclosed in Osum's 2019 Annual Report to Shareholders dated March 26, 2020, during the year ended December 31, 2019, the Osum Board approved the issuance of 462,900 Options to officers, directors, employees and contractors. The Options expire six years from the grant date and vest in four equal tranches: 25% on the grant date and 25% on each of the three subsequent anniversary dates. A weighted average fair value of \$1.39 per Option was estimated on the grant date based on certain assumptions as set forth on page 67 of Osum's 2019 Annual Report to Shareholders dated March 26, 2020.

Dividend Policy

There is no restriction in Osum's constating documents that limits its ability to pay dividends on its Common Shares. To the knowledge of the Offeror and WEF, Osum has not declared dividends during the two-year period prior to the date of the Offer and Osum has no plan or intention to declare a dividend or alter its dividend policy.

4. Background to the Offer

WEF is a North American private equity firm seeking to invest in established oil and gas businesses with top decile assets, requiring recapitalizing, restructuring or repositioning. Founded in 2017, WEF closed its first fund in 2018 with approximately \$1.4 billion in commitments. WEF is led by Adam Waterous, former Global Head of Investment Banking at Scotiabank and former founder of Waterous & Co. Over the last three years, WEF has completed seven transactions, deploying equity of approximately \$1.6 billion from its fund and co-investors.

WEF understood that Blackstone and Warburg were interested in selling their equity interest in Osum and planned on running a sale process in early 2020. On March 24, 2020, WEF sent Warburg a letter registering its interest in acquiring Warburg's Common Shares. On March 30, 2020, WEF sent a substantially similar letter to Blackstone. Mr. Waterous had separate conversations with representatives from Blackstone and Warburg regarding WEF's interest, and such representatives confirmed that Blackstone and Warburg had plans to run an auction to sell their equity interest as well as that of another investor in the following months. Mr. Waterous inquired whether Osum was concurrently pursuing a sale of the entire business and the representatives indicated that the Osum Board, for several reasons, would not be entertaining offers for the sale of the entire company, despite Blackstone and Warburg holding the largest equity block in Osum and rights in the aggregate to appoint up to five of the nine seats on the Osum Board.

On May 21, 2020, WEF sent a letter to both Blackstone and Warburg to reiterate WEF's interest in acquiring the ownership in Osum being sold by the Initial Selling Shareholders.

On June 4, 2020, WEF Management Corp, on behalf of WEF, entered into a confidentiality agreement with Osum as part of a sale process being run by RBC and TD. In connection therewith WEF received access to a virtual data room and attended a management presentation on June 8, 2020.

The Offeror understands that RBC and TD ran a broad sale process on behalf of the Initial Selling Shareholders, and that such process was competitive. The Offeror understands that RBC and TD contacted many potential buyers, held a number of management presentations, and ultimately, received multiple bids as part of this sale process.

On June 30, 2020, WEF Management Corp, on behalf of WEF, submitted a proposal to purchase the Common Shares that were being offered by the Initial Selling Shareholders. WEF received feedback that its proposal would need to be improved and was asked to submit a "best and final" on July 13, 2020. WEF Management Corp, on behalf of WEF, submitted an updated proposal on July 13, 2020 with a purchase price of \$2.40 per Common Share, which was accepted by the Initial Selling Shareholders. WEF signed a purchase and sale agreement with each of the Initial Selling Shareholders on July 16, 2020 and completed its acquisition of an aggregate of 60,035,152 Common Shares at a purchase price of \$2.40 per Common Share thereunder on July 31, 2020 (the "**Initial Interest Acquisition**"). In conjunction with closing of the initial acquisition, Blackstone and Warburg assigned each of their investor rights agreements to WEF pursuant to which WEF received, among other things, the right to nominate four nominees to the Osum Board. Effective August 5, 2020, Blackstone and Warburg's representatives on the Osum Board were replaced by the Initial WEF Directors.

On August 5, 2020, the Initial WEF Directors, as well as other investment professionals from WEF, attended their first meeting of the Osum Board to discuss Osum's financial results for the second quarter of 2020 and to discuss affairs of Osum in general. Since that date, the Initial WEF Directors have attended various meetings of the Osum Board and its committees in the ordinary course.

Upon the announcement of the Offeror's acquisition of the Common Shares from the Initial Selling Shareholders, the Offeror has been approached by several Shareholders seeking liquidity of their interest in Osum. The Offeror has had conversations with large Shareholders that are seeking such liquidity, including the Locked-Up Shareholders, which have signed the Lock-Up Agreements agreeing to tender their Common Shares to the Offer. The Locked-Up Shareholders hold Common Shares representing in aggregate approximately 19% of the total outstanding Common Shares or approximately 35% of the Common Shares not already owned by WEF.

5. Lock-Up Agreements

WEF Management Corp, on behalf of the Offeror, has entered into lock-up agreements (the "**Lock-Up Agreements**") with certain funds and accounts managed by BlackRock dated November 3, 2020, Caisse de dépôt et placement du Québec ("**CDPQ**") dated November 2, 2020, certain funds and accounts managed by Goldman Sachs dated November 2, 2020, Korea Investment Corporation, in its capacity as agent of the Ministry of Economy and Finance of the Republic of Korea dated October 27, 2020 and Infra-PSP Canada Inc. ("**PSP**") dated November 2, 2020 (collectively, the "**Locked-Up Shareholders**") pursuant to which, subject to certain conditions, the Locked-Up Shareholders have agreed to tender their Common Shares to the Offer. As of November 4, 2020, the Lock-Up Agreements represented approximately 19% of the outstanding Common Shares, which represents approximately 35% of the outstanding Common Shares not owned by WEF, and 70% of the outstanding Common Shares required to be tendered pursuant to the Offer to achieve the Minimum Tender Condition.

Under the Lock-Up Agreements, each of the Locked-Up Shareholders has agreed, among other things, and subject to the Offer Price being not less than \$2.40 per Common Share, to: (a) unconditionally and irrevocably accept the Offer by depositing with the Depositary and Information Agent the number of Common Shares presently owned or controlled or hereafter acquired or controlled by the Locked-Up Shareholder as soon as practicable and in any event no later than ten business days prior to the expiry of the Offer and in accordance with the terms and conditions of the Offer; (b) not to sell or transfer any of their Common Shares and not to exercise any statutory or other rights of withdrawal in respect of the Offer; (c) not solicit, initiate or encourage (including, without limitation, by way of furnishing information or entering into any form of agreement, arrangement or understanding) any inquiry or the making of any proposal to Osum or its Shareholders from any person which constitutes, or may reasonably be expected to lead to (in either case whether in one transaction or a series of transactions) an Alternative Acquisition Proposal; (d) not enter into or participate in any discussions or negotiations regarding an Alternative Acquisition Proposal, or furnish to any other person any information with respect to the business, properties, operations, prospects or conditions (financial or otherwise) of Osum in connection with, or which might reasonably be expected to lead to, an Alternative Acquisition Proposal or otherwise cooperate in any way with, or assist or participate in, facilitate or encourage, any effort or attempt of any other person to do or seek to do any of the foregoing; and (e) not grant or agree to grant any proxy or other right to the Common Shares owned by such Locked-Up Shareholder, or enter into any voting trust pooling agreement or arrangement or enter into or subject any of such shares to any other agreement, arrangement, understanding or commitment, formal or informal, with respect to or relating to the right to vote.

The Lock-Up Agreements, and all rights and obligations of the parties thereunder, will terminate automatically without any further act of the parties on: (a) the date the Common Shares are taken up and paid for pursuant to the Offer; (b) March 31, 2021, if the Common Shares are not taken up and paid for by then pursuant to the Offer; or (c) the date on which WEF publicly announces its intention to withdraw, abandon or suspend the Offer in accordance with its terms. Each of the Lock-Up Agreements with CDPQ or PSP will also terminate on the date on which a third party duly exercises certain rights and purchases the Common Shares under and in accordance with the terms of an existing investment management agreement. In addition, each Locked-Up Shareholder has certain customary rights to terminate the Lock-Up Agreements in the event that (a) WEF is in default of any covenant or condition set out therein and such default has had or is likely to have an adverse effect on the consummation of the Offer and such default has not been cured within five business days of written notice informing such default in accordance with the Lock-Up Agreements, or (b) if any representation or warranty of WEF under the Lock-Up Agreement is at signing or any time prior to the date of termination untrue or incorrect, if such inaccuracy is reasonably likely to prevent, restrict or materially delay consummation of the Offer.

6. Reasons to Accept the Offer

The Offeror believes the Offer to be compelling, and that the Offer represents a clearly superior alternative to the course set by Osum for a number of reasons, including the following:

- **Largest Three Shareholders Have Already Exited at the Offer Price.** On July 31, 2020, the Initial Selling Shareholders sold their Common Shares, representing approximately 45% of the equity ownership in Osum, to WEF at the Offer Price. The Initial Selling Shareholders were Osum's largest investors and had the right to appoint (in the case of GIC, through a group of other institutional investors) five of the nine directors on the Osum Board. These investors are highly sophisticated global financial institutions with extensive experience in the Canadian oil and gas industry. These investors and their financial advisors ran a thorough and competitive sale process for their Common Shares which involved a number of arm's length third party bidders and WEF was the successful bidder in that process by paying the highest price. The rigor of the process leading to the sale by three independent Shareholder groups should give Shareholders confidence that fair market value for the Common Shares was established.
- **Next Five Largest Shareholders Have Agreed to Tender at the Offer Price.** WEF Management Corp, on behalf of the Offeror, has executed the Lock-Up Agreements with the Locked-Up Shareholders, under which the Locked-Up Shareholders have agreed, subject to certain conditions, to tender their Common Shares to the Offer. The Locked-Up Shareholders hold Common Shares representing in aggregate approximately 19% of the total outstanding Common Shares or approximately 35% of the Common Shares not already owned by WEF.
- **Full and Fair Value.** The Offer Price of \$2.40 per Common Share represents an attractive value that fairly reflects Osum's asset base, business plan and current economic environment. This is also the same consideration paid by WEF in its initial arm's length transaction with the Initial Selling Shareholders. Since transacting with the Initial Selling Shareholders, the price of WTI crude oil has dropped (as of the date of the Offer), and the industry has continued to face headwinds. Given the increased uncertainty in the sector, the Offeror believes offering the same Offer Price is highly compelling for Shareholders today. The Offeror believes that the Offer represents full and fair value for your Common Shares.
- **Liquidity and Certainty of Value.** The Offer provides 100% cash consideration for the Common Shares subject to the Offer, giving the Shareholders certainty of value and immediate liquidity in the face of volatile markets. The status quo alternative for the Shareholders is highly uncertain given the lack of dividends and liquidity options.
- **Fully Financed Offer.** The Offer is not subject to a financing condition. The Offeror has secured, on a committed basis, all financing required to fund the entire consideration payable for the Common Shares subject to the Offer.

- **High Likelihood of Completion.** In order for the Offer to be successful, the Offeror must satisfy the Minimum Tender Condition, such that more than 50% of the Common Shares not currently owned by WEF are tendered. The Common Shares subject to the Lock-Up Agreements already represent approximately 35% of the outstanding Common Shares not currently owned by WEF, or approximately 70% of the outstanding Common Shares required to be tendered to achieve the Minimum Tender Condition. Accordingly, the Offeror believes there is a high likelihood that it will achieve the Minimum Tender Condition and that the Offer will be successful.

Status Quo is a Risky Option for Your Investment

- **Competing Offer Highly Unlikely.** The Offeror believes that it is highly unlikely that a competing all-cash offer for the Common Shares not already owned by WEF will be made at a premium to the price being offered by the Offeror, particularly in light of the thorough auction process run by the Initial Selling Shareholders throughout the spring and summer of 2020. Moreover, because WEF already owns approximately 45% of the Common Shares, any alternative transaction involving the acquisition of Osum would be subject to WEF's approval.
- **Failure to Return Capital to Shareholders or Provide any Meaningful Liquidity Event.** Osum's business plan is not compelling in the current macroeconomic environment. 15 years after being formed, Osum still has not been able to pay a dividend to its owners or achieve an initial public offering or other value enhancing transaction to provide Shareholders with a liquidity event.

7. Purpose of the Offer and Plans for Osum

The purpose of the Offer is to enable the Offeror and WEF to acquire ownership of at least two-thirds of all outstanding Common Shares, inclusive of WEF's current ownership of approximately 45% of the outstanding Common Shares. If the Offer is successful, the Offeror and WEF will be the beneficial holders of a minimum of approximately 73% and a maximum of approximately 85% of the outstanding Common Shares. If the Minimum Tender Condition is met, but less than 52,500,000 Common Shares are deposited to the Offer, then all of the Common Shares deposited by a depositing Shareholder will be taken up and paid for by the Offeror.

If the Offer is successful, the Offeror intends to effect certain changes with respect to the composition of the Osum Board to fill vacancies created by the resignation of directors on the Osum Board that are not WEF Directors, or directors nominated by any other Shareholder(s), with additional directors nominated by the Offeror such that WEF Directors represent at least the majority on the Osum Board (subject to applicable Laws). In addition, the Offeror intends, subject to compliance with applicable Laws and pursuant to the terms of the Commitment Letter, to approve or cause the approval of (a) repayment of then outstanding indebtedness under the Osum Term Loan, (b) the Asset Monetization, and (c) entering into certain hedges as specified in the Commitment Letter. The Offeror also intends, subject to approval of the new Osum Board, to make adjustments to Osum's business plan, capital structure and management.

Acquisition of Common Shares under the Offer will constitute a change of control under the Osum Term Loan requiring that outstanding indebtedness thereunder be repaid. The Offeror plans for Osum to repay the then outstanding indebtedness of Osum under the Osum Term Loan, in part, with proceeds from the Asset Monetization and the remaining balance with available cash on Osum's balance sheet.

WEF has entered into an agreement with a company operating at arm's length in the Canadian oil and gas industry (the "**Prospective Asset Buyer**"), pursuant to which WEF has agreed to undertake certain steps to facilitate the completion of an asset monetization transaction by Osum (the "**Asset Monetization**"). Under the terms of the Asset Monetization, the Prospective Asset Buyer has agreed to purchase for cash, a non-operating royalty interest in the bitumen and other petroleum substances sold by Osum, with the size of such interest based on the prevailing reference price applicable to the grade of such substances produced by Osum. The Asset Monetization and, accordingly, receipt of the payment of consideration thereunder by the Prospective Asset Buyer, is contingent, among other things, on approval by the Osum Board.

If the conditions to the Offer are satisfied or, where permitted, waived at the Expiry Time and the Offeror takes up and pays for the Common Shares validly deposited under the Offer (up to a maximum of 52,500,000 Common Shares), the Offeror intends to complete a Subsequent Acquisition Transaction to acquire the Common Shares not already owned by the Offeror for consideration per Common Share equal in value to and in the same form as the consideration paid by the Offeror per Common Share under the Offer. The exact timing and details of a Subsequent Acquisition Transaction will depend upon a number of factors, including the number of Common Shares acquired pursuant to the Offer, however the Offeror intends to complete the Subsequent Acquisition Transaction as soon as possible following, but no later than 120 days after, the date of expiry of the Offer. In connection therewith, the Offeror and Crescentwood have entered into the Equity Commitment Agreement to backstop funding of the Subsequent Acquisition Transaction, if needed. The Offeror expressly reserves the right to complete a Subsequent Acquisition Transaction on terms other than as described in the Circular with the consent of the Lenders. See Section 13 of the Circular, "Acquisition of Common Shares Not Deposited and/or Taken Up".

8. Source of Funds

The Offeror's obligation to purchase the Common Shares validly deposited under the Offer is not subject to any financing condition. If the Offeror acquires the maximum 52,500,000 Common Shares under the Offer, the total amount required under the Offer for the purchase will be \$126 million, plus related fees and expenses associated with the Offer. Through the Commitment Letter and the Equity Commitment Agreement, the Offeror has secured, on a firm, committed basis, all of the financing required to fund the entire cash consideration payable for the Common Shares in connection with the Offer and the completion of a Subsequent Acquisition Transaction, if needed.

Pursuant to the terms of a binding commitment letter (the "**Commitment Letter**"), BNS and Canadian Imperial Bank of Commerce (together, the "**Lenders**") have committed to make available to the Offeror a senior secured extendible revolving term credit facility in the maximum aggregate amount of \$150 million, consisting of a (a) \$130 million syndicated facility, and (b) \$20 million operating facility, each of which will have an initial revolving period of one year from the closing date thereof and a maturity date of one year following the end of the revolving period (collectively, the "**Offeror Facility**"). The amount available to be drawn under the Offeror Facility will be subject to a borrowing base to be determined semi-annually by the Lenders based on the Offeror's and its subsidiaries' reserves.

The Offeror Facility will be guaranteed by each of the Offeror's subsidiaries and will be secured by a first ranking security interest in the current and future assets of the Offeror and each of its subsidiaries, in each case, on terms, and at the times, agreed with the Lenders. Notwithstanding the foregoing, the Offeror Facility will not require Osum and its Subsidiaries to grant security or guarantees to the Lenders unless and until Osum is wholly-owned by the Offeror. The drawdown of the Offeror Facility is subject to the conditions of the Offer and certain other conditions which are customary for providing certainty of funding to offerors making a bid for, and purchase of, shares of the nature contemplated by the Offer. These include, among other things: (a) due execution and delivery of one or more agreements to document the Offeror Facility, guarantees, security documents and other loan documents (collectively, the "**Loan Documents**"); (b) satisfactory review by the Lenders of the Equity Commitment Agreement together with, among other things, satisfactory security in support thereof; (c) satisfactory review by the Lenders and their counsel, acting reasonably, of the applicable agreements for the Asset Monetization; (d) no decision, order or decree by any government, regulatory authority, agency, commission, bureau, official, minister, Crown corporation, court, board tribunal or dispute settlement panel, or other law, rule or regulation-making organization or entity resulting from or made in connection with the Offer or the Subsequent Acquisition Transaction that restrains, prohibits or materially impedes (or if granted would reasonably be expected to restrain, prohibit or materially impede) any of the transactions contemplated thereby, or requires or purports to require a material variation of the terms contemplated thereby that is not acceptable to the Lenders; (e) completion of all closing arrangements in respect of the Offer (other than payment of the purchase price), the Asset Monetization and repayment of the Osum Term Loan; (f) confirmation that the Offeror will have not less than \$20 million in undrawn availability under the Offeror Facility immediately following completion of the Offer; and (g) no event shall have occurred since the date of the Lenders commitment, nor shall the Lenders become aware of any fact which the Lenders shall determine has or would reasonably be expected to have, a Material Adverse Effect. The Loan Documents will contain customary representations, warranties, covenants and events of default.

The Offeror Facility will initially be available to fund cash consideration payable in connection with the Offer and, thereafter, for general corporate purposes including, without limitation, to fund a Subsequent Acquisition Transaction, if applicable; provided that, in the case of a Subsequent Acquisition Transaction, if, on the proposed date of the applicable drawdown (a) the total debt to EBITDA ratio of the Offeror (including Osum and its Subsidiaries) is less than 2.00:1.00, the Offeror must have no less than \$10,000,000 in undrawn availability under the Offeror Facility after giving effect to the applicable drawdown, or (b) the total debt to EBITDA ratio of the Offeror (including Osum and its Subsidiaries) is equal to or greater than 2.00:1.00, the Offeror must have no less than \$20,000,000 in undrawn availability under the Offeror Facility after giving effect to the applicable drawdown.

The Loan Documents will also require that (a) Osum enter into certain hedges as specified in the Commitment Letter, (b) the Osum Term Loan is repaid within three business days of the First Take Up Time, and (c) the Offeror uses reasonable best efforts to complete a Subsequent Acquisition Transaction as soon as possible following expiry of the Offer in the manner contemplated herein. It will be an event of default under the Loan Documents if the Subsequent Acquisition Transaction has not been completed within 120 days after the date of expiry of the Offer.

The outstanding principal amount under the Offeror Facility must be repaid in full upon the maturity date of the Offeror Facility. Additionally, other repayments of funds may be triggered by certain customary provisions under the Offeror Facility, including a borrowing base shortfall and any acceleration following the occurrence of an event of default.

Customary fees for financings of the nature contemplated by the Offeror Facility are payable by the Offeror and amounts outstanding under the Offeror Facility will bear interest at rates as are market for financings of the nature completed by the Offeror Facility.

The Offeror reasonably believes the possibility to be remote that, if the conditions to the Offer are satisfied or waived, the Offeror will be unable to pay for the Common Shares deposited under the Offer.

Further, Crescentwood Capital Corp., a co-investor of WEF ("**Crescentwood**") has, pursuant to a commitment letter between Crescentwood and the Offeror (the "**Equity Commitment Agreement**"), agreed to provide equity funding to the Offeror (or its designated affiliate) in the amount of \$48 million at a valuation equal to the Offeror's cost basis for the purpose of satisfying the obligation of the Offeror under the Loan Documents to complete a Subsequent Acquisition Transaction, if needed. Crescentwood's equity funding of a Subsequent Acquisition Transaction is conditional on the completion of the Offer. Additionally, under the Equity Commitment Agreement, Crescentwood acknowledges and agrees that in the event that the Offeror pays for Common Shares validly deposited and taken up under the Offer, but the Offeror lacks sufficient capital to complete a Subsequent Acquisition Transaction, the Offeror's right to access and enforce the equity funding shall be automatically assigned to BNS, and BNS may, at such time, access and enforce such right for the sole and exclusive purpose of completing a Subsequent Acquisition Transaction.

9. Ownership of Securities of Osum

As of the date hereof:

- (a) WEF beneficially owns or exercises control or direction over 60,035,152 Common Shares, representing approximately 45% of the outstanding Common Shares as of the date hereof;
- (b) the Offeror does not beneficially own or exercise control or direction over any securities of Osum;
- (c) the directors and officers of the Offeror, WEF Management Corp and WEF do not beneficially own or exercise control or direction over any securities of Osum; and
- (d) to the knowledge of the Offeror and WEF, after reasonable enquiry and other than as described herein:

- (i) no associates or affiliates of an insider of the Offeror or WEF beneficially own or exercise control or direction over any securities of Osum;
- (ii) no insider of the Offeror, other than a director or officer of the Offeror or WEF, beneficially owns or exercises control or direction over any securities of Osum; and
- (iii) no person acting jointly or in concert with the Offeror or WEF beneficially owns or exercises control or direction over any securities of Osum.

Except as set forth above, no other securities of Osum are beneficially owned, directly or indirectly, nor is control or direction exercised over any other securities of Osum, by the Offeror, WEF Management Corp, WEF or their respective directors or officers, or to the knowledge of the Offeror and WEF after reasonable enquiry, any associate or affiliate of an insider of the Offeror or WEF, any insider of the Offeror or WEF (other than a director or officer of the Offeror or WEF), or any person acting jointly or in concert with the Offeror or WEF.

Other than as set forth above, and other than the Common Shares owned by WEF, to the knowledge of the Offeror and WEF based on publicly available information, no persons own, directly or indirectly, or exercise control or direction over, more than 10% of the outstanding Common Shares.

10. Trading in Securities of Osum

Other than as set forth in Section 4 of the Circular, "Background to the Offer", or Section 9 of the Circular, "Ownership of Securities of Osum", after reasonable enquiry, none of the Offeror, WEF Management Corp, WEF or their respective directors or officers, or to the knowledge of the Offeror and WEF after reasonable enquiry, any associate or affiliate of an insider of the Offeror or WEF, any insider of the Offeror or WEF (other than a director or officer of the Offeror or WEF), or any person acting jointly or in concert with the Offeror or WEF, have purchased or sold any securities of Osum during the six-month period preceding the date hereof. See Section 4 of the Circular, "Background to the Offer" and Section 9 of the Circular, "Ownership of Securities of Osum".

There is no intention by the Offeror, WEF or any person acting jointly or in concert with the Offeror or WEF to purchase in the market any securities of Osum, as Osum is a private company and no Common Shares or other securities of Osum are traded on any market.

11. Commitments to Acquire Securities of Osum

Except as disclosed elsewhere in this Offer to Purchase and Circular, none of the Offeror, WEF Management Corp, WEF or their respective directors or officers, or to the knowledge of the Offeror and WEF after reasonable enquiry, any associate or affiliate of an insider of the Offeror or WEF, any insider of the Offeror or WEF (other than a director or officer of the Offeror or WEF), or any person acting jointly or in concert with the Offeror or WEF, has entered into any agreements, commitments or understandings to acquire any securities of Osum.

12. Other Material Facts

Except as disclosed elsewhere in this Offer to Purchase and Circular, the Offeror and WEF have no knowledge of any undisclosed material fact concerning securities of Osum or any other matter not disclosed in the Offer to Purchase and Circular that has not previously been generally disclosed but which would reasonably be expected to affect the decision of Shareholders to accept or reject the Offer.

13. Acquisition of Common Shares Not Deposited and/or Taken Up

If the Offeror takes up and pays for Common Shares validly deposited under the Offer, the Offeror intends to enter into one or more transactions to enable the Offeror, or an affiliate of the Offeror, to acquire all of the remaining Common Shares not acquired under the Offer. Pursuant to the terms of the Commitment Letter, the Offeror agreed with the Lenders to complete such transaction as soon as possible following, but no later than 120 days after, the date

of expiry of the Offer. The Offeror and Crescentwood have entered into the Equity Commitment Agreement to backstop funding of the Subsequent Acquisition Transaction, if needed. It will be an event of default under the Loan Documents if the Subsequent Acquisition Transaction has not been completed within 120 days after the date of expiry of the Offer.

The Offeror intends to acquire all of the remaining Common Shares not validly deposited under the Offer, or not taken up pursuant to the Offer, as applicable, including causing one or more special meetings to be called of the then holders of Common Shares to consider an amalgamation, statutory arrangement, capital reorganization, amendment to Osum's articles, consolidation or other transaction involving the Offeror and/or an affiliate of the Offeror and Osum and/or the Shareholders for the purpose of Osum becoming, directly or indirectly, a wholly-owned subsidiary of the Offeror (a "**Subsequent Acquisition Transaction**") as soon as possible following, but no later than 120 days after, the date of expiry of the Offer. It is the Offeror's current intention that the consideration per Common Share to be paid to the Shareholders pursuant to any such Subsequent Acquisition Transaction would be equal in value to and in the same form as that payable to the Shareholders under the Offer.

The timing and details of a Subsequent Acquisition Transaction will depend on a variety of factors at the time of any such transaction. Depending on the nature and terms of a Subsequent Acquisition Transaction, the provisions of the ABCA and Osum's constating documents may require the approval of 66⅔% of the votes cast by holders of the outstanding Common Shares at a meeting duly called and held for the purpose of approving a Subsequent Acquisition Transaction. If the Offer is successful, the Offeror and WEF will be the beneficial holders of a minimum of approximately 73% and a maximum of approximately 85% of the outstanding Common Shares and the Offeror intends to vote the Common Shares (whether held by them prior to the date hereof or acquired pursuant to this Offer) in favour of any Subsequent Acquisition Transaction.

In addition, notwithstanding that the requirements pertaining to protection of minority security holders under MI 61-101 will not apply to the Subsequent Acquisition Transaction as Osum is not a "reporting issuer" under applicable securities Laws, the Offeror intends to comply with applicable requirements thereof to, among other requirements, seek "minority approval" (within the meaning of MI 61-101) of the Subsequent Acquisition Transaction. MI 61-101 provides that the votes attached to Common Shares acquired under the Offer may be included as votes in favour of a Subsequent Acquisition Transaction in determining whether such minority approval has been obtained if, among other things: (i) the Subsequent Acquisition Transaction is completed no later than 120 days after the date of expiry of the Offer; (ii) the consideration per Common Share paid in the Subsequent Acquisition Transaction is equal in value to and in the same form as the consideration paid under the Offer; (iii) certain disclosure is provided in the Circular (which disclosure has been provided herein); and (iv) the Shareholder who deposited such Common Shares to the Offer was not (A) a "joint actor" (within the meaning of MI 61-101) with the Offeror in respect of the Offer, (B) a direct or indirect party to any "connected transaction" (within the meaning of MI 61-101) to the Offer, or (C) entitled to receive, directly or indirectly, in connection with the Offer, a "collateral benefit" (within the meaning of MI 61-101) or consideration per Common Share that was not identical in amount and form to the entitlement of the general body of holders in Canada of Common Shares. The Offeror is not aware of any votes attached to Common Shares to be acquired under the Offer that would be required to be excluded from being counted as part of the minority approval, and the Offeror intends to cause the Subsequent Acquisition Transaction to satisfy the foregoing requirements and all Common Shares acquired under the Offer to be voted in favour and counted as part of the minority approval of such transaction. To the knowledge of the Offeror and WEF after reasonable inquiry, no votes attached to Common Shares, other than the 60,035,152 Common Shares collectively held by WEF, would be required to be excluded in determining whether minority approval of the Subsequent Acquisition Transaction has been obtained in accordance with MI 61-101. No other class of security holders of Osum would be entitled to vote separately as a class to approve the Subsequent Acquisition Transaction.

Any such Subsequent Acquisition Transaction may also result in registered Shareholders having the right to dissent in respect thereof and demand payment of the fair value of their Common Shares. The exercise of such right of dissent, if certain procedures are complied with by the Shareholder, could lead to a judicial determination of fair value required to be paid to such dissenting Shareholder for its Common Shares. The fair value so determined could be more or less than the amount paid per Common Share pursuant to such transaction or pursuant to the Offer. The exact terms and procedures of the rights of dissent available to registered Shareholders will depend on the structure of a Subsequent

Acquisition Transaction and will be described in the proxy circular or other disclosure document provided to holders of Common Shares in connection with a Subsequent Acquisition Transaction.

If the Offeror cannot promptly obtain any required approvals or exemptions in respect of a Subsequent Acquisition Transaction, the Offeror will evaluate its other alternatives. Such alternatives could include, to the extent permitted by applicable Laws, purchasing additional Common Shares in privately negotiated transactions, in another take-over bid or exchange offer or otherwise, or from Osum. Subject to applicable Laws, any additional purchases of Common Shares could be at a price greater than, equal to, or less than the price to be paid for Common Shares under the Offer and could be for cash, securities and/or other consideration.

Should the Offeror take up Common Shares under the terms of the Offer and is subsequently unable to complete a Subsequent Acquisition Transaction, Shareholders who did not deposit their Common Shares pursuant to the Offer or whose Common Shares were not taken up by the Offeror pursuant to the terms of the Offer will continue to hold their Common Shares. As a result of the Minimum Tender Condition, if the Offeror takes up Common Shares under the Offer, the Offeror, WEF and their respective affiliates will hold more than 66⅔% of the outstanding Common Shares on a Fully-Diluted Basis. Therefore, the Offeror, WEF and their respective affiliates will have beneficial ownership over a sufficient number of Common Shares to approve any action requiring the approval of the majority of the holders of Common Shares (including election of directors), as well as any action which requires a special resolution under the ABCA (including any Subsequent Acquisition Transaction subject to the Shareholder vote).

Other Information

The tax consequences to a Shareholder of a Subsequent Acquisition Transaction may differ from the tax consequences to such Shareholder of accepting the Offer. See, for example, Section 20 of the Circular, "Certain Canadian Federal Income Tax Considerations".

Shareholders should consult their appropriate professional advisors for a determination of their legal rights and the tax consequences to them, having regard to their own particular circumstances, with respect to a Subsequent Acquisition Transaction or remaining a Shareholder following the Offer if a Subsequent Acquisition Transaction is not completed.

14. Benefits from the Offer

To the knowledge of the Offeror and WEF, other than as disclosed elsewhere in this Offer to Purchase and Circular and other than the consideration available to any Shareholder who deposits Common Shares to the Offer, there are no direct or indirect benefits of accepting or refusing to accept the Offer that will accrue to: (a) any director or officer of Osum; or (b) to the knowledge of the Offeror and WEF after reasonable enquiry, any (i) associate or affiliate of an insider of Osum, (ii) associate or affiliate of Osum, (iii) insider of Osum, other than a director or officer of Osum, or (iv) person acting jointly or in concert with Osum, other than those benefits that will accrue to Shareholders generally.

To the knowledge of the Offeror and WEF after reasonable enquiry, other than as disclosed elsewhere in this Offer to Purchase and Circular, there are no specific benefits, direct or indirect, in connection with any changes or transactions involving Osum which are currently contemplated to occur subsequently to the Offer, including a Subsequent Acquisition Transaction, that will accrue to: (a) any director or officer of Osum; or (b) to the knowledge of the Offeror and WEF after reasonable enquiry, any (i) associate or affiliate of an insider of Osum, (ii) associate or affiliate of Osum, (iii) insider of Osum, other than a director or officer of Osum, or (iv) person acting jointly or in concert with Osum, other than those benefits that will accrue to Shareholders generally.

15. Acceptance of the Offer

Other than the Locked-Up Shareholders who, subject to certain conditions, have agreed to deposit their Common Shares to the Offer under the Lock-Up Agreements, neither the Offeror nor WEF can confirm, after reasonable enquiry, whether (a) any director or officer of Osum, or (b) to the knowledge of the Offeror and WEF after reasonable enquiry, any (i) associate or affiliate of an insider of Osum, (ii) associate or affiliate of Osum, (iii) insider of Osum, other than a director or officer of Osum, or (iv) person acting jointly or in concert with Osum, will accept the Offer.

16. Agreements, Commitments or Understandings

Other than as disclosed elsewhere in this Offer to Purchase and Circular, there are (a) no agreements, commitments or understandings made or proposed to be made between the Offeror or WEF and any of the directors or officers of Osum, including for any payment or other benefit proposed to be made or given by way of compensation for loss of office or their remaining in or retiring from office if the Offer is successful, and (b) no agreements, commitments or understandings made or proposed to be made between the Offeror or WEF and any security holder of Osum relating to the Offer.

WEF Management Corp, on behalf of the Offeror, has entered into the Lock-Up Agreements with Shareholders holding Common Shares representing in aggregate approximately 19% of the total outstanding Common Shares or approximately 35% of the Common Shares not already owned by WEF pursuant to which such Shareholders have agreed to deposit their Common Shares to the Offer. See Section 5 of the Circular, "Lock-Up Agreements".

Other than as disclosed elsewhere in this Offer to Purchase and Circular, there are no agreements, commitments or understandings between the Offeror or WEF and Osum relating to the Offer, and the Offeror and WEF are not aware of any agreement, commitment or understanding that could affect control of Osum, that can reasonably be regarded as material to a Shareholder in deciding whether or not to deposit Common Shares under the Offer.

17. Requirements of an Insider Bid

The Offer is an "insider bid" within the meaning of certain Canadian provincial securities legislation, rules and regulations, including MI 61-101, by virtue of the Offeror and WEF exercising control and direction over more than 10% of the Common Shares.

MI 61-101 is designed to provide protection to shareholders where an insider bid is made, because of the concern that the insider bidder may have an informational advantage relative to other shareholders. Canadian securities regulators have publicly stated that they do not consider insider bids to be inherently unfair, but that these transactions are capable of being abusive or unfair, and as such Canadian securities regulators have adopted MI 61- 101 to ensure that all security holders are treated in a manner that is fair and is perceived to be fair.

The Offeror is relying on an exemption available under MI 61-101 from the "insider bid" requirement under applicable securities legislation, rules and regulations that a formal valuation of the Common Shares be prepared by a valuator that is independent of all "interested parties". See Section 19 of the Circular, "Regulatory Matters – Canadian Securities Laws – Valuation Requirements".

18. Prior Valuations

Applicable Canadian provincial securities legislation, rules and regulations, including MI 61-101, require that every "prior valuation" (as defined in MI 61-101) of Osum, its material assets or its securities made in the 24 months preceding the date of the Offer that is known, after reasonable enquiry, to the Offeror, WEF or their respective directors and senior officers, be disclosed in the Circular. No such prior valuations made in the 24 months preceding the date of the Offer are known, after reasonable enquiry, to the Offeror, WEF or their respective directors and senior officers.

19. Regulatory Matters

Competition Act

Under Part IX of the Competition Act, a transaction that exceeds certain financial thresholds set out in sections 109 and 110 of the Competition Act (a "**Notifiable Transaction**") requires notification to the Commissioner of Competition (the "**Commissioner**"). Based upon an examination of financial information provided by Osum, it has been determined that the Offer constitutes a Notifiable Transaction.

Subject to certain exceptions, a Notifiable Transaction cannot be completed until the parties to the transaction have each submitted the information prescribed pursuant to subsection 114(1) of the Competition Act to the Commissioner (the "**Notifications**") and the applicable waiting period has expired or been terminated early by the Commissioner.

The statutory waiting period is 30 calendar days after the day on which the parties to the Notifiable Transaction submit their Notifications, provided that, before the expiry of this period, the Commissioner has not notified the parties pursuant to subsection 114(2) of the Competition Act that the Commissioner requires additional information that is relevant to the Commissioner's assessment of the transaction (a "**Supplementary Information Request**"). If the Commissioner provides the parties with a Supplementary Information Request, the parties cannot complete the transaction until 30 calendar days after compliance with the Supplementary Information Request (unless an ARC or No-Action Letter is issued before the expiry of such extended period) and cannot complete the transaction after that 30 day period if there is any Competition Tribunal order in effect prohibiting completion of the transaction at that time.

Investment Canada Act

Under the *Investment Canada Act* (Canada), a transaction which involves the acquisition of control of a Canadian business by a non-Canadian may be subject to review (a "**Reviewable Transaction**") where the applicable financial threshold is met and in such a case cannot be implemented unless the Minister responsible for the *Investment Canada Act* (Canada) is satisfied that the transaction is likely to be of "net benefit to Canada."

As the enterprise value of the transaction, as calculated in accordance with the *Investment Canada Act* (Canada), does not exceed the applicable financial threshold, the Offer is not a Reviewable Transaction.

Canadian Securities Laws

Valuation Requirements

The Offer is an "insider bid" within the meaning of certain Canadian provincial securities legislation, including MI 61-101, as the Offeror, together with its joint actors, associates and affiliates (each as defined in MI 61-101), beneficially owns, or has control or direction over, directly or indirectly, or a combination thereof, securities of Osum carrying more than 10% of the voting rights attached to all of Osum's outstanding voting securities. The applicable securities legislation and regulatory policies require that a formal valuation of the securities that are the subject of the bid be prepared by an independent valuator and filed with the applicable Securities Regulatory Authority and that a summary of the formal valuation and an outline of every prior valuation of the offeree issuer made within 24 months preceding the date of the Offer, including a description of the source and circumstances under which it was made, be included in the take-over bid circular in respect of the "insider bid" (collectively, the "**Valuation Requirements**"), subject to certain exemptions.

In accordance with Section 2.4(1)(b) of MI 61-101, the Offeror is exempt from the Valuation Requirements on the basis that WEF or WEF Management Corp, on behalf of the Offeror, has entered into, through arm's length negotiations, certain agreements in connection with the making of the Offer, being the Lock-Up Agreements, and transactions agreed to within 12 months before the date of the first public announcement of the Offer, being the Initial Interest Acquisition. See Section 4 of the Circular, "Background to the Offer".

Under the Initial Interest Acquisition: (a) at least one of the Initial Selling Shareholders party to the Initial Interest Acquisition beneficially owned or exercised control or direction over, and agreed to sell, at least 10% of the outstanding Common Shares; and (b) one or more of the Initial Selling Shareholders party to the Initial Interest Acquisition beneficially owned or exercised control or direction over, and agreed to sell, in the aggregate, at least 20% of the Common Shares beneficially owned, or over which control or direction was exercised, by persons other than the Offeror, WEF and joint actors with the Offeror or WEF.

In addition, in accordance with Section 2.4(1)(b) of MI 61-101, the consideration per Common Share offered under the Offer is at least equal in value to and is in the same form as the highest consideration agreed to, in each case, with: (a) the Initial Selling Shareholders, in the case of the Initial Interest Acquisition; and (b) the Locked-Up Shareholders,

in the case of the Lock-Up Agreements. The Offeror has also included the required disclosure in this Offer to Purchase and Circular regarding the valuation exemption upon which the Offeror is relying and the facts supporting that reliance.

In addition, each of the following conditions is satisfied:

- (i) the Offeror and WEF reasonably believe, after reasonable inquiry, that at the time that each of: (a) the Initial Interest Acquisition; and (b) the Lock-Up Agreements were entered into:
 - (A) each of (1) the Initial Selling Shareholders, in the case of the Initial Interest Acquisition, and (2) the Locked-Up Shareholders, in the case of the Lock-Up Agreements, had full knowledge and access to information concerning Osum and Osum's securities; and
 - (B) any factors peculiar to (1) the Initial Selling Shareholders, in the case of the Initial Interest Acquisition, and (2) the Locked-Up Shareholders, in the case of the Lock-Up Agreements, including non-financial factors, that were considered relevant by the Initial Selling Shareholders or the Locked-Up Shareholders, as applicable, in assessing the consideration did not have the effect of reducing the price that would otherwise have been considered acceptable by the Initial Selling Shareholders or the Locked-Up Shareholders, as applicable;
- (ii) at the time that each of: (a) the Initial Interest Acquisition; and (b) the Lock-Up Agreements were entered into, neither the Offeror nor WEF knew of any material information in respect of Osum or Osum's securities that had not been generally disclosed and if generally disclosed, could have reasonably been expected to increase the agreed consideration; and
- (iii) neither the Offeror nor WEF know, after reasonable inquiry, of any material information in respect of Osum or Osum's securities since the time that each of: (a) the Initial Interest Acquisition; and (b) the Lock-Up Agreements were entered into that has not been generally disclosed and could reasonably be expected to increase the value of Osum's securities.

To the knowledge of the Offeror, WEF and their respective directors and senior officers, after reasonable inquiry, no prior valuation (as such term is defined in MI 61-101) has been made in respect of Osum in the 24 months preceding the date of this Offer to Purchase and Circular.

20. Certain Canadian Federal Income Tax Considerations

The following is a summary of the principal Canadian federal income tax considerations under the *Income Tax Act* (Canada) (the "**Tax Act**"), as of the date hereof, generally applicable to a beneficial owner of the Common Shares who disposes of the Common Shares pursuant to the Offer or otherwise disposes of the Common Shares pursuant to certain transactions described under Section 13 of the Circular, "Acquisition of Common Shares Not Deposited and/or Taken Up" and who, at all relevant times, for purposes of the Tax Act, holds the Common Shares as capital property, deals at arm's length with Osum and the Offeror, and is not affiliated with Osum or the Offeror (a "**Holder**"). Generally, the Common Shares will be capital property to a Holder provided the Holder does not hold such shares in the course of carrying on a business or as part of an adventure or concern in the nature of trade.

This summary does not apply to a Shareholder (a) that is a "financial institution" as defined in the Tax Act for the purposes of the "mark-to-market" rules, (b) that is a "specified financial institution" as defined in the Tax Act, (c) an interest in which is a "tax shelter investment" as defined in the Tax Act, (d) that has elected to report its "Canadian tax results," as defined in the Tax Act, in a currency other than Canadian dollars, (e) that has entered or will enter into, with respect to its Common Shares, a "derivative forward agreement," as such term is defined in the Tax Act, or (f) who acquired the Common Shares on the exercise of an Option. All such Shareholders are advised to consult with their own tax advisors.

This summary is based on the current provisions of the Tax Act, the regulations thereunder, and counsel's understanding of the current administrative policies and assessing practices of the Canada Revenue Agency (the

"CRA") published in writing by it prior to the date hereof. This summary takes into account all specific proposals to amend the Tax Act and the regulations thereunder publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, although there is no certainty that such proposals will be enacted in the form currently proposed, if at all. This summary does not otherwise take into account or anticipate any changes in Law, whether by judicial, governmental or legislative decision or action, or other changes in administrative policies or assessing practices of the CRA, nor does it take into account provincial, territorial or foreign income tax legislation or considerations, which may materially differ from the Canadian federal income tax considerations described herein.

This summary assumes that any person that held, or holds at any time, options (including Options), warrants or other conversion or exchange rights to acquire the Common Shares will have exercised them and acquired Common Shares. Accordingly, this summary does not address persons who hold such rights and such persons should consult their own tax advisors for advice regarding the income tax consequences to them of the expiry or exercise thereof, of the continued holding thereof, or replacement thereof, after the Expiry Time and of the acquisition, holding and disposing of the Common Shares or any other securities acquired on exercise thereof, which may differ materially from the discussion about income tax considerations set forth in this summary.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice or representations to any particular Shareholder to whom the Offer is made. This summary is not exhaustive of all Canadian federal income tax considerations. Accordingly, Shareholders should consult their own tax advisors for advice concerning the income tax consequences to them of disposing of their Common Shares under the Offer, a Subsequent Acquisition Transaction, and any other consequences to them of such transactions under Canadian federal, provincial, territorial or local tax Laws, and under foreign tax Laws, having regard to their own particular circumstances.

Generally, for purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of Common Shares (including dividends, adjusted cost base and proceeds of disposition) must be determined in Canadian dollars. Any such amount that is expressed or denominated in a currency other than Canadian dollars must be converted into Canadian dollars using the relevant exchange rate determined in accordance with the Tax Act. A Resident Holder may therefore realize additional income, gains or losses by virtue of changes in foreign currency exchange rates.

Holders Resident in Canada

The following portion of this summary is generally applicable to a Holder who, at all relevant times, for purposes of the Tax Act and any applicable income tax convention is, or is deemed to be, resident in Canada (a "**Resident Holder**").

Certain Resident Holders whose Common Shares might not otherwise be considered capital property may, in certain circumstances, be entitled to make an irrevocable election in accordance with subsection 39(4) of the Tax Act to have their Common Shares, and all other "Canadian securities" as defined in the Tax Act owned by such Resident Holder in the taxation year in which such election is made, and in all subsequent taxation years, deemed to be capital property. Resident Holders contemplating making a subsection 39(4) election should consult their own tax advisors.

Disposition of Common Shares Pursuant to the Offer

Generally, a Resident Holder whose Common Shares are disposed of pursuant to the Offer will realize a capital gain (or a capital loss) equal to the amount, if any, by which the proceeds of disposition received by the Resident Holder for such Common Shares, less any reasonable costs of disposition, exceed (or are exceeded by) the adjusted cost base to the Resident Holder of such Common Shares immediately before the disposition.

Capital Gains and Capital Losses

Generally, a Resident Holder is required to include in computing its income for a taxation year one-half of the amount of any capital gain (a "**taxable capital gain**") realized by it in that year. Subject to and in accordance with the provisions of the Tax Act, a Resident Holder is required to deduct one-half of the amount of any capital loss (an "**allowable capital loss**") realized in a taxation year from taxable capital gains realized by the Resident Holder in that

year. Allowable capital losses in excess of taxable capital gains for the year may ordinarily be carried back and deducted against taxable capital gains realized in any of the three preceding taxation years or carried forward and deducted in any following taxation year, to the extent and under the circumstances specified in the Tax Act.

In general, the amount of any capital loss realized by a Resident Holder which is a corporation on the disposition of Common Shares may be reduced by the amount of any dividends previously received or deemed to have been received on such Common Shares (or on a share for which such Common Share is substituted or exchanged), subject to and in the circumstances specified in the Tax Act. Similar rules may also apply in other circumstances, including where a corporation, trust or partnership is a member of a partnership or a beneficiary of a trust that owns Common Shares. Resident Holders to whom these rules may be relevant should consult their own tax advisors.

A Resident Holder that is throughout the relevant taxation year a "Canadian-controlled private corporation" as defined in the Tax Act may be liable for an additional refundable tax on certain investment income for the year, including taxable capital gains.

Capital gains realized by individuals or trusts, other than certain specified trusts, may give rise to alternative minimum tax under the Tax Act. Resident Holders should consult their own tax advisors with respect to the potential application of alternative minimum tax.

Disposition of Common Shares Pursuant to a Subsequent Acquisition Transaction

As described under Section 13 of the Circular, "Acquisition of Common Shares Not Deposited and/or Taken Up" if the Offeror does not acquire all of the Common Shares pursuant to the Offer, the Offeror may propose other means of acquiring all of the remaining outstanding Common Shares.

The Canadian federal income tax treatment of a Subsequent Acquisition Transaction to a Resident Holder will depend upon the exact manner in which a Subsequent Acquisition Transaction is carried out and the consideration offered. The Offeror may propose an amalgamation, statutory arrangement, capital reorganization, amendment to Osum's articles, consolidation or other transaction. It is not practical to comment as to the tax treatment of a Subsequent Acquisition Transaction to a Resident Holder except in very general terms. However, the Canadian federal income tax consequences of a Subsequent Acquisition Transaction may differ from those arising on the disposition of Common Shares under the Offer and will depend on the particular form and circumstances of such Subsequent Acquisition Transaction. For example, a Resident Holder may, as a result of a Subsequent Acquisition Transaction, realize a capital gain or capital loss, be deemed to receive a dividend or incur both results. No opinion is expressed herein as to the Canadian federal income tax consequences of any such Subsequent Acquisition Transaction to a Resident Holder.

Resident Holders should consult their own tax advisors with respect to the potential tax consequences to them of disposing of their Common Shares pursuant to a Subsequent Acquisition Transaction.

Holders Not Resident in Canada

The following portion of this summary is generally applicable to a Holder who, at all relevant times, for purposes of the Tax Act, is neither resident nor deemed to be resident in Canada, and does not use or hold, and is not deemed to use or hold, Common Shares in connection with carrying on a business in Canada (a "**Non-Resident Holder**"). This portion of the summary is not applicable to Non-Resident Holders that are insurers carrying on an insurance business in Canada and elsewhere or that are "authorized foreign banks" as defined in the Tax Act. Such Non-Resident Holders should consult their own tax advisors.

Disposition of Common Shares Pursuant to the Offer

A Non-Resident Holder who disposes of Common Shares to the Offeror pursuant to the Offer will not be subject to tax under the Tax Act in respect of any capital gain realized on the disposition of the Common Shares unless such Common Shares are or are deemed to be "taxable Canadian property", as defined in the Tax Act, of the Non-Resident

Holder at the time of the disposition and are not "treaty-protected property" of the Non-Resident Holder for purposes of the Tax Act.

Generally, the Common Shares will constitute "taxable Canadian property" to a Non-Resident Holder at the time of disposition if the Common Shares are not listed at that time on a "designated stock exchange" and if at any particular time during the 60-month period immediately preceding the disposition, more than 50% of the fair market value of the Common Share was derived directly or indirectly (otherwise than through a corporation, partnership or trust the shares or interests in which were not themselves taxable Canadian property at the particular time) from one or any combination of: (a) real or immovable property situated in Canada; (b) "Canadian resource properties" as defined in the Tax Act; (c) "timber resource properties" as defined in the Tax Act; and (d) options in respect of, or interests in, or for civil law rights in, property described in (a) to (c), whether or not such property exists.

Furthermore, in certain circumstances as set out in the Tax Act, the Common Shares could be deemed to be "taxable Canadian property" of the Non-Resident Holder.

If the Common Shares are "taxable Canadian property" of a Non-Resident Holder, a taxable capital gain resulting from the disposition of the Common Shares will not be included in computing the Non-Resident Holder's income for purposes of the Tax Act if, at the time of the disposition, the Common Shares constitute "treaty-protected property" of the Non-Resident Holder, as defined in the Tax Act. Common Shares will generally be "treaty-protected property" to a Non-Resident Holder at the time of the disposition if the gain from the disposition of such Common Shares would, because of an applicable income tax convention to which Canada is a signatory, be exempt from tax under the Tax Act. Non-Resident Holders should consult their own tax advisors with respect to the availability of any relief under the terms of an applicable income tax convention in their particular circumstances.

In the event that the Common Shares constitute taxable Canadian property, but not treaty-protected property, to a particular Non-Resident Holder on the disposition thereof pursuant to the Offer, such Non-Resident Holder will realize a capital gain (or capital loss) generally computed in the manner described above under the subheading "– Holders Resident in Canada – Disposition of Common Shares Pursuant to the Offer." The Non-Resident Holder may be subject to tax under the Tax Act in respect of any such capital gain realized on the disposition and the Non-Resident Holder may be required to file a Canadian income tax return for the year in which the disposition (or any deemed disposition) occurs (unless the disposition is an "excluded disposition" as defined in the Tax Act).

In the event that the Common Shares constitute taxable Canadian property to a particular Non-Resident Holder on the disposition thereof pursuant to the Offer, the provisions of section 116 of the Tax Act will apply to such Non-Resident Holder and the Offeror in respect of the disposition of Common Shares. Accordingly, unless the Non-Resident Holder provides the Offeror with a satisfactory certificate under section 116 of the Tax Act prior to the date payment is made by the Offeror, the Offeror intends to withhold and remit as tax for the account of the Non-Resident Holder 25% of the amount the Non-Resident Holder is entitled to receive (determined before withholding taxes), or if the "certificate limit" specified on the certificate under section 116 of the Tax Act is less than the amount the Non-Resident Holder is entitled to receive in respect of such Common Shares, 25% of the excess of the amount the Non-Resident Holder is entitled to receive over the certificate limit, if any, and remit this amount within the prescribed time limit to the Receiver General of Canada on account of the Non-Resident Holder's potential tax under the Tax Act. The rules and procedures governing the application for and the issuance of a certificate under section 116 of the Tax Act by the CRA are complex and time sensitive. A Non-Resident Holder may apply to the CRA for a certificate under section 116 of the Tax Act by submitting a completed Form T2062: "Request by a Non-Resident of Canada for a Certificate of Compliance Relating to a Disposition of Taxable Canadian Property" and the required supporting information. **Non-Resident Holders should consult their own tax advisors concerning section 116 of the Tax Act and their Canadian tax liability.**

Non-Resident Holders should consult their own tax advisors with respect to the potential income tax consequences to them of disposing of their Common Shares under the Offer.

Disposition of Common Shares Pursuant to a Subsequent Acquisition Transaction

As described in Section 13 of the Circular, "Acquisition of Common Shares Not Deposited and/or Taken Up" if the Offeror does not acquire all of the Common Shares pursuant to the Offer, the Offeror may propose other means of acquiring all of the remaining outstanding Common Shares.

The Canadian federal income tax treatment of a Subsequent Acquisition Transaction to a Non-Resident Holder will depend upon the exact manner in which a Subsequent Acquisition Transaction is carried out and the consideration offered. The Offeror may propose an amalgamation, statutory arrangement, capital reorganization, amendment to Osum's articles, consolidation or other transaction. It is not practical to comment as to the tax treatment of a Subsequent Acquisition Transaction to a Non-Resident Holder except in very general terms. However, the Canadian federal income tax consequences of a Subsequent Acquisition Transaction may differ from those arising on the disposition of Common Shares under the Offer and will depend on the particular form and circumstances of such Subsequent Acquisition Transaction. For example, a Non-Resident Holder may, as a result of a Subsequent Acquisition Transaction, realize a capital gain or a capital loss, be deemed to receive a dividend or incur both results as discussed above under "– Holders Resident in Canada – Disposition of Common Shares Pursuant to Subsequent Acquisition Transaction". No opinion is expressed herein as to the Canadian federal income tax consequences of any such Subsequent Acquisition Transaction to a Non-Resident Holder.

A Non-Resident Holder may, as a result of a Subsequent Acquisition Transaction, realize a capital gain or a capital loss, be deemed to receive a dividend or incur both results as discussed above under "– Holders Resident in Canada – Disposition of Common Shares Pursuant to Subsequent Acquisition Transaction". No opinion is expressed herein as to the Canadian federal income tax consequences of any such Subsequent Acquisition Transaction to a Non-Resident Holder.

Non-Resident Holders should consult their own tax advisors for advice with respect to the tax consequences to them of disposing of their Common Shares pursuant to a Subsequent Acquisition Transaction.

21. Depositary and Information Agent

The Offeror has retained Kingsdale Advisors to act as the Depositary and Information Agent to provide information to Shareholders in connection with the Offer and to receive deposits of certificate(s) or DRS Statement(s), as applicable, or other evidence representing Common Shares and accompanying Letters of Transmittal deposited under the Offer at its office in Toronto, Ontario at the address specified in the Letter of Transmittal. In addition, the Depositary and Information Agent will receive deposits of Notices of Guaranteed Delivery at its office in Toronto, Ontario at the address specified in the Notice of Guaranteed Delivery. The Depositary and Information Agent will also be responsible for giving certain notices, if required by applicable Law, and for making payment for all Common Shares purchased by the Offeror under the Offer. The Depositary and Information Agent will also facilitate book-entry transfers of Common Shares. The Depositary and Information Agent will receive reasonable and customary compensation from the Offeror for its services in connection with the Offer, will be reimbursed for certain out-of-pocket expenses and will be indemnified against certain liabilities. The Depositary and Information Agent can be contacted by telephone toll-free at 1-866-581-0506 within North America and at 1-416-867-2272 outside of North America or by e-mail at contactus@kingsdaleadvisors.com.

Shareholders should also contact their respective dealers, brokers, investment advisors, lawyers and other professional advisors for assistance concerning the Offer.

No fee or commission will be payable by any Shareholder who transmits such Shareholder's Common Shares directly to the Depositary and Information Agent to accept the Offer.

22. Statutory Rights

Securities legislation in the provinces and territories of Canada provides security holders of Osum with, in addition to any other rights they may have at Law, one or more rights of rescission, price revision or to damages, if there is a misrepresentation in a circular or notice that is required to be delivered to those security holders. However, such rights

must be exercised within prescribed time limits. Security holders should refer to the applicable provisions of the securities legislation of their province or territory for particulars of those rights or consult a lawyer.

23. Expenses of the Offer

The Offeror estimates that if it acquires up to 52,500,000 Common Shares pursuant to the Offer (other than Common Shares owned by the Offeror, WEF or any person acting jointly or in concert with the Offeror or WEF), the total expenses incurred or to be incurred in connection with the Offer will be approximately \$4 million.

24. Legal Matters

The Offeror is being advised in respect of certain matters concerning the Offer by Blake, Cassels & Graydon LLP, Canadian counsel to the Offeror.

25. Directors' Approval

The contents of the Offer to Purchase and the Circular have been approved, and the sending of the Offer to Purchase and Circular to the Shareholders and holders of Convertible Securities has been authorized, by the directors of WEF Osum Acquisition Corp., in addition to the directors of each of WEF GP (Canadian) Corp., WEF GP (US) Corp., WEF GP (International) Ltd., WEF Osum I GP Ltd., WEF Osum II GP Ltd. and WEF Osum III GP Ltd., each in their capacity as general partner of Waterous Energy Fund (Canadian) LP, Waterous Energy Fund (US) LP, Waterous Energy Fund (International) LP, WEF Osum Co-Invest I LP, WEF Osum Co-Invest II LP and WEF Osum Co-Invest III LP, respectively.

CERTIFICATE OF WEF OSUM ACQUISITION CORP.

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

DATED: November 4, 2020

(signed) "Adam Waterous"
Adam Waterous, Director

CERTIFICATE OF WATEROUS ENERGY FUND (CANADIAN) LP

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

DATED: November 4, 2020.

On behalf of WEF GP (Canadian) Corp., as the general partner of Waterous Energy Fund (Canadian) LP

(signed) "Adam Waterous"
Adam Waterous, President & Director

(signed) "James Gordon Flatt"
James Gordon Flatt, Director

CERTIFICATE OF WATEROUS ENERGY FUND (US) LP

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

DATED: November 4, 2020.

On behalf of WEF GP (US) Corp., as the general partner of Waterous Energy Fund (US) LP

(signed) "Adam Waterous"
Adam Waterous, President & Director

(signed) "James Gordon Flatt"
James Gordon Flatt, Director

CERTIFICATE OF WATEROUS ENERGY FUND (INTERNATIONAL) LP

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

DATED: November 4, 2020.

On behalf of WEF GP (International) Ltd., as the general partner of Waterous Energy Fund (International) LP

(signed) "Adam Waterous"
Adam Waterous, President & Director

(signed) "James Gordon Flatt"
James Gordon Flatt, Secretary, Treasurer
& Director

(signed) "Sue Dawn Flatt"
Sue Dawn Flatt, Director

CERTIFICATE OF WEF OSUM CO-INVEST I LP

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

DATED: November 4, 2020.

On behalf of WEF Osum I GP Ltd., as the general partner of WEF Osum Co-Invest I LP

(signed) "Adam Waterous"

Adam Waterous, President & Director

CERTIFICATE OF WEF OSUM CO-INVEST II LP

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

DATED: November 4, 2020.

On behalf of WEF Osum II GP Ltd., as the general partner of WEF Osum Co-Invest II LP

(signed) "Adam Waterous"

Adam Waterous, President & Director

CERTIFICATE OF WEF OSUM CO-INVEST III LP

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

DATED: November 4, 2020.

On behalf of WEF Osum III GP Ltd., as the general partner of WEF Osum Co-Invest III LP

(signed) "Adam Waterous"
Adam Waterous, Director

(signed) "James Gordon Flatt"
James Gordon Flatt, Director

The Depositary and Information Agent for the Offer is:

Kingsdale Advisors

By Registered Mail or Courier:

**Kingsdale Advisors
Exchange Tower
130 King Street West, Suite 2950
Toronto, Ontario M5X 1E2**

Toll Free (within North America): 1-866-581-0506
Call Collect (outside North America): 1-416-867-2272
E-Mail: contactus@kingsdaleadvisors.com

Questions and requests for assistance may be directed to the Depositary and Information Agent at the telephone numbers and locations set out above.