



NOTICES OF SPECIAL MEETINGS

- AND -

NOTICE OF APPLICATION TO THE COURT OF QUEEN'S BENCH OF ALBERTA

- AND -

JOINT MANAGEMENT INFORMATION CIRCULAR

**FOR SPECIAL MEETINGS OF THE SHAREHOLDERS OF STRIKER EXPLORATION CORP. AND
THE SHAREHOLDERS OF GEAR ENERGY LTD.**

EACH TO BE HELD ON JULY 26, 2016

WITH RESPECT TO A PROPOSED PLAN OF ARRANGEMENT INVOLVING

STRIKER EXPLORATION CORP.,

GEAR ENERGY LTD. AND

THE SHAREHOLDERS OF STRIKER EXPLORATION CORP.

JUNE 27, 2016

Unless otherwise stated, the information herein is current as of June 24, 2016

This document is important and requires your immediate attention. If you have any questions as to how to deal with it, you should consult your investment dealer, broker, lawyer or other professional advisor. No securities regulatory authority or stock exchange has expressed an opinion about, or passed upon the fairness or merits of the transaction described in this document, the securities offered pursuant to such transaction or the adequacy of the information contained in this document and it is an offense to claim otherwise.

None of the Toronto Stock Exchange, the TSX Venture Exchange or any securities regulatory authority has in any way passed upon the merits of the plan of arrangement described in this information circular.

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LETTER TO STRIKER SHAREHOLDERS



June 27, 2016

Dear Striker Shareholders:

You are invited to attend a special meeting (the "**Striker Meeting**") of the holders ("**Striker Shareholders**") of common shares (the "**Striker Shares**") of Striker Exploration Corp. ("**Striker**") to be held at the offices of McCarthy Tétrault LLP, 4000, 421-7 Avenue S.W., Calgary, Alberta at 9:00 a.m. (Calgary time) on July 26, 2016 for the following purposes:

1. to consider, pursuant to the interim order made by the Court of Queen's Bench of Alberta and dated June 22, 2016, and, if thought advisable, to approve, with or without amendment, a special resolution (the "**Striker Arrangement Resolution**"), the full text of which is set forth in Appendix A to the accompanying joint management information circular of Striker and Gear Energy Ltd. ("**Gear**") dated June 27, 2016 (the "**Information Circular**"), approving a plan of arrangement involving Gear, Striker and Striker Shareholders (the "**Arrangement**") under Section 193 of the *Business Corporations Act* (Alberta), all as more particularly described below and in the Information Circular; and
2. to transact such other business as may properly come before the Striker Meeting or any adjournment thereof.

Further particulars of the matters referred to above are set forth in the accompanying Information Circular.

It is important that your Striker Shares are represented at the Striker Meeting. If you are unable to attend the Striker Meeting in person we request that you date and sign the enclosed form of proxy and mail it to or deposit it with Alliance Trust Company, at 1010, 407 – 2 Street S.W., Calgary, Alberta T2P 2Y3. In order to be valid and acted upon at the Striker Meeting, forms of proxy must be received at the aforesaid address not later than 9:00 a.m. (Calgary time) on July 22, 2016 or not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to any adjournment of the Striker Meeting. For information regarding the voting or appointing a proxy by internet, see the form of proxy for Striker Shareholders and the Information Circular under the heading "*General Proxy Matters – Striker – Voting by Internet*".

Striker and Gear entered into an arrangement agreement dated as of June 7, 2016 (the "**Arrangement Agreement**") pursuant to which Gear will acquire all the outstanding Striker Shares in exchange for 2.325 common shares of Gear ("**Gear Shares**") in respect of each Striker Share and Striker and Gear shall amalgamate to form "Gear Energy Ltd.", all pursuant to the terms of the plan of arrangement (the "**Plan of Arrangement**") attached as Exhibit "A" to the Arrangement Agreement.

FirstEnergy Capital Corp. ("**FirstEnergy**") have acted as financial advisors to the board of directors of Striker (the "**Striker Board**") and FirstEnergy has provided the Striker Board with an opinion that, as of the date of such opinion and subject to the assumptions, limitations, qualifications and other matters stated in such opinion, the consideration to be received by Striker Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Striker Shareholders. The fairness opinion of FirstEnergy is attached as Appendix F to the Information Circular.

The Striker Board has considered the Arrangement and after considering, among other things, (i) the fairness opinion provided by FirstEnergy; (ii) the anticipated benefits of the Arrangement; and (iii) the risks associated with completing the Arrangement, the Striker Board has unanimously determined that the Arrangement is in the best

interests of Striker and the Striker Shareholders, determined the consideration to be received by the Striker Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Striker Shareholders and approved the Arrangement and the entering into of the Arrangement Agreement.

The Striker Board unanimously recommends that the Striker Shareholders vote FOR the Striker Arrangement Resolution.

If the Arrangement is completed as contemplated, it is expected that former Striker Shareholders (including holders of in-the-money Striker options which are expected to be exercised prior to the effective time of the Arrangement) will own approximately 40% of the outstanding Gear Shares (on an undiluted basis, and after taking into account the issuance of approximately 28.75 million Gear Shares pursuant to a bought-deal financing of Gear to be completed on or about June 29, 2016) subsequent to the Arrangement.

If the Arrangement is completed as contemplated, Neil Roszell, Kevin Olson and John O'Connell, currently members of the Striker Board, will be appointed on the effective date of the Arrangement to the board of directors of Gear. Greg Bay is expected to resign as a director of Gear contemporaneous with the completion of the Arrangement. As such, following the completion of the Arrangement, the board of directors of Gear is expected to be comprised of Don T. Gray, Ingram Gillmore, Peter Verburg, Raymond Cej, Harry English, Neil Roszell, Kevin Olson and John O'Connell.

Following the completion of the Arrangement, the current management of Gear, led by Ingram Gillmore, President and Chief Executive Officer, and including David Hwang, Vice President, Finance and Chief Financial Officer, Yvan Chretien, Vice President, Land, Jason Kaluski, Vice President, Operations, and Bryan Dozzi, Vice President, Engineering, will continue to manage the combined entity.

All of the directors and executive officers of Striker and certain Striker Shareholders who hold in aggregate approximately 33.2% of the issued and outstanding Striker Shares have entered into support agreements with Gear pursuant to which they have agreed, among other things, to vote their Striker Shares in favour of the Striker Arrangement Resolution and to otherwise support the Arrangement.

The Striker Arrangement Resolution must be approved by:

1. not less than 66 $\frac{2}{3}$ % of the votes cast by the Striker Shareholders, present in person or by proxy at the Striker Meeting; and
2. a simple majority of the votes cast by the Striker Shareholders, present in person or represented by proxy at the Striker Meeting and entitled to vote after excluding the votes required by Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*, all as more fully described in the Information Circular.

Completion of the Arrangement is also conditional upon approval of certain matters relating to the Arrangement by the holders of Gear Shares at a special meeting of such holders, the approval of the Court of Queen's Bench of Alberta and the receipt of required regulatory, stock exchange and third party approvals. All of the directors and executive officers of Gear and certain holders of Gear Shares who hold in aggregate approximately 7.0% of the issued and outstanding Gear Shares have entered into support agreements with Striker pursuant to which they have agreed, among other things, to vote their Gear Shares in favour of the issuance of Gear Shares pursuant to the Arrangement and to otherwise support the Arrangement.

If the requisite shareholder, court and regulatory approvals are obtained and if the other conditions to the Arrangement becoming effective are satisfied or waived in accordance with the Arrangement Agreement, it is expected that the Arrangement will become effective on or about July 26, 2016.

If you are a registered Striker Shareholder, please complete the enclosed letter of transmittal (the "**Striker Letter of Transmittal**") in accordance with the instructions included, sign and return it to the depositary, Computershare Investor Services Inc. ("**Computershare**") (at one of the addresses set forth on the last page of the Striker Letter of

Transmittal), in the envelope provided, together with the share certificates representing your Striker Shares and any other required documents. The Striker Letter of Transmittal contains complete instructions on how to exchange the share certificate(s) representing your Striker Shares and receive a physical share certificate(s) representing your Gear Shares. You will not receive your physical share certificate(s) representing your Gear Shares until after the Arrangement is completed and you have returned your properly completed documents, including the Striker Letter of Transmittal, and the share certificate(s) representing your Striker Shares to Computershare. If your Striker Shares are not registered in your name but are held by a broker or nominee, please contact your broker or nominee for instructions. In the event of a postal disruption as a result of a Canada Post labour disruption or other cause, please see "*The Arrangement – Procedure for Exchange of Securities*" in the Information Circular for information on how to obtain and submit a Striker Letter of Transmittal.

The Information Circular contains a detailed description of the Arrangement as well as detailed information regarding Striker and Gear and certain pro forma and other combined information after giving effect to the Arrangement. It also includes certain risk factors relating to the completion of the Arrangement and the potential consequences of a Striker Shareholder exchanging its Striker Shares for Gear Shares in connection with the Arrangement. Please give this material your careful consideration and, if you require assistance, consult your financial, tax or other professional advisors. In the event of a postal disruption as a result of a Canada Post labour disruption or other cause, please see "*General Proxy Matters – Striker – Appointment and Revocation of Proxies*" and "*General Information – Information for Beneficial Shareholders*" in the Information Circular for information on how to obtain and submit a form of proxy or voting information form, as applicable.

Striker management and the Striker Board are excited about the growth prospects and potential value creation for Striker Shareholders that the combination with Gear is expected to bring.

On behalf of Striker, I would like to thank all Striker Shareholders for their ongoing support as we work towards completion of this exciting transaction. We look forward to receiving your support at the Striker Meeting.

Yours truly,

(signed) "*Doug Bailey*"

Doug Bailey
President, Chief Executive Officer and Director
Striker Exploration Corp.

LETTER TO GEAR SHAREHOLDERS



June 27, 2016

Dear Gear Shareholders:

You are invited to attend a special meeting (the "**Gear Meeting**") of the holders ("**Gear Shareholders**") of common shares (the "**Gear Shares**") of Gear Energy Ltd. ("**Gear**") to be held in the offices of Burnet, Duckworth & Palmer LLP, 2400, 525 – 8th Avenue S.W., Calgary, Alberta at 10:00 a.m. (Calgary time) on July 26, 2016 for the following purposes:

1. to consider and, if thought advisable, to approve, with or without amendment, an ordinary resolution (the "**Gear Resolution**"), the full text of which is set forth in Appendix B to the accompanying joint management information circular of Gear and Striker Exploration Corp. ("**Striker**") dated June 27, 2016 (the "**Information Circular**"), approving the issuance of Gear Shares pursuant to a plan of arrangement (the "**Arrangement**") involving Striker, Gear and the holders ("**Striker Shareholders**") of common shares ("**Striker Shares**") of Striker under Section 193 of the *Business Corporations Act* (Alberta), all as more particularly described below and in the Information Circular; and
2. to transact such other business as may properly come before the Gear Meeting or any adjournment thereof.

Further particulars of the matters referred to above are set forth in the accompanying Information Circular.

It is important that your Gear Shares are represented at the Gear Meeting. If you are unable to attend the Gear Meeting in person we request that you date and sign the enclosed form of proxy and mail it to or deposit it with Computershare Trust Company of Canada, Proxy Dept., 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, or by facsimile at 1-866-249-7775. In order to be valid and acted upon at the Gear Meeting, forms of proxy must be received at the aforesaid address not later than 10:00 a.m. (Calgary time) on July 22, 2016 or not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to any adjournment of the Gear Meeting. For information regarding the voting or appointing a proxy by internet, see the form of proxy for Gear Shareholders and the Information Circular under the heading "*General Proxy Matters – Gear – Voting by Internet*".

Striker and Gear entered into an arrangement agreement dated as of June 7, 2016 (the "**Arrangement Agreement**") pursuant to which Gear will acquire all the outstanding Striker Shares in exchange for 2.325 Gear Shares in respect of each Striker Share pursuant to the terms of the plan of arrangement (the "**Plan of Arrangement**") attached as Exhibit "A" to the Arrangement Agreement.

Peters & Co. Limited ("**Peters & Co.**") have acted as financial advisors to the board of directors of Gear (the "**Gear Board**") and Peters & Co. has provided the Gear Board with an opinion that, as of the date of such opinion and subject to the assumptions, limitations, qualifications and other matters stated in such opinion, the consideration to be paid by Gear to the Striker Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Gear Shareholders. The fairness opinion of Peters & Co. is attached as Appendix G to the Information Circular.

The Gear Board has considered the Arrangement and after considering, among other things, (i) the fairness opinion provided by Peters & Co.; (ii) the anticipated benefits of the Arrangement; and (iii) the risks associated with completing the Arrangement, the Gear Board has unanimously determined that the Arrangement is in the best interests of Gear and approved the Arrangement and the entering into of the Arrangement Agreement.

<p>The Gear Board unanimously recommends that the Gear Shareholders vote FOR the Gear Resolution.</p>
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If the Arrangement is completed as contemplated, it is expected that former Striker Shareholders (including holders of in-the-money Striker options which are expected to be exercised prior to the effective time of the Arrangement) will own approximately 40% of the outstanding Gear Shares (on an undiluted basis, and after taking into account the issuance of approximately 28.75 million Gear Shares pursuant to a bought-deal financing of Gear to be completed on or about June 29, 2016) subsequent to the Arrangement.

If the Arrangement is completed as contemplated, Neil Roszell, Kevin Olson and John O'Connell, currently members of the board of directors of Striker, will be appointed on the effective date of the Arrangement to the Gear Board. Greg Bay is expected to resign as a director of Gear contemporaneous with the completion of the Arrangement. As such, following the completion of the Arrangement, the Gear Board is expected to be comprised of Don T. Gray, Ingram Gillmore, Peter Verburg, Raymond Cej, Harry English, Neil Roszell, Kevin Olson and John O'Connell.

Following the completion of the Arrangement, the current management of Gear, led by Ingram Gillmore, President and Chief Executive Officer, and including David Hwang, Vice President, Finance and Chief Financial Officer, Yvan Chretien, Vice President, Land, Jason Kaluski, Vice President, Operations, and Bryan Dozzi, Vice President, Engineering will continue to manage the combined entity.

All of the directors and executive officers of Gear and certain Gear Shareholders who hold in aggregate approximately 7.0% of the issued and outstanding Gear Shares have entered into support agreements with Striker pursuant to which they have agreed, among other things, to vote their Gear Shares in favour of the Gear Resolution and to otherwise support the Arrangement.

The issuance of Gear Shares in connection with the Arrangement is subject to the approval of a majority of the Gear Shareholders pursuant to the terms of the Arrangement Agreement and the policies of the Toronto Stock Exchange. Therefore, the Gear Resolution must be approved by a simple majority of the votes cast by the Gear Shareholders, present in person or represented by proxy at the Gear Meeting.

Completion of the Arrangement is also conditional upon approval of the Arrangement by Striker Shareholders at a special meeting of such holders, the approval of the Court of Queen's Bench of Alberta and the receipt of required regulatory, stock exchange and third party approvals. All of the directors and executive officers of Striker and certain Striker Shareholders who hold in aggregate approximately 33.2% of the issued and outstanding Striker Shares have entered into support agreements with Gear pursuant to which they have agreed, among other things, to vote their Striker Shares in favour of the Arrangement and to otherwise support the Arrangement.

If the requisite shareholder, court and regulatory approvals are obtained and if the other conditions to the Arrangement becoming effective are satisfied or waived in accordance with the Arrangement Agreement, it is expected that the Arrangement will become effective on or about July 26, 2016.

The Information Circular contains a detailed description of the Arrangement as well as detailed information regarding Striker and Gear and certain pro forma and other combined information after giving effect to the Arrangement. It also includes certain risk factors relating to the completion of the Arrangement. Please give this material your careful consideration. In the event of a postal disruption as a result of a Canada Post labour disruption or other cause, please see "*General Proxy Matters – Gear – Appointment and Revocation of Proxies*" and "*General Information – Information for Beneficial Shareholders*" in the Information Circular for information on how to obtain and submit a form of proxy or voting information form, as applicable.

On behalf of Gear, I would like to thank all Gear Shareholders for their ongoing support as we work towards completion of this exciting transaction. We look forward to receiving your support at the Gear Meeting.

Yours truly,

(signed) "*Ingram Gillmore*"

Ingram Gillmore
President and Chief Executive Officer
Gear Energy Ltd.

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS OF
STRIKER EXPLORATION CORP.**

TO BE HELD ON JULY 26, 2016

NOTICE IS HEREBY GIVEN that pursuant to an interim order of the Court of Queen's Bench of Alberta dated June 22, 2016 (the "**Interim Order**") a special meeting (the "**Striker Meeting**") of the holders ("**Striker Shareholders**") of common shares ("**Striker Shares**") of Striker Exploration Corp. ("**Striker**") will be held in the offices of McCarthy Tétrault LLP, 4000, 421- 7 Avenue S.W., Calgary, Alberta at 9:00 a.m. (Calgary time) on July 26, 2016, for the following purposes:

1. to consider, pursuant to the Interim Order, and, if thought advisable, to approve, with or without amendment, a special resolution (the "**Striker Arrangement Resolution**"), the full text of which is set forth in Appendix A to the accompanying joint management information circular of Striker and Gear Energy Ltd. ("**Gear**") dated June 27, 2016 (the "**Information Circular**"), approving a plan of arrangement involving Gear, Striker and the Striker Shareholders (the "**Arrangement**") under Section 193 of the *Business Corporations Act* (Alberta), all as more particularly described below and in the Information Circular; and
2. to transact such other business as may properly come before the Striker Meeting or any adjournment thereof.

The completion of the Arrangement is conditional upon, among other matters, the receipt of all regulatory and court approvals.

Specific details of the matters to be put before the Striker Meeting are set forth in the Information Circular.

The record date (the "**Record Date**") for the determination of Striker Shareholders entitled to receive notice of, and to vote at, the Striker Meeting is June 27, 2016. Only Striker Shareholders whose names have been entered in the register of Striker Shareholders at the close of business on the Record Date will be entitled to receive notice of and to vote at the Striker Meeting. **To the extent a Striker Shareholder transfers the ownership of any of its Striker Shares after the Record Date and the transferee of those Striker Shares establishes that it owns such Striker Shares and requests, at least 10 days before the Striker Meeting, to be included in the list of Striker Shareholders eligible to vote at the Striker Meeting, such transferee will be entitled to vote those Striker Shares at the Striker Meeting.**

A Striker Shareholder may attend the Striker Meeting in person or may be represented by proxy. Striker Shareholders who are unable to attend the Striker Meeting or any adjournment thereof in person are requested to date, sign and return the accompanying form of proxy for use at the Striker Meeting or any adjournment thereof. To be effective, the proxy must be received by Alliance Trust Company, at 1010, 407 – 2 Street S.W., Calgary, Alberta, T2P 2Y3. In order to be valid and acted upon at the Striker Meeting, forms of proxy must be received at the aforesaid address by 9:00 a.m. (Calgary time) on July 22, 2016 or not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Striker Meeting or any adjournment of the Striker Meeting. For information regarding voting or appointing a proxy by internet, see the form of proxy for Striker Shareholders and/or the section entitled "*General Proxy Matters – Striker – Voting by Internet*" in the Information Circular. In the event of a postal disruption as a result of a Canada Post labour disruption or other cause, please see "*General Proxy Matters – Striker – Appointment and Revocation of Proxies*" and "*General Information – Information for Beneficial Shareholders*" in the Information Circular for information on how to obtain and submit a form of proxy or voting information form, as applicable.

Pursuant to the Interim Order registered Striker Shareholders have a right to dissent in respect of the Striker Arrangement Resolution and to be paid an amount equal to the fair value of their Striker Shares. This dissent right and the dissent procedures are described in the Information Circular. The dissent procedures require that a registered Striker Shareholder who wishes to dissent send a written notice of objection to the Striker Arrangement Resolution to Striker, c/o McCarthy Tétrault LLP, 4000, 421 – 7 Avenue S.W., Calgary, Alberta T2P 4K9, Attention: Sony Gill,

to be received by no later than 10:00 a.m. (Calgary time) on the second business day immediately preceding the date of the Striker Meeting, and must otherwise strictly comply with the dissent procedures described in the Information Circular. Failure to strictly comply with the dissent procedures will result in loss of the right to dissent. Beneficial owners of Striker Shares must be aware that only registered Striker Shareholders are entitled to dissent. Accordingly, a beneficial owner of Striker Shares must make arrangements for the Striker Shares beneficially owned by such Striker Shareholder to be registered in the Striker Shareholder's name prior to the time the written objection to the Striker Arrangement Resolution is required to be received by Striker, or alternatively, make arrangements for the registered holder of such Striker Shares to dissent on the Striker Shareholder's behalf. See the section entitled "*The Arrangement – Striker Dissent Rights*" in the Information Circular.

The form of proxy confers discretionary authority with respect to: (i) amendments or variations to the matters of business to be considered at the Striker Meeting; and (ii) other matters that may properly come before the Striker Meeting. As of the date hereof, management of Striker knows of no amendments, variations or other matters to come before the Striker Meeting other than the matters set forth in this Notice of Special Meeting. Striker Shareholders who are planning on returning the accompanying form of proxy are encouraged to review the Information Circular carefully before submitting the proxy form.

Dated at the City of Calgary, in the Province of Alberta, this 27th day of June, 2016.

BY ORDER OF THE BOARD OF DIRECTORS OF
STRIKER EXPLORATION CORP.

(signed) "*Doug Bailey*" _____

Doug Bailey
President, Chief Executive Officer and Director
Striker Exploration Corp.

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS OF
GEAR ENERGY LTD.**

TO BE HELD ON JULY 26, 2016

NOTICE IS HEREBY GIVEN that a special meeting (the "**Gear Meeting**") of the holders ("**Gear Shareholders**") of common shares ("**Gear Shares**") of Gear Energy Ltd. ("**Gear**") will be held in the offices of Burnet, Duckworth & Palmer LLP, 2400, 525 – 8th Avenue S.W., Calgary, Alberta at 10:00 a.m. (Calgary time) on July 26, 2016, for the following purposes:

1. to consider and, if thought advisable, to approve, with or without amendment, an ordinary resolution (the "**Gear Resolution**"), the full text of which is set forth in Appendix B to the accompanying joint management information circular of Gear and Striker Exploration Corp. ("**Striker**") dated June 27, 2016 (the "**Information Circular**"), approving the issuance of Gear Shares pursuant to a plan of arrangement (the "**Arrangement**") involving Striker, Gear and the holders ("**Striker Shareholders**") of common shares ("**Striker Shares**") of Striker under Section 193 of the *Business Corporations Act* (Alberta), all as more particularly described below and in the Information Circular; and
2. to transact such other business as may properly come before the Striker Meeting or any adjournment thereof.

The completion of the Arrangement is conditional upon, among other matters, the receipt of all regulatory and court approvals.

Specific details of the matters to be put before the Gear Meeting are set forth in the Information Circular.

The record date (the "**Record Date**") for the determination of Gear Shareholders entitled to receive notice of, and to vote at, the Gear Meeting is June 27, 2016. Only Gear Shareholders whose names have been entered in the register of Gear Shareholders at the close of business on the Record Date will be entitled to receive notice of and to vote at the Gear Meeting. **To the extent a Gear Shareholder transfers the ownership of any of its Gear Shares after the Record Date and the transferee of those Gear Shares establishes that it owns such Gear Shares and requests, at least 10 days before the Gear Meeting, to be included in the list of Gear Shareholders eligible to vote at the Gear Meeting, such transferee will be entitled to vote those Gear Shares at the Gear Meeting.**

A Gear Shareholder may attend the Gear Meeting in person or may be represented by proxy. Gear Shareholders who are unable to attend the Gear Meeting or any adjournment thereof in person are requested to date, sign and return the accompanying form of proxy for use at the Gear Meeting or any adjournment thereof. To be effective, the proxy must be received by Computershare Trust Company of Canada, Proxy Dept., 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, or by facsimile at 1-866-249-7775. In order to be valid and acted upon at the Gear Meeting, forms of proxy must be received at the aforesaid address by 10:00 a.m. (Calgary time) on July 22, 2016 or not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Gear Meeting or any adjournment of the Gear Meeting. For information regarding voting or appointing a proxy by internet, see the form of proxy for Gear Shareholders and/or the section entitled "*General Proxy Matters – Gear – Voting by Internet*" in the Information Circular. In the event of a postal disruption as a result of a Canada Post labour disruption or other cause, please see "*General Proxy Matters – Gear – Appointment and Revocation of Proxies*" and "*General Information – Information for Beneficial Shareholders*" in the Information Circular for information on how to obtain and submit a form of proxy or voting information form, as applicable.

The form of proxy confers discretionary authority with respect to: (i) amendments or variations to the matters of business to be considered at the Gear Meeting; and (ii) other matters that may properly come before the Gear Meeting. As of the date hereof, management of Gear knows of no amendments, variations or other matters to come before the Gear Meeting other than the matters set forth in this Notice of Meeting. Gear Shareholders who are planning on returning the accompanying form of proxy are encouraged to review the Information Circular carefully before submitting the proxy form.

Dated at the City of Calgary, in the Province of Alberta, this 27th day of June, 2016.

BY ORDER OF THE BOARD OF DIRECTORS OF
GEAR ENERGY LTD.

(signed) "Ingram Gillmore"

Ingram Gillmore
President and Chief Executive Officer
Gear Energy Ltd.

JOINT MANAGEMENT INFORMATION CIRCULAR

GENERAL INFORMATION

Introduction

This Information Circular is furnished in connection with the solicitation of proxies by and on behalf of the management of Striker and Gear for use at the Striker Meeting and the Gear Meeting, respectively, and any adjournment(s) thereof. No person has been authorized to give any information or make any representation in connection with the Arrangement or any other matters to be considered at the Striker Meeting or the Gear Meeting other than those contained in this Information Circular (or incorporated by reference herein) and, if given or made, any such information or representation must not be relied upon as having been authorized.

All summaries of, and references to, the Arrangement in this Information Circular are qualified in their entirety by reference to the complete text of the Arrangement Agreement and the Plan of Arrangement which are attached as Appendix D and Exhibit "A" to Appendix D, respectively, to this Information Circular. **You are urged to carefully read the full text of the Arrangement Agreement and the Plan of Arrangement.**

Information Contained in this Information Circular

The information contained in this Information Circular is given as at June 24, 2016 except where otherwise noted, and information contained in documents incorporated by reference herein is given as of the dates noted in those documents.

This Information Circular does not constitute an offer to buy, or a solicitation of an offer to sell, any securities, or the solicitation of a proxy, by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such an offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation.

The information concerning Striker and its affiliates contained in this Information Circular has been provided by Striker for inclusion in this Information Circular. Although Gear has no knowledge that any statements contained herein taken from or based on such information provided by Striker are untrue or incomplete, Gear assumes no responsibility for the accuracy of such information.

The information concerning Gear and its affiliates contained in this Information Circular has been provided by Gear for inclusion in this Information Circular. Although Striker has no knowledge that any statements contained herein taken from or based on such information provided by Gear are untrue or incomplete, Striker assumes no responsibility for the accuracy of such information.

Information contained in or otherwise accessed through Striker's or Gear's website, or any website, other than those documents incorporated by reference herein and filed on SEDAR, does not constitute part of this Information Circular.

Striker Shareholders and Gear Shareholders should not construe the contents of this Information Circular as legal, tax or financial advice and should consult with their own professional advisors in considering the relevant legal, tax, financial or other matters contained in this Information Circular.

If you hold Striker Shares or Gear Shares through a broker, investment dealer, bank, trust company, nominee or other intermediary (collectively, an "**Intermediary**"), you should contact your Intermediary for instructions and assistance in voting your Striker Shares and Gear Shares, as applicable, and surrendering your Striker Shares, if any, that you beneficially own.

Cautionary Notice Regarding Forward-Looking Statements and Information

This Information Circular, including documents incorporated by reference herein, contains forward looking statements and information (collectively "**forward-looking information**"). The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends", "potential", "pro forma" and similar expressions are intended to identify forward-looking information. Forward-looking information presented in such statements or disclosures may, among other things, relate to: (i) the anticipated benefits from the Arrangement; (ii) the expected completion and implementation date of the Arrangement; (iii) certain combined operational, financial, production and reserve information; (iv) the nature of Gear's operations following the Arrangement; (v) sources of income; (vi) forecasts of capital expenditures, including general and administrative expenses and savings; (vii) expectations regarding the ability to raise capital; (viii) fluctuations in currency exchange rates; (ix) anticipated income taxes; (x) AmalCo's business and financial outlook following the Arrangement; (xi) plans and objectives of management for future operations; (xii) forecast production rates and reserve estimates; (xiii) anticipated operational and financial performance; (xiv) the composition of the Gear Board subsequent to the Arrangement; (xv) anticipated tax treatment; (xvi) transfer restrictions (or lack thereof) on Gear Shares; (xvii) treatment of Striker Options and Striker Warrants; (xiii) the expected effect of the Arrangement on Gear's share capital; (xix) the expected debt financing arrangements to be available to AmalCo following completion of the Arrangement; (xx) the availability and effect of tax pools for AmalCo subsequent to the Arrangement; and (xxi) expected future drilling locations of AmalCo following completion of the Arrangement.

Various assumptions or factors are typically applied in drawing conclusions or making the forecasts or projections set out in forward-looking information. Those assumptions and factors are based on information currently available to Striker and Gear, including information obtained from third-party industry analysts and other third party sources. In some instances, material assumptions and factors are presented or discussed elsewhere in this Information Circular in connection with the statements or disclosure containing the forward-looking information. You are cautioned that the following list of material factors and assumptions is not exhaustive. The factors and assumptions include, but are not limited to:

- the approval of the Arrangement by the Court;
- the structure, steps, timing and effect of the Arrangement;
- the timing of the Meetings and the Final Order;
- the approval of the Striker Arrangement Resolution by the Striker Shareholders;
- the approval of the Gear Resolution by the Gear Shareholders;
- the receipt of all required regulatory and third party approvals to complete the Arrangement, including the TSX and TSXV;
- the satisfaction or waiver of all conditions to the completion of the Arrangement in accordance with the terms of the Arrangement Agreement;
- the completion of the Arrangement and the anticipated Effective Date;
- the completion of the Gear Financing;
- the anticipated benefits of the Arrangement;
- the expected number of Striker Options and Striker Warrants to be exercised, surrendered or to remain outstanding following completion of the Arrangement;
- the effect of the Arrangement on Striker and Gear;

- the ability of Striker and Gear to achieve drilling success consistent with management's expectations;
- quantity of existing reserves of Striker and Gear;
- no material changes in the legislative and operating framework for the business of Striker and Gear, as applicable;
- no material adverse changes in the business of either or both of Striker and Gear;
- the ability of Gear to access credit subsequent to the Arrangement, including with respect to the Gear New Credit Facilities; and
- no significant event occurring outside the ordinary course of business of Striker or Gear, as applicable, such as a natural disaster or other calamity.

The forward-looking information in statements or disclosures in this Information Circular (including the documents incorporated by reference herein) is based (in whole or in part) upon factors which may cause actual results, performance or achievements of Striker or Gear, as applicable, to differ materially from those contemplated (whether expressly or by implication) in the forward-looking information. Those factors are based on information currently available to Striker and Gear including information obtained from third-party industry analysts and other third party sources. Actual results or outcomes may differ materially from those predicted by such statements or disclosures. While neither Striker nor Gear know the impact any of those differences may have, their business, results of operations, financial condition and credit stability may be materially adversely affected.

The reader is further cautioned that the preparation of financial statements in accordance with GAAP requires management to make certain judgments and estimates that affect the reported amounts of assets, liabilities, revenues and expenses. These estimates may change, having either a negative or positive effect on net earnings as further information becomes available, and as the economic environment changes.

Readers are cautioned that the foregoing lists are not exhaustive. Readers should carefully review and consider the risk factors described under "*Risk Factors – Risk Factors Related to the Arrangement*", "*Certain Canadian Federal Income Tax Considerations*" and other risks described elsewhere in this Information Circular, the Appendices hereto and in the documents incorporated by reference herein. Additional information on these and other factors that could affect the operations or financial results of Striker and Gear are included in documents, including the Striker AIF and the Gear AIF, on file with applicable Canadian Securities Administrators that may be accessed on Striker's and Gear's respective issuer profiles through the System for Electronic Document Analysis and Retrieval (SEDAR) website (www.sedar.com) and, in the case of Striker, at Striker's website (www.strikerexp.com), and in the case of Gear, at Gear's website (www.gearenergy.com). Such documents, unless expressly incorporated by reference herein, and websites, although referenced, do not form part of this Information Circular.

The forward-looking information contained in this Information Circular (including the documents incorporated by reference herein) are made as of the date hereof and thereof, as applicable, and Striker and Gear undertake no obligation to update publicly or revise any forward looking information, whether as a result of new information, future events or otherwise, except as required by applicable Canadian securities laws. Because of the risks, uncertainties and assumptions contained herein and in the documents incorporated by reference herein, securityholders should not place undue reliance on forward looking information. The forward-looking information contained herein are expressly qualified in their entirety by this cautionary statement.

Information for Beneficial Shareholders

The information set forth in this section is of significant importance to many Securityholders, as a substantial number of Securityholders do not hold Securities in their own name. Beneficial Securityholders should note that only those Securityholders whose name appears on the register of the registrar and transfer agent for Striker and Gear, as applicable, as the registered holders of Securities ("**Registered Holders**") or duly appointed proxyholders are recognized and permitted to vote at the Striker Meeting or Gear Meeting, as applicable. Many Securityholders

are "non-registered" shareholders because the Securities they own are not registered in their names but are instead registered in the name of an Intermediary through which they hold their Securities. More particularly, a person is not a Registered Holder in respect of Securities which are held on behalf of that person (the "**Beneficial Shareholder**") but which are registered either: (a) in the name of an Intermediary that the Beneficial Shareholder deals with in respect of the Securities (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered registered retirement savings plans, registered retirement income funds, registered education savings plans or tax free savings accounts and similar plans); or (b) in the name of a clearing agency (such as CDS or Cede & Co.) of which the Intermediary is a participant. In Canada, the vast majority of such shares are registered under the name of CDS, which company acts as nominee for many Canadian brokerage firms. Securities so held by Intermediaries can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, Intermediaries are prohibited from voting Securities held for Beneficial Shareholders. Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Securities are communicated to the appropriate person or that the Securities are duly registered in their name.

Applicable regulatory policy requires Intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. Every Intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Securities are voted at the Striker Meeting or Gear Meeting, as applicable. Often, the voting instruction form supplied to a Beneficial Shareholder by its Intermediary is identical to the form of proxy provided to Registered Holders; however, its purpose is limited to instructing the registered shareholder how to vote on behalf of the Beneficial Shareholder. The majority of Intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically mails its voting instruction form (a "**Voting Instruction Form**"), which may be scanned, in lieu of the form of proxy. The Beneficial Shareholders will be requested to complete and return the Voting Instruction Form to Broadridge by mail or facsimile. Alternatively, Beneficial Shareholders can call a toll-free telephone number or access the internet to vote the Securities held by the Beneficial Shareholder. The toll-free number and website will be provided by Broadridge on its Voting Information Form. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Securities to be represented at the Striker Meeting or Gear Meeting, as applicable. A Beneficial Shareholder receiving a Voting Instruction Form from Broadridge cannot use that Voting Instruction Form to vote Securities directly at the applicable Meeting, as the Voting Instruction Form must be returned as directed by Broadridge in advance of the applicable Meeting in order to have the Securities voted.

In accordance with applicable securities law requirements, Striker and Gear will have distributed copies of the notices of meetings and the Information Circular (the "**Meeting Materials**") to the Intermediaries for distribution to applicable Beneficial Shareholders. Intermediaries are required to forward the Meeting Materials to Beneficial Shareholders unless a Beneficial Shareholder has waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to Beneficial Shareholders. Striker and Gear will not send proxy-related materials directly to non-objecting or objecting Beneficial Shareholders; however, such materials will be delivered to Beneficial Shareholders by Broadridge or through the Beneficial Shareholder's intermediary. Striker and Gear will pay the reasonable fees and costs of Broadridge or a Beneficial Shareholder's intermediary to deliver the proxy-related materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary* to objecting Beneficial Shareholders.

Although a Beneficial Shareholder may not be recognized directly at the applicable Meeting for the purposes of voting Securities registered in the name of its Intermediary, it may attend at the applicable Meeting as a proxyholder for the Registered Holder and vote its Securities in that capacity. Should a Beneficial Shareholder wish to vote at the applicable Meeting, in person, it should enter its own name in the blank space on the form of proxy provided to the Beneficial Shareholder and return the document to its Intermediary (or the agent of such Intermediary) in accordance with the instructions provided by such Intermediary or agent well in advance of the Striker Meeting or Gear Meeting, as applicable.

Beneficial Shareholders of Striker Shares should also instruct their Intermediary to complete the Striker Letter of Transmittal regarding the Arrangement in order to receive the Gear Shares issuable pursuant to the Arrangement in exchange for such Beneficial Shareholder's Striker Shares.

Beneficial Shareholders who do not receive physical delivery of their voting instruction form and control number by mail due to a postal disruption as a result of a Canada Post labour disruption or other cause may obtain their control number by contacting their broker, financial institution, nominee or other intermediary that holds their Striker Shares or Gear Shares, as applicable. Upon obtaining their control number, Beneficial Shareholders may proceed to vote their Striker Shares or Gear Shares, as applicable by accessing the Broadridge internet or telephone voting system in the normal course as follows or provide directions to their broker, financial institution, nominee or other intermediary to vote on their behalf:

Internet Voting

www.proxyvote.com

Telephone Voting

1-800-474-7493 (English) or 1-800-474-7501 (French)

The form of Broadridge voting instruction form, which has also been filed on the internet under each of Striker's and Gear's profile at www.sedar.com, on Striker's corporate website at www.strikerexp.com and on Gear's corporate website at www.gearenergy.com, contains more detailed instructions regarding the process for voting through the Broadridge internet and telephone system. **We encourage Beneficial Shareholders to review such instructions carefully and contact their broker, nominee or other intermediary promptly to obtain their required control number or provide instructions to vote on their behalf and thereby ensure their vote is recorded through the internet and telephone system.**

Information for United States Shareholders

Gear Shares issuable to Striker Shareholders in exchange for their Striker Shares under the Arrangement, and post-amalgamation Gear Shares deemed for purposes of the U.S. Securities Act to be issuable to Gear Shareholders and current Striker Shareholders under the Arrangement, have not been and will not be registered under the U.S. Securities Act, and such securities will be issued in reliance upon the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof.

The solicitation of proxies for the Striker Meeting and the Gear Meeting is not subject to the requirements of Section 14(a) of the U.S. Exchange Act. Accordingly, the solicitations and transactions contemplated in this Information Circular are made in the United States for securities of a Canadian issuer in accordance with Canadian corporate laws and Canadian securities laws, and this Information Circular has been prepared solely in accordance with disclosure requirements applicable in Canada. Striker Shareholders in the United States should be aware that such requirements are different from those of the United States applicable to registration statements under the U.S. Securities Act and proxy statements under the U.S. Exchange Act. Therefore, information concerning assets and operations of Gear and Striker contained herein has been prepared in accordance with Canadian standards and is not comparable in all respects to similar information for United States companies.

In particular, and without limiting the foregoing, information included in or incorporated by reference into this Information Circular regarding oil and gas operations and properties and estimates of oil and gas reserves has been prepared in accordance with Canadian disclosure standards, which differ in certain respects from the disclosure standards applicable to information included in reports and other materials filed with the United States Securities and Exchange Commission (the "SEC") by issuers subject to SEC reporting and disclosure requirements. The SEC generally permits United States reporting oil and gas companies, in their filings with the SEC, to disclose only proved, probable and possible reserves and production, net of royalties and interest of others. The SEC generally does not permit reporting companies to disclose net present value of future net revenue from reserves based on forecast prices and costs. The SEC does not permit disclosure of oil and gas resources. Canadian securities laws permit, among other things, the presentation of certain categories of resources and the disclosure of production on a gross basis before deducting royalties. Unless noted otherwise, all disclosures of reserves in this Information Circular and the documents incorporated herein by reference are made on a gross basis using forecast price and cost assumptions.

The financial statements of Gear and Striker and the pro forma financial information and other financial information included or incorporated by reference in this Information Circular have been prepared in Canadian dollars. The financial statements of Gear and Striker and the pro forma financial information and other financial information included or incorporated by reference in this Information Circular have been prepared in accordance with GAAP, and, in the case of the audited financial statements, are subject to Canadian auditing and auditor independence standards, which differ from United States generally accepted accounting principles and United States auditing and auditor independence standards in certain material respects, and thus are not directly comparable to financial statements of companies prepared in accordance with United States generally accepted accounting principles and that are subject to United States auditing and auditor independence standards.

The Gear Shares to be received by current Striker Shareholders upon completion of the Arrangement may be resold without restriction under the U.S. Securities Act, except by persons who are "affiliates" of Gear after the Effective Date or who have been affiliates of Gear or Striker within 90 days before the Effective Date. See "*The Arrangement – Securities Law Matters – United States*".

The enforcement by investors of civil liabilities under United States federal and state securities laws may be affected adversely by the fact that Striker and Gear are (or will be) existing under the laws of the Province of Alberta, Canada, that all of the officers and most of the directors of Striker and Gear are and will be residents of countries other than the United States, that most or all of the experts named in this Information Circular are residents of countries other than the United States, and that most of the assets of Striker and Gear are and will be located outside the United States. You may not be able to sue a corporation organized under the ABCA in a Canadian court for violations of United States securities laws and it may be difficult to compel the forgoing persons to subject themselves to a judgment by a United States court.

Striker Shareholders should be aware that the receipt of Gear Shares as described herein, and the holding and disposition of such shares, may have tax consequences in both the United States and Canada. The United States tax consequences for Striker Shareholders who are resident in, or citizens of, the United States are not described herein. All Striker Shareholders should seek their own tax advice with respect to the tax consequences to them under the laws of any relevant domestic or foreign, state, local or other taxing jurisdiction of the transactions contemplated by the Arrangement in light of their particular situation. For a description of certain Canadian tax consequences applicable to Striker Shareholders who are non-residents of Canada, see "Certain Canadian Federal Income Tax Considerations".

THE SECURITIES ISSUABLE PURSUANT TO THE ARRANGEMENT HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR THE SECURITIES REGULATORY AUTHORITY OF ANY STATE OF THE UNITED STATES, NOR HAS THE SEC OR ANY SUCH STATE SECURITIES REGULATORY AUTHORITY PASSED ON THE ADEQUACY OR ACCURACY OF THIS INFORMATION CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

Conventions

In this Information Circular, words importing the singular include the plural and vice versa.

In this Information Circular, unless otherwise specified or the context otherwise requires, all dollar amounts are expressed in Canadian dollars and references to "dollars" or "\$" are to Canadian dollars and references to "US\$" are to United States dollars.

Currency Exchange Rates

The following table sets forth: (i) the rate of exchange to Canadian dollars, expressed in United States dollars, in effect at the end of each of the periods indicated; (ii) the average exchange rates in effect during such periods; and (iii) the high and low exchange rates during such periods, in each case based on the noon rates of exchange as quoted by the Bank of Canada (the "**Bank of Canada Noon Rate**"). On June 24, 2016, based on the Bank of Canada Noon Rate, the exchange rate for one Canadian dollar expressed in United States dollars was \$1.00 equals US\$0.7721.

	Quarter ended March 31, 2016	Year ended December 31	
		2015	2014
Rate at end of Period	US\$0.7710	US\$0.7225	US\$0.8620
Average rate during Period ⁽¹⁾	US\$0.7282	US\$0.7820	US\$0.9054
High	US\$0.7715	US\$0.8527	US\$0.9422
Low	US\$0.6854	US\$0.7148	US\$0.8589

Note:

(1) Based on an average of the daily Bank of Canada Noon Rates for each day during the respective period.

Non-GAAP Financial Measures

Certain of Gear's and Striker's documents incorporated by reference in this Information Circular use and refer to financial measures commonly used in the oil and gas industry, which do not have any standardized meaning prescribed by GAAP. Please refer to the non-GAAP measures advisories in such documents for the definitions and descriptions of such terms.

NOTES ON RESERVES DATA AND OTHER OIL AND GAS INFORMATION

All oil and natural gas reserve information contained or incorporated by reference in this Information Circular has been prepared and presented in accordance with NI 51-101.

Abbreviations

Oil and Natural Gas Liquids		Natural Gas	
Bbl	barrel	Mcf	thousand cubic feet
Bbls	barrels	MMcf	million cubic feet
Mbbls	thousand barrels	Mcf/d	thousand cubic feet per day
MMbbls	million barrels	MMcf/d	million cubic feet per day
Mstb	thousand stock tank barrels	Mmbtu	million British Thermal Units
Bbls/d	barrels per day	Bcf	billion cubic feet
BOPD	barrels of oil per day	GJ	Gigajoule
NGLs	natural gas liquids		
STB	stock tank barrels		

Other

API	American Petroleum Institute
° API	an indication of the specific gravity of crude oil measured on the API gravity scale. Liquid petroleum with a specified gravity of 28° API is generally referred to as light crude oil
Boe	barrel of oil equivalent of natural gas and crude oil on the basis of 1 Boe for 6 Mcf of natural gas (this conversion factor is an industry accepted norm and is not based on either energy content or current prices)
Boe/d	barrel of oil equivalent per day
m ³	cubic metres
MBoe	thousand barrels of oil equivalent
\$M or \$000s	thousands of dollars
MM	Million
WTI	West Texas Intermediate, the reference price paid in United States dollars at Cushing, Oklahoma for crude oil of standard grade

Where any disclosure of reserves data is made in this Information Circular or the documents incorporated by reference herein that does not reflect all reserves of Gear or Striker, as applicable, the reader should note that the estimates of reserves and future net revenue for individual properties or groups of properties may not reflect the same confidence level as estimates of the reserves and future net revenue for all properties, due to the effects of aggregation.

Conversions

To Convert From	To	Multiply By
Mcf	Cubic metres	28.174
Cubic metres	Cubic feet	35.494
Bbls	Cubic metres	0.159
Cubic metres	Bbls	6.290
Feet	Metres	0.305
Metres	Feet	3.281
Miles	Kilometres	1.609
Kilometres	Miles	0.621
Acres	Hectares	0.405
Hectares	Acres	2.471

Caution Respecting Reserves Information

The determination of oil and natural gas reserves involves the preparation of estimates that have an inherent degree of associated uncertainty. Categories of proved and probable reserves have been established to reflect the level of these uncertainties and to provide an indication of the probability of recovery. The estimation and classification of reserves requires the application of professional judgment combined with geological and engineering knowledge to assess whether or not specific reserves classification criteria have been satisfied. Knowledge of concepts including uncertainty and risk, probability and statistics, and deterministic and probabilistic estimation methods is required to properly use and apply reserves definitions.

The recovery and reserve estimates of oil, NGL and natural gas reserves provided herein are estimates only. Actual reserves may be greater than or less than the estimates provided herein. The estimated future net revenue from the production of the disclosed oil and natural gas reserves does not represent the fair market value of these reserves.

Caution Respecting Boe

In this Information Circular, the abbreviation Boe means a barrel of oil equivalent on the basis of 1 Boe to 6 Mcf of natural gas when converting natural gas to Boes. Boes may be misleading, particularly if used in isolation. A Boe conversion ratio of 6 Mcf to 1 Boe is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Additionally, given the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion ratio at 6:1 may be misleading.

Drilling Locations

This Information Circular discloses drilling locations in three categories: (i) proved locations; (ii) probable locations; and (iii) unbooked locations. Proved locations and probable locations are derived from either the Gear Reserves Report or the Striker Reserves Report and account for drilling locations that have associated proved and/or probable reserves, as applicable. Unbooked locations are internal estimates based on AmalCo's prospective acreage and an assumption as to the number of wells that can be drilled per section based on industry practice and internal review. Of the 450 drilling locations of AmalCo identified herein, 67.2 are proved locations, 79.4 are probable locations and 303.4 are unbooked locations. Unbooked locations have been identified by management of Gear and Striker as an estimation of multi-year drilling activities based on evaluation of applicable geologic, seismic, engineering, production, pricing assumptions and reserves information. There is no certainty that AmalCo will drill all unbooked drilling locations and if drilled there is no certainty that such locations will result in additional oil and gas reserves, resources or production. The drilling locations on which AmalCo actually drill wells will ultimately depend upon the availability of capital, regulatory approvals, seasonal restrictions, oil and natural gas prices, costs, actual drilling results, additional reservoir information that is obtained and other factors. While the majority of AmalCo's unbooked locations are extensions or infills of the drilling patterns already recognized by the independent evaluator, other unbooked drilling locations are farther away from existing wells where management of Gear and Striker have less information about the characteristics of the reservoir and therefore there is more uncertainty whether wells will be drilled in such locations and if drilled there is more uncertainty that such wells will result in additional oil and gas reserves, resources or production.

Definitions

Certain terms used in this Information Circular and in the documents incorporated by reference herein describing reserves and other oil and natural gas information are defined below. Certain other terms and abbreviations used in this Information Circular, but not defined or described, are defined in NI 51-101 or the Canadian Oil and Gas Evaluation Handbook maintained by the Society of Petroleum Evaluation Engineers (Calgary Chapter), as amended from time to time (the "**COGE Handbook**") and, unless the context otherwise requires, shall have the same meanings herein as in NI 51-101 or the COGE Handbook.

Reserves

Reserves are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, from a given date forward, based on: (a) analysis of drilling, geological, geophysical and engineering data; (b) the use of established technology; and (c) specified economic conditions, specifically the forecast prices and costs, which are generally accepted as being reasonable and shall be disclosed. Reserves are classified according to the degree of certainty associated with the estimates as follows:

"proved reserves" are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.

"probable reserves" are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

The qualitative certainty levels referred to in the definitions above are applicable to **"individual reserves entities"** (which refers to the lowest level at which reserves calculations are performed) and to **"reported reserves"** (which refers to the highest-level sum of individual entity estimates for which reserves estimates are presented). Reported reserves should target the following levels of certainty under a specific set of economic conditions:

- at least a 90 percent probability that the quantities actually recovered will equal or exceed the estimated proved reserves; and
- at least a 50 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated proved plus probable reserves.

A qualitative measure of the certainty levels pertaining to estimates prepared for the various reserves categories is desirable to provide a clearer understanding of the associated risks and uncertainties. However, the majority of reserves estimates will be prepared using deterministic methods that do not provide a mathematically derived quantitative measure of probability. In principle, there should be no difference between estimates prepared using probabilistic or deterministic methods.

Each of the reserves categories (proved and probable) may be divided into developed and undeveloped categories as follows:

"developed reserves" are those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (for example, when compared to the cost of drilling a well) to put the reserves on production. The developed category may be subdivided into producing and non-producing as follows:

"developed producing reserves" are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty;

"developed non-producing reserves" are those reserves that either have not been on production, or have previously been on production, but are shut in, and the date of resumption of production is unknown; and

"undeveloped reserves" are those reserves expected to be recovered from known accumulations where a significant expenditure (for example, when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves classification (proved, probable) to which they are assigned.

In multi-well pools it may be appropriate to allocate total pool reserves between the developed and undeveloped categories or to subdivide the developed reserves for the pool between developed producing and developed non producing. This allocation should be based on the estimator's assessment as to the reserves that will be recovered from specific wells, facilities and completion intervals in the pool and their respective development and production status.

Interests in Reserves, Production, Wells and Properties

"gross" means: (i) in relation to an issuer's interest in production or reserves, its "company gross reserves", which are its working interest (operating or non-operating) share before deduction of royalties and without including any royalty interests of the issuer; (ii) in relation to wells, the total number of wells in which an issuer has an interest; and (iii) in relation to properties, the total area of properties in which an issuer has an interest.

"net" means: (i) in relation to an issuer's interest in production or reserves its working interest (operating or non-operating) share after deduction of royalty obligations, plus its royalty interests in production or reserves; (ii) in relation to an issuer's interest in wells, the number of wells obtained by aggregating the issuer's working interest in each of its gross wells; and (iii) in relation to an issuer's interest in a property, the total area in which the issuer has an interest multiplied by the working interest owned by the issuer.

"working interest" means the percentage of undivided interest held by an issuer in the oil and/or natural gas or mineral lease granted by the mineral owner, Crown or freehold, which interest gives the issuer the right to "work" the property (lease) to explore for, develop, produce and market the leased substances.

Description of Exploration and Development Wells and Costs

"development costs" means costs incurred to obtain access to reserves and to provide facilities for extracting, treating, gathering and storing the crude oil and natural gas from the reserves. More specifically, development costs, including applicable operating costs of support equipment and facilities and other costs of development activities, are costs incurred to: (i) gain access to and prepare well locations for drilling, including surveying well locations for the purpose of determining specific development drilling sites, clearing ground, draining, road building, and relocating public roads, gas lines and power lines, to the extent necessary in developing the reserves; (ii) drill and equip development wells, development type stratigraphic test wells and service wells, including the costs of platforms and of well equipment such as casing, tubing, pumping equipment and wellhead assembly; (iii) acquire, construct and install production facilities such as flow lines, separators, treaters, heaters, manifolds, measuring devices and production storage tanks, natural gas cycling and processing plants, and central utility and waste disposal systems; and (iv) provide improved recovery systems.

"development well" means a well drilled inside the established limits of an oil or gas reservoir, or in close proximity to the edge of the reservoir, to the depth of a stratigraphic horizon known to be productive.

"exploration costs" means costs incurred in identifying areas that may warrant examination and in examining specific areas that are considered to have prospects that may contain oil and natural gas reserves, including costs of drilling exploratory wells and exploratory type stratigraphic test wells. Exploration costs may be incurred both before acquiring the related property (sometimes referred to in part as "prospecting costs") and after acquiring the property. Exploration costs, which include applicable operating costs of support equipment and facilities and other costs of exploration activities, are: (i) costs of topographical, geochemical, geological and geophysical studies, rights of access to properties to conduct those studies, and salaries and other expenses of geologists, geophysical crews and others conducting those studies (collectively sometimes referred to as "geological and geophysical costs"); (ii) costs of carrying and retaining unproved properties, such as delay rentals, taxes (other than income and capital taxes) on properties, legal costs for title defence, and the maintenance of land and lease records; (iii) dry hole contributions and bottom hole contributions; (iv) costs of drilling and equipping exploratory wells; and (v) costs of drilling exploratory type stratigraphic test wells.

"exploration well" means a well that is not a development well, a service well or a stratigraphic test well.

"service well" means a well drilled or completed for the purpose of supporting production in an existing field. Wells in this class are drilled for the following specific purposes: gas injection (natural gas, propane, butane or flue gas), water injection, steam injection, air injection, salt water disposal, water supply for injection, observation or injection for combustion.

GLOSSARY OF TERMS

The following is a glossary of certain terms used in this Information Circular, including in the section entitled "*General Information*" and in Appendices H and I attached hereto.

"**ABCA**" means the *Business Corporations Act*, R.S.A. 2000, c. B 9, as amended, including the regulations promulgated thereunder.

"**Acquisition Proposal**" means, other than the Arrangement, any inquiry or the making of any offer or proposal, whether or not in writing or subject to a due diligence or other condition, to Striker, or Striker's shareholders or any other securityholder of Striker (including any take-over bid initiated by advertisement or circular) from any Person or Persons acting "jointly or in concert" (where such phrase has the meaning ascribed thereto in Applicable Canadian Securities Laws) prior to the termination of the Arrangement Agreement or consummation of the Arrangement, as applicable, which constitutes, or may reasonably be expected to lead to (in either case whether in one transaction or a series of transactions):

- (i) any direct or indirect sale, issuance or acquisition of securities of Striker that, when taken together with any securities of Striker held by the proposed acquiror, and any Person acting jointly or in concert with such acquiror, and assuming the conversion of any convertible securities held by the proposed acquiror, and any Person acting jointly or in concert with such acquiror, would constitute beneficial ownership of 20% or more of the outstanding voting securities of Striker or rights or interests therein;
- (ii) any direct or indirect acquisition or purchase (or any lease, long term supply agreement or other arrangement having the same economic effect as an acquisition or purchase) of assets of Striker that contribute 20% or more of the consolidated revenue of Striker or constitute 20% or more of the consolidated assets of Striker;
- (iii) an amalgamation, arrangement, merger, business combination, consolidation, share exchange or other similar transaction involving Striker;
- (iv) a take over bid, issuer bid, tender offer, exchange offer, recapitalization, liquidation, dissolution, reorganization or other similar transaction involving Striker; or
- (v) any other transaction, the consummation of which would or could reasonably be expected to impede, interfere with, prevent or delay the transactions contemplated by the Arrangement Agreement or the Arrangement or which would or could reasonably be expected to materially reduce the benefits to the Parties under the Arrangement Agreement or the Arrangement;

except that for the purpose of the definition of "Superior Proposal", the references in the definition of "Acquisition Proposal" to: (A) "20% or more of the outstanding voting securities of Striker or rights or interests therein" shall be deemed to be references to "50% or more of the outstanding voting securities of Striker or rights or interests therein"; (B) "20% or more of the consolidated revenue" shall be deemed to be references to "50% or more of the consolidated revenue"; and (C) "20% or more of the consolidated assets" shall be deemed to be references to "50% or more of the consolidated assets".

"**affiliate**" has the meaning ascribed thereto in the Securities Act.

"**AmalCo**" means the corporation resulting from the amalgamation of Striker and Gear pursuant to the Plan of Arrangement and includes references to Gear, as applicable.

"**AmalCo Shares**" means the common shares of AmalCo.

"**Applicable Canadian Securities Laws**" means, collectively, and as the context may require, the applicable securities legislation of each of the provinces and territories of Canada, and the rules, regulations, instruments,

orders and policies published and/or promulgated thereunder, as such may be amended from time to time prior to the Effective Date.

"**Applicable Laws**", in the context that refers to one or more Persons, means any domestic or foreign, federal, state, provincial or local law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling or other similar requirement enacted, adopted, promulgated or applied by a Governmental Authority, and any terms and conditions of any grant of approval, permission, authority or license of any Governmental Authority, that is binding upon or applicable to such Person or Persons or its or their 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.

"**Arrangement**" means the arrangement under the provisions of Section 193 of the ABCA, on the terms and conditions set forth in the Arrangement Agreement and the Plan of Arrangement as supplemented, modified or amended.

"**Arrangement Agreement**" means the arrangement agreement dated as of June 7, 2016, between Striker and Gear, as amended or supplemented and/or restated from time to time.

"**Articles of Arrangement**" means the articles of arrangement in respect of the Arrangement required under Subsection 193(10) of the ABCA to be filed with the Registrar after the Final Order has been granted, giving effect to the Arrangement.

"**Beneficial Shareholder**" has the meaning set forth under the heading "*General Information – Information for Beneficial Shareholders*".

"**Business Day**" means a day other than a Saturday, Sunday or other day when banks in the city of Calgary, Alberta, are not generally open for business.

"**CDS**" means CDS Clearing and Depository Services Inc.

"**Certificate**" means the certificate or certificates or other confirmation of filing to be issued by the Registrar pursuant to Section 193(11) of the ABCA giving effect to the Arrangement.

"**Confidentiality Agreements**" mean, collectively, the Gear Confidentiality Agreement and the Striker Confidentiality Agreement.

"**Court**" means the Court of Queen's Bench of Alberta.

"**Depositary**" means Computershare Investor Services Inc. or such other trust company that may be appointed by Gear and Striker for the purpose of receiving deposits of certificates formerly representing Striker Shares in connection with the Arrangement at its offices referred to in the Striker Letter of Transmittal.

"**Deposited Securities**" has the meaning set forth under the heading "*The Arrangement - Procedure for Exchange of Securities - Striker Letter of Transmittal*".

"**Depositing Shareholders**" has the meaning set forth under the heading "*The Arrangement - Procedure for Exchange of Securities - Striker Letter of Transmittal*".

"**Dissenting Striker Shareholders**" means the registered Striker Shareholders that validly exercise the Striker Dissent Rights and "**Dissenting Striker Shareholder**" means any one of them.

"**Effective Date**" means the effective date of the Arrangement, being the date on which the Articles of Arrangement are filed with the Registrar giving effect to the Arrangement.

"**Effective Time**" means the time that the Certificate is issued.

"**Fairness Opinions**" collectively, means the Striker Fairness Opinion and the Gear Fairness Opinion.

"**FirstEnergy**" means FirstEnergy Capital Corp.

"**Final Order**" means the order of the Court approving the Arrangement pursuant to subsection 193(9) of the ABCA, as such order may be affirmed, amended or modified by any court of competent jurisdiction.

"**GAAP**" means generally accepted accounting principles from time to time approved by the Chartered Professional Accountants of Canada, or any successor institute, which, for greater certainty, shall include International Financial Reporting Standards.

"**Gear**" means Gear Energy Ltd., a corporation existing under the ABCA.

"**Gear AIF**" means the annual information form of Gear for the year ended December 31, 2015 dated March 14, 2016.

"**Gear Annual Financial Statements**" means the audited financial statements of Gear as at and for the years ended December 31, 2015 and 2014, together with the notes thereto and the auditor's report thereon.

"**Gear Annual MD&A**" means Gear's management discussion and analysis of the financial condition and results of operations of Gear as at December 31, 2015 and for the three and twelve months ended December 31, 2015 and 2014.

"**Gear Board**" means the board of directors of Gear as it may be comprised from time to time.

"**Gear Credit Facility**" means Gear's \$60 million credit facility with a syndicate of banks.

"**Gear Damages Event**" has the meaning set forth under the heading "*The Arrangement – Termination Fees - Gear Damages*".

"**Gear Debentures**" means the 4.0% convertible unsecured subordinated debentures of Gear due November 30, 2020.

"**Gear Disclosure Letter**" means the disclosure letter from Gear to Striker dated June 7, 2016.

"**Gear Fairness Opinion**" means the opinion from Peters & Co. to the Gear Board to the effect that the consideration to be paid by Gear to the Striker Shareholders under the Arrangement is fair, from a financial point of view, to the Gear Shareholders.

"**Gear Financing**" means the offering of Gear Shares on the terms set forth in (final) short form prospectus of Gear dated June 20, 2016 providing for the issuance of 28.75 million Gear Shares at an issue price of \$0.70 per Gear Share for aggregate gross proceeds of \$20.125 million, which includes, unless the context requires otherwise, the exercise in full of the over-allotment option granted to the underwriters pursuant to such offering.

"**Gear Interim Financial Statements**" means the unaudited interim condensed financial statements of Gear as at March 31, 2016 and for the three month periods ended March 31, 2016 and 2015, together with the notes thereto.

"**Gear Interim MD&A**" means Gear's management's discussion and analysis of the financial condition and results of operations of Gear as at March 31, 2016 and for the three month periods ended March 31, 2016 and 2015.

"**Gear Lock-Up Agreements**" means agreements entered into between Striker and each of the directors and officers of Gear and each associate and affiliate of such directors and officers that own Gear Shares and certain Gear Shareholders, pursuant to which such directors, officers and associates and affiliates of such directors and officers and Gear Shareholders have agreed with Striker, among other things, to vote in favour of the Gear Resolution and otherwise support the transactions contemplated by the Arrangement Agreement.

"Gear Meeting" means the special meeting of Gear Shareholders to consider the Gear Resolution and related matters, and any adjournment(s) thereof.

"Gear New Credit Facilities" means the new credit facilities as described under "*Information Concerning Gear Following Completion of the Arrangement – Gear New Credit Facilities*" expected to be provided to Gear at the Effective Time pursuant to a credit facility agreement to be entered into between Gear and certain lenders at the Effective Time or such other time as may be agreed to by the Parties, acting reasonably.

"Gear Reserves Report" means the report dated February 3, 2016 evaluating the crude oil, natural gas liquids and natural gas reserves of Gear as at December 31, 2015.

"Gear Resolution" means the ordinary resolution of Gear Shareholders in respect of the issuance of Gear Shares pursuant to the Arrangement to be considered at the Gear Meeting substantially in the form attached as Appendix B.

"Gear Shareholders" means the holders of Gear Shares.

"Gear Shares" means common shares in the capital of Gear and includes the AmalCo Shares upon completion of the Arrangement, as applicable.

"Governmental Authority" means any:

- (i) multinational, federal, provincial, state, regional, municipal, local or other government or any governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau, ministry or agency, domestic or foreign;
- (ii) subdivision, agent, commission, board or authority of any of the foregoing;
- (iii) quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing; and
- (iv) stock exchange.

"Information Circular" means this notice of Striker Meeting, notice of Gear Meeting and accompanying joint management information circular together with all appendices thereto, mailed or otherwise distributed by Striker to the Striker Shareholders in connection with the Striker Meeting and mailed or otherwise distributed by Gear to the Gear Shareholders in connection with the Gear Meeting.

"Interim Order" means the interim order of the Court dated June 22, 2016 concerning the Arrangement under Subsection 193(4) of the ABCA in respect of Striker and the Striker Shareholders, containing declarations and directions with respect to the Arrangement and the holding of the Striker Meeting as such order may be affirmed, amended or modified by any court of competent jurisdiction.

"Intermediary" has the meaning set forth under the heading "*General Information - Information Contained in this Information Circular*".

"ITA" means the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.), as amended, including the regulations promulgated thereunder.

"Material Adverse Change" or **"Material Adverse Effect"** means, with respect to either Party, any fact or state of facts, circumstance, change, effect, occurrence or event that individually or in the aggregate is, or would reasonably be expected to be, material and adverse to the condition (financial or otherwise), business, operations, properties, licenses, affairs, assets, liabilities (contingent or otherwise), capitalization, results of operations, cash flows or prospects of such Party (taken as a whole), or will, or would reasonably be expected to, prevent, materially delay or materially impair the ability of the Parties to consummate the transactions contemplated by the Arrangement

Agreement, other than any fact, state of facts, circumstance, change, effect, occurrence or event relating to or resulting from:

- (i) conditions affecting the oil and gas industry generally in jurisdictions in which such Party carries on business, including, without limitation, changes in commodity prices, royalties, Applicable Laws or taxes;
- (ii) general economic or financial conditions, currency exchange rates, or securities or commodity markets in Canada, the United States or elsewhere;
- (iii) any change in the market price of crude oil, natural gas or related hydrocarbons on a current or forward basis;
- (iv) any matter which has been publicly disclosed prior to the date hereof or that is set forth in either of the Striker Disclosure Letter or the Gear Disclosure Letter, as applicable;
- (v) any changes or effects arising, directly or indirectly, from the Arrangement or any other matters or actions permitted or contemplated by the Arrangement Agreement, including any public announcement of the foregoing, or consented to or approved in writing by the other Party;
- (vi) with respect to Striker, a change in the market trading price or trading volume of the Striker Shares (provided, however that the causes underlying such changes may be considered to determine whether such causes constitute a Material Adverse Change or Material Adverse Effect); or
- (vii) with respect to Gear, a change in the market trading price or trading volume of the Gear Shares (provided, however that the causes underlying such changes may be considered to determine whether such causes constitute a Material Adverse Change or Material Adverse Effect),

provided, however, that the change or effect referred to in clause (i), (ii) or (iii) above does not primarily relate only to (or have the effect of primarily relating only to) a Party or disproportionately affects a Party compared to other entities of similar size operating in the oil and gas exploration, exploitation, development and production industry, in which case the relevant exclusion from this definition of Material Adverse Change or Material Adverse Effect referred to above shall not be applicable.

"**MI 61-101**" means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*.

"**Meetings**" means, collectively, the Striker Meeting and the Gear Meeting to consider, among other things, the Striker Arrangement Resolution and the Gear Resolution, as the case may be, and any adjournment thereof and "**Meeting**" means, as applicable, the Striker Meeting or the Gear Meeting.

"**NI 51-101**" means National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities*.

"**Notice of Application**" means the Notice of Application to the Court for the Final Order, which is attached as Appendix C to this Information Circular.

"**other Party**" means: (i) with respect to Striker, Gear; and (ii) with respect to Gear, Striker.

"**Outside Date**" means August 15, 2016 or such other date as the Parties may agree in writing.

"**Parties**" means, collectively, Striker and Gear, and "**Party**" means either one of them.

"**Person**" includes any individual, firm, partnership, joint venture, venture capital fund, association, trust, trustee, executor, administrator, legal personal representative, estate group, body corporate, corporation, unincorporated association or organization, Governmental Authority, syndicate or other entity, whether or not having legal status.

"**Peters & Co.**" means Peters & Co. Limited.

"**Plan of Arrangement**" means the plan of arrangement under the ABCA pursuant to which Gear will acquire all of the issued and outstanding Striker Shares and certain other transactions will be completed, all on the terms and conditions described in the Arrangement Agreement, which plan of arrangement shall be substantially in the form set out in Exhibit "A" to the Arrangement Agreement, as such plan of arrangement may be amended or supplemented from time to time in accordance with the Arrangement Agreement.

"**Process**" has the meaning set forth under the heading "*The Arrangement – Background to and Reasons for the Arrangement – Background to the Arrangement*".

"**Registered Holder**" has the meaning set forth under the heading "*General Information – Information for Beneficial Shareholders*".

"**Registrar**" means the Registrar of Corporations or a Deputy Registrar of Corporations appointed under Section 263 of the ABCA.

"**Securities**" means, collectively, the Striker Shares and the Gear Shares.

"**Securities Act**" means the *Securities Act*, R.S.A. 2000, c. S 4, as amended.

"**Securityholders**" means, collectively, the Striker Shareholders and the Gear Shareholders.

"**Striker**" means Striker Exploration Corp., a corporation existing under the ABCA.

"**Striker AIF**" means the annual information form of Striker for the year ended December 31, 2015 dated April 25, 2016.

"**Striker Annual Financial Statements**" means the audited financial statements of Striker as at and for the years ended December 31, 2015 and 2014, together with the notes thereto and the auditors' report thereon.

"**Striker Annual MD&A**" means Striker's management's discussion and analysis of the financial condition and results of operations of Striker as at December 31, 2015 and for the three and twelve months ended December 31, 2015 and 2014.

"**Striker Arrangement Resolution**" means the special resolution of Striker Shareholders to consider and, if thought advisable, to approve, with or without amendment, the Arrangement to be considered by the Striker Shareholders at the Striker Meeting substantially in the form attached as Appendix A.

"**Striker Board**" means the board of directors of Striker as it may be comprised from time to time.

"**Striker Board Nominees**" means Neil Roszell, Kevin Olson and John O'Connell, current directors of Striker who will be appointed to the Gear Board at or immediately prior to the Effective Time.

"**Striker Cancellation Agreements**" means agreements, in form satisfactory to each of Striker and Gear, acting reasonably, to be entered into between Striker and the holders of Striker Options and Striker Warrants whereby each holder of Striker Options and Striker Warrants agrees to exercise or surrender such holder's Striker Options and Striker Warrants, except in respect of 650,000 Striker Warrants held by certain Striker Board Nominees, in accordance with the terms of the Arrangement Agreement.

"**Striker Change of Control Payments**" means obligations of Striker, pursuant to all employment or consulting services agreements, director compensation programs, termination, severance, change of control, bonus and retention plans or policies for severance, termination, change of control, bonus or retention payments, any payments related to any incentive plan and any other payments Striker is required by law or contract or intends to make in

connection with the termination of all employees of Striker at the Effective Time in accordance with the terms of the Arrangement Agreement, arising out of or in connection with the Arrangement.

"Striker Confidentiality Agreement" means the confidentiality agreement dated effective March 7, 2016 between Gear and Striker entered into in connection with the transactions contemplated in the Arrangement Agreement.

"Striker Credit Facility" means Striker's credit facilities with a syndicate of lenders consisting of: (i) a \$25.0 million revolving syndicated facility; and (ii) a \$15.0 million revolving operating facility.

"Striker Damages Event" has the meaning set forth under the heading "*The Arrangement – The Arrangement Agreement – Termination Fees – Striker Damages*".

"Striker Disclosure Letter" means the disclosure letter from Striker to Gear dated June 7, 2016.

"Striker Dissent Rights" means the right of a registered Striker Shareholder to dissent to the Striker Arrangement Resolution and to be paid the fair value of the Striker Shares, in respect of which the holder dissents, all in accordance with Section 191 of the ABCA, the Interim Order and the Plan of Arrangement.

"Striker Fairness Opinion" means the opinion from FirstEnergy to the Striker Board as to the fairness, from a financial point of view, of the consideration being offered under the Arrangement to the Striker Shareholders.

"Striker Financial Advisory Fees" means the fees payable to FirstEnergy pursuant to the engagement agreement between Striker and FirstEnergy.

"Striker Interim Financial Statements" means the unaudited interim condensed financial statements of Striker as at March 31, 2016 and for the three month periods ended March 31, 2016 and 2015, together with the notes thereto.

"Striker Interim MD&A" means Striker's management's discussion and analysis of the financial condition and results of operations of Striker as at March 31, 2016 and for the three month periods ended March 31, 2016 and 2015.

"Striker Letter of Transmittal" means the letter of transmittal provided to registered Striker Shareholders pursuant to which Gear Shareholders are required to deliver certificates representing Striker Shares in order to obtain Gear Shares.

"Striker Lock-Up Agreements" means agreements entered into between Gear and each of the directors and officers of Striker and each associate and affiliate of such directors and officers that owns Striker Shares and certain Striker Shareholders, pursuant to which such directors, officers and associate and affiliates of such directors and officers have agreed with Gear, among other things, to vote in favour of the Striker Arrangement Resolution and otherwise support the transactions contemplated by the Arrangement Agreement.

"Striker Meeting" means the special meeting of Striker Shareholders to consider the Striker Arrangement Resolution and related matters, and any adjournment(s) thereof.

"Striker Net Debt" means the net debt of Striker which includes any and all cash, bank debt, working capital deficit (inclusive of accounts receivable, prepaid expenses and deposits and accounts payables), current tax liabilities, and any and all other liabilities and audit adjustments, in each case with respect to each of the foregoing liabilities, inclusive of any and all accrued liabilities, excluding the mark to market value of financial instruments, calculated in accordance with GAAP, and for greater certainty, including the Striker Transaction Costs and the proceeds from the exercise of any Striker Options or Striker Warrants.

"Striker Option Plan" means the Striker share option plan in effect on the date hereof and the agreements entered into thereunder.

"Striker Options" means options granted pursuant to the Striker Option Plan.

"Striker Reserves Report" means the report dated March 2, 2016 evaluating the crude oil, natural gas liquids and natural gas reserves of Striker as at December 31, 2015.

"Striker Shareholders" means the registered holders of Striker Shares.

"Striker Shares" means common shares in the share capital of Striker.

"Striker Termination Fee" has the meaning set forth under the heading "*The Arrangement – Termination Fees – Striker Damages*".

"Striker Transaction Costs" means all costs and expenses incurred by Striker in connection with the transactions contemplated by the Arrangement Agreement, including all legal, accounting, financial advisory (including the Striker Financial Advisory Fees), fairness opinion, severance, bonuses, printing and other administrative or professional fees, costs and expenses of third parties incurred by Striker, and all amounts payable by Striker in respect of the Arrangement, including but not limited to, the Striker Change of Control Payments, the costs of obtaining "run off" directors' and officers' liability insurance in accordance with Section 2.6(b) of the Arrangement Agreement and the costs of any payment made by Striker to holders of Striker Options or Striker Warrants as consideration for cancellation of such Striker Options or Striker Warrants; for greater certainty, any costs and expenses incurred by Striker in connection with Striker's advisors and representatives cooperating with Gear pursuant to Section 3.1(kk) of the Arrangement Agreement, shall be deemed to not be a Striker Transaction Costs.

"Striker Warrants" means the share purchase warrants of Striker with each such warrant entitling the holder thereof to acquire one Striker Share at an exercise price of \$2.40 per Striker Share.

"Superior Proposal" means an unsolicited written bona fide Acquisition Proposal made after the date of the Arrangement Agreement from a Person (other than Gear):

- (i) that in the case of paragraph 3.4(b)(vi)(A) of the Arrangement Agreement that funds or other consideration necessary for the Acquisition Proposal are or are likely to be available, and in the case of paragraphs 3.4(b)(vii) and 3.4(d) of the Arrangement Agreement that funds or other consideration necessary for the Acquisition Proposal are available, in each case as demonstrated to the satisfaction of the Striker Board, acting in good faith;
- (ii) that the Striker Board has determined in good faith (after receipt of advice from a financial advisor and outside legal counsel) is capable of being completed without undue delay, taking into account all financial, legal regulatory and other aspects of such proposal and the Person making such proposal;
- (iii) that did not result from or involve a breach of Section 3.4 of the Arrangement Agreement;
- (vi) that is not subject to any due diligence or access condition, other than to permit access to the books, records or personnel of Striker which is not more extensive than that which would customarily be provided for confirmatory due diligence purposes; and
- (v) in respect of which the Striker Board determined in good faith (after the receipt of advice from their legal counsel with respect to (A) and their financial advisors with respect to (B)) that: (A) as reflected in the minutes of the Striker Board, in the case of paragraph 3.4(b)(vi)(A) of the Arrangement Agreement failure to take such action would be inconsistent with their fiduciary duties, and in the case of paragraphs 3.4(b)(vii) and 3.4(d) of the Arrangement Agreement failure to recommend such Acquisition Proposal to Striker Shareholders would be inconsistent with their fiduciary duties, and (B) such Acquisition Proposal, taking into account all of the terms and conditions thereof, if consummated in accordance with its terms (but not assuming away any risk of non-completion), would result in a transaction more favourable to Striker Shareholders from a financial point of view than the transactions contemplated by the Arrangement Agreement (including in each case after taking into account any modifications to the Arrangement Agreement proposed by the Parties as contemplated by Section 3.4(d) of the Arrangement Agreement).

"Tax Pools" means undepreciated capital cost of any particular class of depreciable property, earned depletion base, cumulative Canadian exploration expense, cumulative Canadian development expense, cumulative Canadian oil and gas property expense, foreign exploration and development expense, capital losses, non capital losses, cumulative eligible capital, share issue costs and investment tax credits, all as defined in the ITA, and financing expenses referred to in paragraph 20(1)(e) of the ITA.

"TSX" means the Toronto Stock Exchange.

"TSXV" means the TSX Venture Exchange.

"U.S. Exchange Act" means the *United States Securities Exchange Act of 1934*, as amended, and the rules, regulations and orders promulgated thereunder.

"U.S. Securities Act" means the United States Securities Act of 1933, as amended, and the rules, regulations and orders promulgated thereunder.

SUMMARY INFORMATION

The following is a summary of certain information contained elsewhere in this Information Circular, including the Appendices hereto, and is qualified in its entirety by reference to the more detailed information contained or referred to elsewhere in this Information Circular or in the Appendices hereto. Capitalized terms not otherwise defined herein are defined in the "*Glossary of Terms*". For details on the matters to be considered by the Striker Shareholders, see "*Matters to be Acted Upon at the Striker Meeting*." For details on the matters to be considered by the Gear Shareholders, see "*Matters to be Acted Upon at the Gear Meeting*," respectively.

The Corporations

Striker

Striker is a light oil focused company operating predominantly in Alberta. Striker is a reporting issuer in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario and the Striker Shares are listed for trading on the TSXV under the trading symbol "SKX".

For a more complete description of Striker's business see "*Information Concerning Striker*" and Appendix H – "*Information Concerning Striker*".

Gear

Gear is an Alberta-based, growth-oriented, junior oil and gas company engaged in the exploration for, and the acquisition, development and production of, oil and natural gas reserves in the Western Canadian Sedimentary Basin. Gear is a reporting issuer in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario and the Gear Shares are listed on the TSX under the "GXE".

For a more complete description of Gear's business see "*Information Concerning Gear*" and Appendix I – "*Information Concerning Gear*".

The Striker Meeting

The Striker Meeting will be held in the will be held in the offices of McCarthy Tétrault LLP, 4000, 421- 7th Avenue S.W., Calgary, Alberta at 9:00 a.m. (Calgary time) on July 26, 2016, for the purposes set forth in the accompanying notice of meeting of Striker Shareholders.

The Gear Meeting

The Gear Meeting will be held in the will be held in the offices of Burnet, Duckworth & Palmer LLP, 2400, 525 – 8th Avenue S.W., Calgary, Alberta at 10:00 a.m. (Calgary time) on July 26, 2016, for the purposes set forth in the accompanying notice of meeting of Gear Shareholders.

Background to the Arrangement

The execution of the Arrangement Agreement with Gear on June 7, 2016 represented the culmination of a comprehensive formal process (the "**Process**") undertaken by the Striker Board and management beginning in February 2016, to consider the strategic alternatives available to Striker to unlock shareholder value. The Process involved an extensive consideration of possible alternatives, including asset dispositions, financings, restructurings and corporate transactions. In pursuit of alternatives, the Striker Board, with the assistance of its financial and legal advisors, reached out to a broad range of counterparties and entered into a total of 56 confidentiality agreements. A description of the Process and the background to the Arrangement is provided below.

At the beginning of 2016, faced with challenging and uncertain market conditions as a result of, among other things, a significant decline in oil prices, the Striker Board began to consider and evaluate the growth trajectory and go-

forward strategy of Striker. The Striker Board discussed possible strategic alternatives available to Striker to enhance shareholder value at numerous meetings of the Striker Board.

The Striker Board met on February 17, 2016 with representatives from FirstEnergy in attendance for the purposes of: (i) reviewing current market conditions and Striker's market positioning; and (ii) considering the strategic options available to Striker, including asset dispositions, financings, restructurings, joint ventures or a corporate transaction involving a merger or sale of Striker. Following the meeting with FirstEnergy, the Striker Board engaged FirstEnergy to assist with the execution of the Process, which would involve, initially, the confidential marketing of Striker with the objective of identifying a counterparty for a corporate sale, merger or other form of business combination, or the sale of Striker's assets. In the event that an acceptable transaction could not be achieved, the Striker Board recognized that it would be necessary to broaden the Process to include the public announcement of the Process and a wide marketing of Striker and its assets.

Following the February 17, 2016 meeting of the Striker Board, Striker management, together with FirstEnergy, commenced the confidential marketing of Striker and its assets to a select list of potential bidders identified by FirstEnergy and Striker, which included the preparation of a confidential data room, the execution of confidentiality agreements with select counterparties and the provision of technical presentations to potential interested parties.

The Striker Board met on March 14, 2016. At the meeting, Striker management provided the Striker Board with an update with respect to the progress of the Process and a review of market conditions. FirstEnergy advised the Striker Board that no viable offers were received by Striker from the select counterparties identified in the confidential marketing phase of the Process. After receiving the advice of FirstEnergy, the Striker Board expanded the scope and breadth of the Process and directed FirstEnergy to invite a broader group of interested parties to consider proposals for a corporate sale, merger or other form of business combination, or the sale of Striker's assets.

On March 14, 2016, Striker announced that the Striker Board had determined to initiate a formal process to explore strategic alternatives with a view to enhancing shareholder value, which included considering a corporate sale, merger or other business combination, the sale of all or a material portion of Striker's assets, a reorganization, recapitalization or restructuring of Striker or any combination of the foregoing. Striker also announced that FirstEnergy had been retained by Striker to act as its exclusive financial advisor in connection with the comprehensive review and analysis of strategic alternatives.

Under the direction of the Striker Board, FirstEnergy was in contact with in excess of 350 parties in an effort to attract all possible interested parties. In total, 56 potential counterparties executed confidentiality agreements and were granted access to the confidential data room. Striker management, together with FirstEnergy, provided technical presentations to a total of 25 potential interested parties. These parties showed varying levels of interest in pursuing potential transactions with Striker. During the Process, Striker received 15 expressions of interest with respect to either an asset or corporate transaction.

The Striker Board, with representatives from FirstEnergy, in attendance, met on April 29, 2016 to review the terms of proposals received by Striker. The Striker Board directed FirstEnergy to approach certain of the parties, including Gear, that submitted proposals to obtain revised proposals.

After considering the strategic alternatives available to Striker, the Striker Board determined to pursue further negotiations with Gear towards finalizing the corporate transaction set out in its proposal. On May 6, 2016, Striker and Gear entered into a non-binding letter of intent that provided for: (i) an exchange ratio of 2.325 Gear Shares for each Striker Share; (ii) the completion of due diligence and the execution of a definitive arrangement agreement; and (iii) an exclusivity period in favour of Gear.

During the period of exclusive negotiations with Gear, the Striker Board, with the assistance of management, legal counsel and its financial advisors, negotiated the terms of the Arrangement and Striker conducted extensive due diligence in respect of Gear. The Striker Board also received advice of legal counsel in respect of the terms of the Arrangement and considered a number of additional factors including:

- the terms of the Arrangement Agreement and related transactions;
- the financial and capital markets advice and Striker Fairness Opinion;

- the Process undertaken and the results from the Process;
- the benefits of the Arrangement with Gear including, among other things:
 - that the terms of the Arrangement provided the opportunity for the Striker Board to accept a Superior Proposal;
 - the performance record of the Gear management team; and
 - the ability of Striker Shareholders to receive Gear Shares thereby deferring tax and also having the ability to participate in the upside associated with the Striker assets going forward;
- the strategic alternatives available to Striker following the Process including continuing with the status quo;
- various reports, presentations and analysis provided by FirstEnergy, management, legal counsel and Gear to the Striker Board;
- the current state of the Canadian capital markets and the ability of junior oil and gas companies to attract capital on a cost effective basis in the short and medium terms;
- Striker's current cost of capital, sources of financing and requirements for capital going forward in order to properly exploit its oil and gas properties; and
- the historical results of Striker and prospects for the future.

On June 7, 2016, the Striker Board met and received: (i) a presentation from FirstEnergy with respect to an overview of the Process, a summary of the proposals received from interested parties, a detailed analysis of the Gear proposal and financial advice in respect of the Arrangement, including the verbal Striker Fairness Opinion; and (ii) a presentation from McCarthy Tétrault LLP on the terms and conditions of the proposed Arrangement Agreement, including advice from McCarthy Tétrault LLP as to the fiduciary duties of the Striker Board in the context of the Arrangement Agreement. The Striker Board unanimously determined that the Arrangement was in the best interests of Striker and the Striker Shareholders, determined that the consideration to be received by Striker Shareholders pursuant to the Arrangement is fair, from a financial point of view, to Striker Shareholders, resolved to recommend that the Striker Shareholders vote in favour of the Arrangement at the Striker Meeting, and resolved, among other things, to approve the Arrangement and the entering into of the Arrangement Agreement (substantially in the form and on the terms presented at the meeting of the Striker Board) and the completion of the transactions contemplated thereby.

Gear Process

Management of Gear continually evaluates opportunities for enhancing Gear Shareholder value and presents these opportunities to the Gear Board at regular scheduled meetings of the Gear Board. As a result of this continual process, when approached by FirstEnergy in respect of the Process being undertaken by Striker, on March 7, 2016, Gear entered into a confidentiality agreement with Striker and began to review the confidential information in respect of Striker. On April 26, 2016, the Gear Board met to discuss various matters including, among other matters, an update on the expected outcome of its upcoming borrowing base redetermination under the Gear Credit Facility, various equity financing alternatives and various acquisition and disposition opportunities. Included in the discussion of acquisition and disposition opportunities at the April 26, 2016 meeting of the Gear Board was a presentation by the management of Gear on the Striker opportunity.

On April 28, 2016, Gear submitted a non-binding proposal to Striker for a business combination between the two parties. Following the submission of Gear's non-binding proposal, FirstEnergy approached Gear management and indicated Striker's interest in pursuing a potential transaction with Gear. As a result, Gear management met with the Striker Board to present on the current business, assets and prospects of Gear.

On May 5, 2016, the Gear Board met with representatives from Peters & Co. present to discuss the potential transaction with Striker and the proposed terms of such transaction. It was noted that conditions of the proposed transaction would include the completion of an equity financing by Gear, the entering into of new pro forma credit facility arrangements to the satisfaction of both Parties and the addition of the Striker Board Nominees to the Gear

Board. Management provided a detailed analysis of assets of Striker and the various opportunities management expected to have with respect to such assets. Management also provided an analysis of Gear's go forward prospects and expected results both with and without completing a transaction with Striker. Representatives of Peters & Co. provided a preliminary analysis of the potential transaction with Striker including noting, among other notes, the potential positive market reaction, the expected positive impact that the transaction would have on Gear's debt financing alternatives and the potential for doing an equity financing in conjunction with the announcement of a potential transaction. Following the presentation, the Gear Board indicated their support for the continued negotiation by management of the potential transaction with Striker. In addition, the Gear Board approved the engagement of Peters & Co. to act as Gear's financial advisor with respect to the potential transaction with Striker.

On May 6, 2016, Striker and Gear entered into a non-binding letter of intent that provided for: (i) an exchange ratio of 2.325 Gear Shares for each Striker Share; (ii) the completion of due diligence and the execution of a definitive arrangement agreement; (iii) an exclusivity period in favour of Gear; (iv) the entering into of a bought deal financing agreement concurrently with the entering into of a definitive agreement; and (v) the provision of a term sheet or commitment letter by Gear's lenders or bankers for the Gear New Credit Facilities agreement concurrently with the entering into of a definitive agreement.

During the period of exclusive negotiations with Striker, the Gear management under the oversight of the Gear Board, with the assistance of legal counsel and its financial advisors, negotiated the terms of the Arrangement, conducted extensive due diligence in respect of Striker and negotiated the terms of the Gear Financing and the Gear New Credit Facilities.

On June 7, 2016, the Gear Board met and received: (i) a presentation by management of Gear on the proposed transaction, the terms of the Gear Financing and the terms of the proposed Gear New Credit Facilities; (ii) a presentation from Burnet, Duckworth & Palmer LLP on the terms and conditions of the proposed Arrangement Agreement and the various risks associated with the potential transaction; and (iii) financial advice from Peters & Co. in respect of the Arrangement, including the verbal Gear Fairness Opinion. The Gear Board unanimously determined that the Arrangement was in the best interests of Gear, resolved to recommend that the Gear Shareholders vote in favour of the Gear Resolution at the Gear Meeting, and resolved, among other things, to approve the Arrangement Agreement (substantially in the form and on the term presented at the meeting of the Gear Board) and the transactions contemplated thereby. At the June 7, 2016 Gear Board meeting, the Gear Board also resolved to approve the proposed terms of the Gear New Credit Facilities as presented in a term sheet from the proposed lenders and the entering into of a bought deal letter for the Gear Financing.

Entering into the Arrangement Agreement and Subsequent Steps

The negotiation of the definitive terms and conditions of the Arrangement Agreement was subsequently completed and the Arrangement Agreement was executed on June 7, 2016. Striker and Gear issued a joint news release on June 7, 2016 announcing the entering into of the Arrangement Agreement, the Gear Financing and the proposed terms of the Gear New Credit Facilities.

On June 22, 2016, the Court granted the Interim Order as attached as Appendix E to this Information Circular.

On June 27, 2016, the Striker Board approved the contents and mailing of this Information Circular to Striker Shareholders, subject to any amendments that may be approved by Striker's senior management team and ratified the recommendation to Striker Shareholders with respect to the Arrangement. On June 27, 2016, the Gear Board approved the contents and mailing of this Information Circular to Gear Shareholders, subject to any amendments that may be approved by Gear's senior management team and ratified the recommendation to Gear Shareholders with respect to the Arrangement.

See "*The Arrangement — Background to and Reasons for the Arrangement – Background to the Arrangement*".

Reasons For the Arrangement

Striker Board

Following receipt of the advice and assistance of its financial advisors and legal counsel, the Striker Board carefully evaluated the terms of the proposed Arrangement and based upon, among other things, the Striker Fairness Opinion, unanimously: (i) determined that the Arrangement is in the best interests of Striker and the Striker Shareholders; (ii) determined that the Arrangement is fair to the Striker Shareholders; (iii) approved the Arrangement and the entering into of the Arrangement Agreement and completion of all transactions contemplated thereby; and (iv) resolved to recommend that Striker Shareholders vote in favour of the Arrangement.

In reaching these determinations and approvals, the Striker Board considered, among other things, the following factors, potential benefits and risks of the Arrangement, and the elements of the Arrangement that provide protection to the Striker Shareholders:

- the Striker Board concluded that the value offered to Striker Shareholders under the Arrangement is more favourable than the value that might have been realized through pursuing Striker's current business plan given the current economic and operating environment;
- the total value of the consideration to be received by Striker Shareholders under the Arrangement represents a premium of approximately 30% to the closing trading price of the Striker Shares of \$1.38 on June 7, 2016, based on the closing trading price of the Gear Shares of \$0.77 on June 7, 2016, the last trading day prior to the announcement of the Arrangement;
- the Arrangement was the preferred transaction available to Striker and Striker Shareholders after conducting the extensive and thorough value maximizing Process, taking into account the proposals received from, and discussions with, third parties with respect to various potential business transactions involving Striker;
- the combination of Striker and Gear will result in a larger more competitive organization with improved liquidity in the market, greater exploration and development capacity, and a larger market capitalization;
- following completion of the Arrangement, Gear will have greater financial resources than Striker or Gear prior to the Arrangement, enabling it to undertake the exploration and development of oil and natural gas opportunities, and will be better able to exploit business opportunities that are presently available to Gear;
- Striker Shareholders will continue to participate in the oil and gas prospects of Striker while gaining exposure to a larger base of existing production and the prospect inventory of Gear;
- the asset base of Gear, combined with the asset base of Striker, represents a more diversified and stable investment than the asset base of Striker alone;
- FirstEnergy provided an opinion that, subject to the various assumptions, qualifications and limitations set forth in the Striker Fairness Opinion, the consideration to be received by Striker Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Striker Shareholders;
- the Arrangement must be approved by:
 - not less than 66 $\frac{2}{3}$ % of the votes cast by the Striker Shareholders present in person or represented by proxy at the Striker Meeting; and
 - a simple majority of the votes cast by the Striker Shareholders, present in person or represented by proxy at the Striker Meeting and entitled to vote after excluding the votes required by MI 61-101;
- the Arrangement will only become effective if, after hearing from all interested Persons who choose to appear before it, the Court determines that the Arrangement is fair to the Striker Shareholders;
- the Striker Shareholders will be granted the Striker Dissent Rights with respect to the Arrangement; and
- under the Arrangement Agreement, the Striker Board retains the ability to consider and respond to Superior Proposals on the specific terms and conditions set forth in the Arrangement Agreement.

While management and the Striker Board expect that Striker will receive the benefits noted above, the Arrangement does expose Striker to additional risks, including the risk that Striker may fail to complete the Arrangement in accordance with the terms of the Arrangement Agreement or at all or Striker Shareholders will fail to realize the anticipated benefits of the Arrangement. See "*Risk Factors*".

This discussion of the information and factors considered and given weight to by the Striker Board is not intended to be exhaustive. In reaching the determination to approve the Arrangement and recommend the Striker Arrangement Resolution, the Striker Board did not assign any relative or specific weight to the factors that were considered, and individual directors may have given a different weight to each factor.

See "*The Arrangement – Background to and Reasons for the Arrangement – Reasons for the Arrangement – Striker Board*".

Gear Board

Following receipt of the advice and assistance of its financial advisors and legal counsel, the Gear Board carefully evaluated the terms of the proposed Arrangement and based upon, among other things, the Gear Fairness Opinion, unanimously: (i) determined that the Arrangement is in the best interests of Gear; (ii) approved the Arrangement and the entering into of the Arrangement Agreement and completion of all transactions contemplated thereby; and (iii) resolved to recommend that Gear Shareholders vote in favour of the Gear Resolution.

In reaching these determinations and approvals, the Gear Board considered, among other things, the following factors and potential benefits and risks of the Arrangement:

- the combination of Gear and Striker will create a high growth junior company with a sizeable, strategic and opportunity rich asset base;
- the combination of Gear and Striker is a naturally synergistic combination that expands Gear's current play trends;
- the acquisition of Striker provides product diversification by providing Gear with exposure to light oil which receives higher realized prices per barrel;
- the acquisition of Striker improves Gear's netback per boe with a forecast for increased realized revenue combined with decreased operating costs, decreased general and administrative costs and decreased financing costs;
- the acquisition of Striker provides Gear with an additional 2,200 boe/d of 60% light and medium oil production (based on May monthly average field estimate), approximately 90 net sections of undeveloped land, a new core focus area in the emerging Belly River light oil resource play and a materially strengthened balance sheet;
- upon completion of the Arrangement, the combined company will have an expected inventory of approximately 450 economic heavy and light oil drilling opportunities; and
- upon completion of the Arrangement and the Gear Financing, the combined company will have a strong balance sheet with an estimate of approximately \$35 million drawn on the \$50 million Gear New Credit Facilities.

While management and the Gear Board expect that Gear will receive the benefits noted above, the Arrangement does expose Gear to additional risks, including the risk that Gear may fail to complete the Arrangement in accordance with the terms of the Arrangement Agreement or at all or fail to realize the anticipated benefits of the Arrangement. See "*Risk Factors*".

This discussion of the information and factors considered and given weight to by the Gear Board is not intended to be exhaustive. In reaching the determination to approve the Arrangement and recommend the Gear Resolution, the Gear Board did not assign any relative or specific weight to the factors that were considered, and individual directors may have given a different weight to each factor.

See "*The Arrangement – Background to and Reasons for the Arrangement – Reasons for the Arrangement – Gear Board*" and "*Information Concerning Gear Following Completion of the Arrangement*".

Striker Lock-Up Agreements

All of the directors and executive officers of Striker and each associate and affiliate of such directors and officers that own Striker Shares and certain Striker Shareholders have entered into Striker Lock-Up Agreements representing approximately 33.2% of the issued and outstanding Striker Shares pursuant to which they have agreed to, among other things, vote in favour of the Striker Arrangement Resolution and otherwise support the transactions contemplated by the Arrangement Agreement.

See "*The Arrangement – Striker Lock-Up Agreements*".

Gear Lock-Up Agreements

All of the directors and executive officers of Gear and each associate and affiliate of such directors and officers that own Gear Shares and certain Gear Shareholders have entered into Gear Lock-Up Agreements representing approximately 7.0% of the issued and outstanding Gear Shares pursuant to which they have agreed to, among other things, vote in favour of the Gear Resolution and otherwise support the transactions contemplated by the Arrangement Agreement.

See "*The Arrangement – Gear Lock-Up Agreements*".

Recommendations of the Striker Board

The Striker Board has considered the Arrangement, and after considering, among other things: (A) the Striker Fairness Opinion; (B) the anticipated benefits of the Arrangement; (C) that Striker Shareholders will continue to participate in the oil and gas prospects of Striker while gaining exposure to a larger base of existing production and the prospect inventory of Gear; (D) the historical market price, recent trading patterns and financial information relating to other companies engaged in the same business as Striker; and (E) the risks associated with completing the Arrangement unanimously: (i) determined that the Arrangement is in the best interests of Striker and the Striker Shareholders; (ii) determined that the Arrangement is fair to the Striker Shareholders; (iii) approved the Arrangement and the entering into of the Arrangement Agreement and completion of all transactions contemplated thereby; and (iv) recommends that Striker Shareholders vote in favour of the Striker Arrangement Resolution.

The discussion of the information and factors considered and given weight to by the Striker Board discussed herein is not intended to be exhaustive. In reaching the determination to approve and recommend the Striker Arrangement Resolution, the Striker Board did not assign any relative or specific weight to the factors that were considered, and individual directors may have given a different weight to each factor.

Notwithstanding the recommendation of the Striker Board that Striker Shareholders vote in favour of the Striker Arrangement Resolution, Striker Shareholders should make their own decision whether to vote their Striker Shares in favour of the Arrangement Resolution and, if appropriate, should consult their own legal, financial and other professional advisors in making that decision.

See "*The Arrangement – Recommendations of the Striker Board*".

Recommendations of the Gear Board

The Gear Board unanimously: (i) determined that the Arrangement is in the best interests of Gear; (ii) approved the Arrangement and the entering into of the Arrangement Agreement and completion of all transactions contemplated thereby; and (iii) recommends that Gear Shareholders vote in favour of the Gear Resolution.

The discussion of the information and factors considered and given weight to by the Gear Board as discussed herein in making the above determinations, approvals and recommendations is not intended to be exhaustive. In reaching

the determination to recommend the approval of the Gear Resolution by the Gear Shareholders, the Gear Board did not assign any relative or specific weight to the factors that were considered, and individual directors may have given a different weight to each factor.

Notwithstanding the recommendation of the Gear Board that Gear Shareholders vote in favour of the Gear Resolution, Gear Shareholders should make their own decision whether to vote their Gear Shares in favour of the Arrangement Resolution and, if appropriate, should consult their own legal, financial and other professional advisors in making that decision.

See "*The Arrangement – Recommendations of the Gear Board*".

Effect of the Arrangement

General

Pursuant to the Arrangement, all of the issued and outstanding Striker Shares will be transferred to Gear in exchange for 2.325 Gear Shares for each Striker Share (other than in respect of Striker Shares held by Dissenting Striker Shareholders) and Striker and Gear will then amalgamate and continue as one corporation under the ABCA.

Assuming that: (i) there are no Dissenting Striker Shareholders; (ii) all of the in-the-money Striker Options are exercised prior to the Effective Time; and (iii) all of the out-of-money Striker Options and Striker Warrants are surrendered (other than the 650,000 Striker Warrants held or controlled by certain Striker Board Nominees that will remain outstanding after completion of the Arrangement in accordance with their terms), it is anticipated that, to effect the Arrangement, Gear will be required to issue an aggregate of approximately 76.6 million Gear Shares in exchange for all of the outstanding Striker Shares and upon completion of the Arrangement (and taking into account completion of the Gear Financing), there will be approximately 190.8 million Gear Shares issued and outstanding. If the Arrangement is completed as contemplated, it is expected that former Striker Shareholders will own approximately 40.1% of the outstanding Gear Shares (on a non-diluted basis) subsequent to the Arrangement and Gear Shareholders (including investors who become Gear Shareholders as a result of the purchase of Gear Shares pursuant to the Gear Financing) will own approximately 59.9% of the outstanding Gear Shares (on a non-diluted basis) subsequent to the Arrangement.

See also "*The Arrangement – Effect and Details of the Arrangement – General*".

Effect on Striker Options and Striker Warrants

As a result of the execution of the Arrangement Agreement, the Striker Board has approved the acceleration of vesting of all outstanding Striker Options immediately prior to the Effective Time and conditional on the consummation of the Arrangement. As at the date hereof, Striker Options to purchase an aggregate of 2,748,750 Striker Shares are outstanding, of which 710,000 Striker Options are expected to be "in-the-money" based on a deemed transaction value of \$1.63 per Striker Share (based on the price per Gear Share pursuant to the Gear Financing). Pursuant to the Striker Cancellation Agreements, each holder of Striker Options may either (a) exercise any or all of such holder's Striker Options before the Effective Date in accordance with the Striker Option Plan; or (b) surrender such holder's Striker Options for cancellation for an aggregate payment of \$1.00 to each holder of the Striker Options so surrendered prior to the Effective Time.

As at the date hereof, Striker Warrants to purchase an aggregate of 2,897,500 Striker Shares are outstanding, none of which are expected to be "in-the-money" based on a deemed transaction value of \$1.63 per Striker Share (based on the price per Gear Share pursuant to the Gear Financing). Pursuant to the Arrangement Agreement, Striker has obtained executed Striker Cancellation Agreements from Striker Warrant holders in which each holder of Striker Warrants agrees to surrender for cancellation all Striker Warrants, except in respect of Striker Warrants to purchase an aggregate of 650,000 Striker Shares held or controlled by certain Striker Board Nominees, which will survive the completion of the Arrangement and, in accordance with their terms, will represent a right to purchase an aggregate of 1,511,250 Gear Shares at an exercise price of \$1.03 per Gear Share upon completion of the Arrangement.

See also "*The Arrangement – Effect and Details of the Arrangement – Effect on Striker Options*", "*The Arrangement – Effect and Details of the Arrangement – Effect on Striker Warrants*", "*The Arrangement – Interests of Certain Persons or Companies in the Arrangement – Striker Options*" and "*The Arrangement – Interests of Certain Persons or Companies in the Arrangement – Striker Warrants*".

Change of Control Payments

Certain of Striker's officers and employees are entitled to change of control payments triggered by the completion of the Arrangement. See "*The Arrangement – Interests of Certain Persons or Companies in the Arrangement – Change of Control Payments*".

Details of the Arrangement

Arrangement Steps

Commencing at the Effective Time, each of the events set out below will occur and will be deemed to occur in the following order without any further act or formality except as otherwise provided in the Plan of Arrangement:

- the Striker Shares held by Dissenting Striker Shareholders shall be transferred to Gear and shall continue to be outstanding, and such Dissenting Striker Shareholders shall cease to have any rights as Striker Shareholders, other than the right to be paid the fair value of their Striker Shares by Gear in accordance with the Striker Dissent Rights;
- all Striker Shareholders (other than Gear) shall transfer to Gear all of the Striker Shares held by them in exchange for 2.325 Gear Shares for each one (1.0) Striker Share so transferred;
- the stated capital accounts maintained by Striker for the issued and outstanding shares in the capital of Striker will be reduced to \$1.00 without payment of any amount in respect of those shares; and
- Striker and Gear shall be amalgamated under the ABCA to form AmalCo.

See "*The Arrangement – Effect and Details of the Arrangement – General*".

Directors and Management of Gear following Completion of the Arrangement

If the Arrangement is completed as contemplated, Neil Roszell, Kevin Olson and John O'Connell, currently members of the Striker Board, will be appointed on the Effective Date to the Gear Board in addition to the current members of the Gear Board being Messrs. Don T. Gray, Peter Verburg, Raymond Cej, Ingram Gillmore and Harry English. Greg Bay is expected to resign as a director of Gear contemporaneous with the completion of the Arrangement. As such, following the completion of the Arrangement, the Gear Board is expected to be comprised of Messrs. Don T. Gray, Ingram Gillmore, Peter Verburg, Raymond Cej, Harry English, Neil Roszell, Kevin Olson and John O'Connell.

Following completion of the Arrangement, Ingram Gillmore, President and Chief Executive Officer, David Hwang, Vice President, Finance and Chief Financial Officer, Yvan Chretien, Vice President, Land, Jason Kaluski, Vice President, Operations and Bryan Dozzi, Vice President, Engineering of Gear, will continue to act in the same capacity as senior officers of Gear.

See "*Information Concerning Gear Following Completion of the Arrangement*".

The Arrangement Agreement

The following is a summary of certain terms of the Arrangement Agreement and is qualified in its entirety by the full text of the Arrangement Agreement, which is attached as Appendix D to this Information Circular, and to the more detailed summary contained elsewhere in this Information Circular.

See "*The Arrangement – The Arrangement Agreement*" and Appendix D to this Information Circular for the entire text of the Arrangement Agreement.

Covenants, Representations and Warranties

The Arrangement Agreement contains customary covenants and representations and warranties for an agreement of this type, including mutual non-solicitation covenants from Striker and Gear in favour of the other.

Conditions to the Arrangement

The obligations of Striker and Gear to complete the Arrangement are subject to the satisfaction or waiver of certain conditions set out in the Arrangement Agreement which are summarized in the main body of the Information Circular. These conditions include the receipt of Striker Shareholder approval, Gear Shareholder approval, approval of the Court and various third party approvals. In addition, it is a condition of the Arrangement that Gear has entered into the credit agreement in respect of the Gear New Credit Facilities at or prior to the Effective Time.

Termination of Arrangement Agreement

The Arrangement Agreement may be terminated at any time prior to the Effective Date and termination fees may be payable by either party in certain circumstances. Pursuant to the Arrangement Agreement, Gear has agreed to pay Striker a termination fee in the amount of \$1.8 million in certain circumstances and Striker has also agreed to pay Gear a termination fee in the amount of \$1.8 million in certain circumstances. A summary of the circumstances where these payments are required to be made is provided in the main body of the Information Circular.

Risk Factors Related to the Arrangement

The completion of the Arrangement is subject to certain risks. In addition to the risk factors described under the headings "*Risk Factors*" in each of the Striker AIF and the Gear AIF, which are specifically incorporated by reference into this Information Circular, the risk factors described under "*Risk Factors - Risk Factors Related to the Arrangement*" and other the risk factors described under "*Risk Factors – Risk Factors Concerning Gear Following Completion of the Arrangement*" and in Appendix I – "*Information Concerning Gear*", the following is a list of certain additional and supplemental risk factors which Striker Shareholders and Gear Shareholders should carefully consider before making a decision to approve the Striker Arrangement Resolution and the Gear Resolution, respectively:

- Striker and Gear may not realize the anticipated benefits of the Arrangement;
- Striker and Gear may not satisfy all regulatory requirements or obtain the necessary approvals for completion of the Arrangement on satisfactory terms or at all;
- the Arrangement Agreement may be terminated in certain circumstances, including in the event of a Material Adverse Change in relation to Striker or Gear;
- the Arrangement may not be completed due to the failure to satisfy any conditions set out in the Arrangement Agreement, including certain conditions which are not in the control of Striker or Gear;
- the market price for the Striker Shares may decline;
- the market price for the Gear Shares may decline;
- Striker and Gear expect to incur significant costs associated with the Arrangement;
- if the Arrangement is not completed, Striker's future business and operations could be harmed;
- if the Arrangement is not completed, Gear's future business and operations could be harmed;

- actual production and ultimate reserves could be greater or lesser than the production forecast and reserve estimates contained in the Striker Reserve Report and Gear Reserve Report;
- future reserves and production depend on success in exploring the current reserves and acquiring or discovering additional reserves;
- failure to realize anticipated benefits of other acquisitions or dispositions;
- general economic conditions of Canada and the United States and globally;
- industry conditions, including commodity price volatilities and other factors that may affect the marketability of oil, natural gas and NGLs;
- the Gear Shares issued in connection with the Arrangement may have a market value that is different than expected;
- no cash dividends are expected to be paid on the Gear Shares in the foreseeable future; and
- there are risks related to the integration of Striker's and Gear's existing businesses.

There are additional risk factors contained elsewhere or incorporated by reference in this Information Circular. See "*Risk Factors - Risk Factors Related to the Arrangement*". Striker Shareholders and Gear Shareholders should carefully consider all such risk factors.

Procedure for Exchange of Striker Shares

The Striker Letter of Transmittal has been sent to Depositing Shareholders with this Information Circular. The Striker Letter of Transmittal sets out the procedure to be followed by Depositing Shareholders to deposit their Deposited Securities. If the Arrangement becomes effective, in order to receive a physical certificate(s) representing Gear Shares in exchange for the Deposited Securities to which the Depositing Shareholder is entitled under the Plan of Arrangement, a Depositing Shareholder must deliver the Striker Letter of Transmittal, properly completed and duly executed, together with certificate(s) representing its Deposited Securities and all other required documents to the Depository at the address set forth in the Striker Letter of Transmittal. It is each Depositing Shareholder's responsibility to ensure that the Striker Letter of Transmittal is received by the Depository. If the Arrangement is not completed, the Striker Letter of Transmittal will be of no effect and the Depository will return all certificates representing the Deposited Securities to the holders thereof as soon as practicable at the address specified in the Striker Letter of Transmittal.

Depositing Shareholders whose Striker Shares are registered in the name of an Intermediary, which may include a broker, investment dealer, bank, trust company, nominee or other intermediary, must contact their Intermediary to deposit their Deposited Securities.

Any certificate formerly representing Striker Shares that is not deposited with all other documents as required by the Plan of Arrangement on or before the last Business Day prior to the third (3rd) anniversary of the Effective Date (or such earlier date as required by applicable law) will cease to represent a right or claim of any kind or nature including the right of the Striker Shareholder to receive Gear Shares (and any dividend or other distributions thereon). In such case, such Gear Shares (together with all dividends or other distributions thereon) will be returned to Gear and such Gear Shares will be cancelled.

Depositing Shareholders are encouraged to deliver a properly completed and duly executed Striker Letter of Transmittal together with the relevant certificate(s) representing the Deposited Securities and any other required documents to the Depository as soon as possible.

The use of mail to transmit certificates representing the Deposited Securities and the Striker Letter of Transmittal is at each holder's risk. Striker recommends that such certificates and documents be delivered by hand to the Depository and a receipt therefore be obtained or that registered mail be used and appropriate insurance be obtained.

In the event Striker Shareholders have not received a Letter of Transmittal due to a postal disruption as a result of a Canada Post labour disruption or other cause, copies of the Letter of Transmittal may be obtained under Striker's profile on SEDAR at www.sedar.com and on Striker's corporate website at www.strikerexp.com. In the event of a postal disruption, Striker recommends that Striker Shareholders deposit with the Depository certificates representing their Striker Shares together with the Letter of Transmittal and other required documents either: (i) by hand and receipt therefor obtained; or (ii) by courier (other than Canada Post) and the appropriate insurance be obtained, to ensure such deposit is not be delayed by the Canada Post disruption.

The Depository will receive reasonable and customary compensation from Gear for its services in connection with the Arrangement, will be reimbursed for certain out of pocket expenses and will be indemnified against certain liabilities, including liability under securities laws and expenses in connection therewith.

For additional information, see "*The Arrangement - Procedure for Exchange of Securities*".

Striker Shareholder Approval

Pursuant to the terms of the Interim Order and Applicable Canadian Securities Laws, the Striker Arrangement Resolution must, subject to further orders of the Court, be approved by:

1. not less than 66⅔% of the votes cast by the Striker Shareholders, present in person or by proxy at the Striker Meeting; and
2. a simple majority of the votes cast by the Striker Shareholders, present in person or represented by proxy at the Striker Meeting and entitled to vote after excluding the votes required by MI 61-101.

See Appendix A to this Information Circular for the full text of the Striker Arrangement Resolution. See also "*The Arrangement - Striker Shareholder Approval*" and "*The Arrangement - Minority Approval*".

Gear Shareholder Approval

Pursuant to the rules of the TSX as the Arrangement will result in the issuance of 25% or more of the currently issued and outstanding Gear Shares on a non-diluted basis, the Gear Resolution must be approved by a simple majority of the votes cast by the Gear Shareholders, present in person or by proxy at the Gear Meeting. An aggregate of 78,114,868 Gear Shares are potentially issuable pursuant to the Arrangement (including in exchange for up to 710,000 Striker Shares issued on exercise of outstanding in-the-money options to purchase Striker Shares, 1,511,250 Gear Shares that will be issuable pursuant to Striker Warrants that will remain outstanding after completion of the Arrangement in accordance with their terms, and up to 5,000 additional Gear Shares that may be required to be issued to account for clerical and administrative matters, including the rounding for fractional shares), representing 91.4% of the currently issued and outstanding Gear Shares on a non-diluted basis or 68.4% of issued and outstanding Gear Shares on a non-diluted basis after giving effect to the Gear Financing. The Arrangement is not expected to materially affect the control of Gear.

See Appendix B to this Information Circular for the full text of the Gear Resolution. See also "*The Arrangement - Gear Shareholder Approval*".

Fairness Opinions

Striker Fairness Opinion

The Striker Board engaged FirstEnergy as financial advisor to Striker in connection with Striker's strategic review, which mandate also included acting as financial advisor with respect to the Arrangement. FirstEnergy has provided

the Striker Fairness Opinion to the Striker Board that, as of June 7, 2016 and subject to the various assumptions, qualifications and limitations contained therein, the consideration to be received by Striker Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Striker Shareholders.

The Striker Fairness Opinion is not a recommendation to any Striker Shareholder as to how to vote or act on any matter relating to the Arrangement. The Striker Board urges Striker Shareholders to read the Striker Fairness Opinion.

The summary of the Striker Fairness Opinion in this Information Circular is qualified in its entirety by reference to the full text of the Striker Fairness Opinion. The Striker Fairness Opinion is subject to the various assumptions, qualifications and limitations contained therein and should be read in its entirety.

See Appendix F for the full text of the Striker Fairness Opinion and "*The Arrangement – Fairness Opinions – Striker Fairness Opinion*".

Gear Fairness Opinion

The Gear Board engaged Peters & Co. as financial advisor to Gear in connection with the Arrangement. Peters & Co. has provided the Gear Fairness Opinion to the Gear Board that, as of June 7, 2016 and subject to the various assumptions, qualifications and limitations contained therein, the consideration to be paid by Gear to Striker Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Gear Shareholders.

The Gear Fairness Opinion is not a recommendation to any Gear Shareholder as to how to vote or act on any matter relating to the Arrangement. The Gear Board urges Gear Shareholders to read the Gear Fairness Opinion.

The summary of the Gear Fairness Opinion in this Information Circular is qualified in its entirety by reference to the full text of the Gear Fairness Opinion. The Gear Fairness Opinion is subject to the various assumptions, qualifications and limitations contained therein and should be read in its entirety.

See Appendix G for the full text of the Gear Fairness Opinion and "*The Arrangement – Fairness Opinions – Gear Fairness Opinion*".

Final Order

Completion of the Arrangement is subject to the satisfaction of several conditions and the approval of the Court. Subject to the terms of the Arrangement Agreement, if the Striker Arrangement Resolution and Gear Resolution are approved by the requisite majorities at the respective Meetings, Striker will make application to the Court for the Final Order at the Calgary Courts Centre, 601 - 5 Street S.W., Calgary, Alberta Canada on July 26, 2016 at 3:00 p.m. (Calgary time) or as soon thereafter as counsel may be heard. See "*The Arrangement – Court Approval*".

Dissent Rights

Striker Dissent Rights

Pursuant to the Interim Order, registered Striker Shareholders have the right to dissent with respect to the Striker Arrangement Resolution by providing a written objection to the Striker Arrangement Resolution to Striker, c/o McCarthy Tétrault LLP, 4000, 421 – 7 Avenue S.W., Calgary, Alberta T2P 4K9, Attention: Sony Gill, by no later than 9:00 a.m. (Calgary time) on the second Business Day immediately preceding the date of the Striker Meeting.

In the event the Arrangement becomes effective, each Striker Shareholder who properly dissents and becomes a Dissenting Striker Shareholder will be entitled to be paid by Gear the fair value of the Striker Shares in respect of which such holder dissents in accordance with Section 191 of the ABCA, as modified by the Plan of Arrangement and the Interim Order. A Striker Shareholder who votes in favour of the Arrangement shall not be entitled to dissent. A Dissenting Striker Shareholder may dissent only with respect to all of the Striker Shares held by such Dissenting

Striker Shareholder. See Appendix E, Exhibit "A" to Appendix D and Appendix K for a copy of the Interim Order, the Plan of Arrangement and the provisions of Section 191 of the ABCA, respectively.

The statutory provisions covering the right to dissent are technical and complex. Failure to strictly comply with such requirements set forth in Section 191 of the ABCA, as modified by the Plan of Arrangement and the Interim Order, may result in the loss of any right to dissent. **A Beneficial Shareholder of Striker Shares registered in the name of an Intermediary, which may include a broker, investment dealer, bank, trust company, nominee or other intermediary, who wishes to dissent should be aware that only the Registered Holder of such Striker Shares is entitled to dissent.** Accordingly, a Beneficial Shareholder of Striker Shares desiring to exercise Striker Dissent Rights must make arrangements for such beneficially owned Striker Shares to be registered in such holder's name prior to the time the written objection to the Striker Arrangement Resolution is required to be received by Striker or, alternatively, make arrangements for the Registered Holder of such Striker Shares to dissent on such Beneficial Shareholder's behalf. Pursuant to Section 191 of the ABCA, a Striker Shareholder is only entitled to dissent in respect of all of the Striker Shares held by such Dissenting Striker Shareholder or on behalf of any one Beneficial Shareholder and registered in the name of the Dissenting Striker Shareholder.

Unless otherwise waived, it is a condition to the Arrangement that Striker Shareholders holding not more than 5% of the outstanding Striker Shares shall have exercised Striker Dissent Rights in respect of the Arrangement that have not been withdrawn as of the Effective Date.

See "*The Arrangement – Striker Dissent Rights*" and "*The Arrangement – The Arrangement Agreement – Conditions of Closing*".

Stock Exchange Listing Approval

The Striker Shares are listed on the TSXV under the symbol "SKX". The Gear Shares are listed on the TSX under the symbol "GXE".

It is a mutual condition to the completion of the Arrangement that Gear Shares to be issued to the Striker Shareholders (other than Dissenting Striker Shareholders) are conditionally approved for listing on the TSX. The TSX has conditionally accepted the listing of Gear Shares to be issued pursuant to the Arrangement in its letter dated June 24, 2016. The listing of Gear Shares will be subject to the Gear fulfilling all of the listing requirements of the TSX.

The Striker Shares will be delisted from the TSXV following the completion of the Arrangement.

See "*The Arrangement – Stock Exchange Listing Approval*".

Certain Canadian Federal Income Tax Considerations

The Arrangement contemplates that a Striker Shareholder shall transfer each Striker Share to Gear in exchange for 2.325 Gear Shares.

Generally, a Striker Shareholder will not recognize a capital gain or a capital loss in respect of the exchange of a Striker Share for Gear Shares unless the Striker Shareholder chooses to recognize any portion of the capital gain or capital loss otherwise arising on the exchange by taking the positive step of reporting the capital gain or capital loss in the Striker Shareholder's tax return under the ITA for the Striker Shareholder's taxation year in which the exchange occurs.

Striker Shareholders who are not resident in Canada generally should not be subject to Canadian federal income tax in respect of any capital gains realized on the exchange.

The foregoing summary is qualified in its entirety by the more detailed summary set forth in this Information Circular under the heading "*Certain Canadian Federal Income Tax Considerations*". Striker Shareholders should consult their own tax advisors regarding the Canadian federal tax consequences of the Arrangement.

Certain Other Tax Considerations

This Information Circular does not address any tax considerations of the Arrangement other than certain Canadian income tax considerations applicable to Striker Shareholders. Striker Shareholders who are resident in or otherwise subject to taxation in jurisdictions other than Canada should consult their tax advisors with respect to the tax implications of the Arrangement, including any associated filing requirements, in such jurisdictions and with respect to the tax implications in such jurisdictions of owning Gear Shares after the completion of the Arrangement. Striker Shareholders should also consult their own tax advisors regarding provincial, state or territorial tax considerations of the Arrangement or of holding Gear Shares.

Selected Pro Forma Financial and Operational Information for Gear

This Information Circular contains certain pro forma financial and operational information for Gear after giving effect to the Arrangement and the Gear Financing as at March 31, 2016 and for the three month period ended March 31, 2016 and year ended December 31, 2015 under the headings "*Information Concerning Gear Following Completion of the Arrangement – Selected Pro Forma Financial Information*" and "*Information Concerning Gear Following Completion of the Arrangement – Selected Pro Forma Operational Information*". These tables should be read in conjunction with the unaudited pro forma consolidated financial statements of Gear, including the notes thereto, attached as Appendix J to this Information Circular. Reference should also be made to the Striker Annual Financial Statements, Striker Interim Financial Statements, Gear Annual Financial Statements and Gear Interim Financial Statements which are incorporated by reference in this Information Circular.

See "*Information Concerning Gear Following Completion of the Arrangement*".

MATTERS TO BE ACTED UPON AT THE STRIKER MEETING

The principal purpose of the Striker Meeting is for Striker Shareholders to consider and, if thought advisable, pass the Striker Arrangement Resolution. The full text of the Striker Arrangement Resolution is set forth in Appendix A of this Information Circular.

On any ballot that may be called for at the Striker Meeting, the Persons named in the enclosed instrument of proxy, if named as proxy, intend to vote for the Striker Arrangement Resolution, unless a Striker Shareholder has specified in its instrument of proxy that its Striker Shares are to be voted against the Striker Arrangement Resolution. If no choice is specified by a Striker Shareholder to vote either for or against the Striker Arrangement Resolution, the Persons whose names are printed in the enclosed instrument of proxy intend to vote for the Striker Arrangement Resolution.

For a full description of the Arrangement see "*The Arrangement*". In addition see "*Information Concerning Gear Following Completion of the Arrangement*".

MATTERS TO BE ACTED UPON AT THE GEAR MEETING

The principal purpose of the Gear Meeting is for Gear Shareholders to consider and, if thought advisable, pass the Gear Resolution. The full text of the Gear Resolution is set forth in Appendix B of this Information Circular.

On any ballot that may be called for at the Gear Meeting, the Persons named in the enclosed instrument of proxy, if named as proxy, intend to vote for the Gear Resolution, unless a Gear Shareholder has specified in its instrument of proxy that its Gear Shares are to be voted against the Gear Resolution. If no choice is specified by a Gear Shareholder to vote either for or against the Gear Resolution, the Persons whose names are printed in the enclosed instrument of proxy intend to vote for the Gear Resolution.

For a full description of the Arrangement see "*The Arrangement*". In addition see "*Information Concerning Gear Following Completion of the Arrangement*".

THE ARRANGEMENT

Background to and Reasons for the Arrangement

Background to the Arrangement

Striker Process

The execution of the Arrangement Agreement with Gear on June 7, 2016 represented the culmination of a comprehensive formal process (the "**Process**") undertaken by the Striker Board and management beginning in February 2016, to consider the strategic alternatives available to Striker to unlock shareholder value. The Process involved an extensive consideration of possible alternatives, including asset dispositions, financings, restructurings and corporate transactions. In pursuit of alternatives, the Striker Board, with the assistance of their financial and legal advisors, reached out to a broad array of counterparties and entered into a total of 56 confidentiality agreements. A description of the Process and the background to the Arrangement is provided below.

At the beginning of 2016, faced with challenging and uncertain market conditions as a result of, among other things, a significant decline in oil prices, the Striker Board began to consider and evaluate the growth trajectory and go-forward strategy of Striker. The Striker Board discussed possible strategic alternatives available to Striker to enhance shareholder value at numerous meetings of the Striker Board.

The Striker Board met on February 17, 2016 with representatives from FirstEnergy in attendance for the purposes of: (i) reviewing current market conditions and Striker's market positioning; and (ii) considering the strategic options available to Striker, including asset dispositions, financings, restructurings, joint ventures or a corporate transaction involving a merger or sale of Striker. Following the meeting with FirstEnergy, the Striker Board engaged

FirstEnergy to assist with the execution of the Process, which would involve, initially, the confidential marketing of Striker with the objective of identifying a counterparty for a corporate sale, merger or other form of business combination, or the sale of Striker's assets. In the event that an acceptable transaction could not be achieved, the Striker Board recognized that it would be necessary to broaden the Process to include the public announcement of the Process and a wide marketing of Striker and its assets.

Following the February 17, 2016 meeting of the Striker Board, Striker management, together with FirstEnergy, commenced the confidential marketing of Striker and its assets to a select list of potential bidders identified by FirstEnergy and Striker, which included the preparation of a confidential data room, the execution of confidentiality agreements with select counterparties and the provision of technical presentations to potential interested parties.

The Striker Board met on March 14, 2016. At the meeting, Striker management provided the Striker Board with an update with respect to the progress of the Process and a review of market conditions. FirstEnergy advised the Striker Board that no viable offers were received by Striker from the select counterparties identified in the confidential marketing phase of the Process. After receiving the advice of FirstEnergy, the Striker Board expanded the scope and breadth of the Process and directed FirstEnergy to invite a broader group of interested parties to consider proposals for a corporate sale, merger or other form of business combination, or the sale of Striker's assets.

On March 14, 2016, Striker announced that the Striker Board had determined to initiate a formal process to explore strategic alternatives with a view to enhancing shareholder value, which may include a corporate sale, merger or other business combination, the sale of all or a material portion of Striker's assets, a reorganization, recapitalization or restructuring of Striker or any combination of the foregoing. Striker also announced that FirstEnergy had been retained by Striker to act as its exclusive financial advisor in connection with the comprehensive review and analysis of strategic alternatives.

Under the direction of the Striker Board, FirstEnergy was in contact with in excess of 350 parties in an effort to attract all possible interested parties. In total, 56 potential counterparties executed confidentiality agreements and were granted access to the confidential data room. Striker management, together with FirstEnergy, provided technical presentations to a total of 25 potential interested parties. These parties showed varying levels of interest in pursuing potential transactions with Striker. During the Process, Striker received 15 expressions of interest with respect to either an asset or corporate transaction.

The Striker Board, with representatives from FirstEnergy, in attendance, met on April 29, 2016 to review the terms of proposals received by Striker. The Striker Board directed FirstEnergy to approach certain of the parties, including Gear, that submitted proposals to obtain revised proposals.

After considering the strategic alternatives available to Striker, the Striker Board determined to pursue further negotiations with Gear towards finalizing the corporate transaction set out in its proposal. On May 6, 2016, Striker and Gear entered into a non-binding letter of intent that provided for: (i) an exchange ratio of 2.325 Gear Shares for each Striker Share; (ii) the completion of due diligence and the execution of a definitive arrangement agreement; and (iii) an exclusivity period in favour of Gear.

During the period of exclusive negotiations with Gear, the Striker Board, with the assistance of management, legal counsel and its financial advisors, negotiated the terms of the Arrangement and Striker conducted extensive due diligence in respect of Gear. The Striker Board also received advice of legal counsel in respect of the terms of the Arrangement and considered a number of additional factors including:

- the terms of the Arrangement Agreement and related transactions;
- the financial and capital markets advice and Striker Fairness Opinion;
- the Process undertaken and the results from the Process;
- the benefits of the Arrangement with Gear including, among other things:
 - that the terms of the Arrangement provided the opportunity for the Striker Board to accept a Superior Proposal;

- the performance record of the Gear management team; and
- the ability of Striker Shareholders to receive Gear Shares thereby deferring tax and also having the ability to participate in the upside associated with the Striker assets going forward;
- the strategic alternatives available to Striker following the Process including continuing with the status quo;
- various reports, presentations and analysis provided by FirstEnergy management, legal counsel and Gear to the Striker Board;
- the current state of the Canadian capital markets and the ability of junior oil and gas companies to attract capital on a cost effective basis in the short and medium terms;
- Striker's current cost of capital, sources of financing and requirements for capital going forward in order to properly exploit its oil and gas properties; and
- the historical results of Striker and prospects for the future.

On June 7, 2016, the Striker Board met and received: (i) a presentation from FirstEnergy with respect to an overview of the Process, a summary of the proposals received from interested parties, a detailed analysis of the Gear proposal and financial advice in respect of the Arrangement, including the verbal Striker Fairness Opinion; and (ii) a presentation from McCarthy Tétrault LLP on the terms and conditions of the proposed Arrangement Agreement, including advice from McCarthy Tétrault LLP as to the fiduciary duties of the Striker Board in the context of the Arrangement Agreement. The Striker Board unanimously determined that the Arrangement was in the best interests of Striker and the Striker Shareholders, determined that the consideration to be received by Striker Shareholders pursuant to the Arrangement is fair, from a financial point of view, to Striker Shareholders, resolved to recommend that the Striker Shareholders vote in favour of the Arrangement at the Striker Meeting, and resolved, among other things, to approve the Arrangement and the entering into of the Arrangement Agreement (substantially in the form and on the terms presented at the meeting of the Striker Board) and the completion of the transactions contemplated thereby.

Gear Process

Management of Gear continually evaluates opportunities for enhancing Gear Shareholder value and presents these opportunities to the Gear Board at regular scheduled meetings of the Gear Board. As a result of this continual process, when approached by FirstEnergy in respect of the Process being undertaken by Striker, on March 7, 2016, Gear entered into a confidentiality agreement with Striker and began to review the confidential information in respect of Striker. On April 26, 2016, the Gear Board met to discuss various matters including, among other matters, an update on the expected outcome of its upcoming borrowing base redetermination under the Gear Credit Facility, various equity financing alternatives and various acquisition and disposition opportunities. Included in the discussion of acquisition and disposition opportunities at the April 26, 2016 meeting of the Gear Board was a presentation by the management of Gear on the Striker opportunity.

On April 28, 2016, Gear submitted a non-binding proposal to Striker for a business combination between the two parties. Following the submission of Gear's non-binding proposal, FirstEnergy approached Gear management and indicated Striker's interest in pursuing a potential transaction with Gear. As a result, Gear management met with the Striker Board to present on the current business, assets and prospects of Gear.

On May 5, 2016, the Gear Board met with representatives from Peters & Co. present to discuss the potential transaction with Striker and the proposed terms of such transaction. It was noted that conditions of the proposed transaction would include the completion of an equity financing by Gear, the entering into of new pro forma credit facility arrangements to the satisfaction of both Parties and the addition of the Striker Board Nominees to the Gear Board. Management provided a detailed analysis of assets of Striker and the various opportunities management expected to have with respect to such assets. Management also provided an analysis of Gear's go forward prospects and expected results both with and without completing a transaction with Striker. Representatives of Peters & Co. provided a preliminary analysis of the potential transaction with Striker including noting, among other notes, the potential positive market reaction, the expected positive impact that the transaction would have on Gear's debt financing alternatives and the potential for doing an equity financing in conjunction with the announcement of a

potential transaction. Following the presentation, the Gear Board indicated their support for the continued negotiation by management of the potential transaction with Striker. In addition, the Gear Board approved the engagement of Peters & Co. to act as Gear's financial advisor with respect to the potential transaction with Striker.

On May 6, 2016, Striker and Gear entered into a non-binding letter of intent that provided for: (i) an exchange ratio of 2.325 Gear Shares for each Striker Share; (ii) the completion of due diligence and the execution of a definitive arrangement agreement; (iii) an exclusivity period in favour of Gear; (iv) the entering into of a bought deal financing agreement concurrently with the entering into of a definitive agreement; and (v) the provision of a term sheet or commitment letter by Gear's lenders or bankers for the Gear New Credit Facilities agreement concurrently with the entering into of a definitive agreement.

During the period of exclusive negotiations with Striker, the Gear management under the oversight of the Gear Board, with the assistance of legal counsel and its financial advisors, negotiated the terms of the Arrangement, conducted extensive due diligence in respect of Striker and negotiated the terms of the Gear Financing and the Gear New Credit Facilities.

On June 7, 2016, the Gear Board met and received: (i) a presentation by management of Gear on the proposed transaction, the terms of the Gear Financing and the terms of the proposed Gear New Credit Facilities; (ii) a presentation from Burnet, Duckworth & Palmer LLP on the terms and conditions of the proposed Arrangement Agreement and the various risks associated with the potential transaction; and (iii) financial advice from Peters & Co. in respect of the Arrangement, including the verbal Gear Fairness Opinion. The Gear Board unanimously determined that the Arrangement was in the best interests of Gear, resolved to recommend that the Gear Shareholders vote in favour of the Gear Resolution at the Gear Meeting, and resolved, among other things, to approve the Arrangement Agreement (substantially in the form and on the term presented at the meeting of the Gear Board) and the transactions contemplated thereby. At the June 7, 2016 Gear Board meeting, the Gear Board also resolved to approve the proposed terms of the Gear New Credit Facilities as presented in a term sheet from the proposed lenders and the entering into of a bought deal letter for the Gear Financing.

Entering into the Arrangement Agreement and Subsequent Steps

The negotiation of the definitive terms and conditions of the Arrangement Agreement was subsequently completed and the Arrangement Agreement was executed on June 7, 2016. Striker and Gear issued a joint news release on June 7, 2016 announcing the entering into of the Arrangement Agreement, the Gear Financing and the proposed terms of the Gear New Credit Facilities.

On June 22, 2016, the Court granted the Interim Order as attached as Appendix E to this Information Circular.

On June 27, 2016, the Striker Board approved the contents and mailing of this Information Circular to Striker Shareholders, subject to any amendments that may be approved by Striker's senior management team and ratified the recommendation to Striker Shareholders with respect to the Arrangement. On June 27, 2016, the Gear Board approved the contents and mailing of this Information Circular to Gear Shareholders, subject to any amendments that may be approved by Gear's senior management team and ratified the recommendation to Gear Shareholders with respect to the Arrangement.

Reasons for the Arrangement

Striker Board

Following receipt of the advice and assistance of its financial advisors and legal counsel, the Striker Board carefully evaluated the terms of the proposed Arrangement and based upon, among other things, the Striker Fairness Opinion, unanimously: (i) determined that the Arrangement is in the best interests of Striker and the Striker Shareholders; (ii) determined that the Arrangement is fair to the Striker Shareholders; (iii) approved the Arrangement and the entering into of the Arrangement Agreement and completion of all transactions contemplated thereby; and (iv) resolved to recommend that Striker Shareholders vote in favour of the Arrangement.

In reaching these determinations and approvals, the Striker Board considered, among other things, the following factors, potential benefits and risks of the Arrangement, and the elements of the Arrangement that provide protection to the Striker Shareholders:

- the Striker Board concluded that the value offered to Striker Shareholders under the Arrangement is more favourable than the value that might have been realized through pursuing Striker's current business plan given the Striker Board's assessment of the current economic and operating environment;
- the total value of the consideration to be received by Striker Shareholders under the Arrangement represents a premium of approximately 30% to the closing trading price of the Striker Shares of \$1.38 on June 7, 2016, based on the closing trading price of the Gear Shares of \$0.77 on June 7, 2016, the last trading day prior to the announcement of the Arrangement;
- the Arrangement was the preferred transaction available to Striker and Striker Shareholders after conducting the extensive and thorough value maximizing Process, taking into account the proposals received from, and discussions with, third parties with respect to various business transactions involving Striker;
- the combination of Striker and Gear will result in a larger more competitive organization with improved liquidity in the market, greater exploration and development capacity and a larger market capitalization;
- following completion of the Arrangement, Gear will have greater financial resources than Striker or Gear prior to the Arrangement, enabling it to undertake the exploration and development of oil and natural gas opportunities, and will be better able to exploit business opportunities that are presently available to Gear;
- Striker Shareholders will continue to participate in the oil and gas prospects of Striker while gaining exposure to a larger base of existing production and the prospect inventory of Gear;
- the asset base of Gear, combined with the asset base of Striker, represents a more diversified and stable investment than the asset base of Striker alone;
- FirstEnergy provided an opinion that, subject to the various assumptions, qualifications and limitations set forth in its Striker Fairness Opinion, the consideration to be received by Striker Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Striker Shareholders;
- the Arrangement must be approved by:
 - not less than 66 $\frac{2}{3}$ % of the votes cast by the Striker Shareholders present in person or represented by proxy at the Striker Meeting; and
 - a simple majority of the votes cast by the Striker Shareholders, present in person or represented by proxy at the Striker Meeting and entitled to vote after excluding the votes required by MI 61-101;
- the Arrangement will only become effective if, after hearing from all interested Persons who choose to appear before it, the Court determines that the Arrangement is fair to the Striker Shareholders;
- the Striker Shareholders will be granted the Striker Dissent Rights with respect to the Arrangement; and
- under the Arrangement Agreement, the Striker Board retains the ability to consider and respond to Superior Proposals on the specific terms and conditions set forth in the Arrangement Agreement.

While management and the Striker Board expect that Striker will receive the benefits noted above, the Arrangement does expose Striker to additional risks, including the risk that Striker may fail to complete the Arrangement in

accordance with the terms of the Arrangement Agreement or at all or Striker Shareholders will fail to realize the anticipated benefits of the Arrangement. See "*Risk Factors*".

This discussion of the information and factors considered and given weight to by the Striker Board is not intended to be exhaustive. In reaching the determination to approve the Arrangement and recommend the Striker Arrangement Resolution, the Striker Board did not assign any relative or specific weight to the factors that were considered, and individual directors may have given a different weight to each factor.

Gear Board

Following receipt of the advice and assistance of its financial advisors and legal counsel, the Gear Board carefully evaluated the terms of the proposed Arrangement and based upon, among other things, the Gear Fairness Opinion, unanimously: (i) determined that the Arrangement is in the best interests of Gear; (ii) approved the Arrangement and the entering into of the Arrangement Agreement and completion of all transactions contemplated thereby; and (iii) resolved to recommend that Gear Shareholders vote in favour of the Gear Resolution.

In reaching these determinations and approvals, the Gear Board considered, among other things, the following factors and potential benefits and risks of the Arrangement:

- the combination of Gear and Striker will create a high growth junior company with a sizeable, strategic and opportunity rich asset base;
- the combination of Gear and Striker is a naturally synergistic combination that expands Gear's current play trends;
- the acquisition of Striker provides product diversification by providing Gear with exposure to light oil which receives higher realized prices per barrel;
- the acquisition of Striker improves Gear's netback per boe with a forecast for increased realized revenue combined with decreased operating costs, decreased general and administrative costs and decreased financing costs;
- the acquisition of Striker provides Gear with an additional 2,200 boe/d of 60% light and medium oil production (based on May monthly average field estimate), approximately 90 net sections of undeveloped land, a new core focus area in the emerging Belly River light oil resource play and a materially strengthened balance sheet;
- upon completion of the Arrangement the combined company will have an expected inventory of approximately 450 economic heavy and light oil drilling opportunities; and
- upon completion of the Arrangement and the Gear Financing, the combined company will have a strong balance sheet with an estimate of approximately \$• million drawn on the \$50 million Gear New Credit Facilities.

While management and the Gear Board expect that Gear will receive the benefits noted above, the Arrangement does expose Gear to additional risks, including the risk that Gear may fail to complete the Arrangement in accordance with the terms of the Arrangement Agreement or at all or fail to realize the anticipated benefits of the Arrangement. See "*Risk Factors*".

This discussion of the information and factors considered and given weight to by the Gear Board is not intended to be exhaustive. In reaching the determination to approve the Arrangement and recommend the Gear Resolution, the Gear Board did not assign any relative or specific weight to the factors that were considered, and individual directors may have given a different weight to each factor.

Striker Lock-Up Agreements

All of the directors and executive officers of Striker and each associate and affiliate of such directors and officers that own Striker Shares and certain Striker Shareholders representing approximately 33.2% of the issued and outstanding Striker Shares have entered into Striker Lock-Up Agreements pursuant to which they have agreed to, among other things, vote in favour of the Striker Arrangement Resolution and otherwise support the transactions contemplated by the Arrangement Agreement.

Gear Lock-Up Agreements

All of the directors and executive officers of Gear and each associate and affiliate of such directors and officers that own Gear Shares and certain Gear Shareholders representing approximately 7.0% of the issued and outstanding Gear Shares have entered into Gear Lock-Up Agreements pursuant to which they have agreed to, among other things, vote in favour of the Gear Resolution and otherwise support the transactions contemplated by the Arrangement Agreement.

Recommendations of the Striker Board

The Striker Board has considered the Arrangement, and after considering, among other things: (A) the Striker Fairness Opinion; (B) the anticipated benefits of the Arrangement; (C) that Striker Shareholders will continue to participate in the oil and gas prospects of Striker while gaining exposure to a larger base of existing production and the prospect inventory of Gear; (D) the historical market price, recent trading patterns and financial information relating to other companies engaged in the same business as Striker; and (E) the risks associated with completing the Arrangement unanimously: (i) determined that the Arrangement is in the best interests of Striker and the Striker Shareholders; (ii) determined that the Arrangement is fair to the Striker Shareholders; (iii) approved the Arrangement and the entering into of the Arrangement Agreement and completion of all transactions contemplated thereby; and (iv) recommends that Striker Shareholders vote in favour of the Striker Arrangement Resolution.

The discussion of the information and factors considered and given weight to by the Striker Board discussed herein is not intended to be exhaustive. In reaching the determination to approve and recommend the Striker Arrangement Resolution, the Striker Board did not assign any relative or specific weight to the factors that were considered, and individual directors may have given a different weight to each factor.

Notwithstanding the recommendation of the Striker Board that Striker Shareholders vote in favour of the Striker Arrangement Resolution, Striker Shareholders should make their own decision whether to vote their Striker Shares in favour of the Arrangement Resolution and, if appropriate, should consult their own legal, financial and other professional advisors in making that decision.

Recommendations of the Gear Board

After considering the Gear Fairness Opinion and other relevant matters, including the factors as set out under "*The Arrangement – Background to and Reasons for the Arrangement – Reasons for the Arrangement – Gear Board*", the Gear Board unanimously: (i) determined that the Arrangement is in the best interests of Gear; (ii) approved the Arrangement and the entering into of the Arrangement Agreement and completion of all transactions contemplated thereby; and (iii) recommends that Gear Shareholders vote in favour of the Gear Resolution.

The discussion of the information and factors considered and given weight to by the Gear Board as discussed herein in making the above determinations, approvals and recommendations is not intended to be exhaustive. In reaching the determination to recommend the approval of the Gear Resolution by the Gear Shareholders, the Gear Board did not assign any relative or specific weight to the factors that were considered, and individual directors may have given a different weight to each factor.

Notwithstanding the recommendation of the Gear Board that Gear Shareholders vote in favour of the Gear Resolution, Gear Shareholders should make their own decision whether to vote their Gear Shares in favour of the

Arrangement Resolution and, if appropriate, should consult their own legal, financial and other professional advisors in making that decision.

Effect and Details of the Arrangement

General

Pursuant to the Arrangement, all of the issued and outstanding Striker Shares will be transferred to Gear in exchange for 2.325 Gear Shares for each Striker Share and Striker and Gear will then amalgamate and continue as one corporation under the ABCA.

Commencing at the Effective Time, each of the events set out below will occur and will be deemed to occur in the following order without any further act or formality except as otherwise provided in the Plan of Arrangement:

- the Striker Shares held by Dissenting Striker Shareholders shall be transferred to Gear and shall continue to be outstanding, and such Dissenting Striker Shareholders shall cease to have any rights as Striker Shareholders, other than the right to be paid the fair value of their Striker Shares by Gear in accordance with the Striker Dissent Rights;
- all Striker Shareholders (other than Gear and Dissenting Striker Shareholders) shall transfer to Gear all of the Striker Shares held by them in exchange for 2.325 Gear Shares for each one (1.0) Striker Share so transferred;
- the stated capital accounts maintained by Striker for the issued and outstanding shares in the capital of Striker will be reduced to \$1.00 without payment of any amount in respect of those shares;
- Striker and Gear shall be amalgamated under the ABCA to form AmalCo and:
 - all of the property of each of Striker and Gear shall continue to be the property of AmalCo;
 - AmalCo shall continue to be liable for all of the obligations of each of Striker and Gear;
 - any existing cause of action, claim or liability to prosecution of Striker or Gear shall be unaffected;
 - any civil, criminal or administrative action or proceeding pending by or against Striker or Gear may be continued to be prosecuted by or against AmalCo;
 - a conviction against, or ruling, order or judgment in favour of or against, Striker or Gear may be enforced by or against AmalCo;
 - the articles of amalgamation of Gear shall be deemed to be the articles of incorporation of AmalCo and the certificate of amalgamation of Gear shall be deemed to be the certificate of incorporation of AmalCo;
 - the name of AmalCo shall be "Gear Energy Ltd.";
 - the by-laws of AmalCo shall be the by-laws of Gear;
 - the first directors of AmalCo shall be the directors of Gear;
 - the first officers of AmalCo shall be the officers of Gear; and
 - the registered office of AmalCo shall be the registered office of Gear;
- on the amalgamation referred to above:
 - no securities shall be issued by AmalCo and, for greater certainty, the Gear Shares shall survive and continue to be shares of AmalCo without amendment; and
 - all of the Striker Shares held by Gear immediately prior to the amalgamation shall be cancelled without any payment in respect of such shares.

Assuming that: (i) there are no Dissenting Striker Shareholders; (ii) all of the in-the-money Striker Options are exercised prior to the Effective Time; and (iii) all of the out-of-the-money Striker Options and Striker Warrants are surrendered (other than the 650,000 Striker Warrants held or controlled by certain Striker Board Nominees that will remain outstanding after completion of the Arrangement in accordance with their terms), it is anticipated that, to effect the Arrangement, Gear will be required to issue an aggregate of approximately 76.6 million Gear Shares in exchange for all of the outstanding Striker Shares and upon completion of the Arrangement (and taking into account completion of the Gear Financing), there will be approximately 190.8 million Gear Shares issued and outstanding. If the Arrangement is completed as contemplated, it is expected that former Striker Shareholders will own approximately 40.1% of the outstanding Gear Shares (on a non-diluted basis) subsequent to the Arrangement and Gear Shareholders (including investors who become Gear Shareholders as a result of the purchase of Gear Shares pursuant to the Gear Financing) will own approximately 59.9% of the outstanding Gear Shares (on a non-diluted basis) subsequent to the Arrangement.

No fractional Gear Shares will be issued pursuant to the Plan of Arrangement. In lieu of any fractional Gear Shares each previous Striker Shareholder otherwise entitled to a fractional interest in a Gear Share will receive the nearest whole number of Gear Shares. For greater certainty, where such fractional interest is greater than or equal to 0.5, the number of Gear Shares to be issued will be rounded up to the nearest whole number, and where such fractional interest is less than 0.5, the number of Gear Shares to be issued will be rounded down to the nearest whole number.

Effect on Striker Options

As a result of the execution of the Arrangement Agreement the Striker Board has approved the acceleration of vesting of all outstanding Striker Options will become fully vested immediately prior to and conditional on the consummation of the Arrangement. As at June 24, 2016, Striker Options to purchase an aggregate of 2,748,750 Striker Shares are outstanding, of which 710,000 Striker Options are expected to be "in-the-money" based on a deemed transaction value of \$1.63 per Striker Share (based on the price per Gear Share pursuant to the Gear Financing).

Pursuant to the Arrangement Agreement, Striker has obtained executed Striker Cancellation Agreements from all Striker Option holders, which provide that each holder of Striker Options may either (a) exercise any or all of such holder's Striker Options before the Effective Date in accordance with the Striker Option Plan; or (b) surrender such holder's Striker Options for cancellation for an aggregate payment of \$1.00 to each holder of the Striker Options prior to the Effective Time.

Effect on Striker Warrants

As at June 24, 2016, Striker Warrants to purchase an aggregate of 2,897,500 Striker Shares are outstanding, none of which are expected to be "in-the-money" based on a deemed transaction value of \$1.63 per Striker Share (based on the price per Gear Share pursuant to the Gear Financing).

Pursuant to the Arrangement Agreement, Striker has obtained executed Striker Cancellation Agreements from all Striker Warrant holders in which each holder of Striker Warrants agreed to surrender for cancellation all Striker Warrants, except in respect of Striker Warrants to purchase an aggregate of 650,000 Striker Shares held by certain Striker Board Nominees, which will survive the completion of the Arrangement and, in accordance with their terms, will represent a right to purchase an aggregate of 1,511,250 Gear Shares at an exercise price of \$1.03 per Gear Share upon completion of the Arrangement.

Procedural Steps

The Arrangement is proposed to be carried out pursuant to Section 193 of the ABCA. The following procedural steps must be taken in order for the Arrangement to become effective:

- the Striker Arrangement Resolution must be approved by the Striker Shareholders in the manner set forth in the Interim Order;
- the Gear Resolution must be approved by the Gear Shareholders;

- the Court must grant the Final Order approving the Arrangement in form and substance satisfactory to Striker and Gear, acting reasonably, and such order shall not be set aside or modified in a manner unacceptable to Striker and Gear acting reasonably;
- all conditions precedent to the Arrangement, as set forth in the Arrangement Agreement, must be satisfied or waived by the appropriate Party;
- all required regulatory approvals in respect of the completion of the Arrangement must be obtained; and
- the Final Order and Articles of Arrangement in the form prescribed by the ABCA must be filed with the Registrar.

Court Approval

Interim Order

On June 22, 2016, Striker obtained the Interim Order providing for the calling and holding of the Striker Meeting and other procedural matters. A copy of the Interim Order is attached as Appendix E to this Information Circular.

Final Order

Subject to the terms of the Arrangement Agreement, if the Striker Arrangement Resolution is approved at the Striker Meeting and the Gear Resolution is approved at the Gear Meeting, Striker will make application to the Court for the Final Order at the Calgary Courts Centre, 601 5 Street S.W., Calgary, Alberta Canada on July 26, 2016 at 3:00 p.m. (Calgary time) or as soon thereafter as counsel may be heard. The Notice of Application accompanies this Information Circular as Appendix C. Any Striker Shareholder or any other interested party desiring to appear at the hearing, is required to file with the Court and serve upon Striker, on or before 9:00 a.m. (Calgary time) on July 19, 2016 (or the Business Day that is five Business Days prior to the date of the Striker Meeting if the Striker Meeting is not held on July 26, 2016), a notice of its intention to appear, including an address for service in Calgary, Alberta (or alternatively, a telecopier number for service by telecopy), together with any evidence or materials which are to be presented to the Court. Service on Striker is to be effected by delivery to the counsel for Striker, c/o McCarthy Tétrault LLP, 4000, 421-7 Avenue S.W., Calgary, Alberta T2P 4K9 Attention: Sean Smyth. **Striker Shareholders should consult their legal advisors with respect to the legal rights available to them in relation to the Arrangement.**

Striker has been advised by its legal counsel that the Court has broad discretion under the ABCA when making orders with respect to the Arrangement and that the Court, in hearing the application for the Final Order, will consider, among other things, the fairness of the Arrangement to the Striker Shareholders and any other interested party (including, without limitation, Gear Shareholders) as the Court determines appropriate. The Court may approve the Arrangement either as proposed or as amended in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court may determine appropriate. Either of Gear or Striker may determine not to proceed with the Arrangement in the event that any amendment ordered by the Court is not satisfactory to it, acting reasonably.

Gear Shares issuable to Striker Shareholders in exchange for their Striker Shares under the Arrangement, and post-amalgamation Gear Shares deemed for purposes of the U.S. Securities Act to be issuable to Gear Shareholders and current Striker Shareholders under the Arrangement, have not been and will not be registered under the U.S. Securities Act, and such securities will be issued in reliance upon the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof. The Final Order is required for the Arrangement to become effective and the Court will be advised prior to the hearing on the Final Order that if the terms and conditions of the Arrangement are approved by the Court pursuant to the Final Order, (i) the issuance of Gear Shares issuable to the Striker Shareholders pursuant to the Arrangement and (ii) the issuance of the post-amalgamation Gear Shares deemed for purposes of the U.S. Securities Act to be issuable to Gear Shareholders and current Striker Shareholders under the Arrangement, will not require registration under the U.S. Securities Act, pursuant to Section 3(a)(10) thereof.

Timing

Subject to all conditions precedent to the Arrangement as set forth in the Arrangement Agreement being satisfied or waived by the appropriate Party, the Arrangement will become effective upon the Effective Date. If the Striker Arrangement Resolution is approved at the Striker Meeting and the Gear Resolution is approved at the Gear Meeting, as required by the Interim Order, Striker will apply to the Court for the Final Order approving the Arrangement. If the Final Order is obtained on or about July 26, 2016, in form and substance satisfactory to the Parties and all other conditions specified in the Arrangement Agreement are satisfied or waived, the Parties expect the Effective Date will be on or about July 26, 2016. The Effective Date could be delayed, however, for a number of reasons, including an objection before the Court in the hearing of the application for the Final Order. It is a condition to the completion of the Arrangement that the Arrangement shall have become effective on or prior to August 15, 2016 unless otherwise agreed to by Gear and Striker.

For full particulars in respect of all of the events which will occur pursuant to the Plan of Arrangement, see the full text of the Plan of Arrangement which is attached as Exhibit "A" to Appendix D to this Information Circular.

The Arrangement Agreement

The Arrangement Agreement provides for the implementation of the Plan of Arrangement. The Arrangement Agreement contains covenants, representations and warranties of and from each of Striker and Gear and various conditions precedent, both mutual and with respect to each Party. The following is a summary of certain material provisions of the Arrangement Agreement and is not comprehensive but is qualified in its entirety by reference to the full text of the Arrangement Agreement and the Plan of Arrangement set forth in Appendix D and Exhibit "A" to Appendix D, respectively, to this Information Circular. Striker Shareholders and Gear Shareholders are encouraged to read the Arrangement Agreement and the Plan of Arrangement in their entirety.

The Arrangement Agreement provides that Gear will acquire all of the outstanding Striker Shares by way of a plan of arrangement under Section 193 of the ABCA pursuant to which, on the Effective Date, on the terms and subject to the conditions contained in the Plan of Arrangement, each Striker Shareholder (other than a Dissenting Striker Shareholder) will receive 2.325 Gear Shares for each Striker Share held, and Gear and Striker will then amalgamate and continue as one corporation under the ABCA.

Mutual Covenants Regarding the Arrangement

Striker and Gear have each given, in favour of the other Party, usual and customary mutual covenants for an agreement of this nature including mutual covenants to conduct their respective businesses in the usual and ordinary course and consistent with past practices, to use their respective reasonable commercial efforts to satisfy or cause the satisfaction of the conditions precedent to their respective obligations under the Arrangement Agreement and to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable under Applicable Laws to complete the Arrangement.

Covenants Regarding Non Solicitation

Striker has agreed that:

- it shall immediately cease and cause to be terminated all existing discussions and negotiations (including, without limitation, through any officers, directors, employees, representatives, agents, advisors or other parties on its behalf), with any parties (other than pursuant to the Arrangement Agreement) with respect to any proposal that constitutes, or may reasonably be expected to constitute or lead to an Acquisition Proposal. Striker shall not amend, modify, waive, release or otherwise forebear in the enforcement of, and shall use all commercially reasonable efforts to enforce, any confidentiality, non solicitation or standstill or similar agreements or provisions to which Striker and any third parties are parties. Striker shall discontinue access to any of its confidential information (and not establish or allow access to any of its confidential information, or any data room, virtual or otherwise) and shall as soon as possible request, to the extent that it is entitled to do so, and exercise all rights it has to require, the return or destruction of all confidential

information provided to any third parties who have entered into a confidentiality or similar agreement with Striker relating to an Acquisition Proposal and shall request (and exercise all rights to require) the destruction of all material including or incorporating or otherwise reflecting any material confidential information regarding it and shall use all reasonable commercial efforts to ensure that such requests are honoured. Without limiting the foregoing, it is understood that any violation of the restrictions set forth in Section 3.4(a) of the Arrangement Agreement by Striker or its officers, directors, employees, advisors, representatives and agents shall be deemed to be a breach of Section 3.4(a) of the Arrangement Agreement by Striker;

- it shall not, directly or indirectly, do or authorize or permit any of its officers, directors or employees or any financial advisor, expert or other representative retained by it to do, any of the following:
 - solicit, assist, initiate, encourage or in any way facilitate (including by way of furnishing information, or entering into any form of written or oral agreement, arrangement or understanding), the making of any proposal or offer that constitutes or may constitute, or may reasonably be expected to lead to, an Acquisition Proposal or inquiries, proposals or offers regarding an Acquisition Proposal;
 - enter into or participate in any discussions or negotiations regarding an Acquisition Proposal, or furnish or provide access to any other Person any information, including with respect to its businesses, properties, assets, securities, liabilities, operations, prospects or condition (financial or otherwise), in connection with an 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;
 - waive, or otherwise forbear in the enforcement of, or enter into or participate in any discussions, negotiations or agreements to waive or otherwise forbear in respect of, any rights or other benefits under confidential information agreements relating to an Acquisition Proposal, including, without limitation, any "standstill" or similar provisions thereunder (it being acknowledged and agreed that the automatic termination of any standstill provision of any such agreement as a result of entering into and the announcement of the Arrangement Agreement by the Parties pursuant to the express terms of any such agreement, shall not be in violation of Section 3.4(b) of the Arrangement Agreement);
 - accept, recommend, approve, agree to or endorse, or propose publicly to accept, recommend, approve, agree to or endorse, any Acquisition Proposal or agreement, understanding or arrangement in relation thereto; or
 - withdraw or modify or propose to withdraw or modify, in any manner adverse to Gear, the approvals, determinations and recommendations of the Striker Board as set out in Section 2.8 of the Arrangement Agreement,

provided, however, that notwithstanding any other provision of the Arrangement Agreement, Striker and its officers, directors and advisers may, prior to the Striker Meeting:

- enter into or participate in any discussions or negotiations with a third party who (without any solicitation, initiation or encouragement, directly or indirectly, after June 7, 2016, by it or any of its officers, directors, representatives, agents or advisors of Striker or other representative retained by it) seeks to initiate such discussions or negotiations with Striker, provided that such discussions or negotiations did not result from or are not connected to a breach of Section 3.4 of the Arrangement Agreement, and subject to execution of a confidentiality and standstill agreement substantially similar to the Striker Confidentiality Agreement (provided that such confidentiality agreement shall provide for disclosure thereof (along with all information provided thereunder) to Gear as set out below), Striker may furnish to such third party information concerning it and its business, properties and assets, in each case if, and only to the extent that:

- the third party has first made a Superior Proposal; and
- prior to furnishing such information to or entering into or participating in any such discussions or negotiations with such third party, it provides prompt notice to Gear to the effect that it is furnishing information to or entering into or participating in discussions or negotiations with such Person together with a copy of the confidentiality agreement referenced above and, if not previously provided to Gear, copies of all information provided to such third party concurrently with the provision of such information to such third party, and provided further that it shall notify Gear orally and in writing of any inquiries, offers or proposals relating to or constituting an Acquisition Proposal (which written notice shall include, without limitation, a copy of any such proposal (and any amendments or supplements thereto), the identity of the Person making it, if not previously provided to Gear, copies of all information provided to such party, any material correspondence with respect thereto, and all other information reasonably requested by Gear) within 24 hours of the receipt thereof, and shall keep the Gear informed of the status and details of any such inquiry, offer or proposal and answer the respective questions of Gear with respect thereto on a timely basis; and
- accept, recommend, approve or enter into an agreement to implement a Superior Proposal from a third party, but only if prior to such acceptance, recommendation, approval or implementation:
 - the Striker Board shall have concluded in good faith, after considering all proposals to adjust the terms and conditions of the Arrangement Agreement as contemplated by Section 3.4(d) thereof and after receiving the advice of outside counsel as reflected in minutes of the Striker Board that the taking of such action is necessary for such board of directors in discharge of its fiduciary duties under Applicable Laws; and
 - Striker shall otherwise have complied with its obligations set forth in Section 3.4 of the Arrangement Agreement, including without limitation Section 3.4(d) of the Arrangement Agreement, and terminates the Arrangement Agreement in accordance with Section 8.1(a)(v) of the Arrangement Agreement and concurrently therewith pays the Gear Termination Fee to Gear;
- it shall promptly (and in any event within 24 hours of the receipt thereof) notify Gear (at first orally and then in writing) of any Acquisition Proposal (or any amendment thereto) or any request for non public information relating to it or its business, properties or assets. Such notice shall include a copy of any written Acquisition Proposal (and any amendment thereto) which has been received or, if no written Acquisition Proposal has been received, a description of the material terms and conditions of, and the identity of the Person making any inquiry, proposal, offer or request. Striker shall also provide such further and other details of the Acquisition Proposal or any amendment thereto as Gear may reasonably request. Striker shall keep Gear promptly and fully informed of the status, including any change to material terms, of any Acquisition Proposal or any amendment thereto, shall respond promptly to all inquiries by Gear, as applicable, with respect thereto, and shall provide Gear copies of all material correspondence and other written material sent to or provided to it by any Person in connection with such inquiry, proposal, offer or request or sent or provided by it to any Person in connection with such inquiry, proposal, offer or request;
- it shall give Gear, orally and in writing, at least 72 hours advance notice of any decision by the Striker Board to accept, recommend, approve or enter into an agreement to implement a Superior Proposal, which notice shall:
- set out the Striker Board's reasonable determination of the financial value of the consideration offered by such third party to Striker Shareholders under such Superior Proposal;
- confirm that the Striker Board has determined that such Acquisition Proposal constitutes a Superior Proposal; and

- identify the third party making the Superior Proposal and include a copy thereof and any amendments thereto.

During the 72 hour period commencing on the delivery of such notice, Striker agrees not to accept, recommend, approve or enter into any agreement to implement such Superior Proposal and not to release the party making the Superior Proposal from any standstill provisions and shall not withdraw, redefine, modify or change its recommendation in respect of the Arrangement. In addition, during such 72 hour period it shall, and shall cause its financial and legal advisors to, negotiate in good faith with Gear and its financial and legal advisors to make such adjustments in the terms and conditions of the Arrangement Agreement and the Arrangement as would enable it to proceed with the Arrangement as amended rather than the Superior Proposal. In the event Gear proposes to amend the Arrangement Agreement and the Arrangement such that the Superior Proposal ceases to be a Superior Proposal and so advises the Striker Board prior to the expiry of such 72 hour period, the Striker Board shall not accept, recommend, approve or enter into any agreement to implement such Superior Proposal, shall not release the party making the Superior Proposal from any standstill provisions and shall not withdraw, redefine, modify or change its recommendation in respect of the Arrangement. Each successive amendment to any Superior Proposal that results in an increase in, or modification of, the consideration (or value of such consideration) to be received by the Striker Shareholders pursuant thereto shall constitute a new Superior Proposal for the purposes of the Arrangement Agreement and a new 72 hour period shall commence;

- it shall reaffirm its recommendation of the Arrangement by press release promptly and in any event within 120 hours of any written request to do so by Gear (or, in the event that the Striker Meeting to approve the Arrangement is scheduled to occur within such 120 hour period, prior to the scheduled date of such meeting) in the event that: (i) any Acquisition Proposal which is publicly announced is determined not to be a Superior Proposal; or (ii) the Parties have entered into an amended agreement pursuant to Section 3.4(d) of the Arrangement Agreement which results in any Acquisition Proposal not being a Superior Proposal;
- all information that may be provided to Gear by Striker with respect to any Acquisition Proposal pursuant to Section 3.4 of the Arrangement Agreement shall be treated as if it were "Confidential Information" as that term is defined in the Striker Confidentiality Agreement and shall not be disclosed or used except in accordance with the provisions of the Striker Confidentiality Agreement or in order to enforce its rights under the Arrangement Agreement in legal proceedings;
- it shall ensure that its officers, directors, employees, representatives, agents or advisors retained by it are aware of the provisions of Section 3.4 of the Arrangement Agreement and shall be responsible for any breach of Section 3.4 of the Arrangement Agreement by any of them; and
- nothing in the Arrangement Agreement shall prevent the Striker Board from complying with Section 2.17 of National Instrument 62-104 - Take Over Bids and Issuer Bids of the Canadian Securities Administrators and similar provisions under Applicable Canadian Securities Laws relating to the provision of directors' circulars in respect of an Acquisition Proposal that is not a Superior Proposal but only following compliance with Section 3.4(d) of the Arrangement Agreement by Striker.

Representations and Warranties

Each of Striker and Gear made certain customary representations and warranties related to, among other things, the following: organization and qualification; authority relative to the Arrangement Agreement; subsidiaries; no restrictions; no violations; litigation; taxes; *Investment Canada Act* (Canada); residency for the purposes of the ITA; reporting issuer status; capitalization; equity monetization plans; no orders; reports; financial statements; books and records; absence of certain changes or events; registration, exemption orders and licenses; compliance with laws; restrictions on business activities; non-arm's length transactions; title related matters; reserves reports; absence of undisclosed liabilities; absence of undisclosed changes; no defaults; pre-emptive rights; environmental matters; material contracts; employee benefit plans; employees; employment agreements; brokers and finders; rights plans; employment and officer obligations; fairness opinion; insurance; board approval; proceeds of crime; swaps;

arrangements in respect of outstanding securities; insiders; auditors; operational matters; good oilfield practices; location of assets and United States sales; foreign private issuer; investment company; U.S. Exchange Act; no guarantees; payments to employees and non-residents; debt service reserve account; net debt; transaction costs; Tax Pools; production; standstill provisions; no withholding; and areas of mutual interest and exclusions.

Conditions Precedent

Mutual Conditions Precedent

The Arrangement Agreement provides that the respective obligations of the Parties to consummate the transactions contemplated in the Arrangement Agreement, and in particular the Arrangement, are subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions:

- the Striker Arrangement Resolution shall have been passed by the Striker Shareholders on or prior to the Outside Date;
- the Gear Resolution shall have been passed by the Gear Shareholders on or prior to the Outside Date;
- the Final Order shall have been granted in form and substance satisfactory to Striker and Gear, acting reasonably, and such order shall not have been set aside or modified in a manner unacceptable to Striker and Gear, acting reasonably, on appeal or otherwise;
- the Effective Date shall occur on or before the Outside Date;
- the TSX shall have conditionally approved for listing all of the Gear Shares issuable to the Striker Shareholders pursuant to the Arrangement;
- the Striker Articles of Arrangement to be filed with the Registrar in accordance with the Arrangement shall be in form and substance satisfactory to each of Gear and Striker, acting reasonably;
- each of Striker and Gear shall have obtained all consents, waivers, permissions and approvals necessary to complete the Arrangement by or from relevant Governmental Authorities, on terms and conditions satisfactory to the Parties, acting reasonably; and
- there shall be no action taken under any existing Applicable Law, nor any statute, rule, regulation or order which is enacted, enforced, promulgated or issued by any Governmental Authority, that:
 - makes illegal or otherwise directly or indirectly restrains, enjoins or prohibits the Arrangement or any other transactions contemplated by the Arrangement Agreement; or
 - results in a judgment or assessment of material damages directly or indirectly relating to the transactions contemplated in the Arrangement Agreement.

The foregoing conditions are for the mutual benefit of Striker and Gear and may be waived, in whole or in part, by the Parties at any time. If any of the foregoing conditions are not satisfied or waived on or before the Outside Date, then a Party may terminate the Arrangement Agreement as provided in Section 8.1(a)(ii) of the Arrangement Agreement (save and except for Section 4.3, Article 6, Article 9, Section 10.4 and Section 10.8 of the Arrangement Agreement which shall survive such termination and remain in full force and effect) by written notice to the other Party in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of such terminating Party's breach of the Arrangement Agreement.

Additional Conditions to Obligations of Striker

The Arrangement Agreement provides that the obligation of Striker to consummate the transactions contemplated in the Arrangement Agreement, and in particular the Arrangement, is subject to the following conditions:

- the representations and warranties of Gear set forth in the Arrangement Agreement shall be true and correct as of the Effective Date as if made on and as of such date (except to the extent such representations and warranties speak as of an earlier date or, with respect to all representations and warranties, except as

affected by transactions contemplated or permitted by the Arrangement Agreement), except where the failure of such representations and warranties to be true and correct, individually or in the aggregate, would not result, or would not reasonably be expected to result, in a Material Adverse Change or have a Material Adverse Effect on Gear or would not, or would not reasonably be expected to, materially impede the ability of the Parties to complete the Arrangement, and Gear shall have provided to Striker a certificate of a senior officer certifying (without personal liability) such facts on the Effective Date; provided that Gear shall be entitled to cure any breach of a representation and warranty within five Business Days after receipt of written notice thereof from Striker (except that no cure period shall be provided for a breach which by its nature cannot be cured and, in no event, shall any cure period extend beyond the Outside Date);

- Gear shall have complied in all respects with its covenants in the Arrangement Agreement, except where the failure to comply in all respects with such covenants, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect on Gear or would not reasonably be expected to significantly impede the ability of the Parties to complete the Arrangement, and Gear shall have provided to Striker a certificate of a senior officer certifying (without personal liability) compliance with such covenants; provided that Gear shall be entitled to cure any breach of a covenant within five Business Days after receipt of written notice thereof from Striker (except that no cure period shall be provided for a breach which by its nature cannot be cured and, in no event, shall any cure period extend beyond the Outside Date);
- no act, action, suit, proceeding, objection or opposition shall have been threatened or taken before or by any Governmental Authority or by any elected or appointed public official or private Person in Canada or elsewhere, whether or not having the force of law, and no law, regulation, policy, judgment, decision, order, ruling or directive (whether or not having the force of law) shall have been proposed, enacted, promulgated, amended or applied, which in the sole judgment of Striker, acting reasonably, in either case has had or, if the Arrangement was consummated, would result in a Material Adverse Change or have a Material Adverse Effect on Gear or would, or would reasonably be expected to, materially impede the ability of the Parties to complete the Arrangement;
- Gear shall have furnished Striker with certified copies of the resolutions duly passed by the Gear Board approving the entering into of the Arrangement Agreement and the consummation of the transactions contemplated thereby and a certified copy of the Gear Resolution duly passed by Gear Shareholders at the Gear Meeting;
- the Striker Board Nominees shall be appointed to the Gear Board at or prior to the Effective Time;
- between the date of the Arrangement Agreement and the Effective Time, there shall not have occurred any Material Adverse Change with respect to Gear;
- Striker shall be satisfied, acting reasonably, that immediately prior to the Effective Time the aggregate number of Gear Shares issued and outstanding on a fully diluted basis does not exceed 85,483,732 Gear Shares (excluding any Gear Options granted after the date of the Arrangement Agreement, any Gear Shares issued after the date of the Arrangement Agreement pursuant to the Gear Financing, any Gear Shares issued after the date of the Arrangement Agreement on exercise of Gear Options or any Gear Shares issued after the date of the Arrangement Agreement upon conversion of Gear Debentures) and Gear shall have provided to Striker a certificate of a senior officer certifying (without personal liability) such facts on the Effective Date and such other evidence of such facts as Striker may reasonably require;
- none of the Gear Lock-Up Agreements shall have been breached in any material respects;
- as at the date of the Arrangement Agreement, the Gear Net Debt shall not exceed \$58 million and Gear shall have provided to Striker a certificate of a senior officer certifying (without personal liability) such facts on the Effective Date and such other evidence of such facts as Striker may reasonably request;

- Gear's average production for the month ended March 31, 2016 shall not have been less than such amount as agreed to between Gear and Striker at the time of signing the Arrangement Agreement and Gear shall have provided to Striker a certificate of a senior officer certifying (without personal liability) such facts on the Effective Date (both parties agree that such officer's certificate may be based on field estimates of Gear's production) and such other evidence of such facts as Striker may reasonably request;
- Gear and Gear's bankers or lenders shall have entered into an agreement providing for the Gear New Credit Facilities on substantially the terms provided for in the commitment letter executed by Gear's bankers or lenders dated June 7, 2016; and
- Gear shall have tabled duly executed copies of all agreements, documents and instruments required to be tabled by such Parties pursuant to the Plan of Arrangement.

The foregoing conditions are for the exclusive benefit of Striker and may be asserted by Striker regardless of the circumstances or may be waived by Striker in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which Striker may have. If any of the foregoing conditions are not satisfied or waived, Striker may, in addition to any other remedies it may have at law or equity, terminate the Arrangement Agreement as provided in Section 8.1(a)(ii) of the Arrangement Agreement (save and except for Section 4.3, Article 6 and Article 9, Section 10.4 and Section 10.8 of the Arrangement Agreement which shall survive such termination and remain in full force and effect).

Additional Conditions to Obligations of Gear

The Arrangement Agreement provides that the obligation of Gear to consummate the transactions contemplated in the Arrangement Agreement, and in particular the Arrangement, is subject to the following conditions:

- the representations and warranties of Striker set forth in the Arrangement Agreement shall be true and correct as of the Effective Date as if made on and as of such date (except to the extent such representations and warranties speak as of an earlier date or, with respect to all representations and warranties, except as affected by transactions contemplated or permitted by the Arrangement Agreement), except where the failure of such representations and warranties to be true and correct, individually or in the aggregate, would not result, or would not reasonably be expected to result, in a Material Adverse Change or have a Material Adverse Effect on Striker or would not, or would not reasonably be expected to, materially impede the ability of the Parties to complete the Arrangement, and Striker shall have provided to Gear a certificate of a senior officer certifying (without personal liability) such facts on the Effective Date; provided that Striker shall be entitled to cure any breach of a representation and warranty within five Business Days after receipt of written notice thereof from Gear (except that no cure period shall be provided for a breach which by its nature cannot be cured and, in no event, shall any cure period extend beyond the Outside Date);
- Striker shall have complied in all respects with their covenants in the Arrangement Agreement, except where the failure to comply in all respects with such covenants, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect on Striker or would not reasonably be expected to significantly impede the ability of the Parties to complete the Arrangement, and Striker shall have provided to Gear a certificate of a senior officer certifying (without personal liability) compliance with such covenants; provided that Striker shall be entitled to cure any breach of a covenant within five Business Days after receipt of written notice thereof from Gear (except that no cure period shall be provided for a breach which by its nature cannot be cured and, in no event, shall any cure period extend beyond the Outside Date);
- no act, action, suit, proceeding, objection or opposition shall have been threatened or taken before or by any Governmental Authority or by any elected or appointed public official or private Person in Canada or elsewhere, whether or not having the force of law, and no law, regulation, policy, judgment, decision, order, ruling or directive (whether or not having the force of law) shall have been proposed, enacted, promulgated, amended or applied, which in the sole judgment of Gear, acting reasonably, in either case has

had or, if the Arrangement was consummated, would result in a Material Adverse Effect on Striker or would materially impede the ability of the Parties to complete the Arrangement;

- Striker shall have furnished Gear with:
 - certified copies of the resolutions duly passed by the Striker Board approving the entering into of the Arrangement Agreement and the consummation of the transactions contemplated thereby; and
 - a certified copy of the Striker Arrangement Resolution duly passed by Striker Shareholders and any other securityholders of Striker who may be required to approve the Striker Arrangement Resolution at the Striker Meeting;
- Striker Shareholders holding not more than 5% of the Striker Shares then outstanding shall have validly exercised, and not withdrawn, Dissent Rights and Striker shall have provided to Gear a certificate of a senior officer certifying (without personal liability) such facts on the Effective Date with respect to Striker;
- Gear shall be satisfied, acting reasonably, that: (i) all Striker Options and Striker Warrants (other than Striker Warrants to purchase an aggregate of 650,000 Striker Shares held by certain Striker Board Nominees, which will remain outstanding in accordance with the terms of such Striker Warrants following the Effective Time) have either been exercised in accordance with their terms by the holders thereof in exchange for Striker Shares or terminated for nil consideration (or for the nominal consideration provided for in the Striker Cancellation Agreements), or Gear shall be otherwise satisfied, acting reasonably, that the Striker Options and Striker Warrants will no longer represent any right to acquire Striker Shares after giving effect to the Arrangement, and (ii) there are no other outstanding claims or rights or securities which could become claims or rights to Striker Shares, and Striker shall have provided to Gear a certificate of a senior officer certifying (without personal liability) such facts on the Effective Date;
- between the date of the Arrangement Agreement and the Effective Time, there shall not have occurred any Material Adverse Change with respect to Striker;
- Gear shall be satisfied, acting reasonably, that immediately prior to the Effective Time the aggregate number of Striker Shares issued and outstanding on a fully diluted basis does not exceed 37,981,892 Striker Shares and Striker shall have provided to Gear a certificate of a senior officer certifying (without personal liability) such facts on the Effective Date;
- executed mutual resignations and releases in a form acceptable to Gear, acting reasonably, shall have been received by Gear on or prior to the Effective Date from each Person who is a director or officer of Striker or an employee or consultant of Striker (provided such employee or consultant is entitled to receive a severance amount as a consequence of the Arrangement);
- none of the Striker Lock-Up Agreements shall have been breached in any material respects by the Striker Shareholders who have entered into the Striker Lock-Up Agreements;
- as at the date of the Arrangement Agreement, the Striker Net Debt shall not exceed \$10.0 million and Striker shall have provided to Gear a certificate of a senior officer certifying (without personal liability) such facts on the Effective Date and such other evidence of such facts as Gear may reasonably request;
- the Striker Tax Pools at December 31, 2015 shall be as set forth in the Striker Disclosure Letter and Striker shall not have taken any action, or entered into any transaction, outside of the ordinary course of business that had the effect of materially reducing any amount set out therein. Striker shall have provided to Gear a certificate of a senior officer certifying (without personal liability) such facts on the Effective Date and such other evidence of such facts as Gear may reasonably request;
- Striker's average production for the month ended March 31, 2016 shall not have been less than such amount as agreed to between Gear and Striker at the time of signing the Arrangement Agreement and Striker shall

have provided to Gear a certificate of a senior officer certifying (without personal liability) such facts on the Effective Date (both Parties agree that such officer's certificate may be based on field estimates of Striker's production) and such other evidence of such facts as Gear may reasonably request; and

- Striker shall have tabled duly executed copies of all agreements, documents and instruments required to be tabled by such Parties pursuant to the Plan of Arrangement.

The foregoing conditions are for the exclusive benefit of Gear and may be asserted by Gear regardless of the circumstances or may be waived by Gear in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which Gear may have. If any of the foregoing conditions are not satisfied or waived, Gear may, in addition to any other remedies it may have at law or equity, terminate the Arrangement Agreement as provided in Section 8.1(a)(ii) of the Arrangement Agreement (save and except for Section 4.3, Article 6, Article 9, Section 10.4 and Section 10.8 of the Arrangement Agreement which shall survive such termination and remain in full force and effect).

Termination of the Arrangement Agreement

The Arrangement Agreement may be terminated at any time prior to the Effective Date:

- by mutual written consent of Striker and Gear;
- as provided in Sections 5.1, 5.2 and 5.3 of the Arrangement Agreement;
- by Striker upon the occurrence of a Striker Damages Event as provided in Section 6.1 of the Arrangement Agreement;
- by Gear upon the occurrence of a Gear Damages Event as provided in Section 6.2 of the Arrangement Agreement; and
- by Striker upon the occurrence of a Gear Damages Event as provided in Section 6.2(d) of the Arrangement Agreement (in accordance with Section 3.4(b)(vii) of the Arrangement Agreement and provided Striker has complied with its obligations set forth in Section 3.4(d) of the Arrangement Agreement) and the payment by Striker to Gear of the amount required by Section 6.2 of the Arrangement Agreement has been made.

In the event of the termination of the Arrangement Agreement in the circumstances set out above, the Arrangement Agreement shall forthwith become void and neither Party shall have any liability or further obligation to and of the Other Party thereunder except as provided in Section 4.3, Article 6, Article 9 and Sections 10.4 and 10.8 of the Arrangement Agreement and each Party's obligations under the Striker Confidentiality Agreement or the Gear Confidentiality Agreement, as applicable, which shall survive such termination, and provided that neither the termination of the Arrangement Agreement nor anything contained in Section 8.1(b) of the Arrangement Agreement shall relieve either Party from any liability for any breach by it of the Arrangement Agreement, including from any inaccuracy in any of its representations and warranties and any non-performance by it of its covenants made in the Arrangement Agreement, prior to the date of such termination.

Termination Fees

Striker Damages

If at any time after the execution of the Arrangement Agreement and prior to its termination:

- the Gear Board: (i) fails to make any of the recommendations or determinations referred to in Section 2.9 of the Arrangement Agreement; or (ii) withdraws, amends, changes or qualifies, or proposes publicly to withdraw, amend, change or qualify, in any manner adverse to Striker, any of its recommendations, approvals or determinations referred to in Section 2.9 of the Arrangement Agreement;
- Gear is in breach of any of its covenants made in the Arrangement Agreement which breach individually or in the aggregate causes or would reasonably be expected to cause a Material Adverse Change with respect

to, or Material Adverse Effect on, Gear or materially impedes or would reasonably be expected to materially impede the completion of the Arrangement, and Gear fails to cure such breach within five Business Days after receipt of written notice thereof from Striker (except that no cure period shall be provided for a breach which by its nature cannot be cured and, in no event, shall any cure period extend beyond the Outside Date); or

- Gear is in breach of any of its representations or warranties made in the Arrangement Agreement (without giving effect to any materiality qualifiers contained therein) which breach individually or in the aggregate causes or would reasonably be expected to cause a Material Adverse Change with respect to, or have a Material Adverse Effect on, Gear or materially impedes or would reasonably be expected to materially impede the completion of the Arrangement, and Gear fails to cure such breach within five Business Days after receipt of written notice thereof from Striker (except that no cure period shall be provided for a breach which by its nature cannot be cured and, in no event, shall any cure period extend beyond the Outside Date),

each of the above being a "**Striker Damages Event**", then in the event of the termination of the Arrangement Agreement pursuant to Article 8 of the Arrangement Agreement, Gear shall pay to Striker (or to whom Striker may direct in writing) \$1.8 million (the "**Striker Termination Fee**") as liquidated damages in immediately available funds to an account designated by Striker within one Business Day after the occurrence of the Striker Damages Event. After a Striker Damages Event but prior to payment of such amount, Gear shall be deemed to hold such funds in trust for Striker. For greater certainty, Striker is not entitled to more than one payment of the Striker Termination Fee pursuant to Section 6.1 of the Arrangement Agreement.

Gear Damages

If at any time after the execution of the Arrangement Agreement and prior to its termination:

- the Striker Board (i) fails to make any of the recommendations or determinations referred to in Section 2.8 of the Arrangement Agreement; or (ii) withdraws, amends, changes or qualifies, or proposes publicly to withdraw, amend, change or qualify, in any manner adverse to Gear, any of its recommendations, approvals or determinations referred to in Section 2.8 of the Arrangement Agreement;
- the Striker Board shall have failed to publicly reaffirm any of its recommendations, approvals or determinations referred to in Section 2.8 of the Arrangement Agreement in accordance with Section 3.4(e) of the Arrangement Agreement or within 120 hours of any written request to do so by Gear (or, in the event that the Striker Meeting to approve the Arrangement is scheduled to occur within such 120 hour period, prior to the scheduled date of such meeting);
- a bona fide Acquisition Proposal (or bona fide intention to make an Acquisition Proposal) is publicly announced, proposed, offered or made to Striker or the Striker Shareholders prior to the date of the Striker Meeting and (i) remains outstanding at the time of the Striker Meeting, and (ii) the Striker Shareholders do not approve the applicable Striker Arrangement Resolution or the applicable Striker Arrangement Resolution is not submitted for their approval at the Striker Meeting;
- the Striker Board or any committee of the Striker Board accepts, recommends, approves or enters into an agreement, understanding or letter of intent to implement a Superior Proposal;
- Striker is in breach of any of its covenants or obligations in Section 3.4 of the Arrangement Agreement in any material respect;
- Striker is in breach of any of its covenants made in the Arrangement Agreement which breach individually or in the aggregate causes or would reasonably be expected to cause a Material Adverse Change with respect to, or Material Adverse Effect on, Striker or materially impedes or would reasonably be expected to materially impede the completion of the Arrangement, and Striker fails to cure such breach within five Business Days after receipt of written notice thereof from Gear (except that no cure period shall be

provided for a breach which by its nature cannot be cured and, in no event, shall any cure period extend beyond the Outside Date); or

- Striker is in breach of any of its representations or warranties made in the Arrangement Agreement (without giving effect to any materiality qualifiers contained therein) which breach individually or in the aggregate causes or would reasonably be expected to cause a Material Adverse Change with respect to, or have a Material Adverse Effect on, Striker or materially impedes or would reasonably be expected to materially impede the completion of the Arrangement, and Striker fails to cure such breach within five Business Days after receipt of written notice thereof from Gear (except that no cure period shall be provided for a breach which by its nature cannot be cured and, in no event, shall any cure period extend beyond the Outside Date),

each of the above being a "**Gear Damages Event**", then in the event of the termination of the Arrangement Agreement pursuant to Article 8 of the Arrangement Agreement, Striker shall pay to Gear (or to whom Gear may direct in writing) \$1.8 million (the "**Gear Termination Fee**") as liquidated damages in immediately available funds to an account designated by Gear within one Business Day after the first to occur of the events described above. After a Gear Damages Event but prior to payment of the Gear Termination Fee, Striker shall be deemed to hold such applicable payment in trust for Gear. For greater certainty, Gear is not entitled to more than one payment of the Gear Termination Fee pursuant to this Section 6.2 of the Arrangement Agreement.

Liquidated Damages

Each Party acknowledges that the Striker Termination Fee and the Gear Termination Fee set out in Sections 6.1 and 6.2 of the Arrangement Agreement, respectively, are a payment of liquidated damages which are a genuine pre-estimate of the damages which Striker or Gear, as the case may be, will suffer or incur as a result of the event giving rise to such damages and the resultant termination of the Arrangement Agreement and is not a penalty. Each of the Parties irrevocably waives any right it may have to raise as a defence that any such liquidated damages are excessive or punitive. For greater certainty, the Parties agree that the payment of the amounts pursuant to Sections 6.1 and 6.2 of the Arrangement Agreement is the sole monetary remedy of the respective Party receiving such payment; provided, however, that this limitation shall not apply in the event of fraud or intentional breach of the Arrangement Agreement by either of the Parties. Nothing in the Arrangement Agreement shall preclude a Party from seeking injunctive relief to restrain any breach or threatened breach of the covenants or agreements set forth in the Arrangement Agreement, the Gear Confidentiality Agreement or the Striker Confidentiality Agreement, or otherwise to obtain specific performance of any of such act, covenants or agreements, without the necessity of posting bond or security in connection therewith.

Indemnities

Under the terms of the Arrangement Agreement, Gear agreed that it and Striker and their respective successors will not take any action to terminate or materially adversely affect, and will fulfill its obligations pursuant to, indemnities provided or available to or in favour of past and present officers and directors of Striker pursuant to the provisions of the articles, by laws or other constating documents of Striker, applicable corporate legislation and any written indemnity agreements which have been entered into between Striker and its current officers and directors effective on or prior to the date of the Arrangement Agreement.

Prior to the Effective Date, Striker shall be entitled to secure "run off" directors' and officers' liability insurance for the current officers and directors of Striker covering claims made prior to or within six years after the Effective Date which has a scope and coverage comparable in scope and coverage to that provided pursuant to Striker's current directors' and officers' insurance policy, provided that the cost of such insurance shall be included in the calculation of Striker Transaction Costs, and Gear agrees to not take or permit any action to be taken by or on behalf of Striker to terminate or adversely affect such directors' and officers' insurance secured in accordance with Section 2.6(b) of the Arrangement Agreement.

Amendments

The Arrangement Agreement may at any time and from time to time before or after the holding of the later of the Striker Meeting or the Gear Meeting pursuant to Applicable Laws be amended by written agreement of all of the Parties thereto without, subject to Applicable Law, further notice to or authorization on the part of their respective securityholders and any such amendment may, without limitation:

- change the time for performance of any of the obligations or acts of the Parties;
- waive any inaccuracies or modify any representation or warranty contained in the Arrangement Agreement or in any document delivered pursuant thereto;
- waive compliance with or modify any of the covenants contained in the Arrangement Agreement and waive or modify performance of any of the obligations of the Parties; or
- waive compliance with or modify any other conditions precedent contained in the Arrangement Agreement;

provided that no such amendment reduces or materially adversely affects the consideration to be received by a Striker Shareholder without approval by the affected securityholders given in the same manner as required for the approval of the Arrangement or as may be ordered by the Court.

In addition, the Arrangement Agreement provides that the Plan of Arrangement may be amended as follows:

- Gear and Striker may by mutual agreement amend the Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that each such amendment must be: (i) set out in writing; (ii) filed with the Court and, if made following the Striker Meeting approved by the Court; and (iii) communicated to holders of Striker Shares, if and as required by the Court.
- Other than as may be required under the Interim Order, any amendment to the Plan of Arrangement may be proposed by Striker or Gear at any time prior to or at the Striker Meeting (provided that the Other Party shall have consented thereto) with or without any other prior notice or communication, and if so proposed and accepted by the Persons voting at the Striker Meeting, shall become part of the Plan of Arrangement for all purposes.
- Any amendment to the Plan of Arrangement that is approved by the Court following the Striker Meeting shall be effective only if it is consented to by each of the Parties.

Striker Shareholder Approval

Pursuant to the terms of the Interim Order and Applicable Canadian Securities Laws, the Striker Arrangement Resolution must, subject to further orders of the Court, be approved by:

1. not less than 66 $\frac{2}{3}$ % of the votes cast by the Striker Shareholders, present in person or by proxy at the Striker Meeting; and
2. a simple majority of the votes cast by the Striker Shareholders, present in person or represented by proxy at the Striker Meeting and entitled to vote after excluding the votes required by MI 61-101.

Notwithstanding the foregoing, the Striker Arrangement Resolution authorizes the Striker Board, without further notice to or approval of the Striker Shareholders, subject to the terms of the Plan of Arrangement and the Arrangement Agreement, to amend the Plan of Arrangement or the Arrangement Agreement or to decide not to proceed with the Arrangement at any time prior to the Arrangement becoming effective pursuant to the provisions of the ABCA.

See Appendix A to this Information Circular for the full text of the Striker Arrangement Resolution. See also "*The Arrangement – Minority Approval*" and "*General Proxy Matters - Striker*".

Gear Shareholder Approval

Pursuant to the rules of the TSX as the Arrangement will result in the issuance of 25% or more of the currently issued and outstanding Gear Shares on a non-diluted basis, the Gear Resolution must be approved by a simple majority of the votes cast by the Gear Shareholders, present in person or by proxy at the Gear Meeting. An aggregate of 78,114,868 Gear Shares are potentially issuable pursuant to the Arrangement (including in exchange for up to 710,000 Striker Shares issued on exercise of outstanding in-the-money options to purchase Striker Shares, 1,511,250 Gear Shares that will be issuable pursuant to Striker Warrants that will remain outstanding after completion of the Arrangement in accordance with their terms, and up to 5,000 additional Gear Shares that may be required to be issued to account for clerical and administrative matters, including the rounding for fractional shares), representing 91.4% of the currently issued and outstanding Gear Shares on a non-diluted basis or 68.4% of issued and outstanding Gear Shares on a non-diluted basis after giving effect to the Gear Financing. The Arrangement is not expected to materially affect the control of Gear.

See Appendix B to this Information Circular for the full text of the Gear Arrangement Resolution. See also "*General Proxy Matters - Gear*".

Minority Approval

Striker is a reporting issuer in Ontario (among other jurisdictions) and accordingly is subject to MI 61-101. MI 61-101 is intended to regulate certain transactions to ensure equality of treatment among security holders, generally requiring enhanced disclosure, approval by a majority of security holders excluding interested or related parties, independent valuations and, in certain instances, approval and oversight of the transaction by a special committee of independent directors. The protections of MI 61-101 generally apply to "business combinations" which may terminate the interests of security holders without their consent. As previously described in this Information Circular, all Striker Shares will be exchanged for Gear Shares pursuant to the terms of the Plan of Arrangement. Accordingly, the Arrangement may be considered a "business combination" in respect of Striker pursuant to MI 61-101 since the interest of a holder of Striker Shares may be terminated without the holder's consent.

MI 61-101 requires that the Arrangement be approved by a majority of the Striker Shareholders excluding "interested parties", defined to include "related parties" of Striker who receive a "collateral benefit" in connection with the Arrangement. Related parties include directors, executive officers and control persons (as such term is defined in Applicable Canadian Securities Laws) of an issuer. Despite the fact that the Arrangement may constitute a "business combination", Striker is not required to obtain a formal valuation under MI 61-101 since no "interested party" of Striker is, as a consequence of the Arrangement, directly or indirectly, acquiring Striker or its business.

The Arrangement may be considered a "business combination" under MI 61-101 because the payments to and benefits to be received by directors and certain executive officers of Striker described under the heading "*The Arrangement – Interests of Certain Persons or Companies in the Arrangement*" may be considered a "collateral benefit" for the purposes of MI 61-101.

For the purposes of MI 61-101, directors and executive officers of Striker receive a "collateral benefit" if they are entitled to receive, subject to certain exceptions, directly or indirectly, as a consequence of the Arrangement, an increase in salary, a lump sum payment, a payment for surrendering securities or other enhancement in benefits related to past or future services as an employee, director or consultant of Striker or of another Person, regardless of the existence of any offsetting costs to the related party or whether the benefit is provided, or agreed to, by Striker or another party to the Arrangement.

Each of the directors and executive officers of Striker hold Striker Shares and Striker Options. The Striker Board has approved the vesting of all outstanding Striker Options, conditional upon the completion of the Arrangement, in order that all outstanding Striker Options shall be fully vested and may be exercised in connection with the Arrangement. In addition, certain executive officers of Striker will receive termination payments as a result of the

Arrangement. The accelerated vesting of Striker Options and the receipt of termination payments may be considered to be "collateral benefits" received by the applicable directors and executive officers of Striker for the purposes of MI 61-101. See *"The Arrangement – Interests of Certain Persons and Companies in the Arrangement"* for information regarding the benefits and other payments to be received by each of the directors and executive officers of Striker in connection with the Arrangement.

MI 61-101 expressly excludes benefits from being "collateral benefits" if such benefits are received solely in connection with the related party's services as an employee, director or consultant under certain circumstances, including where the related party beneficially owns or exercises control or direction over less than 1% of the outstanding securities at the time the Arrangement was agreed to and: (i) the benefit is not conferred for the purpose, in whole or in part, of increasing the value of the consideration paid to the related party for securities relinquished under the transaction; (ii) the conferring of the benefit is not, by its terms, conditional on the related party supporting the transaction in any manner; and (iii) full particulars of the benefit are disclosed in the disclosure document for the transaction. Each of Doug Bailey (President and Chief Executive Officer of Striker), Darrin Drall (Vice President, Engineering of Striker), Neil Burrows (Vice President, Finance and Chief Financial Officer of Striker), Ryan Heath (Vice President, Land and Business Development of Striker), Sanjib (Sony) Gill (Corporate Secretary of Striker), John Ferguson (a director of Striker) and Patrick Ward (a director of Striker) and their respective associated entities beneficially owned, or exercised control or direction over, less than 1% of the outstanding Striker Shares, respectively, at the time the Arrangement was agreed to and therefore each of the foregoing individuals will not receive a "collateral benefit" (as defined in MI 61-101).

Each of John O'Connell (a director of Striker), Kevin Olson (a director of Striker) and Neil Roszell (a director of Striker) and Frank Muller (Vice President, Exploration and Chief Operating Officer of Striker), together with their respective associated entities, beneficially owned, or exercised control or direction over, 1% or more of the outstanding Striker Shares, respectively, at the time the Arrangement; however, benefits are also expressly excluded from being "collateral benefits" if: (i) the related party discloses to an independent committee the amount of the consideration that the related party expects that it will be beneficially entitled to receive under the terms of the transaction in exchange for equity securities beneficially owned by the related party; (ii) the independent committee, acting in good faith, determines that the value of the benefit, net of any offsetting costs to the related party, is less than 5% of the value referred to in (i); and (iii) the independent committee's determination is disclosed in the disclosure document for the transaction.

An independent committee of the Striker Board (the "**Striker Independent Committee**"), consisting of John Ferguson and Patrick Ward, has determined that the value of any benefit to be received by each of Messrs. O'Connell, Olson and Roszell in connection with the Arrangement is less than 5% of the total value of the consideration they respectively expect to be entitled to receive under the Arrangement in exchange for their securities and therefore that the foregoing individuals will not receive a "collateral benefit" (as defined in MI 61 101).

The Striker Independent Committee has determined that the value of any benefit to be received by Mr. Muller, net of any offsetting costs, to be greater than 5% of the total value of the consideration he expects to be entitled to receive under the Arrangement in exchange for his Striker Shares.

It is expected that all of the Striker Shares present in person or represented by proxy and voted in favour of the Striker Arrangement Resolution at the Striker Meeting, except for Striker Shares owned by Frank Muller, will be permitted to be included as votes in favour of the Striker Arrangement Resolution in determining whether minority approval has been obtained under MI 61 101.

To the knowledge of Striker and its directors and executive officers, after reasonable inquiry, as at June 24, 2016, Frank Muller holds, or exercises control or direction over, directly or indirectly, 422,700 Striker Shares, representing the same number of votes at the Striker Meeting, being approximately 1.31% of the Striker Shares. The number of Striker Shares held by each of the directors and executive officers of Striker is set forth under the heading *"The Arrangement – Interests of Certain Persons and Companies in the Arrangement"*.

In addition, MI 61-101 requires Striker to disclose any "prior valuations" (as defined in MI 61-101) of Striker or either of their material assets or securities made within the 24-month period preceding the date of this Information

Circular. After reasonable inquiry, neither Striker nor any director or executive officer of Striker has knowledge of any such prior valuation.

Stock Exchange Listing Approval

It is a mutual condition to the completion of the Arrangement that the Gear Shares to be issued to the Striker Shareholders (other than Dissenting Striker Shareholders) pursuant to the Arrangement are conditionally approved for listing on the TSX. The TSX has conditionally accepted the listing of Gear Shares to be issued pursuant to the Arrangement in its letter dated June 24, 2016. The listing of Gear Shares will be subject to the Gear fulfilling all of the listing requirements of the TSX.

The Striker Shares will be delisted from the TSXV following the completion of the Arrangement.

Fairness Opinions

Striker Fairness Opinion

The Striker Board engaged FirstEnergy as financial advisor to Striker in connection with Striker's strategic review, which mandate also included acting as financial advisor with respect to the Arrangement. FirstEnergy has provided the Striker Fairness Opinion to the Striker Board that, as of June 7, 2016 and subject to the various assumptions, qualifications and limitations contained therein, the consideration to be received by Striker Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Striker Shareholders.

The Striker Fairness Opinion is not a recommendation to any Striker Shareholder as to how to vote or act on any matter relating to the Arrangement. The summary of the Striker Fairness Opinion in this Information Circular is qualified in its entirety by reference to the full text of the Striker Fairness Opinion. The Striker Fairness Opinion is subject to the various assumptions, qualifications and limitations contained therein and should be read in its entirety.

Neither FirstEnergy nor any of its affiliates or associates is an insider, associate or affiliate (as such terms are defined in the *Securities Act* (Alberta)) of Striker or Gear or any of their respective associates or affiliates. Neither FirstEnergy nor any of its affiliates or associates is acting as an advisor to Striker in connection with any matter, other than acting as a financial advisor to Striker.

In consideration for their services, Striker agreed to pay to FirstEnergy a fixed fee for delivery of the Striker Fairness Opinion and to pay fees to FirstEnergy (including fees that are contingent on the completion of the Arrangement) in connection with the other financial advisory services provided, to reimburse FirstEnergy for reasonable out-of-pocket expenses and to indemnify FirstEnergy and its directors, officers, agents and certain other related parties in respect of certain liabilities as may be incurred by it in connection with the Arrangement.

The Striker Fairness Opinion was an important consideration in the Striker Board's decision to proceed with the Arrangement.

See Appendix F for the full text of the Striker Fairness Opinion.

Gear Fairness Opinion

The Gear Board engaged Peters & Co. as financial advisor to Gear in connection with the Arrangement. Peters & Co. has provided the Gear Fairness Opinion to the Gear Board that, as of June 7, 2016 and subject to the various assumptions, qualifications and limitations contained therein, the consideration to be paid to Striker Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Gear Shareholders.

The Gear Fairness Opinion is not a recommendation to any Gear Shareholder as to how to vote or act on any matter relating to the Arrangement. The Gear Board urges Gear Shareholders to read the Gear Fairness Opinion.

The summary of the Gear Fairness Opinion in this Information Circular is qualified in its entirety by reference to the full text of the Gear Fairness Opinion. The Gear Fairness Opinion is subject to the various assumptions, qualifications and limitations contained therein and should be read in its entirety.

Neither Peters & Co. nor any of its affiliates or associates is an insider, associate or affiliate (as such terms are defined in the *Securities Act* (Alberta)) of Striker or Gear or any of their respective associates or affiliates. Neither Peters & Co. nor any of its affiliates or associates is acting as an advisor to Gear in connection with any matter, other than acting as a financial advisor to Gear and as lead underwriter pursuant to the Gear Financing.

In consideration for their services, Gear agreed to pay to Peters & Co. a fixed fee for delivery of the Gear Fairness Opinion and to pay fees to Peters & Co. (including fees that are contingent on the completion of the Arrangement) in connection with the other financial advisory services provided, to reimburse Peters & Co. for reasonable out-of-pocket expenses and to indemnify Peters & Co. and its directors, officers, agents and certain other related parties in respect of certain liabilities as may be incurred by it in connection with the Arrangement.

The Gear Fairness Opinion was an important consideration in the Gear Board's decision to proceed with the Arrangement.

See Appendix G for the full text of the Gear Fairness Opinion.

Procedure for Exchange of Securities

Striker Letter of Transmittal

The Striker Letter of Transmittal has been sent to registered Striker Shareholders (the "**Depositing Shareholders**") with this Information Circular. The Striker Letter of Transmittal sets out the procedure to be followed by Depositing Shareholders to deposit their Striker Shares (the "**Deposited Securities**"). If the Arrangement becomes effective, in order to receive a physical certificate(s) representing Gear Shares in exchange for the Deposited Securities to which the Depositing Shareholder is entitled under the Plan of Arrangement, a Depositing Shareholder must deliver the Striker Letter of Transmittal, properly completed and duly executed, together with certificate(s) representing its Deposited Securities and all other required documents to the Depository at the address set forth in the Striker Letter of Transmittal. It is each Depositing Shareholder's responsibility to ensure that the Striker Letter of Transmittal is received by the Depository. If the Arrangement is not completed, the Striker Letter of Transmittal will be of no effect and the Depository will return all certificates representing the Deposited Securities to the holders thereof as soon as practicable at the address specified in the Striker Letter of Transmittal. Depositing Shareholders whose Striker Shares are registered in the name of an Intermediary must contact their Intermediary to deposit their Deposited Securities.

Any certificate formerly representing Striker Shares that is not deposited with all other documents as required by the Plan of Arrangement on or prior to the third (3rd) anniversary of the Effective Date (or such earlier date as required by applicable law) will cease to represent a right or claim of any kind or nature including the right of the Striker Shareholder to receive Gear Shares (and any dividend or other distributions thereon). In such case, such Gear Shares (together with all dividends or other distributions thereon) will be returned to Gear and such Gear Shares will be cancelled.

Depositing Shareholders are encouraged to deliver a properly completed and duly executed Striker Letter of Transmittal together with the relevant certificate(s) representing the Deposited Securities and any other required documents to the Depository as soon as possible.

The use of mail to transmit certificates representing the Deposited Securities and the Striker Letter of Transmittal is at each holder's risk. Striker recommends that such certificates and documents be delivered by hand to the Depository and a receipt therefore be obtained or that registered mail be used and appropriate insurance be obtained.

In the event Striker Shareholders have not received a Letter of Transmittal due to a postal disruption as a result of a Canada Post labour disruption or other cause, copies of the Letter of Transmittal may be obtained under Striker's

profile on SEDAR at www.sedar.com and on Striker's corporate website at www.strikerexp.com. In the event of a postal disruption, Striker recommends that Striker Shareholders deposit with the Depository certificates representing their Striker Shares together with the Letter of Transmittal and other required documents either: (i) by hand and receipt therefor obtained; or (ii) by courier (other than Canada Post) and the appropriate insurance be obtained, to ensure such deposit is not be delayed by the Canada Post disruption.

The Depository will receive reasonable and customary compensation from Gear for its services in connection with the Arrangement, will be reimbursed for certain out of pocket expenses and will be indemnified against certain liabilities, including liability under securities laws and expenses in connection therewith.

Striker Shareholders whose Striker Shares are registered in the name of an Intermediary, which may include a broker, dealer, bank, trust company or other nominee, must contact such Intermediary to deposit their Striker Shares.

Lost Securities

If any certificate which immediately prior to the Effective Time represented an interest in outstanding Striker Shares that was transferred or cancelled pursuant to the Plan of Arrangement has been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such certificate to have been lost, stolen or destroyed, the Depository will issue and deliver in exchange for such lost, stolen or destroyed certificate the consideration to which the holder is entitled pursuant to the Arrangement (and any dividends or distributions with respect thereto) as determined in accordance with the Arrangement. Unless otherwise agreed to by Gear, the Person who is entitled to receive such consideration shall, as a condition precedent to the receipt thereof, give a bond to Gear or its transfer agent, which bond is in form and substance satisfactory to Gear and its transfer agent, or shall otherwise indemnify Gear or Gear, as the case may be, and its transfer agent against any claim that may be made against any of them with respect to the certificate alleged to have been lost, stolen or destroyed.

Withholding Rights

Gear, Striker or the Depository shall be entitled to deduct and withhold from any consideration otherwise payable to any Striker Shareholder, and, for greater certainty, including from any amount payable to a Striker Shareholder who has validly exercised, and not withdrawn, Striker Dissent Rights, as the case may be, under the Plan of Arrangement, such amounts as Gear, Striker or the Depository is required to deduct and withhold from such consideration in accordance with Applicable Laws. Any such amounts will be deducted and withheld from the consideration payable pursuant to the Plan of Arrangement and shall be treated for all purposes as having been paid to the Striker Shareholder, in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority. In connection with any amount required to be withheld pursuant to the Plan of Arrangement, Gear may direct the Depository to withhold such number of Gear Shares that may otherwise be paid to such Striker Shareholder under the Plan of Arrangement and to sell such shares on the TSX for cash proceeds to be used for such withholding.

Striker Dissent Rights

The following description of the Striker Dissent Rights to which registered Striker Shareholders are entitled is not a comprehensive statement of the procedures to be followed by a Dissenting Striker Shareholder who seeks payment of the fair value of such Dissenting Striker Shareholder's Striker Shares and is qualified in its entirety by the reference to the full text of the Interim Order, Plan of Arrangement and the text of Section 191 of the ABCA, which are attached to this Information Circular as Appendix E, Exhibit "A" to Appendix D and Appendix K, respectively. A Dissenting Striker Shareholder who intends to exercise the right to dissent and appraisal should carefully consider and comply with the provisions of the ABCA, as modified by the Plan of Arrangement and by the Interim Order. Failure to adhere to the procedures established therein may result in the loss of all rights thereunder. Accordingly, each Dissenting Striker Shareholder who might desire to exercise Striker Dissent Rights should consult its own legal advisor.

A Court hearing the application for the Final Order has the discretion to alter the Striker Dissent Rights described herein based on the evidence presented at such hearing. Subject to certain tests as described below, pursuant to the Interim Order, Dissenting Striker Shareholders are entitled, in addition to any other right such Dissenting Striker Shareholder may have, to dissent and to be paid by Gear the fair value of the Striker Shares held by such Dissenting Striker Shareholder in respect of which such Dissenting Striker Shareholder dissents, determined as of the close of business on the last Business Day before the day on which the Striker Arrangement Resolution was adopted. **A Dissenting Striker Shareholder may dissent only with respect to all of the Striker Shares held by such Dissenting Striker Shareholder or on behalf of any one Beneficial Holder and registered in the Dissenting Striker Shareholder's name. Only registered Striker Shareholders may dissent. Persons who are Beneficial Shareholders of Striker Shares registered in the name of an Intermediary who wish to dissent should be aware that they may only do so through the registered owner of such Striker Shares. A registered Striker Shareholder, such as a broker, who holds Striker Shares as nominee for Beneficial Shareholders, some of whom wish to dissent, must exercise the Striker Dissent Right on behalf of a Beneficial Shareholder with respect to all of the Striker Shares held for such Beneficial Shareholder. In such case, the demand for dissent should set forth the number of Striker Shares covered by it.**

Dissenting Striker Shareholders must provide a written objection to the Striker Arrangement Resolution to Striker, c/o McCarthy Tétrault LLP, 4000, 421-7 Avenue S.W. Calgary, Alberta T2P 4K9, Attention: Sony Gill, by no later than 9:00 a.m. (Calgary time) on the second Business Day immediately preceding the date of the Striker Meeting. **No Striker Shareholder who has voted in favour of the Striker Arrangement Resolution shall be entitled to dissent with respect to the Arrangement.**

Gear or a Dissenting Striker Shareholder may apply to the Court, by way of an origination application, after the approval of the Striker Arrangement Resolution, to fix the fair value of the Dissenting Striker Shareholder's Striker Shares. If such an application is made to the Court by either Gear or a Dissenting Striker Shareholder, Gear must, unless the Court orders otherwise, send to each Dissenting Striker Shareholder a written offer to pay the Dissenting Striker Shareholder an amount, considered by the Gear Board, to be the fair value of the Striker Shares held by such Dissenting Striker Shareholders. The offer, unless the Court orders otherwise, must be sent to each Dissenting Striker Shareholder at least 10 days before the date on which the application is returnable, if Gear is the applicant, or within 10 days after Gear is served a copy of the origination application, if a Dissenting Striker Shareholder is the applicant. Every offer will be made on the same terms to each Dissenting Striker Shareholder of Striker Shares and contain or be accompanied with a statement showing how the fair value was determined.

A Dissenting Striker Shareholder may make an agreement with Gear for the purchase of such holder's Striker Shares in the amount of the offer made by Gear, or otherwise, at any time before the Court pronounces an order fixing the fair value of the Striker Shares.

A Dissenting Striker Shareholder will not be required to give security for costs in respect of an application and, except in special circumstances, will not be required to pay the costs of the application or appraisal. On the application, the Court will make an order fixing the fair value of the Striker Shares of all Dissenting Striker Shareholders who are parties to the application, giving judgment in that amount against Gear and in favour of each of those Dissenting Striker Shareholders, and fixing the time within which Gear must pay the amount payable to each Dissenting Striker Shareholder calculated from the date on which the Dissenting Striker Shareholder ceases to have any rights as a Striker Shareholder, until the date of payment.

On the Arrangement becoming effective, or upon the making of an agreement between Gear and the Dissenting Striker Shareholder as to the payment to be made to the Dissenting Striker Shareholder, or upon the pronouncement of a Court order, whichever first occurs, the Dissenting Striker Shareholder will cease to have any rights as a Striker Shareholder other than the right to be paid the fair value of such holder's Striker Shares in the amount agreed to or in the amount of the judgment, as the case may be. Until one of these events occurs, the Dissenting Striker Shareholder may withdraw the Dissenting Striker Shareholder's dissent, or if the Arrangement has not yet become effective, Striker may rescind the Striker Arrangement Resolution, and in either event, the dissent and appraisal proceedings in respect of that Dissenting Striker Shareholder will be discontinued.

Gear shall not make a payment to a Dissenting Striker Shareholder under Section 191 of the ABCA if there are reasonable grounds for believing that it is or would after the payment be unable to pay its liabilities as they become

due, or that the realizable value of its assets would thereby be less than the aggregate of its liabilities. In such event, it shall notify each Dissenting Striker Shareholder that it is unable lawfully to pay Dissenting Striker Shareholders for their Striker Shares, in which case the Dissenting Striker Shareholder may, by written notice to Striker within 30 days after receipt of such notice, withdraw such holder's written objection, in which case the holder shall be deemed to have participated in the Arrangement as a Striker Shareholder. If the Dissenting Striker Shareholder does not withdraw such holder's written objection, such Dissenting Striker Shareholder retains status as a claimant against Gear to be paid as soon as Gear is lawfully entitled to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of Gear but in priority to its shareholders.

All Striker Shares held by Dissenting Striker Shareholders who exercise their Striker Dissent Rights will, if the holders do not otherwise withdraw such holder's written objection, be deemed to be transferred to Gear under the Arrangement, and cancelled in exchange for the fair value thereof or will, if such Dissenting Striker Shareholders ultimately are not so entitled to be paid the fair value thereof, be treated as if the holder had participated in the Arrangement on the same basis as a non dissenting holder of Striker Shares and such Striker Shareholder's Striker Shares will be deemed to be exchanged for Gear Shares on the same basis as all other Striker Shareholders.

The above summary does not purport to provide a comprehensive statement of the procedures to be followed by Dissenting Striker Shareholders who seek payment of the fair value of their Striker Shares. Section 191 of the ABCA, other than as amended by the Plan of Arrangement and the Interim Order, requires adherence to the procedures established therein and failure to do so may result in the loss of all rights thereunder. **Accordingly, Dissenting Striker Shareholders who might desire to exercise the right to dissent and appraisal should carefully consider and comply with the provisions of Section 191 of the ABCA, as modified by the Plan of Arrangement and the Interim Order, the full text of which is set out in Exhibit "A" to Appendix D, Appendix E, and Appendix K to this Information Circular, respectively, and consult their own legal advisor.**

Unless otherwise waived, it is a condition to the completion of the Arrangement that holders of not more than 5% of the issued and outstanding Striker Shares shall have exercised Striker Dissent Rights in respect of the Arrangement that have not been withdrawn as of the Effective Date.

Interests of Certain Persons or Companies in the Arrangement

Striker

In considering the recommendation of the Striker Board with respect to the Arrangement, Striker Shareholders should be aware that certain members of Striker's management and the Striker Board have certain interests in connection with the Arrangement, including those referred to below and elsewhere in this Information Circular, that may present them with actual or potential conflicts of interest in connection with the Arrangement. The Striker Board are aware of these interests and considered them along with the other matters described above in "*The Arrangement - Background to and Reasons for the Arrangement*".

Striker Share Ownership

As of June 24, 2016, the directors and officers of Striker and their associates and affiliates, as a group, beneficially owned, directly or indirectly, or exercised control or direction over, an aggregate of approximately 10.3 million Striker Shares (not including Striker Shares issuable pursuant to Striker Options or Striker Warrants held or controlled by directors and officers of Striker and their associates and affiliates), representing approximately 33.24% of the outstanding Striker Shares. The individual shareholdings of the directors and officers of Striker are set forth below under the heading "*Summary of Equity Ownership*".

All of the Striker Shares held by directors and officers of Striker will be treated in the same fashion under the Arrangement as Striker Shares held by any other Striker Shareholder. If the Arrangement is completed, and assuming the exercise of all in-the-money Striker Options held by directors and officers of Striker, the directors and officers of Striker will receive in exchange for such Striker Shares an aggregate of approximately 25.2 million Gear Shares, including Striker Shares held by associates and affiliates of the directors and officers of Striker and Striker Shares over which control or direction is exercised by directors and officers of Striker.

Immediately after giving effect to the Arrangement, and assuming the exercise of all in-the-money Striker Options held by directors and officers of Striker, it is anticipated that the directors of Striker and their associates and affiliates, as a group, would beneficially own, directly or indirectly, or exercise control or direction over, an aggregate of approximately 25.2 million Gear Shares representing approximately 13.2% of the Gear Shares which are expected to be outstanding upon completion of the Arrangement (including Gear Shares to be issued in connection with the Gear Financing).

Striker Options

As a result of the execution of the Arrangement Agreement, the Striker Board has approved the acceleration of vesting of all outstanding Striker Options immediately prior to and conditional on the consummation of the Arrangement. As at June 24, 2016, directors and officer of Striker held Striker Options to purchase an aggregate of 2,386,250 Striker Shares, of which 560,000 Striker Options are expected to be "in-the-money" based on a deemed transaction value of \$1.63 per Striker Share (based on the price per Gear Share pursuant to the Gear Financing and the exchange ratio of 2.325 Gear Shares for each Striker Share pursuant to the Arrangement). The in-the-money Striker Options held by the directors and officers of Striker have a weighted average exercise price of \$1.28 per Striker Share. All of the out-of-the-money Striker Options held by the directors and officers of Striker have an exercise price of \$2.40 per Striker Share. Pursuant to the Arrangement Agreement, Striker has obtained executed Striker Cancellation Agreements from all holders of Striker Options, pursuant to which, each holder of Striker Options may either (a) exercise any or all of such holder's Striker Options before the Effective Date in accordance with the Striker Option Plan; or (b) surrender such holder's Striker Options for cancellation for an aggregate payment of \$1.00 to each holder of the Striker Options so surrendered prior to the Effective Time.

Striker Warrants

As at June 24, 2016, Striker Warrants to purchase an aggregate of 2,715,000 Striker Shares are beneficially owned, or controlled or directed, directly or indirectly, by the directors and officers of Striker none of which are expected to be "in-the-money" based on a deemed transaction value of \$1.63 per Striker Share (based on the price per Gear Share pursuant to the Gear Financing and the exchange ratio of 2.325 Gear Shares for each Striker Share pursuant to the Arrangement). Pursuant to the Arrangement Agreement, Striker has obtained executed Striker Cancellation Agreements from all holders of Striker Warrant in which each holder of Striker Warrants agrees to surrender for cancellation all Striker Warrants, except in respect of Striker Warrants to purchase an aggregate of 650,000 Striker Shares held or controlled by certain Striker Board Nominees, which will survive the completion of the Arrangement and, in accordance with their terms, will represent a right to purchase an aggregate of 1,511,250 Gear Shares at an exercise price of \$1.03 per Gear Share upon completion of the Arrangement.

The Striker Warrants were purchased as part of unit issued pursuant a private placement completed by Striker in July 2014, with each unit consisting of one Striker Share and one Striker Warrant. The terms of the Striker Warrants provide that such Striker Warrants shall survive a transaction of the nature of the Arrangement provided that the holder of such Striker Warrants continues to act as a director, officer, employee, consultant or service provider of the corporation formed upon completion of such transaction. As a result, the Striker Warrants beneficially owned, or controlled or directed, directly or indirectly, by Neil Roszell and Kevin Olson, who are current directors of Striker and who will be appointed to the Gear Board at the Effective Time, will survive the completion of the Arrangement. Pursuant to the Striker Cancellation Agreements, Mr. Roszell has agreed to the surrender and cancellation of all but 400,000 Striker Warrants beneficially owned, or controlled or directed, directly or indirectly, by Mr. Roszell and Mr. Olson has agreed to the surrender and cancellation of all but 250,000 Striker Warrants beneficially owned, or controlled or directed, directly or indirectly, by Mr. Olson. In accordance with the terms of the Striker Warrants, the 400,000 Striker Warrants to be beneficially owned, or controlled or directed, directly or indirectly, by Mr. Roszell following completion of the Arrangement will represent a right to purchase an aggregate of 930,000 Gear Shares at an exercise price of \$1.03 per Gear Share. In accordance with the terms of the Striker Warrants, the 250,000 Striker Warrants to be beneficially owned, or controlled or directed, directly or indirectly, by Mr. Olson following completion of the Arrangement will represent a right to purchase an aggregate of 581,250 Gear Shares at an exercise price of \$1.03 per Gear Share. Details of the Striker Warrants beneficially owned, or controlled or directed, directly or indirectly, by each director and officer of Striker are set forth below under the heading "*Summary of Equity Ownership*".

Summary of Equity Ownership

The securities of Striker beneficially owned, or controlled or directed, directly or indirectly, by each director and officer of Striker are summarized in the following table. The Striker Board was aware of these interests and considered them, among other matters, when recommending approval of the Arrangement by Striker Shareholders.

Name and Position	Number of Striker Shares Held	Number of Gear Shares Issuable Pursuant to the Arrangement in Exchange for Striker Shares Held (not including Striker Shares that may be issued on exercise of Striker Options)	Estimated Number of Striker Shares Issuable Pursuant to all in-the-money Striker Options (vested/unvested) (1)(2)(3)	Estimated Value of all in-the-money Striker Options (vested/unvested) (1)(2)(3)(4)	Estimated Number of Gear Shares Issuable Pursuant to the Arrangement in Exchange for Striker Shares assuming exercise of all in-the-money Striker Options
Doug Bailey President, Chief Executive Officer and Director	154,138 (0.48%)	358,371	Nil/80,000	\$Nil/\$102,400	544,371
Neil Burrows Vice-President, Finance and Chief Financial Officer	66,800 (0.21%)	155,310	Nil/80,000	\$Nil/\$102,400	341,310
Ryan Heath Vice-President, Land and Business Development	32,500 (0.10%)	75,563	Nil/80,000	\$Nil/\$102,400	261,563
Frank Muller Vice-President, Exploration and Chief Operating Officer	422,700 (1.31%)	982,778	Nil/80,000	\$Nil/\$102,400	1,168,778
Darrin Drall Vice-President, Engineering	150,000 (0.47%)	348,750	Nil/80,000	\$Nil/\$102,400	534,750
John Ferguson Director	250,000 (0.78%)	581,250	Nil/20,000	\$Nil/\$25,600	627,750
John O'Connell Director	5,460,613 (16.94%)	12,695,925	Nil/80,000	\$Nil/\$102,400	12,881,925
Kevin Olson Director	2,687,850 (8.34%)	6,249,251	Nil/20,000	\$Nil/\$25,600	6,295,751
Neil Roszell Director	818,433 (2.54%)	1,902,857	Nil/20,000	\$Nil/\$25,600	1,949,357
Patrick Ward Director	242,200 (0.75%)	563,115	Nil/20,000	\$Nil/\$25,600	609,615
Total:	10,285,234	23,913,169	Nil/560,000	\$Nil/\$716,800	25,215,169

Notes:

- (1) As a result of the execution of the Arrangement Agreement, the Striker Board has approved the acceleration of vesting of all outstanding Striker Options immediately prior to and conditional on the consummation of the Arrangement. Pursuant to the Striker Cancellation Agreements, each holder of Striker Options may either (a) exercise any or all of such holder's Striker Options before the Effective Date in accordance with the Striker Option Plan; or (b) surrender such holder's Striker Options for cancellation for an aggregate payment of \$1.00 to each holder of the Striker Options so surrendered prior to the Effective Time.
- (2) The determination of whether the Striker Options are in-the-money is based on the price per Gear Share of \$0.70 pursuant to the Gear Financing which equates to a price of \$1.63 per Striker Share based on the exchange ratio of Striker Shares to Gear Shares pursuant to the Arrangement. In addition to the Striker Options noted above, each of the directors and officers of Striker also hold out-of-the-money Striker Options. Each of Messrs. Bailey, Burrows, Heath, Muller, Drall, Ferguson, O'Connell, Olson, Roszell and Ward beneficially owned, or controlled or directed, directly or indirectly, 300,000, 240,000, 240,000, 270,000, 240,000, 100,000, 100,000, 100,000, 100,000, and 100,000 out-of-the-money Striker Options, respectively, that have an exercise price of \$2.40 per Striker Share.
- (3) Each of Messrs. Bailey, Burrows, Heath, Muller, Drall, Ferguson, Olson, Roszell and Ward beneficially owned, or controlled or directed, directly or indirectly, 200,000, 50,000, 32,500, 250,000, 150,000, 250,000, 770,000, 650,000, and 200,000, respectively, Striker Warrants. All Striker Warrants have an exercise price of \$2.40 per Striker Share and are therefore considered to be out-of-the-money based on the price per Gear Share of \$0.70 pursuant to Gear Financing and the exchange ratio of Striker Shares to Gear Shares pursuant to the Arrangement. Pursuant to the Striker Cancellation Agreements, each holder of Striker Warrants has agreed to surrender such holder's Striker Warrants (other than 650,000 Striker Warrants held or controlled by certain Striker Board Nominees that will survive the completion of the Arrangement and, in accordance with their terms, will represent a right to purchase an aggregate of 1,511,250 Gear Shares at an exercise price of \$1.03 per Gear Share) for cancellation for an aggregate payment of \$1.00 to each holder of the Striker Warrants so surrendered prior to the Effective Time.
- (4) The value of the in-the-money Striker Shares has been determined by subtracting the exercise price of the Striker Options from the deemed price per Striker Share pursuant to the Arrangement of \$1.63 (with such deemed price calculated based on the price per Gear Share of \$0.70 pursuant to the Gear Financing multiplied by the exchange ratio of Striker Shares to Gear Shares pursuant to the Arrangement).

Gear Share Ownership

None of the directors and officers of Striker or their associates and affiliates beneficially own, or exercise control or direction over, directly or indirectly, any Gear Shares; however, Messrs. Neil Roszell, Kevin Olson, John O'Connell and an investment fund controlled or directed by Kevin Olson have indicated their intention to purchase 250,000 Gear Shares, 250,000 Gear Shares, 500,000 Gear Shares and 1,250,000 Gear Shares, respectively, pursuant to the Gear Financing.

Gear Board Appointment

Each of Messrs. Neil Roszell, Kevin Olson and John O'Connell is a Striker Board Nominee and as result will be appointed to the Gear Board at the Effective Time.

Director and Officer Insurance

Striker and Gear have agreed that for a period of six years after the Effective Date, Striker shall be entitled to secure policies of directors' and officers' liability insurance providing coverage on a "trailing" or "run off" basis for all present directors and officers of Striker covering claims made prior to or within six years after the Effective Date which has a scope and coverage no less advantageous in scope and coverage to that provided pursuant to Striker's current directors' and officers' insurance policy and Gear agrees to not take or permit any action to be taken by or on behalf of Striker to terminate or adversely affect such directors' and officers' insurance.

Change of Control Payments

Pursuant to their employment arrangements, certain of Striker's officers are entitled to change of control payments triggered by the completion of the Arrangement, which are set out as follows:

<u>Name and Position</u>	<u>Change of Control Payment (\$)</u>
Doug Bailey President and Chief Executive Officer	137,500
Neil Burrows Vice-President, Finance and Chief Financial Officer	75,385
Ryan Heath Vice-President, Land and Business Development	75,385
Frank Muller Vice-President, Exploration and Chief Operating Officer	128,333
Darrin Drall Vice-President, Engineering	75,385

Other Interests

No director or officer of Striker or any associate or affiliate of any of the foregoing Persons, has or had any material interest in any transaction in the last three years or any proposed transaction that materially affected, or will materially affect, Striker or any of its affiliates, except as disclosed above or elsewhere in this Information Circular or in the documents incorporated into this Information Circular by reference.

The Striker Board has retained FirstEnergy as financial advisor to Striker with respect to the Arrangement and FirstEnergy has provided the Striker Fairness Opinion to the Striker Board. FirstEnergy will receive fees from Striker for provision of financial advice in connection with the Arrangement and the Striker Fairness Opinion.

Sanjib (Sony) Gill is the Corporate Secretary of Striker and a partner of McCarthy Tétrault. McCarthy Tétrault LLP acts as legal advisors to Striker, including acting on Striker's behalf in respect of the Arrangement, and receives fees for services rendered in that capacity.

Gear

None of the directors and officers of Gear or their associates and affiliates beneficially own, or exercise control or direction over, directly or indirectly, any Striker Shares.

Gear has retained Peters & Co. to be financial advisors to Gear with respect to the Arrangement. Peters & Co. will receive fees from Gear for provision of financial advice in connection with the Arrangement and the Gear Fairness Opinion.

Ted Brown is the Corporate Secretary of Gear and a partner of Burnet, Duckworth & Palmer LLP. Burnet, Duckworth & Palmer LLP acts as legal advisors to Gear, including in acting on Gear's behalf in respect of the Arrangement, and receives fees for services rendered in that capacity.

Expenses of the Arrangement

The costs to be incurred by Striker with respect to the Arrangement and related matters including, without limitation, fees and expenses, severance costs, costs and expenses incurred in connection with the legal and other professional fees and disbursements are estimated at approximately \$2.2 million, which includes the Striker Financial Advisory Fees.

The costs to be incurred by Gear with respect to the Arrangement and related matters including, without limitation, fees and expenses, costs and expenses incurred in connection with the legal, accounting and other professional fees and disbursements are estimated at approximately \$0.6 million, which includes the fees payable to Peters & Co. pursuant to the engagement agreement between Gear and Peters & Co.

Securities Law Matters

Canada

Gear Shares issuable to Striker Shareholders in exchange for their Striker Shares under the Arrangement will be issued in reliance on exemptions from prospectus and registration requirements of Canadian securities laws of the various applicable provinces in Canada and will generally not be subject to any restricted or hold period if the following conditions are met: (i) Gear is and has been a reporting issuer in a jurisdiction of Canada for the four months immediately preceding the trade of such Gear Shares; (ii) the trade is not a "control distribution" (as defined in Canadian securities laws); (iii) no unusual effort is made to prepare the market or to create a demand for the securities that are the subject of the trade; (iv) no extraordinary commission or consideration is paid to a Person in respect of the trade; and (v) if the selling holder of Gear Shares is an insider or an officer of Gear, the selling securityholder has no reasonable grounds to believe that Gear is in default of securities legislation.

United States

The Gear Shares issuable to Striker Shareholders in exchange for their Striker Shares under the Arrangement, and the post-amalgamation Gear Shares deemed for purposes of the U.S. Securities Act to be issuable to Gear Shareholders and current Striker Shareholders under the Arrangement, have not been and will not be registered under the U.S. Securities Act, and such securities will be issued in reliance upon the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof. Section 3(a)(10) of the U.S. Securities Act exempts the issuance of securities issued in exchange for one or more bona fide outstanding securities from the general requirement of registration where the terms and conditions of the issuance and exchange of such securities have been approved by a court of competent jurisdiction, after a hearing upon the fairness of the terms and conditions of the issuance and exchange at which all Persons to whom the securities will be issued have the right to appear and receive timely notice thereof. The Court is authorized to conduct a hearing at which the fairness of the terms and conditions of the Arrangement will be considered. All Striker Shareholders and Gear Shareholders are entitled to appear and be heard at this hearing, provided that they satisfy the applicable conditions set forth in the Interim Order. The Court granted the Interim Order on June 22, 2016 and, subject to the approval of the Striker Arrangement Resolution by Striker Shareholders, a hearing on the Arrangement will be held on July 26, 2016 by the Court. See "The Arrangement – Court Approvals – Final Order" above.

The Gear Shares to be received by Striker Shareholders upon completion of the Arrangement may be resold without restrictions under the U.S. Securities Act, except by Persons who are "affiliates" of Gear after the Effective Date or who have been affiliates of Gear or Striker within 90 days before the Effective Date. Persons who may be deemed to be "affiliates" of an issuer generally include individuals or entities that control, are controlled by, or are under common control with, the issuer, whether through the ownership of voting securities, by contract or otherwise, and generally include executive officers and directors of the issuer as well as principal shareholders of the issuer. Any resale of such Gear Shares by such an affiliate (or, if applicable, former affiliate) may be subject to the registration requirements of the U.S. Securities Act and applicable state securities laws, absent an exemption therefrom. Subject to certain limitations, such affiliates (and former affiliates) may immediately resell such Gear Shares outside the United States without registration under the U.S. Securities Act pursuant to Regulation S under the U.S. Securities Act. Such Gear Shares may also be resold in transactions completed in accordance with Rule 144 under the U.S. Securities Act, if available.

The foregoing discussion is only a general overview of certain requirements of U.S. Securities Act applicable to the resale of Gear Shares received by current Striker Shareholders upon completion of the Arrangement. All holders of such Gear Shares are urged to consult with their own counsel to ensure that the resale of their Gear Shares complies with applicable U.S. federal and state securities laws.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinions of McCarthy Tétrault LLP, counsel to Striker, and Burnet, and Duckworth & Palmer LLP, counsel to Gear, the following summary describes the principal Canadian federal income tax considerations in respect of the exchange of Striker Shares pursuant to the Arrangement and the holding of Gear Shares received pursuant to the Arrangement. This summary is generally applicable to a beneficial owner of Striker Shares who, at all relevant times, for purposes of the ITA, (1) deals at arm's length with Striker, Gear and AmalCo; (2) is not affiliated with Striker, Gear or AmalCo; and (3) holds the Striker Shares, and will hold any Gear Shares received under the Arrangement, as capital property (a "**Holder**"). Generally, the Striker Shares and Gear 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 address all issues relevant to shareholders who acquired their Striker Shares on the exercise of an employee stock option, a Striker Warrant or other employment compensation arrangement. Such shareholders should consult their own tax advisors.

This summary is based on the current provisions of the ITA, and on counsel's understanding of the current administrative policies and assessing practices of the Canada Revenue Agency ("**CRA**") published in writing prior to the date hereof. This summary takes into account all specific proposals to amend the ITA publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**") and assumes that all Proposed Amendments will be enacted in the form proposed. However, no assurances can be given that the Proposed Amendments will be enacted as proposed, or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative policy or assessing practice whether by legislative, regulation, administrative or judicial action nor does it take into account tax legislation or considerations of any province, territory or foreign jurisdiction, which may differ from those discussed herein.

This portion of the summary is not applicable to (i) a shareholder that is a "specified financial institution", (ii) a shareholder an interest in which is a "tax shelter investment", (iii) a shareholder that is, for purposes of certain rules (referred to as the mark-to-market rules) applicable to securities held by financial institutions, a "financial institution", (iv) a shareholder that reports its "Canadian tax results" in a currency other than Canadian currency, or (v) a shareholder that has entered or enters into, with respect to any of the shares discussed herein, a "derivative forward agreement" or "synthetic disposition arrangement" (as defined in the ITA), (vi) a shareholder who, immediately following the completion of the exchange of its Striker Shares for Gear Shares pursuant to the Arrangement, either alone or together with other Persons with whom such shareholder does not deal at arm's length, controls Gear or beneficially owns Gear Shares which have a fair market value in excess of 50% of the fair market value of all of the outstanding Gear Shares. Such shareholders should consult their own tax advisors.

This summary is of a general nature only and is not, and is not intended to be, legal or tax advice to any particular shareholder. This summary is not exhaustive of all Canadian federal income tax considerations. Accordingly, shareholders should consult their own tax advisors having regard to their own particular circumstances.

Holders Resident in Canada

This portion of the summary is generally applicable to a Holder who, at all relevant times, for purposes of the ITA and any applicable income tax convention, is, or is deemed to be, resident in Canada (a "**Resident Holder**"). Certain Resident Holders may be entitled to make or may have already made the irrevocable election permitted by subsection 39(4) of the ITA, the effect of which is to deem any Striker Shares and Gear Shares (and any other "Canadian security", as defined in the ITA) owned by such Resident Holder in the taxation year in which the election is made and in all subsequent taxation years to be capital property. Resident Holders whose shares might not otherwise be considered to be capital property should consult their own tax advisors concerning this election.

Exchange of Striker Shares for Gear Shares

A Resident Holder who exchanges Striker Shares for Gear Shares pursuant to the Arrangement will not realize a capital gain (or capital loss) on such exchange unless the Resident Holder chooses to recognize a capital gain (or capital loss) by including all of such capital gain (or capital loss) in computing its income for the taxation year in which the exchange takes place as described below.

Where a Resident Holder does not choose to recognize a capital gain (or capital loss) in respect of the exchange, such Resident Holder will be deemed to have disposed of the Striker Shares for proceeds of disposition equal to the Resident Holder's adjusted cost base of the Striker Shares, determined immediately before the exchange, and the Resident Holder will be deemed to have acquired Gear Shares at an aggregate cost equal to such deemed proceeds of disposition of the Striker Shares. The cost of such Gear Shares must be averaged with the adjusted cost base of all other Gear Shares held by the Resident Holder at such time for the purposes of determining the adjusted cost base of each Gear Share held by the Resident Holder at such time.

Where a Resident Holder chooses to recognize a capital gain (or capital loss) by including such capital gain (or capital loss) in computing its income, the Resident Holder will recognize a capital gain (or capital loss) equal to the amount, if any, by which the fair market value of Gear Shares received, net of any reasonable costs associated with the disposition, exceeds (or is less than) the aggregate of the adjusted cost base of the Striker Shares to the Resident Holder, determined immediately before the exchange. For a description of the tax treatment of capital gains and capital losses, see "*Taxation of Capital Gains and Losses*" below. The cost of Gear Shares acquired on the exchange will be equal to the fair market value thereof. This cost is generally averaged with the adjusted cost of all other Gear Shares held by the Resident Holder at such time for the purpose of determining the adjusted cost base of each Gear Share held by the Resident Holder at such time.

Dissenting Resident Holders of Striker Shares

A dissenting Resident Holder of Striker Shares who validly exercises Dissent Rights in respect of the Arrangement and is entitled to be paid the fair value of their Striker Shares by Gear will realize a capital gain (or capital loss) to the extent that such payment (other than any portion thereof that is interest) exceeds (or is less than) the aggregate of the adjusted cost base of the Striker Shares to the dissenting Resident Holder and reasonable costs of the disposition. See "*Taxation of Capital Gains and Losses*" below. A dissenting Resident Holder will be required to include in computing its income any interest awarded by a court in connection with the Arrangement.

Holding and Disposing of Gear Shares

Dividends Received on Gear Shares

A Resident Holder will be required to include in computing its income for a taxation year any dividends received (or deemed to be received) on Gear Shares. In the case of a Resident Holder that is an individual (other than certain trusts), such dividends will be subject to the gross-up and dividend tax credit rules applicable to taxable dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit applicable to any dividends designated by Gear as an eligible dividend in accordance with the provisions of the ITA. A Resident Holder that is a corporation will be required to include in income any dividend received or deemed to be received on the Resident Holder's Gear Shares, but generally will be entitled to deduct an equivalent amount in computing taxable income. In certain circumstances, section 55(2) of the ITA (as proposed to be amended by Proposed Amendments released on April 18, 2016) will treat a taxable dividend received by a Resident Holder that is a corporation as proceeds of disposition or capital gain. Resident Holders that are corporations should consult their own tax advisors having regard to their own circumstances.

A Resident Holder that is "private corporation", as defined in the ITA, or any other corporation controlled, whether because of a beneficial interest in one or more trusts or otherwise, by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts), will generally be liable to pay a refundable tax at the proposed rate of 38 $\frac{1}{3}$ % under Part IV of the ITA on dividends received (or deemed to be received) on Gear Shares to the extent such dividends are deductible in computing the Resident Holder's taxable income for the taxation year.

Disposition of Gear Shares

Generally, on a disposition or deemed disposition of a Gear Share, a Resident Holder will realize a capital gain (or capital loss) equal to the amount, if any, by which the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base to the Resident Holder of all Gear Shares held

immediately before the disposition or deemed disposition. See "*Taxation of Capital Gains and Losses*" below for a general discussion of the treatment of capital gains and capital losses under the ITA.

Taxation of Capital Gains and 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 in the year. Subject to and in accordance with the provisions of the ITA, 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 the year and allowable capital losses in excess of taxable capital gains for the year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years.

The amount of any capital loss realized by a Resident Holder that is a corporation on the disposition of a Gear Share may be reduced by the amount of any dividends received (or deemed to be received) by the Resident Holder on such share to the extent and under the circumstances prescribed by the ITA. Similar rules may apply where a Gear Share is owned by a partnership or trust of which a corporation, trust or partnership is a member or beneficiary. Such Resident Holders should consult their own advisors.

Capital gains realized by individuals and certain trusts may give rise to alternative minimum tax. Shareholders should consult their own tax advisors with respect to the alternative minimum tax provisions.

Additional Refundable Tax

A Resident Holder that is throughout the taxation year a "Canadian-controlled private corporation", as defined in the ITA, is liable for tax, a portion of which may be refundable, on investment income, including taxable capital gains realized and interest at a proposed rate of 10²/₃% (subject to pro-rating for taxation years that end after 2015 and begin before 2016).

Eligibility for Investment

Provided the Gear Shares are listed on a "designated stock exchange" within the meaning of the ITA (which includes the TSXV) or if Gear is otherwise a "public corporation" for purposes of the ITA on the Effective Date, Gear Shares, on such date, will be qualified investments under the ITA for registered retirement savings plans ("**RRSPs**"), registered retirement income funds ("**RRIFs**"), deferred profit sharing plans, registered disability savings plans, registered education savings plans and tax-free savings accounts ("**TFSAs**").

Notwithstanding the foregoing, the holder of a TFSA or the annuitant under a RRSP or RRIF, as the case may be, that holds Gear Shares will be subject to a penalty tax if such shares are a "prohibited investment" for the purposes of the ITA. Gear Shares will generally not be a "prohibited investment" if the holder or the annuitant, as the case may be, deals at arm's length with Gear for the purposes of the ITA and the holder or the annuitant, as the case may be, does not have a "significant interest" (within the meaning of the ITA) in Gear. In addition, the Gear Shares will generally not be a "prohibited investment" if the Gear Shares are "excluded property" as defined in the ITA for trusts governed by a TFSA, RRSP or RRIF. Holders that intend to hold their Gear Shares in a TFSA, RRSP or RRIF are urged to consult their own tax advisors.

Holders Not Resident in Canada

This portion of the summary is generally applicable to a Holder who, at all relevant times, for purposes of the ITA and any applicable income tax convention or treaty, is not, and is not deemed to be, resident in Canada and does not use or hold, and is not deemed to use or hold, the Striker Shares or Gear Shares in a business carried on in Canada (a "**Non-Resident Holder**"). Special rules, which are not discussed in this summary, may apply to certain holders that are insurers carrying on an insurance business in Canada and elsewhere.

Exchange of Striker Shares for Gear Shares

A Non-Resident Holder who disposes of Striker Shares in exchange for Gear Shares under the Arrangement will not be subject to tax in Canada unless: (i) the Striker Shares are "taxable Canadian property" (as defined in the ITA) to the Non-Resident Holder at the Effective Time, (ii) the Non-Resident Holder is not entitled to relief under an applicable income tax treaty or convention between Canada and the country in which the Non-Resident Holder is resident, and (iii) the Non-Resident Holder chooses to recognize a capital gain in a manner similar to that described above under "*Holders Resident in Canada – Exchange of Striker Shares for Gear Shares*". See "*Taxable Canadian Property*" below for a general discussion of the circumstances in which shares of a corporation will constitute "taxable Canadian property".

Where a Non-Resident Holder chooses to recognize a capital gain in respect of a Striker Share that is "taxable Canadian property", and such holder is not entitled to relief under an applicable income tax treaty or convention between Canada and the country in which the Non-Resident Holder is resident, such capital gain will be subject to the same Canadian income tax consequences discussed above under "*Residents of Canada – Taxation of Capital Gains and Losses*".

Non-Resident Holders whose Striker Shares constitute "taxable Canadian property" should consult their own tax advisors with respect to the Arrangement.

Dissenting Non-Resident Holders of Striker Shares

A dissenting Non-Resident Holder of Striker Shares who validly exercises Dissent Rights in respect of the Arrangement and is entitled to be paid the fair value of their Striker Shares by Gear (a "**Non-Resident Dissenting Holder**") will realize a capital gain (or capital loss) to the extent that such payment (other than any portion thereof that is interest) exceeds (or is less than) the aggregate of the adjusted cost base of the Striker Shares to the Non-Resident Dissenting Holder and reasonable costs of the disposition. A Non-Resident Dissenting Holder will not be liable for tax under the ITA in respect of any such capital gain unless the Striker Shares constitute "taxable Canadian property" to the Non-Resident Dissenting Holder and the Non-Resident Dissenting Holder is not entitled to relief under an applicable income tax treaty or convention between Canada and the country in which the Non-Resident Dissenting Holder is resident. See "*Taxable Canadian Property*" below for a general discussion of the circumstances in which shares of a corporation will constitute "taxable Canadian property". A Non-Resident Dissenting Holder whose Striker Shares constitute "taxable Canadian property" should consult its own tax advisor. Any interest awarded by a court to a Non-Resident Dissenting Holder will not be subject to Canadian withholding tax.

Holding and Disposing of Gear Shares

Dividends Received on Gear Shares

Dividends paid or credited on Gear Shares or deemed to be paid or credited on Gear Shares to a Non-Resident Holder will be subject to Canadian withholding tax at the rate of 25%, subject to any reduction in the rate of withholding to which the Non-Resident Holder is entitled under any applicable income tax convention. For example, under the *Canada-U.S. Tax Convention* (1980) (the "**Convention**"), where dividends on Gear Shares are considered to be paid to or derived by a Non-Resident Holder that is the beneficial owner of the dividends and is a U.S. resident for the purposes of, and is entitled to the full benefits in accordance with, the provisions of the Convention, the applicable rate of Canadian withholding tax is generally reduced to 15%.

Disposition of Gear Shares

A Non-Resident Holder will generally not be liable for tax under the ITA on a disposition or deemed disposition of Gear Shares unless such shares are, or are deemed to be, taxable Canadian property (as discussed below) to the Non-Resident Holder at the time of disposition and the Non-Resident Holder is not entitled to relief under an applicable income tax treaty or convention between Canada and the country in which the Non-Resident Holder is resident.

In the case of a Gear Share owned by a Non-Resident Holder that constitutes taxable Canadian property of the Non-Resident Holder, any capital gain (or capital loss) realized on the disposition or deemed disposition of the Gear Share that is not exempt from tax under the ITA pursuant to an applicable income tax treaty or convention, will generally be subject to the same Canadian income tax consequences discussed above applicable to a Resident Holder who disposes of Gear Shares. See "*Residents of Canada - Taxation of Capital Gains and Losses*".

Non-Resident Holders who dispose of Gear Shares that constitute "taxable Canadian property" should consult their own tax advisors with respect to such disposition.

Taxable Canadian Property

Generally, shares of a corporation will not constitute taxable Canadian property to a Non-Resident Holder thereof at the time of disposition provided that the shares are listed on a designated stock exchange within the meaning of the ITA (which includes the TSXV) at that time, unless at any time during the 60-month period that ends at that time: (a) such Non-Resident Holder, Persons with whom such Non-Resident Holder did not deal at arm's length, any partnership whose members include, either directly or indirectly through one or more partnership, the foregoing persons or such Non-Resident Holder together with all such Persons or partnerships, owned 25% or more of the issued shares of any class or series of the capital stock of the particular corporation; and (b) more than 50% of the fair market value of the shares disposed of was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, Canadian resource properties (as defined in the ITA), timber resource properties (as defined in the ITA), and options in respect of, or interests in, or civil law rights in, any such properties (whether or not such property exists).

Notwithstanding the foregoing, in certain circumstances set out in the ITA, shares which are not otherwise taxable Canadian property could be deemed to be taxable Canadian property.

RISK FACTORS

Completion of the Arrangement is subject to certain risks. In addition to the risk factors described under the heading "*Risk Factors*" in each of the Striker AIF and the Gear AIF, which are specifically incorporated by reference into this Information Circular, and in Appendix I – *Information Concerning Gear* attached hereto, the following are additional and supplemental risk factors which Striker Shareholders and Gear Shareholders should carefully consider before making a decision to respectively approve the Striker Arrangement Resolution and Gear Resolution, respectively. Additionally, following completion of the Arrangement, Gear will be subject to certain risk factors described herein in addition to those risk factors described under the heading "*Risk Factors*" in each of the Striker AIF and the Gear AIF, which are specifically incorporated by reference into this Information Circular, and in Appendix I – *Information Concerning Gear* attached hereto, which should also be carefully considered by Striker Shareholders and Gear Shareholders before making a decision to respectively approve the Striker Arrangement Resolution and Gear Resolution, respectively.

Risk Factors Related to the Arrangement

Striker and Gear may not satisfy all regulatory requirements or obtain the necessary approvals for completion of the Arrangement on satisfactory terms or at all.

Completion of the Arrangement is subject to the approval of the Court, the satisfaction of certain regulatory requirements and the receipt of all necessary regulatory approvals, Striker Shareholder approval, Gear Shareholder approval and third party consents, including the approval of the TSX. There can be no certainty, nor can either Party provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied. The requirement to take certain actions or to agree to certain conditions to satisfy such requirements or obtain any such approvals may have a Material Adverse Effect on the business and affairs of Gear or the trading price of Gear Shares, after completion of the Arrangement.

The Arrangement Agreement may be terminated in certain circumstances, including in the event of a Material Adverse Change with respect to Striker or Gear.

Each of Striker and Gear has the right to terminate the Arrangement Agreement in certain circumstances. Accordingly, there is no certainty, nor can either Party provide any assurance, that the Arrangement Agreement will not be terminated before the completion of the Arrangement. For example, a Party has the right, in certain circumstances, to terminate the Arrangement Agreement if a Material Adverse Change occurs with respect to the other Party. Although a Material Adverse Change excludes certain events that are beyond the control of the Parties, there is no assurance that a change constituting a Material Adverse Change in a Party will not occur before the Effective Date, in which case the other Party could elect to terminate the Arrangement Agreement and the Arrangement would not proceed.

The market price for the Striker Shares may decline.

If the Striker Arrangement Resolution is not approved by the Striker Shareholders or the Gear Resolution is not approved by the Gear Shareholders, the market price of the Striker Shares may decline to the extent that the current market price of the Striker Shares reflects a market assumption that the Arrangement will be completed. If the Striker Arrangement Resolution is not approved by the Striker Shareholders, the Gear Resolution is not approved by the Gear Shareholders or the Striker Board decides to seek another business combination, there can be no assurance that Striker will be able to find a transaction as attractive to Striker as the Arrangement.

The market price for the Gear Shares may decline.

If the Gear Resolution is not approved by the Gear Shareholders or the Striker Arrangement Resolution is not approved by the Striker Shareholders, the market price of the Gear Shares may decline to the extent that the current market price of the Gear Shares reflects a market assumption that the Arrangement will be completed. If the Striker Arrangement Resolution is not approved by the Striker Shareholders, the Gear Resolution is not approved by the Gear Shareholders or the Striker Board decides to seek another business combination, there can be no assurance that Gear will be able to find a transaction as attractive to Gear as the Arrangement.

There are risks related to the integration of Striker's and Gear's existing businesses.

The ability to realize the benefits of the Arrangement including, among other things, those set forth in this Information Circular under "*The Arrangement – Background to and Reasons For the Arrangement – Reasons For the Arrangement*" above, will depend, in part, on successfully consolidating functions and integrating operations and procedures in a timely and efficient manner, as well as on Gear's ability to realize the anticipated growth opportunities and synergies from integrating Striker's and Gear's businesses following completion of the Arrangement. This integration will require the dedication of substantial management effort, time and resources which may divert management's focus and resources from other strategic opportunities available to Gear following completion of the Arrangement, and from operational matters during this process. The integration process may result in the loss of key employees and the disruption of ongoing business and employee relationships that may adversely affect the ability of Gear to achieve the anticipated benefits of the Arrangement.

Gear and Striker expect to incur significant costs associated with the Arrangement.

Gear and Striker will collectively incur significant direct transaction costs in connection with the Arrangement. Actual direct transaction costs incurred in connection with the Arrangement may be higher than expected. Moreover, certain of Striker's and Gear's costs related to the Arrangement, including legal, financial advisory services, accounting, printing and mailing costs, must be paid even if the Arrangement is not completed.

If the Arrangement is not completed Striker's future business and operations could be harmed.

If the Arrangement is not completed Striker may be subject to a number of additional material risks, including the following:

- Striker may have lost other opportunities that would have otherwise been available had the Arrangement Agreement not been executed, including, without limitation, opportunities not pursued as a result of affirmative and negative covenants made by it in the Arrangement Agreement, such as covenants affecting the conduct of its business outside the ordinary course of business;
- Striker may be unable to obtain additional sources of financing or conclude another sale, merger, amalgamation or other business combination on as favourable terms, in a timely manner, or at all; and
- the obligations of Striker to pay damages to Gear in connection with a Gear Damages Event pursuant to the terms of the Arrangement Agreement in certain circumstances.

If the Arrangement is not completed Gear's future business and operations could be harmed.

If the Arrangement is not completed Gear may be subject to a number of additional material risks, including the following:

- Gear may have lost other opportunities that would have otherwise been available had the Arrangement Agreement not been executed, including, without limitation, opportunities not pursued as a result of affirmative and negative covenants made by it in the Arrangement Agreement, such as covenants affecting the conduct of its business outside the ordinary course of business;
- Gear may be unable to obtain additional sources of financing, including in respect of the Gear New Credit Facilities, or conclude another sale, merger, amalgamation or other business combination on as favourable terms, in a timely manner, or at all;
- the Gear New Credit Facilities are conditional on completion of the Arrangement and as a result if the Arrangement does not close Gear will be required to continue to utilize the Gear Credit Facility. There is no certainty that the borrowing base of the Gear Credit Facility will not be reduced or that the lenders under the Gear Credit Facility will not demand repayment of amounts outstanding under such credit facility (see "Risk Factors – Risk Factors Related to Gear Following Completion of the Arrangement – Credit Facility Arrangements"); and
- the obligations of Gear to pay damages to Striker in connection with a Striker Damages Event pursuant to the terms of the Arrangement Agreement in certain circumstances.

The Gear Shares issued in connection with the Arrangement may have a market value different than expected.

Each Striker Shareholder (other than Dissenting Striker Shareholders) will be entitled to receive 2.325 Gear Shares for each Striker Share held, subject to adjustment for fractional shares. Because the exchange ratio will not be adjusted to reflect any changes in the market value of Gear Shares, the market values of the Gear Shares and the Striker Shares at the Effective Time may vary significantly from the values at the date of this Information Circular. If the market price of Gear Shares declines, the value of the consideration received by Striker Shareholders will decline as well. Variations may occur as a result of changes in, or market perceptions of changes in, the business, operations or prospects of Gear, market assessments of the likelihood the Arrangement will be consummated, regulatory considerations, general market and economic conditions, changes in the prices of oil and natural gas and other factors over which neither Striker nor Gear has control.

Striker Dissent Rights.

Striker Shareholders have the right to exercise Striker Dissent Rights and demand payment of the fair value of their Striker Shares in cash in connection with the Arrangement in accordance with the ABCA as may be modified by the

Interim Order. If there are a significant number of Striker Shareholders who exercise Striker Dissent Rights, a substantial cash payment may be required to be made to such Striker Shareholders that could have an adverse effect on Gear's financial condition and cash resources if the Arrangement is completed or alternatively, if Striker Shareholders holding 5.0% or more of the outstanding Striker Shares exercise Striker Dissent Rights, Gear may elect not to complete the Arrangement.

Cash dividends may not be paid on the Gear Shares for the foreseeable future.

Gear has not paid any dividends on its outstanding shares and may not pay any dividends in the foreseeable future. Payment of dividends in the future will be dependent on, among other things, the cash flow, results of operations and financial condition of Gear, the need for funds to finance ongoing operations and other considerations, as the Gear Board considers relevant.

Striker has not verified the reliability of the information regarding Gear included in, or which may have been omitted from, this Information Circular.

All historical information regarding Gear contained in this Information Circular, including all Gear financial information, has been provided by Gear. Although Striker has no reason to doubt the accuracy or completeness of such information, any inaccuracy or material omission in the information about or relating to Gear contained in this Information Circular could result in unanticipated liabilities or expenses, increase the cost of integrating the companies or adversely affect the operational plans of Gear and its results of operations and financial condition.

Gear has not verified the reliability of the information regarding Striker included in, or which may have been omitted from, this Information Circular.

All historical information regarding Striker contained in this Information Circular, including all Striker financial information, has been provided by Striker. Although Gear has no reason to doubt the accuracy or completeness of such information, any inaccuracy or material omission in the information about or relating to Striker contained in this Information Circular could result in unanticipated liabilities or expenses, increase the cost of integrating the companies or adversely affect the operational plans of Striker and its results of operations and financial condition.

Risk Factors Related to Gear Following Completion of the Arrangement

Potential Undisclosed Liabilities Associated with the Arrangement.

In connection with the Arrangement, there may be liabilities that Gear failed to discover or was unable to quantify in its due diligence, which it conducted prior to the execution of the Arrangement Agreement and Gear may not be indemnified for some or all of these liabilities.

Operational, Environmental and Reserves Risks Relating to the Striker Assets.

The risk factors set forth in the Gear AIF relating to the oil and natural gas business, environmental and the operations and reserves of Gear apply equally in respect of the assets of Striker that Gear is acquiring pursuant to the Arrangement. In particular, the reserve and recovery information contained in the Striker Reserve Report in respect of the subject assets are only an estimate and the actual production from and ultimate reserves of those properties may be greater or less than the estimate contained in such reports.

Nature of Acquisitions.

Acquisitions of oil and gas properties or companies are based in large part on engineering, environmental and economic assessments made by the acquiror, independent engineers and consultants. These assessments include a series of assumptions regarding such factors as recoverability and marketability of oil and natural gas, environmental restrictions and prohibitions regarding releases and emissions of various substances, future prices of oil and gas and operating costs, future capital expenditures and royalties and other government levies which will be imposed over the producing life of the reserves. Many of these factors are subject to change and are beyond the

control of Gear. All such assessments involve a measure of geologic, engineering, environmental and regulatory uncertainty that could result in lower production and reserves or higher operating or capital expenditures than anticipated. Although select title and environmental reviews are conducted prior to any purchase of resource assets, such reviews cannot guarantee that any unforeseen defects in the chain of title will not arise to defeat Gear's title to certain assets or that environmental defects, liabilities or deficiencies do not exist or are greater than anticipated. Such deficiencies or defects could adversely affect the value of the assets of Striker and the Gear Shares.

Reserves Replacement.

Gear's oil and natural gas reserves and production, and therefore its cash flows and earnings, will be highly dependent upon Gear developing and increasing its current reserve base, including the assets of Striker should the Arrangement be completed, and discovering or acquiring additional reserves. Without the addition of reserves through exploration, acquisition or development activities, Gear's reserves and production will decline over time as reserves are depleted. To the extent that cash flow from operations is insufficient and external sources of capital become limited or unavailable, Gear's ability to make the necessary capital investments to maintain and expand its oil and natural gas reserves will be impaired. There can be no assurance that Gear will be able to find and develop or acquire additional reserves to replace production at commercially feasible costs.

INTERESTS OF EXPERTS

Certain legal matters relating to the Arrangement will be passed upon by McCarthy Tétrault LLP on behalf of Striker. As at June 24, 2016, the partners and associates of McCarthy Tétrault LLP owned, directly or indirectly, in aggregate, less than 1% of the outstanding Striker Shares and less than 1% of the outstanding Gear Shares. Sanjib (Sony) Gill, a partner at McCarthy Tétrault LLP, is the Corporate Secretary of Striker.

Certain legal matters relating to the Arrangement will be passed upon by Burnet, Duckworth & Palmer LLP on behalf of Gear. As at June 24, 2016, the partners and associates of Burnet, Duckworth & Palmer LLP owned, directly or indirectly, in aggregate, less than 1% of the outstanding Gear Shares and less than 1% of the outstanding Striker Shares. Ted Brown, a partner at Burnet, Duckworth & Palmer LLP, is the Corporate Secretary of Gear.

Certain reserves data included or incorporated herein by reference into this Information Circular has been prepared by GLJ Petroleum Consultants Ltd. in respect of each of Striker and Gear. As of the date hereof, GLJ Petroleum Consultants Ltd. does not have any registered or beneficial interest, direct or indirect, in any securities or other property of Striker or Gear, or any of their associates or affiliates.

Peters & Co. was retained by the Gear Board to provide the Gear Fairness Opinion. As of June 24, 2016, Peters & Co. own, directly or indirectly, in aggregate, less than 1% of the outstanding Gear Shares and less than 1% of the outstanding Striker Shares.

FirstEnergy was retained by the Striker Board to provide the Striker Fairness Opinion. As of June 24, 2016, FirstEnergy own, directly or indirectly, in aggregate, less than 1% of the outstanding Gear Shares and less than 1% of the outstanding Striker Shares.

The Gear Annual Financial Statements have been incorporated by reference in this Information Circular. Deloitte LLP, the independent auditor of Gear, has advised that they are independent with respect to Gear within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Alberta.

The Striker Annual Financial Statements have been incorporated by reference in this Information Circular. KPMG LLP, the independent auditor of Striker, has advised that it is independent with respect to Striker within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations.

INFORMATION CONCERNING STRIKER

Striker is a light oil focused company operating predominantly in Alberta.

Striker was incorporated pursuant to the provisions of the ABCA on March 29, 2000 as "Wireless Capital Corp.". Striker changed its name to "Elkwater Resources Ltd." on June 9, 2003. On November 20, 2014, Striker amalgamated with Exoro Energy Inc. and continued as one corporation under the provisions of the ABCA. On February 25, 2015, Striker changed its name to "Striker Exploration Corp." and effected a share consolidation.

Striker is a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and the Striker Shares are listed on the TSXV under the trading symbol "SKX".

Striker's head office is located at 1250, 645 – 7th Avenue S.W., Calgary, Alberta T2P 4G8. The registered office of Striker is located at 4000, 421 – 7th Avenue S.W., Calgary, Alberta T2P 4K9.

See Appendix H to this Information Circular, "*Information Concerning Striker*" for detailed information concerning Striker

INFORMATION CONCERNING GEAR

Gear is an Alberta-based growth-oriented, junior oil and gas company engaged in the exploration for, and the acquisition, development and production of, oil and natural gas reserves in the Western Canadian Sedimentary Basin, with a focus on heavy oil.

Gear was incorporated on June 25, 2007 under the ABCA as "Black Mountain Energy Corporation". On January 29, 2010, Gear acquired all of the issued and outstanding common shares of Gear Energy Ltd. "**Old Gear**"). Gear and Old Gear amalgamated on May 1, 2010 and continued under the name "Gear Energy Ltd."

On June 3, 2010, Gear amended its articles to: (i) consolidate the Gear Shares on the basis of one post-consolidation Gear Share for every five pre-consolidation Gear Shares; and (ii) to convert the then-issued and outstanding Series 1 Preferred Shares to Gear Shares on the basis of one post-consolidation Gear Share for every five pre-consolidation Series 1 Preferred Shares.

Gear was amalgamated under the provisions of the ABCA on September 21, 2011 with its wholly-owned subsidiary, Lift Resources Inc., and continued under the name "Gear Energy Ltd."

The head office of Gear is located at 2600, 240 – 4th Avenue S.W., Calgary, Alberta T2P 4H4 and its registered office is located at 2400, 525 – 8th Avenue S.W., Calgary, Alberta T2P 1G1.

See Appendix I to this Information Circular, "*Information Concerning Gear*" for detailed information concerning Gear.

INFORMATION CONCERNING GEAR FOLLOWING COMPLETION OF THE ARRANGEMENT

Gear Board and Management

If the Arrangement is completed as contemplated, Neil Roszell, Kevin Olson and John O'Connell, currently directors of the Striker Board, will be appointed on the Effective Date to the Gear Board in addition to the current members of the Gear Board being Messrs. Don T. Gray, Peter Verbarg, Raymond Cej, Ingram Gillmore and Harry English. Greg Bay is expected to resign as a director of Gear contemporaneous with the completion of the Arrangement. As such, following the completion of the Arrangement, the Gear Board is expected to be comprised of Messrs. Don T. Gray, Ingram Gillmore, Peter Verbarg, Raymond Cej, Harry English, Neil Roszell, Kevin Olson and John O'Connell.

Following completion of the Arrangement, Ingram Gillmore, President and Chief Executive Officer, David Hwang, Vice President, Finance and Chief Financial Officer, Yvan Chretien, Vice President, Land, Jason Kaluski, Vice President, Operations, and Bryan Dozzi, Vice President, Engineering of Gear, will continue to act in the same capacity as senior officers of Gear.

Description of Share Capital

The share capital of AmalCo following completion of the Arrangement is expected to be the current share capital of Gear. Gear is authorized to issue an unlimited number of Gear Shares, an unlimited number of preferred shares (the "**Preferred Shares**"), issuable in series, and an unlimited number of series 1 preferred shares (the "**Series 1 Preferred Shares**"), of which 85,483,732 Gear Shares and no Series 1 Preferred Shares are currently issued and outstanding. Additionally, Gear has \$14.8 million aggregate principal amount of Gear Debentures outstanding. The following is a summary description of the rights, privileges, restrictions and conditions attaching to the Gear Shares, the Preferred Shares, the Series 1 Preferred Shares and the Gear Debentures.

Gear Shares

Gear has an unlimited number of Gear Shares authorized. The holders of Gear Shares are entitled to: dividends if, as and when declared by the Gear Board; vote at any meetings of the holders of Gear Shares of Gear; and upon liquidation, dissolution or winding up of Gear, receive the remaining property and assets of Gear. All of the Gear Shares outstanding are fully paid and non-assessable.

Preferred Shares

Gear is authorized to issue an unlimited number of Preferred Shares issuable in series, each series consisting of such number of shares and having such rights, privileges, restrictions and conditions as may be determined by the Gear Board prior to the issuance thereof. With respect to the payment of dividends and the distribution of assets in the event of liquidation, dissolution or winding up of Gear, whether voluntary or involuntary, the Preferred Shares are entitled to preference over the Gear Shares and any other shares ranking junior to the Preferred Shares from time to time and may also be given such other preferences over the Gear Shares and any other shares ranking junior to the Preferred Shares as may be determined at the time of creation of such series.

Series 1 Preferred Shares

At the date hereof, Gear has created Series 1 Preferred Shares; however, no Series 1 Preferred Shares are outstanding. The holders of Series 1 Preferred Shares are not entitled to receive notice of, attend nor vote at any meetings of the Gear Shareholders. Subject to the provisions of any other series of Preferred Shares created after the date of the creation of the Series 1 Preferred Shares, the holders of Series 1 Preferred Shares are entitled to receive, if, as and when declared by the Gear Board, any dividends declared by the Gear Board. Any dividends declared and paid on the Gear Shares must also be declared and paid on the Series 1 Preferred Shares, which shall be in priority to the holders of the Gear Shares. In the event of liquidation, dissolution or winding-up of Gear or any other distribution of assets of Gear among its shareholders for the purposes of winding up the affairs of Gear, the Series 1 Preferred Shares shall rank in priority to the Gear Shares in a sum equivalent to the value of the Series 1 Preferred Shares; provided that the amount to be received by the Series 1 Preferred Shares will be equivalent to the amount to be received per Gear Share upon such liquidation, dissolution or winding up and subject to the provisions of any other series of Preferred Shares created after the date of the creation of the Series 1 Preferred Shares.

Gear Debentures

On November 30, 2015, Gear issued \$14.8 million aggregate principal amount of Gear Debentures at a price of \$1,000 per Gear Debenture. The Gear Debentures are governed by a convertible debenture indenture dated November 30, 2015 between Gear and Computershare Trust Company of Canada (the "**Gear Debenture Indenture**"), which is available for review on www.sedar.com. The Gear Debentures have a maturity date of November 30, 2020 (the "**Maturity Date**") and carry a coupon of 4.00% per annum payable semi-annually in arrears on November 30th and May 31st (each an "**Interest Payment Date**") until maturity, commencing May 31,

2016. Each \$1,000 principal amount of Gear Debentures will be convertible at the option of the holder, at any time prior to the Maturity Date, into 1,149.43 Gear Shares, representing a conversion price of \$0.87 per Gear Share (the "**Conversion Price**"). Holders converting their Gear Debentures are entitled to receive accrued and unpaid interest thereon for the period from the date of the latest Interest Payment Date to, but excluding, the date of conversion.

The Gear Debentures will not be redeemable before December 31, 2018. On and after December 31, 2018 and prior to December 31, 2019, the Gear Debentures will be redeemable at Gear's option, in whole or in part, at par plus accrued unpaid interest if the weighted average trading price of the Gear Shares for the specified period is not less than 125% of the Conversion Price. After December 31, 2019, the Gear Debentures will be redeemable at Gear's option, in whole or in part, at any time at par plus accrued and unpaid interest.

Gear has the option to satisfy its obligation to repay the principal amount of the Gear Debentures due at maturity or redemption of the Gear Debentures by the issuance of Gear Shares and the number of such Gear Shares will be based on 95% of the weighted average trading price of the Gear Shares prior to the date fixed for maturity or redemption.

The Gear Debentures are direct, subordinated unsecured obligations of Gear and rank equally with one another and with all other existing and future subordinated unsecured indebtedness of Gear. The Conversion Price is subject to standard anti-dilution adjustments as set forth in the Gear Debenture Indenture.

Gear New Credit Facilities

On June 7, 2016, Gear entered into a term sheet with Alberta Treasury Branches on behalf of a syndicate of lenders in respect of a new credit agreement expected to be entered into concurrently with, and conditional on, the closing of the Arrangement. The term sheet contemplates that the credit agreement will provide Gear with the new Gear New Credit Facilities, which will be \$50,000,000 senior secured revolving credit facilities, consisting of a \$42,500,000 syndicated credit facility and a \$7,500,000 operating credit facility. The Gear New Credit Facilities are expected to be available on a fully revolving basis until May 31, 2017 and can be further extended beyond May 2017 on an annual basis with the consent of the lenders. The borrowing base under the Gear New Credit Facilities will be subject to a semi-annual borrowing base review. The Gear New Credit Facilities are expected to be available following closing of the Arrangement to finance Gear's ongoing capital expenditures and for general corporate purposes.

The Gear New Credit Facilities will bear interest at Canadian bank prime or, at Gear's option, Canadian bankers' acceptances, plus applicable margin and stamping fee. The total stamping fees are expected to range, depending on Gear's senior debt to its earnings before interest, taxes, depletion, depreciation, amortization and accretion ratio, between 1.0% to 3.0% on Canadian bank prime borrowings and between 2.00% and 4.00% on Canadian dollar banker's acceptances. The undrawn portion of the Gear New Credit Facilities will be subject to a standby fee in the range of 0.5% to 1.0%. Additionally, the Gear New Credit Facilities will require Gear to maintain certain hedging arrangements for the periods beginning January 2016 through to December 2016 and January 2017 through to December 2017. The Gear New Credit Facilities will be secured by a fixed and floating charge on the assets of Gear.

Concurrently with closing of the Arrangement, it is anticipated that the existing Gear Credit Facility and the Striker Credit Facility will be repaid in full and terminated.

See "*Consolidated Capitalization*" below. See "*Risk Factors – Credit Facility Arrangements*" in Appendix I – Information Concerning Gear.

Pro Forma Capitalization

The following table outlines the consolidated capitalization of: (i) Gear as at March 31, 2016 before giving effect to the Gear Financing or the Arrangement; (ii) Gear as at March 31, 2016 after giving effect to the Gear Financing but before giving effect to the Arrangement; and (iii) Gear as at March 31, 2016 after giving effect to the Gear Financing and the Arrangement. This table should be read in conjunction with the Gear Interim Financial

Statements, Striker Interim Financial Statements, Gear Interim MD&A and Striker Interim MD&A, each incorporated by reference in this Information Circular and the unaudited pro forma financial statements attached as Appendix J hereto.

		As at March 31, 2016	As at March 31, 2016 After Giving Effect to the Gear Financing, but Before Giving Effect to the Arrangement ⁽⁷⁾	As at March 31, 2016 After Giving Effect to the Gear Financing and the Arrangement ⁽⁷⁾⁽⁸⁾
	Authorized	(\$000, except share amounts)	(\$000, except share amounts)	(\$000, except share amounts)
Bank Debt ⁽¹⁾	\$60 million	52,112	33,162	40,275 ⁽⁹⁾
Gear Shares ⁽²⁾	Unlimited	241,509 (85,483,732 Gear Shares)	260,680 (114,233,732 Gear Shares)	314,299 (190,832,350 Gear Shares)
Preferred Shares ⁽³⁾	Issuable in Series	-	-	-
Gear Debentures ⁽⁴⁾	\$14.8 million	14,800 ⁽⁶⁾	14,800 ⁽⁶⁾	14,800 ⁽⁶⁾
Striker Warrants ⁽⁵⁾	N/A	Nil	Nil	350 (650,000 Striker Warrants)

Notes:

- (1) At March 31, 2016, Gear had the Gear Credit Facility with a borrowing base of \$60 million. The Gear Credit Facility bears interest at Canadian bank prime or, at Gear's option, Canadian bankers' acceptances, plus applicable margin and stamping fee. The total stamping fees range, depending on Gear's senior debt to its earnings before interest, taxes, depletion, depreciation, amortization and accretion ratio, between 0.5% to 2.5% on Canadian bank prime borrowings and between 1.75% and 3.75% on Canadian dollar banker's acceptances. The undrawn portion of the Gear Credit Facility is subject to a standby fee in the range of 0.2% to 0.45%. The Gear Credit Facility is secured by a fixed and floating charge on the assets of Gear and is subject to regular reviews. A review of the Gear Credit Facility is currently ongoing and Gear anticipates entering into a new credit agreement for the Gear New Credit Facilities upon closing of the Arrangement. It is expected that concurrent with the closing of the Arrangement, Gear will enter into the \$50 million Gear New Credit Facilities, which will supersede the current Gear Credit Facility. See "*Recent Developments – Gear New Credit Facilities*" in Appendix I attached hereto.
- (2) As at March 31, 2016, 6,458,573 Gear Options were outstanding under Gear's stock option plan. The average weighted exercise price of the outstanding Gear Options as at March 31, 2016 was \$2.43. As at June 24, 2016, 6,252,018 Gear Options are outstanding under Gear's stock option plan. The average weighted exercise price of the outstanding Gear Options as at June 24, 2016 is \$2.44.
- (3) Gear currently has an unlimited number of Series 1 Preferred Shares authorized for issuance. As at June 24, 2016, there are no Series 1 Preferred Shares issued and outstanding. For a description of the Series 1 Preferred Shares, see "*Description of Share Capital – Preferred Shares – Series 1 Preferred Shares*" in the Gear AIF.
- (4) On November 30, 2015, Gear issued \$14.8 million aggregate principal amount of Gear Debentures due November 30, 2020 that bear interest at a rate of 4.0% per annum payable semi-annually in arrears on November 30th and May 31st. Each \$1,000 principal amount of Gear Debentures is convertible at the option of the holder into 1,149.43 Gear Shares, representing a conversion price of \$0.87 per Gear Share (the "**Conversion Price**"). If all of the outstanding Gear Debentures were converted, an aggregate of approximately 17,011,494 Gear Shares would be issued. The Gear Debentures will not be redeemable before December 31, 2018. On and after December 31, 2018 and prior to December 31, 2019, the Gear Debentures will be redeemable at the Gear's option, in whole or in part, at par plus accrued unpaid interest if the weighted average trading price of the Gear Shares for the specified period is not less than 125% of the Conversion Price. After December 31, 2019, the Gear Debentures will be redeemable at Gear's option, in whole or in part, at any time at par plus accrued and unpaid interest. Gear has the option to satisfy its obligation to repay the principal amount of the Gear Debentures due at maturity or redemption of the Gear Debentures by the issuance of Gear Shares and the number of such Gear Shares will be based on 95% of the weighted average trading price of the Gear Shares prior to the date fixed for maturity or redemption. For additional details in respect of the Gear Debentures, see "*Description of Capital Structure – Convertible Debentures*" in the Gear AIF.
- (5) Striker currently has 2,897,500 Striker Warrants outstanding that entitle the holder to acquire Striker Shares at an exercise price of \$2.40 per Striker Share until July 9, 2019. In accordance with the terms of the Striker Warrants and

the Arrangement, 650,000 Striker Warrants held or controlled by certain directors of Striker who will be appointed to the Gear Board at the effective time of the Arrangement will remain in-place following completion of the Arrangement and all other Striker Warrants will be surrendered for nominal consideration. Following the completion of the Arrangement, the 650,000 Striker Warrants that remain outstanding will be fully vested and will entitle the holders to acquire 1,511,250 Gear Shares at a price of \$1.03 per Gear Share.

- (6) Represents the principal amount of the Gear Debentures without deducting any fair value with respect to the conversion option.
- (7) Based on the issuance of 28,750,000 Gear Shares pursuant to the Gear Financing for aggregate gross proceeds of \$20,125,000 less fee payable to the underwriters of the Gear Financing of \$1,006,250 in connection with the Gear Financing and expenses of the Gear Financing estimated to be \$300,000 with the estimated net proceeds of \$18,818,750 from the Gear Financing applied against the Gear Credit Facility.
- (8) Assumes 76,598,618 Gear Shares are issued in connection with the Arrangement and assumes the 710,000 Striker Options that are currently in-the-money are exercised prior to the Effective Time for aggregate proceeds of approximately \$910,000 and all other Striker Options and Striker Warrants (excluding 650,000 Striker Warrants held or controlled by certain directors of Striker who will be appointed to the Gear Board at the Effective Time that will remain in-place following completion of the Arrangement) are terminated for nominal consideration.
- (9) After including March 31, 2016 bank debt of Striker of \$8.0 million.

Selected Pro Forma Financial Information

The following tables should be read in conjunction with the unaudited pro forma financial statements of Gear as at and for the three months ended March 31, 2016 and for the year ended December 31, 2015, including the notes thereto, attached as Appendix J to this Information Circular. Reference should also be made to the Gear Annual Financial Statements, Gear Interim Financial Statements, Striker Annual Financial Statements and the Striker Interim Financial Statements, all of which are incorporated by reference in this Information Circular.

The unaudited pro forma financial statements of Gear included in this Information Circular and the following selected pro forma financial information are presented for illustrative purposes only and are not necessarily indicative of: (i) the financial results that would have occurred had the Arrangement actually occurred at the times contemplated by the notes to the unaudited pro forma financial statements of Gear; or (ii) the results expected in future periods.

Pro Forma Financial Information
(\$000's, except per share amounts)
As at and for the Three Months Ended March 31, 2016

	Gear	Striker	Pro Forma Adjustments ⁽¹⁾	Pro Forma Gear
Gross revenue ⁽²⁾	8,173	5,571		13,744
Net profit (loss)	(1,716)	(3,874)	1,121	(4,469)
Net profit (loss) per share				
Basic and Diluted	(0.02)	(0.12)	0.12	(0.02)
Total assets	221,159	127,487	(34,442)	314,204
Total liabilities	128,567	38,639	(15,580)	151,626
Total shareholders' equity	92,592	88,848	(18,862)	162,578

Notes:

- (1) For additional details relating to pro forma adjustments, see Appendix J.
- (2) Gross revenue is presented gross of royalties and excludes realized gains and losses on commodity contracts.

Pro Forma Financial Information
(\$000's, except per share amounts)
Year Ended December 31, 2015

	Gear	Striker	Pro Forma Adjustments ⁽¹⁾	Pro Forma Gear
Gross revenue ⁽²⁾	80,374	37,907	-	118,281
Net profit (loss)	(96,519)	(28,471)	6,840	(118,150)
Net profit (loss) per share Basic and Diluted	(1.34)	(0.98)	1.64	(0.68)

Notes:

- (1) For additional details relating to pro forma adjustments, see Appendix J.
(2) Gross revenue is presented gross of royalties and excludes realized gains and losses on commodity contracts.

Selected Pro Forma Operational Information

The following selected operational information for each of Gear, Striker and Gear on a combined basis following the completion of the Arrangement is based on information provided in the Striker Reserve Report and the Gear Reserve Report and information provided in the Gear Annual MD&A, Gear Interim MD&A, Striker Annual MD&A and Striker Interim MD&A. The Striker Reserves Report and the Gear Reserves Report each have an effective date of December 31, 2015. Accordingly, references should be made to: (a) the information concerning the oil and natural gas properties and operations of Gear as set forth in the Gear AIF; and (b) the information concerning the oil and natural gas properties and operations of Striker as set forth in the Striker AIF Information, each incorporated by reference herein.

Pro Forma Production Information
Three Months Ended March 31, 2016

	Gear	Striker	Pro Forma
Average Daily Production			
Heavy Crude Oil (bbls/d)	4,186	-	4,186
Light Crude Oil and Medium Crude Oil (bbls/d)	-	1,230	1,230
Conventional Natural Gas (Mcf/d)	1,459	5,731	7,190
NGL (bbls/d)	6	305	311
Total Oil Equivalent (BOE/d)	4,435	2,490	6,925

Pro Forma Production Information
Year Ended December 31, 2015

	Gear	Striker	Pro Forma
Average Daily Production			
Heavy Crude Oil (bbls/d)	5,509	-	5,509
Light Crude Oil and Medium Crude Oil (bbls/d)	-	1,510	1,510
Conventional Natural Gas (Mcf/d)	942	6,187	7,129
NGL (bbls/d)	4	226	230
Total Oil Equivalent (BOE/d)	5,670	2,767	8,437

**Pro Forma Reserves Information
As at December 31, 2015**

	Gear	Striker	Pro Forma
Gross Proved Reserves			
Heavy Crude Oil (Mbbbls)	7,419	1	7,420
Light Crude Oil and Medium Crude Oil (Mbbbls)	-	3,772	3,772
Natural Gas (MMcf)	5,464	11,771	17,235
Shale Gas (MMcf)	-	-	-
NGL (Mbbbls)	66	707	773
Total Oil Equivalent (MBOE)	8,396	6,443	14,839
Gross Proved plus Probable Reserves			
Heavy Crude Oil (Mbbbls)	14,043	31	14,074
Light Crude Oil and Medium Crude Oil (Mbbbls)	-	6,648	6,648
Natural Gas (MMcf)	11,149	19,338	30,487
Shale Gas (MMcf)	2,700	-	2,700
NGL (Mbbbls)	247	1,170	1,417
Total Oil Equivalent (MBOE)	16,598	11,072	27,670
Net Undeveloped Land (acres) (as at March 31, 2016)	89,000	88,500	177,500

Principal Shareholders of Gear Shares Following the Arrangement

To the best of the knowledge of the directors and executive officers of the Gear, the following Persons or companies are expected to beneficially own, directly or indirectly, or exercise control or direction over, voting securities of Gear carrying more than 10% of the voting rights attached to the Gear Shares following completion of the Arrangement:

Name	Expected Number of Gear Shares Held Following Completion of the Arrangement	Percentage of Expected Total Issued and Outstanding Gear Shares Held Following Completion of the Arrangement ⁽³⁾
Burgundy Asset Management Ltd. ⁽¹⁾⁽²⁾	21,376,041	11.2%

Notes:

- (1) Includes 4,835,000 Gear Shares that Burgundy Asset Management Ltd. is expected to purchase pursuant to the Gear Financing.
- (2) Burgundy Asset Management Ltd. also owns or controls, directly or indirectly, \$11.593 million aggregate principal amount of Gear Debentures.
- (3) Assumes all in-the-money Striker Options are exercised prior to the Effective Time and all out-of-the-money Striker Options and Striker Warrants (other than the 650,000 Striker Warrants held or controlled by certain Striker Board Nominees that will remain outstanding after the Effective Time) are cancelled prior to the Effective Time.

Auditors, Registrar and Transfer Agent

Following completion of the Arrangement, Gear's auditor will continue to be Deloitte LLP and its registrar and transfer agent will continue to be Computershare Trust Company of Canada at its principal offices in Calgary, Alberta and Toronto, Ontario.

GENERAL PROXY MATTERS - STRIKER

Solicitation of Proxies

This Information Circular is furnished in connection with the solicitation of proxies by management of Striker to be used at the Striker Meeting. Solicitations of proxies will be primarily by mail, but may also be supplemented by telephone, newspaper publication or other contact.

All costs of the solicitation for the Striker Meeting will be borne by Striker.

The information set forth below generally applies to registered holders of Striker Shares. If you are a Beneficial Shareholder of Striker Shares (i.e., your Striker Shares are held through an Intermediary), please see "*General Information – Information for Beneficial Shareholders*" at the front of this Information Circular.

Appointment and Revocation of Proxies

Accompanying this Information Circular is a form of proxy for holders of Striker Shares. The Persons named in the enclosed form of proxy are directors and/or officers of Striker. **A Striker Shareholder has the right to appoint a Person (who need not be a Striker Shareholder) to represent such Striker Shareholder at the Striker Meeting other than the Persons designated in the accompanying form of proxy either by inserting such Person's name in the blank space provided in the form of proxy or by completing another form of proxy.**

A form of proxy will only be valid if it is duly completed, signed and then delivered to the offices of Alliance Trust Company, at 1010, 407 – 2 Street S.W., Calgary, Alberta T2P 2Y3 or by facsimile at (403) 237-6181. The form of proxy must be received by Alliance Trust Company not later than 9:00 a.m. (Calgary time) on July 22, 2016 or not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to the time of any adjournment of the Striker Meeting. For information regarding the voting or appointing a proxy by internet, see the form of proxy for Striker Shareholders and the Information Circular under the heading "*General Proxy Matters – Striker – Voting by Internet*". Failure to so deposit a form of proxy will result in its invalidation. Notwithstanding the foregoing, the chair of the Striker Meeting has the discretion to accept proxies received after such deadline.

For registered Striker Shareholders who do not receive physical delivery of the form of proxy by mail due to a postal disruption as a result of a Canada Post labour disruption or any other cause the form of proxy for use by registered Striker Shareholders is also available under Striker's profile at www.sedar.com and on Striker's corporate website at www.strikerexp.com. In the event of a postal disruption, registered Striker Shareholders are encouraged to complete the form of proxy and return it by courier to Alliance Trust Company, at 1010, 407 – 2 Street S.W., Calgary, Alberta T2P 2Y3 or by facsimile at (403) 237-6181, not less than 48 hours (excluding Saturdays, Sundays and statutory holidays in Alberta) before the time set for the Striker Meeting.

A Striker Shareholder who has given a form of proxy may revoke it as to any matter on which a vote has not already been cast pursuant to its authority by an instrument in writing executed by such Striker Shareholder or by its attorney duly authorized in writing or, if the Striker Shareholder is a corporation, by an officer or attorney thereof duly authorized, and deposited at the registered office of Striker at any time up to and including the last Business Day preceding the day of the Striker Meeting, or any adjournment of the Striker Meeting, at which the proxy is to be used, or with the chair of the Striker Meeting on the day of the Striker Meeting or any adjournment thereof, or in any other manner permitted by law.

Record Date

The Record Date for determination of Striker Shareholders entitled to receive notice of and to vote at the Striker Meeting is June 27, 2016. Only Striker Shareholders whose names have been entered in the register of Striker Shareholders on the close of business on the Record Date will be entitled to receive notice of and to vote at the Striker Meeting. **To the extent a Striker Shareholder transfers the ownership of any of its Striker Shares after the Record Date and the transferee of those Striker Shares establishes that it owns such Striker Shares and requests, at least 10 days before the Striker Meeting, to be included in the list of Striker Shareholders eligible to vote at the Striker Meeting, such transferee will be entitled to vote those Striker Shares at the Striker Meeting.**

Signature of Proxy

The form of proxy accompanying this Information Circular must be executed by the Striker Shareholder or its attorney authorized in writing, or if the Striker Shareholder is a corporation, the form of proxy should be signed in its corporate name under its corporate seal by an authorized officer whose title should be indicated. A proxy signed

by a Person acting as attorney or in some other representative capacity should reflect such Person's capacity following its signature and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has been previously filed with Striker).

Voting of Proxies

The Striker Shares represented by the form of proxy will be voted or withheld from voting in accordance with the instructions of the Striker Shareholder on any ballot that may be called for, and if the Striker Shareholder specifies a choice with respect to any matter to be acted upon at the Striker Meeting, then the Striker Shares will be voted accordingly. In the absence of such instructions, the Striker Shares will be voted FOR the approval of the Striker Arrangement Resolution as described in this Information Circular.

Exercise of Discretion of Proxy

The proxyholder has discretion under the accompanying form of proxy to consider matters to come before the Striker Meeting. At the date of this Information Circular, management of Striker knows of no amendments, variations or other matters to come before the Striker Meeting other than the matters referred to in the Notice of Meeting. Striker Shareholders who are planning on returning the accompanying form of proxy are encouraged to review the Information Circular carefully before submitting the proxy form.

Voting Shares and Principal Holders Thereof

Striker's issued and outstanding voting securities as at June 24, 2016 consist of 32,235,642 Striker Shares. Striker Shareholders are entitled to one vote for each Striker Share held on all matters to be considered and acted upon at the Striker Meeting or any adjournment thereof.

Striker has set the close of business on June 27, 2016 as the record date for the Striker Meeting. Striker will prepare a list of Striker Shareholders of record at such time. Striker Shareholders named on that list will be entitled to vote the Striker Shares then registered in their name at the Striker Meeting, except to the extent that (a) the holder has transferred the ownership of any of the holder's Striker Shares after that date, and (b) the transferee of those shares produces properly endorsed certificates representing Striker Shares, or otherwise establishes that such transferee owns the Striker Shares, and demands at any time prior to ten days before the Striker Meeting that the transferee's name be included in the list of Persons entitled to vote at the Striker Meeting, in which case the transferee will be entitled to vote such Striker Shares at the Striker Meeting or any adjournment thereof.

To the knowledge of the directors and executive officers of Striker, other than as set forth below, no Person, firm or company beneficially owns or controls or directs, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to the Striker Shares:

To the best of the knowledge of the directors and executive officers of the Striker, as at June 24, 2016, the following Persons or companies beneficially owned, directly or indirectly, or exercised control or direction over, voting securities of the Striker carrying more than 10% of the voting rights attached to the shares of the Striker:

Name	Number of Striker Shares held as of June 24, 2016	Percentage of total issued and outstanding Striker Shares held as of June 24, 2016
Davis-Rea Ltd.	5,390,613	16.7%

Note:

- (1) For the purposes of applicable securities laws, John O'Connell may be considered to have control or direction over Davis-Rea Ltd.

Voting by Internet

Striker Shareholders may use the internet at <https://www.alliancetrust.ca> to transmit their voting instructions. Striker Shareholders should have the form of proxy in hand when they access the website noted above. Striker Shareholders will be prompted to enter their Control Number, Holder Account Number and Access Number which are located on the form of proxy. If Striker Shareholders vote by internet, their vote must be received not later than 9:00 a.m. (Calgary time) on July 22, 2016 or not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to the time of any adjournment of the Striker Meeting. The website may be used to appoint a proxyholder to attend and vote on a Striker Shareholder's behalf at the Striker Meeting and to convey a Striker Shareholder's voting instructions. Please note that if a Striker Shareholder appoints a proxyholder and submits its voting instructions and subsequently wishes to change its appointment, a Striker Shareholder may resubmit its proxy, prior to the deadline noted above. When resubmitting a proxy, the most recently submitted proxy will be recognized as the only valid one, and all previous proxies submitted will be disregarded and considered as revoked, provided that the last proxy is submitted by the deadline noted above.

GENERAL PROXY MATTERS – GEAR

Solicitation of Proxies

This Information Circular is furnished in connection with the solicitation of proxies by management of Gear to be used at the Gear Meeting. Solicitations of proxies will be primarily by mail, but may also be supplemented by telephone, newspaper publication or other contact.

All costs of the solicitation for the Gear Meeting will be borne by Gear.

The information set forth below generally applies to registered holders of Gear Shares. If you are a Beneficial Shareholder of Gear Shares (i.e., your Gear Shares are held through an Intermediary), please see "*General Information – Information for Beneficial Shareholders*" at the front of this Information Circular.

Appointment and Revocation of Proxies

Accompanying this Information Circular is a form of proxy for holders of Gear Shares. The Persons named in the enclosed form of proxy are directors and/or officers of Gear. **A Gear Shareholder has the right to appoint a Person (who need not be a Gear Shareholder) to represent such Gear Shareholder at the Gear Meeting other than the Persons designated in the accompanying form of proxy either by inserting such Person's name in the blank space provided in the form of proxy or by completing another form of proxy.**

A form of proxy will only be valid if it is duly completed, signed and then delivered to the offices of Computershare Trust Company of Canada, Proxy Dept., 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, or by facsimile at 1-866-249-7775. The form of proxy must be received by Computershare Trust Company of Canada not later than 10:00 a.m. (Calgary time) on July 22, 2016 or not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to the time of any adjournment of the Gear Meeting. For information regarding the voting or appointing a proxy by internet, see the form of proxy for Gear Shareholders and the Information Circular under the heading "*General Proxy Matters – Gear – Voting by Internet*". Failure to so deposit a form of proxy will result in its invalidation. Notwithstanding the foregoing, the chair of the Gear Meeting has the discretion to accept proxies received after such deadline.

For registered Gear Shareholders who do not receive physical delivery of the form of proxy by mail due to a postal disruption as a result of a Canada Post labour disruption or any other cause the form of proxy for use by registered Gear Shareholders is also available under Gear's profile at www.sedar.com and on Gear's corporate website at www.gearenergy.com. In the event of a postal disruption, registered Gear Shareholders are encouraged to complete the form of proxy and return it by courier to Computershare Trust Company of Canada, Proxy Dept., 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, or by facsimile at 1-866-249-7775, not less than 48 hours (excluding Saturdays, Sundays and statutory holidays in Alberta) before the time set for the Gear Meeting.

A Gear Shareholder who has given a form of proxy may revoke it as to any matter on which a vote has not already been cast pursuant to its authority by an instrument in writing executed by such Gear Shareholder or by its attorney duly authorized in writing or, if the Gear Shareholder is a corporation, by an officer or attorney thereof duly authorized, and deposited at the registered office of Gear at any time up to and including the last Business Day preceding the day of the Gear Meeting, or any adjournment of the Gear Meeting, at which the proxy is to be used, or with the chair of the Gear Meeting on the day of the Gear Meeting or any adjournment thereof, or in any other manner permitted by law.

Record Date

The Record Date for determination of Gear Shareholders entitled to receive notice of and to vote at the Gear Meeting is June 27, 2016. Only Gear Shareholders whose names have been entered in the register of Gear Shareholders on the close of business on the Record Date will be entitled to receive notice of and to vote at the Gear Meeting. To the extent a Gear Shareholder transfers the ownership of any of its Gear Shares after the Record Date and the transferee of those Gear Shares establishes that it owns such Gear Shares and requests, at least 10 days before the Gear Meeting, to be included in the list of Gear Shareholders eligible to vote at the Gear Meeting, such transferee will be entitled to vote those Gear Shares at the Gear Meeting.

Signature of Proxy

The form of proxy accompanying this Information Circular must be executed by the Gear Shareholder or its attorney authorized in writing, or if the Gear Shareholder is a corporation, the form of proxy should be signed in its corporate name under its corporate seal by an authorized officer whose title should be indicated. A proxy signed by a Person acting as attorney or in some other representative capacity should reflect such Person's capacity following its signature and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has been previously filed with Gear).

Voting of Proxies

The Gear Shares represented by the form of proxy will be voted or withheld from voting in accordance with the instructions of the Gear Shareholder on any ballot that may be called for, and if the Gear Shareholder specifies a choice with respect to any matter to be acted upon at the Gear Meeting, then the Gear Shares will be voted accordingly. In the absence of such instructions, the Gear Shares will be voted FOR the approval of the Gear Resolution as described in this Information Circular.

Exercise of Discretion of Proxy

The proxyholder has discretion under the accompanying form of proxy to consider matters to come before the Gear Meeting. At the date of this Information Circular, management of Gear knows of no amendments, variations or other matters to come before the Gear Meeting other than the matters referred to in the Notice of Meeting. Gear Shareholders who are planning on returning the accompanying form of proxy are encouraged to review the Information Circular carefully before submitting the proxy form.

Voting Shares and Principal Holders Thereof

Gear's issued and outstanding voting securities as at June 24, 2016 consist of 85,483,732 Gear Shares. Gear Shareholders are entitled to one vote for each Gear Share held on all matters to be considered and acted upon at the Gear Meeting or any adjournment thereof.

Gear has set the close of business on June 27, 2016 as the record date for the Gear Meeting. Gear will prepare a list of Gear Shareholders of record at such time. Gear Shareholders named on that list will be entitled to vote the Gear Shares then registered in their name at the Gear Meeting, except to the extent that (a) the holder has transferred the ownership of any of the holder's Gear Shares after that date, and (b) the transferee of those shares produces properly endorsed certificates representing Gear Shares, or otherwise establishes that such transferee owns the Gear Shares, and demands at any time prior to ten days before the Gear Meeting that the transferee's name be included in the list

of Persons entitled to vote at the Gear Meeting, in which case the transferee will be entitled to vote such Gear Shares at the Gear Meeting or any adjournment thereof.

To the knowledge of the directors and executive officers of Gear, other than as set forth below, no Person, firm or company beneficially owns or controls or directs, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to the Gear Shares:

To the best of the knowledge of the directors and executive officers of the Gear, as at June 24, 2016, the following Persons or companies beneficially owned, directly or indirectly, or exercised control or direction over, voting securities of the Gear carrying more than 10% of the voting rights attached to the shares of the Gear:

Name	Number of Gear Shares held as of June 24, 2016	Percentage of total issued and outstanding Gear Shares held as of June 24, 2016
Burgundy Asset Management Ltd. ⁽¹⁾⁽²⁾	16,541,041	19.3%

Notes:

- (1) Does not include any Gear Shares which may be acquired by Burgundy Asset Management Ltd. pursuant to the Gear Financing.
- (2) Burgundy Asset Management Ltd. also owns or controls, directly or indirectly, \$11.593 million aggregate principal amount of Gear Debentures.

Voting by Internet

Gear Shareholders may use the internet at <https://www.investorvote.com> to transmit their voting instructions. Gear Shareholders should have the form of proxy in hand when they access the website noted above. Gear Shareholders will be prompted to enter their Control Number, Holder Account Number and Access Number which are located on the form of proxy. If Gear Shareholders vote by internet, their vote must be received not later than 10:00 a.m. (Calgary time) on July 22, 2016 or not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to the time of any adjournment of the Gear Meeting. The website may be used to appoint a proxyholder to attend and vote on a Gear Shareholder's behalf at the Gear Meeting and to convey a Gear Shareholder's voting instructions. Please note that if a Gear Shareholder appoints a proxyholder and submits its voting instructions and subsequently wishes to change its appointment, a Gear Shareholder may resubmit its proxy, prior to the deadline noted above. When resubmitting a proxy, the most recently submitted proxy will be recognized as the only valid one, and all previous proxies submitted will be disregarded and considered as revoked, provided that the last proxy is submitted by the deadline noted above.

APPENDIX A

STRIKER ARRANGEMENT RESOLUTION

BE IT RESOLVED AS A SPECIAL RESOLUTION OF THE HOLDERS OF COMMON SHARES OF STRIKER EXPLORATION CORP. ("**STRIKER**") THAT:

1. the arrangement under Section 193 of the *Business Corporations Act* (Alberta) (the "**Arrangement**") substantially as set forth in the plan of arrangement (the "**Plan of Arrangement**") attached as Exhibit "A" to Appendix D to the joint management information circular of Striker and Gear Energy Ltd. ("**Gear**") dated June 27, 2016 (the "**Information Circular**") accompanying the notice of meeting of Striker is hereby authorized, approved, ratified and confirmed;
2. the arrangement agreement between Striker and Gear dated June 7, 2016 (the "**Arrangement Agreement**"), a copy of which is attached as Appendix D to the Information Circular, with such amendments or variations thereto made in accordance with the terms of the Arrangement Agreement as may be approved by the persons referred to in paragraph 4 hereof, such approval to be evidenced conclusively by their execution and delivery of any such amendments or variations, is hereby authorized, approved, ratified and confirmed;
3. notwithstanding that this resolution has been duly passed and/or has received the approval of the Court of Queen's Bench of Alberta, the board of directors of Striker may, without further notice to or approval of the securityholders of Striker, subject to the terms of the Arrangement Agreement and the Arrangement, (i) amend or terminate the Arrangement Agreement or the Plan of Arrangement, or (ii) revoke this resolution at any time prior to the filing of articles of arrangement giving effect to the Arrangement;
4. any director or officer of Striker is hereby authorized, for and on behalf of Striker, to execute and deliver articles of arrangement and to execute, with or without the corporate seal, and, if appropriate, deliver all other documents and instruments and to do all other things as in the opinion of such director or officer may be necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such document or instrument, and the taking of any such action; and
5. all actions heretofore taken by or on behalf of Striker in connection with any matter referred to in any of the foregoing resolutions which were in furtherance of the Arrangement are hereby approved, ratified and confirmed in all respects.

APPENDIX B

GEAR RESOLUTION

BE IT RESOLVED AS AN ORDINARY RESOLUTION OF THE HOLDERS OF COMMON SHARES OF GEAR ENERGY LTD. ("**GEAR**") THAT:

1. the issuance of up to 78,114,868 common shares ("**Gear Shares**") in the capital of Gear in exchange for common shares ("**Striker Shares**") in the capital of Striker Exploration Corp. ("**Striker**") (including in exchange for up to 710,000 Striker Shares issued on exercise of outstanding options to purchase Striker Shares, 1,511,250 Gear Shares that will be issuable pursuant to warrants to purchase Gear Shares that will remain outstanding after completion of the Arrangement (as defined below) in accordance with their terms and up to 5,000 additional Gear Shares that may be required to be issued to account for clerical and administrative matters, including the rounding for fractional shares), pursuant to the arrangement under Section 193 of the *Business Corporations Act* (Alberta) (the "**Arrangement**") substantially as set forth in the plan of arrangement (the "Plan of Arrangement") attached as Exhibit "A" to Appendix D to the joint management information circular of Gear and Striker dated June 27, 2016 (the "**Information Circular**") accompanying the notice of meeting of Gear is hereby authorized and approved;
2. notwithstanding that this resolution has been duly passed, the board of directors of Gear may, without further notice to or approval of the securityholders of Gear, subject to the terms of the Arrangement, (i) amend or terminate the arrangement agreement dated June 7, 2016 between Gear and Striker or the Plan of Arrangement, or (ii) revoke this resolution at any time prior to the filing of articles of arrangement giving effect to the Arrangement;
3. any director or officer of Gear is hereby authorized, for and on behalf of Gear, to execute and deliver articles of arrangement and to execute, with or without the corporate seal, and, if appropriate, deliver all other documents and instruments and to do all other things as in the opinion of such director or officer may be necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such document or instrument, and the taking of any such action; and
4. all actions heretofore taken by or on behalf of Gear in connection with any matter referred to in any of the foregoing resolutions which were in furtherance of the Arrangement are hereby approved, ratified and confirmed in all respects.

APPENDIX C

NOTICE OF APPLICATION

IN THE COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL DISTRICT OF CALGARY

IN THE MATTER OF SECTION 193 OF THE BUSINESS CORPORATIONS ACT, R.S.A. 2000, C. B 9, AS AMENDED;

AND IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING STRIKER EXPLORATION CORP, GEAR ENERGY LTD. AND THE SHAREHOLDERS OF STRIKER EXPLORATION CORP..

NOTICE IS HEREBY GIVEN that an originating application ("**Application**") has been filed by Striker Exploration Corp. ("**Striker**" or the "**Applicant**") for an order approving a proposed plan of arrangement (the "**Arrangement**") involving Striker, Gear Energy Ltd. ("**Gear**") and the holders ("**Striker Shareholders**") of common shares in the capital of Striker pursuant to Section 193 of the *Business Corporations Act*, R.S.A. 2000, c. B 9, as amended (the "**ABCA**"), which Arrangement is described in greater detail in the joint management information circular of Striker and Gear dated June 27, 2016 accompanying this Notice of Application. At the hearing on the Application, the Applicant intends to seek:

- (a) a declaration that the Arrangement is brought in good faith and that the terms and conditions of the Arrangement and the procedures relating thereto are fair to the persons affected, both from a substantive and procedural prospective;
- (b) a declaration that the Arrangement will, upon the filing of Articles of Arrangement pursuant to Section 193 of the ABCA and the issuance of the Proof of Filing of Articles of Arrangement under the ABCA, become effective in accordance with its terms and will be binding on each of the parties affected;
- (c) an order approving the Arrangement pursuant to the provisions of Section 193 of the ABCA; and
- (d) such other and further orders, declarations and directions as the Court (as defined herein) may deem just.

AND NOTICE IS FURTHER GIVEN that the Application is directed to be heard at the Court House, 601 – 5th Street, Calgary, Alberta on the 26th day of July, 2016 at 3:00 p.m. (Calgary time), or so soon thereafter as counsel may be heard. Any Striker Shareholder or any other interested party desiring to support or oppose the Application may appear at the time of the hearing in person or by counsel for that purpose. **Any Striker Shareholder or any other interested party desiring to appear at the hearing is required to file with the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "Court"), and serve upon the Applicant, on or before 9:00 a.m. (Calgary time) on July 19, 2016 (or the Business Day that is five Business Days prior to the date of the special meeting of the Striker Shareholders called for the purpose of approving the Arrangement (the "Striker Meeting") if the Striker Meeting is not held on July 26, 2016), a notice of its intention to appear, including an address for service in Calgary, Alberta (or alternatively, a telecopier number for service by telecopy), together with any evidence or materials which are to be presented to the Court.** Service on the Applicant is to be effected by delivery to the solicitors for Striker, McCarthy Tétrault LLP, Suite 4000, 421 – 7th Avenue SW, Calgary, Alberta T2P 4K9, Attention: Sean Smyth.

AND NOTICE IS FURTHER GIVEN that, at the hearing, Striker Shareholders and other interested parties will be entitled to make representations as to, and the Court will be requested to consider, the fairness and reasonableness of the Arrangement. If you do not attend, either in person or by counsel, at that time, the Court may approve the Arrangement as presented, or may approve the Arrangement subject to such terms and conditions as the Court shall deem fit, without any further notice.

AND NOTICE IS FURTHER GIVEN that no further notice of the Application will be given by the Applicants and that, in the event the hearing of the Application is adjourned, only those persons who have appeared before the Court at the hearing shall be served notice of the adjourned date.

AND NOTICE IS FURTHER GIVEN that the Court, by an order dated June 22, 2016, has given directions as to the calling of the Striker Meeting to have such Striker Shareholders vote upon a resolution to approve the Arrangement and, in particular, has directed that the Striker Shareholders shall have the right to dissent under Section 191 of the ABCA as modified by the terms of the interim order.

AND NOTICE IS FURTHER GIVEN that the Final Order approving the Arrangement will, if granted, serve as the basis for an exemption from the registration requirements of the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), pursuant to Section 3(a)(10) thereof, with respect to (i) the issuance of the common shares of Gear ("**Gear Shares**") issuable to Striker Shareholders in exchange for their Striker Shares, and (ii) the deemed issuance under the U.S. Securities Act of the post-amalgamation Gear Shares issuable to holders of Gear Shares at the time of the amalgamation of Gear and Striker (including, for certainty and without limitation, current Striker Shareholders), all pursuant to the Arrangement.

AND NOTICE IS FURTHER GIVEN that a copy of the said Application and other documents in the proceedings will be furnished to any Striker Shareholder or other interested party requesting the same from the solicitors for the Applicant at the address given above.

DATED at Calgary, Alberta, this 27th day of June, 2016.

**BY ORDER OF THE BOARD OF DIRECTORS OF
STRIKER EXPLORATION CORP.**

(signed) "*Doug Bailey*" _____

Doug Bailey
President, Chief Executive Officer and Director
Striker Exploration Corp.

APPENDIX D
ARRANGEMENT AGREEMENT

ARRANGEMENT AGREEMENT

BETWEEN

GEAR ENERGY LTD.

- AND -

STRIKER EXPLORATION CORP.

June 7, 2016

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ARRANGEMENT AGREEMENT

THIS ARRANGEMENT AGREEMENT is dated as of the 7th day of June, 2016.

BETWEEN:

GEAR ENERGY LTD., a corporation amalgamated under the laws of the Province of Alberta (hereinafter referred to as "**Gear**")

-and-

STRIKER EXPLORATION CORP., a corporation amalgamated under the laws of the Province of Alberta (hereinafter referred to as "**Striker**")

WHEREAS:

- A. Gear and Striker wish to propose an arrangement involving, among other things, the business combination of Gear and Striker on the terms set forth in the Plan of Arrangement;
- B. the Parties intend to carry out the transactions contemplated herein by way of an arrangement under the provisions of the ABCA; and
- C. the Parties have entered into this Agreement to provide for the matters referred to in the foregoing recitals and for other matters relating to such arrangement.

NOW THEREFORE, in consideration of the covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties hereto do hereby covenant and agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement, the following defined terms have the meanings hereinafter set forth:

- (a) "**ABCA**" means the *Business Corporations Act*, R.S.A. 2000, c. B-9, as amended, including the regulations promulgated thereunder;
- (b) "**Acquisition Proposal**" means, other than the Arrangement, any inquiry or the making of any offer or proposal, whether or not in writing or subject to a due diligence or other condition, to Striker, or Striker's shareholders or any other securityholder of Striker (including any take-over bid initiated by advertisement or circular) from any Person or Persons acting "**jointly or in concert**" (where such phrase has the meaning ascribed thereto in Applicable Canadian Securities Laws) prior to the termination of this Agreement or consummation of the Arrangement, as applicable, which constitutes, or may reasonably be expected to lead to (in either case whether in one transaction or a series of transactions):
 - (i) any direct or indirect, sale, issuance or acquisition of securities of Striker that, when taken together with any securities of Striker held by the proposed acquiror, and any Person acting jointly or in concert with such acquiror, and assuming the conversion of

any convertible securities held by the proposed acquiror, and any Person acting jointly or in concert with such acquiror, would constitute beneficial ownership of 20% or more of the outstanding voting securities of Striker or rights or interests therein;

- (ii) any direct or indirect acquisition or purchase (or any lease, long-term supply agreement or other arrangement having the same economic effect as an acquisition or purchase), of assets of Striker that contribute 20% or more of the consolidated revenue of Striker or constitute 20% or more of the consolidated assets of Striker;
- (iii) an amalgamation, arrangement, merger, business combination, consolidation, share exchange or other similar transaction involving Striker;
- (iv) a take-over bid, issuer bid, tender offer, exchange offer, recapitalization, liquidation, dissolution, reorganization or other similar transaction involving Striker; or
- (v) any other transaction, the consummation of which would or could reasonably be expected to impede, interfere with, prevent or delay the transactions contemplated by this Agreement or the Arrangement or which would or could reasonably be expected to materially reduce the benefits to the Parties under this Agreement or the Arrangement,

except that for the purpose of the definition of "Superior Proposal" in Section 1.1(uuuu), the references in the definition of "Acquisition Proposal" to: (A) "20% or more of the outstanding voting securities of Striker or rights or interests therein" shall be deemed to be references to "50% or more of the outstanding voting securities of Striker or rights or interests therein"; (B) "20% or more of the consolidated revenue" shall be deemed to be references to "50% or more of the consolidated revenue"; and (C) "20% or more of the consolidated assets" shall be deemed to be references to "50% or more of the consolidated assets";

- (c) "**affiliate**" and "**associate**" have the meanings ascribed thereto in the Securities Act;
- (d) "**Agreement**", "**herein**", "**hereof**", "**hereto**", "**hereunder**" and similar expressions mean and refer to this arrangement agreement (including the schedules hereto) as supplemented, modified or amended, and not to any particular article, section, schedule or other portion hereof;
- (e) "**Applicable Canadian Securities Laws**" means, collectively, and as the context may require, the applicable securities legislation of each of the provinces and territories of Canada, and the rules, regulations, instruments, orders and policies published and/or promulgated thereunder, as such may be amended from time to time prior to the Effective Date;
- (f) "**Applicable Laws**", in the context that refers to one or more Persons, means any domestic or foreign, federal, state, provincial or local law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling or other similar requirement enacted, adopted, promulgated or applied by a Governmental Authority, and any terms and conditions of any grant of approval, permission, authority or license of any Governmental Authority, that is binding upon or applicable to such Person or Persons or its or their 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;
- (g) "**Arrangement**" means the arrangement under the provisions of Section 193 of the ABCA, on the terms and conditions set forth herein and in the Plan of Arrangement as supplemented, modified or amended;

- (h) **"Board Nominees"** means Neil Roszell, John O'Connell and Kevin Olson, current directors of Striker who will be appointed to the Gear Board of Directors at or immediately prior to the Effective Time;
- (i) **"BOE/d"** means barrels of oil equivalent per day based on a conversion ratio of six thousand cubic feet of natural gas per one barrel of oil;
- (j) **"Business Day"** means a day other than a Saturday, Sunday or other day when banks in the city of Calgary, Alberta, are not generally open for business;
- (k) **"Confidential Information"** has the meaning ascribed thereto in Section 3.4(f);
- (l) **"Contract"** means, with respect to a Party, a contract, lease, instrument, note, bond, debenture, mortgage, agreement, arrangement or understanding, written or oral, to which such Party is a Party or under which such Party is bound, has unfulfilled obligations or contingent liabilities or is owed unfulfilled obligations, whether known or unknown, and whether asserted or not;
- (m) **"Court"** means the Court of Queen's Bench of Alberta;
- (n) **"Disclosed Personal Information"** has the meaning ascribed thereto in Section 4.3(b);
- (o) **"Dissent Rights"** means the rights of dissent granted in favour of registered Striker Shareholders in respect of the Arrangement as described in the Plan of Arrangement and the Interim Order;
- (p) **"distribution"** means **"distribution"** or **"distribution to the public"**, as the case may be, as defined under the Applicable Canadian Securities Laws; and **"distribute"** has a corresponding meaning;
- (q) **"Effective Date"** has the meaning ascribed thereto in Section 2.1(d);
- (r) **"Effective Time"** means the time on the Effective Date when the Arrangement becomes effective pursuant to the Plan of Arrangement;
- (s) **"Encumbrances"** means, in the case of property or an asset, all mortgages, pledges, charges, liens, debentures, hypothecs, trust deeds, rights of first refusal, outstanding demands, burdens, capital leases, assignments by way of security, security interests, conditional sales contracts or other title retention agreements or similar interests or instruments charging, or creating a security interest in, or against title to, such property or asset, or any part thereof or interest therein, and any agreements, leases, options, easements, rights of way, restrictions, executions or other charges or encumbrances (including notices or other registrations in respect of any of the foregoing) (whether by Applicable Law, contract or otherwise) against title to any of the property or asset, or any part thereof or interest therein;
- (t) **"Environmental Approvals"** means all permits, certificates, licences, authorizations, consents, instructions, registrations, directions or approvals issued or required by Governmental Authorities pursuant to Environmental Laws;
- (u) **"Environmental Laws"** means, with respect to any Person or its business, activities, property, assets or undertaking, all Applicable Laws, relating to environmental, health or safety matters including legislation governing the use and storage of Hazardous Substances and the abandonment and reclamation of wells;

- (v) "**Final Order**" means the order of the Court approving the Arrangement to be applied for by Striker following the Striker Meeting and to be granted pursuant to Subsection 193(9) of the ABCA in respect of Striker Shareholders and Striker, as such order may be affirmed, amended or modified by the Court (with the consent of each of Striker and Gear, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that such amendment is acceptable to each of Striker and Gear, each acting reasonably) on appeal;
- (w) "**GAAP**" has the meaning ascribed thereto in Section 1.8;
- (x) "**Gear**" means Gear Energy Ltd., a corporation amalgamated under the ABCA, and includes any predecessors thereto, unless the context implies otherwise;
- (y) "**Gear Board of Directors**" means the board of directors of Gear, as it may be comprised from time to time;
- (z) "**Gear Confidentiality Agreement**" means the confidentiality agreement dated effective May 7, 2016 between Striker and Gear entered into in connection with the transactions contemplated herein;
- (aa) "**Gear Credit Facility**" means Gear's \$60 million credit facility with a syndicate of banks;
- (bb) "**Gear Damages Event**" has the meaning ascribed thereto in Section 6.2;
- (cc) "**Gear Debentures**" means the 4.0% convertible unsecured subordinated debentures of Gear due November 30, 2020;
- (dd) "**Gear Disclosure Letter**" means the disclosure letter from Gear to Striker dated the date hereof;
- (ee) "**Gear Fairness Opinion**" means, the opinion of Peters & Co. Limited to the effect that the consideration to be paid by Gear to the Striker Shareholders under the Arrangement is fair, from a financial point of view, to the Gear Shareholders;
- (ff) "**Gear Financial Statements**" means, collectively, the audited financial statements of Gear as at and for the years ended December 31, 2015 and 2014, together with the notes thereto and the auditors' report thereon and the interim unaudited financial statements of Gear for the three month period ended March 31, 2016, together with the notes thereto;
- (gg) "**Gear Financing**" means the offering of Gear Shares substantially on the terms as set out in the "bought deal" letter dated June 7, 2016 between Gear and certain underwriters, a copy of which has been provided to Striker (and includes any increase in the number of Gear Shares that may be issued pursuant to such financing upon the agreement of Gear and such underwriters);
- (hh) "**Gear Information**" means all information to be included in the Information Circular (including in documents incorporated by reference) describing Gear, the business, operations and affairs of Gear and the matters to be considered at the Gear Meeting;
- (ii) "**Gear Interim Capital Budget**" means the interim capital budget of Gear, which is set out in the Gear Disclosure Letter;

- (jj) "**Gear Lock-up Agreement**" means an agreement to be entered into between Striker and each of the directors and officers of Gear and each associate and affiliate of such directors and officers that own Gear Shares, in form satisfactory to Striker, acting reasonably, pursuant to which such directors, officers and associates and affiliates of such directors and officers agree with Striker, among other things, to vote in favour of the Gear Resolution and otherwise support the transactions contemplated by this Agreement;
- (kk) "**Gear Material Contract**" has the meaning ascribed thereto in Section 4.2(dd);
- (ll) "**Gear Meeting**" means the special meeting of Gear Shareholders to be held to consider the Gear Resolution and related matters, and any adjournment(s) thereof;
- (mm) "**Gear Net Debt**" means the net debt of Gear which includes any and all cash, bank debt, working capital deficit (inclusive of accounts receivable, prepaid expenses and deposits, inventories and accounts payables), current tax liabilities, and any and all other liabilities and audit adjustments, in each case with respect to each of the foregoing liabilities, inclusive of any and all accrued liabilities, excluding the mark to market value of financial instruments and the fair value of the conversion approval option associated with the Gear Debentures, calculated in accordance with GAAP, and for greater certainty, including the principal amount outstanding under Gear Debentures;
- (nn) "**Gear New Credit Facility**" means the new or amended credit facility agreement of Gear to be entered into at the Effective Time or such other time as may be agreed to by the Parties, acting reasonably;
- (oo) "**Gear Option Plan**" means the Gear share option plan in effect on the date hereof and the agreements entered into thereunder;
- (pp) "**Gear Options**" means options granted pursuant to the Gear Option Plan;
- (qq) "**Gear Public Record**" means all information, documents and reports filed by or on behalf of Gear on or after January 1, 2014 with the Securities Authorities, in compliance, or intended compliance, with any Applicable Canadian Securities Laws which is available for public viewing on the SEDAR website under Gear's profile at www.sedar.com;
- (rr) "**Gear Reserves Report**" has the meaning ascribed thereto in Section 4.2(x);
- (ss) "**Gear Resolution**" means the ordinary resolution of Gear Shareholders in respect of the issuance of Gear Shares pursuant to the Arrangement to be considered at the Gear Meeting substantially in the form attached as Exhibit "C";
- (tt) "**Gear Shareholders**" means the holders of Gear Shares;
- (uu) "**Gear Shares**" means the common shares in the capital of Gear;
- (vv) "**Gear Termination Fee**" has the meaning ascribed thereto in Section 6.2;
- (ww) "**GLJ**" means GLJ Petroleum Consultants Ltd.;
- (xx) "**Governmental Authority**" means any:

- (i) multinational, federal, provincial, state, regional, municipal, local or other government or any governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau, ministry or agency, domestic or foreign;
 - (ii) any subdivision, agent, commission, board or authority of any of the foregoing;
 - (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing; and
 - (iv) any stock exchange;
- (yy) "**Governmental Authorization**" means with respect to a Person, all licenses, permits, certificates, consents, orders, grants, registrations, recognition orders, exemption relief orders, no-action relief and other authorizations (including in connection with Environmental Laws) from any Governmental Authority necessary in connection with its business as it is now being or proposed to be conducted;
- (zz) "**Hazardous Substances**" means any pollutant, contaminant, waste of any nature, hazardous substance, hazardous material, toxic substance, dangerous substance or dangerous good as defined, judicially interpreted or identified in any Environmental Laws, including but not limited to petroleum and all derivatives thereof or synthetic substitutes therefore, and asbestos or asbestos containing materials, polychlorinated biphenyl and production waters;
- (aaa) "**Information Circular**" means the notice of Striker Meeting, the notice of Gear Meeting and the accompanying joint management information circular of Striker and Gear, together with all appendices thereto, to be mailed or otherwise distributed by Striker to the Striker Shareholders and Gear to the Gear Shareholders or such other securityholders of Striker or Gear as may be required pursuant to the Interim Order in connection with the Striker Meeting and the Gear Meeting pursuant to Applicable Laws;
- (bbb) "**Interim Order**" means an interim order of the Court concerning the Arrangement under Subsection 193(4) of the ABCA in respect of Striker and the Striker Shareholders, containing declarations and directions with respect to the Arrangement and the holding of the Striker Meeting as such order may be affirmed, amended or modified by any court of competent jurisdiction;
- (ccc) "**Liabilities**" means any and all debts, liabilities and obligations of any nature whatsoever, whether accrued or fixed, absolute or contingent, including those arising under any Applicable Law, Contract, permit, license or other undertaking and as a result of any act or omission, but specifically excludes the value of any hedges;
- (ddd) "**Material Adverse Change**" or "**Material Adverse Effect**" means, with respect to either Party, any fact or state of facts, circumstance, change, effect, occurrence or event that individually or in the aggregate is, or would reasonably be expected to be, material and adverse to the condition (financial or otherwise), business, operations, properties, licenses, affairs, assets, liabilities (contingent or otherwise), capitalization, results of operations, cash flows or prospects of such Party (taken as a whole), or will, or would reasonably be expected to, prevent, materially delay or materially impair the ability of the Parties to consummate the transactions contemplated by this Agreement, other than any fact, state of facts, circumstance, change, effect, occurrence or event relating to or resulting from:

- (i) conditions affecting the oil and gas industry generally in jurisdictions in which such Party carries on business, including, without limitation, changes in commodity prices, royalties, Applicable Laws or taxes;
- (ii) general economic or financial conditions, currency exchange rates, or securities or commodity markets in Canada, the United States or elsewhere;
- (iii) any change in the market price of crude oil, natural gas or related hydrocarbons on a current of forward basis;
- (iv) any matter which has been publicly disclosed prior to the date hereof or that is set forth in either of the Striker Disclosure Letter or the Gear Disclosure Letter, as applicable;
- (v) any changes or effects arising, directly or indirectly, from the Arrangement or any other matters or actions permitted or contemplated by this Agreement, including any public announcement of the foregoing, or consented to or approved in writing by the other Party;
- (vi) with respect to Striker, a change in the market trading price or trading volume of the Striker Shares (provided, however that the causes underlying such changes may be considered to determine whether such causes constitute a Material Adverse Change or Material Adverse Effect); or
- (vii) with respect to Gear, a change in the market trading price or trading volume of the Gear Shares (provided, however that the causes underlying such changes may be considered to determine whether such causes constitute a Material Adverse Change or Material Adverse Effect),

provided, however, that the change or effect referred to in clause (i), (ii) or (iii) above does not primarily relate only to (or have the effect of primarily relating only to) a Party or disproportionately affects a Party compared to other entities of similar size operating in the oil and gas exploration, exploitation, development and production industry, in which case the relevant exclusion from this definition of Material Adverse Change or Material Adverse Effect referred to above shall not be applicable;

- (eee) "**misrepresentation**", "**material change**" and "**material fact**" shall have the meanings ascribed thereto under Applicable Canadian Securities Laws;
- (fff) "**MI 61-101**" means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*;
- (ggg) "**Other Party**" means, with respect to:
 - (i) Striker, Gear; and
 - (ii) Gear, Striker;
- (hhh) "**Outside Date**" means August 15, 2016 or such other date as the Parties may agree in writing;
- (iii) "**Parties**" means, collectively, the parties to this Agreement, and "**Party**" means any one of them;

- (jjj) **"Permitted Encumbrances"** means: (i) any overriding royalties, net profits interests or other like encumbrances applicable to the interests of a Party in respect of its petroleum and natural gas rights and leases and all related tangibles, equipment, facilities and miscellaneous interests to the extent taken into account in the Striker Reserves Report or the Gear Reserves Report, as applicable; (ii) easements, rights of way, servitudes or other similar rights, including, without limitation, rights of way for highways, railways, sewers, drains, gas or oil pipelines, gas or water mains, electric light, power, telephone or cable television towers, poles, and wires; (iii) the regulations and any rights reserved to or vested in any municipality or governmental, statutory or public authority to levy taxes or to control or regulate any Party's interests in any manner, including, without limitation, the right to control or regulate production rates and the conduct of operations; (iv) statutory exceptions to title and the reservations, limitations and conditions in any grants or transfers from the Crown of mines and minerals; (v) undetermined or inchoate liens incurred or created in the ordinary course of business as security for a Party's share of the costs and expenses of the development or operation of any of its assets, which costs and expenses are not delinquent as of the Effective Time; (vi) undetermined or inchoate mechanics' liens and similar liens for which payment for services rendered or goods supplied is not delinquent as of the Effective Time; (vii) liens granted in the ordinary course of business to a Governmental Authority respecting operations pertaining to petroleum and natural gas rights; and (viii) any Encumbrances under a Party's existing credit facilities;
- (kkk) **"Person"** includes any individual, firm, partnership, joint venture, venture capital fund, association, trust, trustee, executor, administrator, legal personal representative, estate group, body corporate, corporation, unincorporated association or organization, Governmental Authority, syndicate or other entity, whether or not having legal status;
- (lll) **"Plan of Arrangement"** means the plan of arrangement under the ABCA pursuant to which Gear will acquire all of the issued and outstanding Striker Shares and certain other transactions will be completed, all on the terms and conditions described herein, which plan of arrangement shall be substantially in the form set out in Exhibit "A" to this Agreement, as such plan of arrangement may be amended or supplemented from time to time in accordance with Article 7 hereof;
- (mmm) **"Registrar"** means the Registrar of Corporations or a Deputy Registrar of Corporations appointed under Section 263 of the ABCA;
- (nnn) **"Securities Act"** means the *Securities Act*, R.S.A. 2000, c. S-4, as amended;
- (ooo) **"Securities Authorities"** means, collectively, the securities commissions or similar securities regulatory authorities in each of the Provinces or Territories of Canada;
- (ppp) **"Striker"** means Striker Exploration Corp., a corporation amalgamated under the ABCA, and includes any predecessors thereto, unless the context implies otherwise;
- (qqq) **"Striker Arrangement Resolution"** means the special resolution of Striker Shareholders in respect of the Arrangement to be considered at the Striker Meeting substantially in the form attached as Exhibit "B" hereto;
- (rrr) **"Striker Articles of Arrangement"** means the articles of arrangement to be prepared by Striker, with the cooperation, consultation and prior approval of Gear, acting reasonably, as provided for herein, in respect of the Arrangement required under Subsection 193(10) of the ABCA to be sent to the Registrar after the Final Order has been granted, giving effect to the Arrangement;

- (sss) "**Striker Board of Directors**" means the board of directors of Striker as it may be comprised from time to time;
- (ttt) "**Striker Cancellation Agreements**" means agreements, in form satisfactory to each of Striker and Gear, acting reasonably, to be entered into between Striker and the holders of Striker Options and Striker Warrants whereby each holder of Striker Options and Striker Warrants agrees to exercise or surrender such Striker Options and Warrants in accordance with Section 2.7;
- (uuu) "**Striker Change of Control Payments**" means obligations of Striker, pursuant to all employment or consulting services agreements, director compensation programs, termination, severance, change of control, bonus and retention plans or policies for severance, termination, change of control, bonus or retention payments, any payments related to any incentive plan and any other payments Striker is required by law or contract or intends to make in connection with the termination of all employees of Striker at the Effective Time in accordance with the terms of this Agreement, arising out of or in connection with the Arrangement;
- (vvv) "**Striker Confidentiality Agreement**" means the confidentiality agreement dated effective March 7, 2016 between Gear and Striker entered into in connection with the transactions contemplated herein;
- (www) "**Striker Credit Facilities**" means Striker's credit facilities with a syndicate of lenders consisting of: (i) a \$25 million revolving syndicate facility; and (ii) a \$15 million revolving operating facility;
- (xxx) "**Striker Damages Event**" has the meaning ascribed thereto in Section 6.1;
- (yyy) "**Striker Disclosure Letter**" means the disclosure letter from Striker to Gear dated the date hereof;
- (zzz) "**Striker Fairness Opinion**" means the opinion from FirstEnergy Capital Corp. to the Striker Board of Directors as to the fairness, from a financial point of view, of the consideration being offered under the Arrangement to the Striker Shareholders;
- (aaaa) "**Striker Financial Advisory Fees**" means the fees payable to FirstEnergy Capital Corp. pursuant to the engagement agreement between Striker and FirstEnergy Capital Corp.;
- (bbbb) "**Striker Financial Statements**" means, collectively, the audited financial statements of Striker as at and for the years ended December 31, 2015 and 2014, together with the notes thereto and the auditors' report thereon and the interim unaudited financial statements of Striker for the three month period ended March 31, 2016, together with the notes thereto;
- (cccc) "**Striker Information**" means all information to be included in the Information Circular (including in documents incorporated by reference) describing Striker, the business, operations and affairs of Striker and the matters to be considered at the Striker Meeting;
- (dddd) "**Striker Interim Capital Budget**" means the interim capital budget of Striker, which is set out in the Striker Disclosure Letter;
- (eeee) "**Striker Lock-up Agreement**" means an agreement to be entered into between Gear, and each of the directors and officers of Striker and each associate and affiliate of such directors and officers that own Striker Shares and certain Striker Shareholders, in form satisfactory to each of Striker

and Gear, acting reasonably, pursuant to which such directors, officers and associate and affiliates of such directors and officers agree with Gear, among other things, to vote in favour of the Striker Arrangement Resolution and otherwise support the transactions contemplated by this Agreement;

- (ffff) "**Striker Material Contract**" has the meaning ascribed thereto in Section 4.1(cc);
- (gggg) "**Striker Meeting**" means the special meeting of Striker Shareholders to be held to consider the Striker Arrangement Resolution and related matters, and any adjournment(s) thereof;
- (hhhh) "**Striker Net Debt**" means, the net debt of Striker which includes any and all cash, bank debt, working capital deficit (inclusive of accounts receivable, prepaid expenses and deposits and accounts payables), current tax liabilities, and any and all other liabilities and audit adjustments, in each case with respect to each of the foregoing liabilities, inclusive of any and all accrued liabilities, excluding the mark to market value of financial instruments, calculated in accordance with GAAP, and for greater certainty, including the Striker Transaction Costs and the proceeds from the exercise of any Striker Options or Striker Warrants;
- (iiii) "**Striker Option Plan**" means the Striker share option plan in effect on the date hereof and the agreements entered into thereunder;
- (jjjj) "**Striker Options**" means options granted pursuant to the Striker Option Plan;
- (kkkk) "**Striker Plans**" has the meaning ascribed thereto in Section 4.1(cc);
- (llll) "**Striker Public Record**" means all information, documents and reports filed by or on behalf of Striker on or after January 1, 2014 with the Securities Authorities, in compliance, or intended compliance, with any Applicable Canadian Securities Laws which is available for public viewing on the SEDAR website under Striker's profile at www.sedar.com;
- (mmmm) "**Striker Reserves Report**" has the meaning ascribed thereto in Section 4.1(w);
- (nnnn) "**Striker Shareholders**" means holders of Striker Shares;
- (oooo) "**Striker Shares**" means the common shares in the capital of Striker;
- (pppp) "**Striker Termination Fee**" has the meaning ascribed thereto in Section 6.2;
- (qqqq) "**Striker Third Party Beneficiaries**" has the meaning ascribed thereto in Section 10.10;
- (rrrr) "**Striker Transaction Costs**" means all costs and expenses incurred by Striker in connection with the transactions contemplated by this Agreement, including all legal, accounting, financial advisory (including the Striker Financial Advisory Fees), fairness opinion, severance, bonuses, printing and other administrative or professional fees, costs and expenses of third parties incurred by Striker, and all amounts payable by Striker in respect of the Arrangement, including but not limited to, the Striker Change of Control Payments, the costs of obtaining "run off" directors' and officers' liability insurance in accordance with Section 2.6(b) and the costs of any payment made by Striker to holders of Striker Options or Striker Warrants as consideration for cancellation of such Striker Options or Striker Warrants; for greater certainty, any costs and expenses incurred by Striker in connection with Striker's advisors and representatives cooperating with Gear pursuant to Section 3.1(kk), shall be deemed to not be a Striker Transaction Cost;

- (ssss) "**Striker Warrants**" means the share purchase warrants of Striker with each such warrant entitling the holder thereof to acquire one Striker Share at an exercise price of \$2.40 per Striker Share;
- (tttt) "**subsidiary**" has the meaning ascribed thereto in the Securities Act (and shall include all trusts or partnerships directly or indirectly owned or controlled by a Person);
- (uuuu) "**Superior Proposal**" means an unsolicited written *bona fide* Acquisition Proposal made after the date hereof from a Person (other than Gear):
- (i) that in the case of paragraph 3.4(b)(vi)(A) that funds or other consideration necessary for the Acquisition Proposal are or are likely to be available, and in the case of paragraphs 3.4(b)(vii) and 3.4(d) that funds or other consideration necessary for the Acquisition Proposal are available, in each case as demonstrated to the satisfaction of the Striker Board of Directors, acting in good faith;
 - (ii) that the Striker Board of Directors has determined in good faith (after receipt of advice from a financial advisor and outside legal counsel) is capable of being completed without undue delay, taking into account all financial, legal regulatory and other aspects of such proposal and the Person making such proposal;
 - (iii) that did not result from or involve a breach of Section 3.4;
 - (iv) that is not subject to any due diligence or access condition, other than to permit access to the books, records or personnel of Striker which is not more extensive than that which would customarily be provided for confirmatory due diligence purposes; and
 - (v) in respect of which the Striker Board of Directors determined in good faith (after the receipt of advice from their legal counsel with respect to (A) and their financial advisors with respect to (B)) that: (A) as reflected in the minutes of the Striker Board of Directors, in the case of paragraph 3.4(b)(vi)(A) failure to take such action would be inconsistent with its fiduciary duties, and in the case of paragraphs 3.4(b)(vii) and 3.4(d) failure to recommend such Acquisition Proposal to Striker Shareholders would be inconsistent with its fiduciary duties, and (B) such Acquisition Proposal, taking into account all of the terms and conditions thereof, if consummated in accordance with its terms (but not assuming away any risk of non-completion), would result in a transaction more favourable to Striker Shareholders from a financial point of view than the transactions contemplated by this Agreement (including in each case after taking into account any modifications to this Agreement proposed by the Parties as contemplated by Section 3.4(d));
- (vvvv) "**Tax**" or "**Taxes**" shall mean any and all taxes, duties, fees, excises, premiums, assessments, imposts, levies and other charges or assessments of any kind whatsoever however denominated, including any interest, penalties or other additions that may become payable in respect thereof, imposed by any Taxing Authority, whether computed on a separate, consolidated, unitary, combined or other basis, which taxes shall include, without limiting the generality of the foregoing, all income or profits taxes (including, but not limited to, federal income taxes and provincial income taxes), payroll and employee withholding taxes, employment insurance premiums, unemployment insurance, social insurance taxes, Canada Pension Plan contributions, sales, use and goods and services taxes, value added taxes, ad valorem taxes, excise taxes, franchise taxes, gross receipts taxes, environmental taxes, capital taxes, production taxes,

recapture, withholding taxes, employee health taxes, surtaxes, customs, import and export taxes, business license taxes, occupation taxes, real and personal property taxes, stamp taxes, environmental taxes, transfer taxes, workers' compensation and other governmental charges, and other obligations of the same or of a similar nature to any of the foregoing, which a Party is required to pay, withhold, remit or collect;

- (www) "**Tax Act**" means the *Income Tax Act* (Canada), R.S.C. 1985, c. 1 (5th Supp.), as amended, including the regulations promulgated thereunder, as amended;
- (xxxx) "**Tax Pools**" means undepreciated capital cost of any particular class of depreciable property, earned depletion base, cumulative Canadian exploration expense, cumulative Canadian development expense, cumulative Canadian oil and gas property expense, foreign exploration and development expense, capital losses, non-capital losses, cumulative eligible capital, share issue costs and investment tax credits, all as defined in the Tax Act, and financing expenses referred to in paragraph 20(1)(e) of the Tax Act;
- (yyyy) "**Tax Returns**" shall mean all reports, estimates, elections, notices, filings, designations, forms, declarations of estimated tax, information statements and returns relating to, or required to be supplied to any Taxing Authority in connection with, any Taxes (including any attached schedules, estimated tax returns, withholding tax returns, and information returns and reports), including any amendments thereto;
- (zzzz) "**Taxing Authority**" shall mean any Governmental Authority responsible for the imposition of any Tax (domestic or foreign);
- (aaaa) "**Third Party Approvals**" has the meaning ascribed thereto in Section 5.1(i);
- (bbbb) "**threatened**" when used in relation to legal action or any other matter, means that a demand or statement (oral or written) has been made or a notice (oral or written) has been given that such legal action or other matter is to be asserted, commenced, taken or otherwise pursued in the future or that an event has occurred or circumstances exist that would lead a reasonable Person to conclude that such legal action or other matter is likely to be asserted, commenced, taken or otherwise pursued in the future;
- (cccc) "**TSX**" means the Toronto Stock Exchange;
- (dddd) "**TSXV**" means the TSX Venture Exchange;
- (eeee) "**United States**" means the United States of America, its territories and possessions, any state of the United States, and the District of Columbia;
- (ffff) "**U.S. Securities Act**" means the United States Securities Act of 1933, as amended, and the rules, regulations and orders promulgated thereunder; and
- (gggg) "**U.S. Securities Laws**" means the federal and state securities legislation of the United States and all rules, regulations and orders promulgated thereunder, as amended from time to time.

1.2 Interpretation Not Affected by Headings, etc.

The division of this Agreement into articles, sections and subsections is for convenience of reference only and does not affect the construction or interpretation of this Agreement. The terms "this

Agreement", "hereof", "herein" and "hereunder" and similar expressions refer to this Agreement and not to any particular article, section or other portion hereof and include any agreement or instrument supplementary or ancillary hereto.

1.3 Number and Gender

Words importing the singular number include the plural and vice versa, words importing the use of any gender include all genders, and words importing persons include firms and corporations and vice versa.

1.4 Date for Any Action

If any date on which any action is required to be taken hereunder by either Party is not a Business Day and a business day in the place where an action is required to be taken, such action is required to be taken on the next succeeding day which is a Business Day and a business day, as applicable, in such place.

1.5 Entire Agreement

This Agreement, the Gear Confidentiality Agreement, the Striker Confidentiality Agreement, the Gear Disclosure Letter and the Striker Disclosure Letter, together with the agreements and documents herein and therein referred to, constitute the entire agreement between the Parties pertaining to the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, between the Parties with respect to the subject matter hereof. To the extent of any inconsistency between this Agreement and the Gear Confidentiality Agreement or the Striker Confidentiality Agreement, this Agreement shall supersede the Gear Confidentiality Agreement or the Striker Confidentiality Agreement, as applicable.

1.6 Statute and Agreement References

Any reference in this Agreement to any statute or any section thereof shall, unless otherwise expressly stated, be deemed to be a reference to such statute or section as amended, restated or re-enacted from time to time. References to any agreement or document shall be to such agreement or document (together with all schedules and exhibits thereto), as it may have been or may hereafter be amended, supplemented, replaced or restated from time to time.

1.7 Currency

All sums of money that are referred to in this Agreement are expressed in lawful money of Canada unless otherwise noted.

1.8 Accounting Matters

Unless otherwise stated, all accounting terms used in this Agreement shall have the meanings attributable thereto under generally accepted accounting principles ("**GAAP**") from time to time approved by the Canadian Institute of Chartered Accountants, or any successor institute, which, for greater certainty, shall include International Financial Reporting Standards, and all determinations of an accounting nature required to be made shall be made in accordance with GAAP applicable as at the date on which such calculation is made or required to be made on a basis consistent with preceding years but subject to the adoption of any new accounting principles and rules and the transition rules pertaining thereto.

1.9 Interpretation Not Affected by Party Drafting

The Parties hereto acknowledge that their respective legal counsel have reviewed and participated in settling the terms of this Agreement, and the Parties agree that any rule of construction to the effect that any ambiguity is to be resolved against the drafting party will not be applicable in the interpretation of this Agreement.

1.10 Knowledge

Where any representation or warranty contained in this Agreement is expressly qualified by reference to the knowledge of Striker or Gear, as applicable, it refers to the actual knowledge of any officer of Striker in respect of Striker and any officer of Gear in respect of Gear, in each case after reasonable inquiry and in each case in their capacity as officers of Striker or Gear, as applicable, and not in their personal capacity, as of the date of this Agreement and does not include the knowledge or awareness of any other individual or any constructive, implied or imputed knowledge.

1.11 Enforceability

All representations, warranties, covenants and opinions in or contemplated by this Agreement as to the enforceability of any covenant, agreement or document are subject to enforceability being limited by applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws relating to or affecting creditors' rights generally, and the discretionary nature of certain remedies (including specific performance and injunctive relief and general principles of equity).

1.12 Exhibits

The following exhibits attached hereto are incorporated into and form an integral part of this Agreement:

- Exhibit "A" — Plan of Arrangement
- Exhibit "B" — Striker Arrangement Resolution
- Exhibit "C" — Gear Resolution

ARTICLE 2 THE ARRANGEMENT

2.1 Plan of Arrangement

- (a) The Parties agree to carry out the Arrangement pursuant to which (among other things):
 - (i) The Arrangement shall be implemented in accordance with and subject to the terms and conditions contained in this Agreement and the Plan of Arrangement;
 - (ii) as soon as reasonably practicable, but in any event not later than July 15, 2016 or such other date as is agreed to by the Parties, Striker shall apply to the Court, in a manner reasonably acceptable to Striker and Gear, pursuant to section 193(4) of the ABCA for the Interim Order and thereafter diligently seek the Interim Order as provided for in Section 2.2 hereof, and, upon receipt thereof, Striker and Gear shall forthwith carry out the terms of the Interim Order to the extent applicable to it;

- (iii) provided all necessary approvals for the Striker Arrangement Resolution and Gear Resolution are obtained from the Striker Shareholders and Gear Shareholders, respectively, Striker shall submit the Arrangement to the Court and apply for the Final Order; and
 - (iv) upon the issuance of the Final Order and subject to the satisfaction or waiver of the conditions precedent in Article 5, Gear shall forthwith proceed to file the Striker Articles of Arrangement, the Final Order and such other documents as may be required to give effect to the Arrangement, respectively, with the Registrar pursuant to Subsection 193(9) of the ABCA, whereupon the transactions comprising the Arrangement shall occur and shall be deemed to have occurred in the order set out therein without any further act or formality.
- (b) The Arrangement shall be structured such that on the Effective Date the issuance of the Gear Shares issuable to the Striker Shareholders, pursuant to the Arrangement and all other trades of securities pursuant to the Arrangement will be made in compliance with Applicable Canadian Securities Laws.
 - (c) The Arrangement shall be structured and executed such that, assuming the Court considers the fairness of the terms and conditions of the Arrangement and grants the Final Order, the issuance of the Gear Shares issuable to Striker Shareholders under the Arrangement will not require registration under the U.S. Securities Act, in reliance upon Section 3(a)(10) thereof. Each Party agrees to act in good faith, consistent with the intent of the Parties and the intended treatment of the Arrangement as set out in this Section 2.1(c).
 - (d) As soon as reasonably practicable, but in any event not later than two (2) Business Days after the last of the conditions set forth in Article 5 have been satisfied or, waived by the applicable Party in whose favour the condition is, the Parties will complete the Arrangement (the "**Effective Date**"), including by executing and delivering such closing documents and instruments and filing with the Registrar pursuant to Subsection 193(10) of the ABCA, the Striker Articles of Arrangement, the Final Order and such other documents as may be required to give effect to the Arrangement, and the Arrangement shall become effective at the Effective Time and the steps comprising the Plan of Arrangement will be deemed to occur in the order, at the times, and in the manner set forth therein. The closing of the transactions contemplated hereby will take place at the offices of counsel to Gear or at such other location as may be agreed upon by the Parties.

2.2 Interim Order

Striker and Gear agree that as soon as reasonably practicable after the date hereof, Striker shall apply in a manner reasonably acceptable to the Parties pursuant to Section 193 of the ABCA and, in cooperation with each other, acting reasonably, prepare, file and diligently pursue an application for the Interim Order, which shall provide, among other things:

- (a) for the calling and the holding of the Striker Meeting, including the record date for determining the Persons to whom notice of the Striker Meeting is to be provided and for determining the Persons entitled to vote at the Striker Meeting and for the manner in which such notice is to be provided;
- (b) that the securities of Striker for which holders as at the record date established for the Striker Meeting shall be entitled to vote on the Striker Arrangement Resolution shall be the Striker Shares voting together as a single class;

- (c) that all Striker Shareholders as at the record date established for the Striker Meeting shall be entitled to vote on the Striker Arrangement Resolution, with Striker Shareholders being entitled to one vote for each Striker Share held by them;
- (d) that the requisite level of approval for the Striker Arrangement Resolution shall be at least two-thirds of the votes cast on the Striker Arrangement Resolution by those Striker Shareholders present in person or represented by proxy and entitled to vote at the Striker Meeting, together with such other approval as may be required by Applicable Canadian Securities Laws, including, without limitation, under MI 61-101;
- (e) that, in all other respects, the terms, restrictions and conditions of the constating documents of Striker, including quorum requirements and all other matters, shall apply in respect of the Striker Meeting;
- (f) for the grant of the Dissent Rights in the manner contemplated in the Plan of Arrangement and the Interim Order;
- (g) for the notice requirements with respect to the presentation of the application to the Court for the Final Order; and
- (h) that the Striker Meeting may be adjourned or postponed from time to time by Striker with the consent of Gear, and such consent shall not be unreasonably withheld, conditioned or delayed, without the need for additional approval of the Court.

2.3 Information Circular

As promptly as practical following the execution of this Agreement, and in compliance with the Interim Order and Applicable Laws (including Applicable Canadian Securities Laws):

- (a) Striker shall prepare the Striker Information for inclusion in the Information Circular in a timely and expeditious manner;
- (b) Gear shall prepare the Gear Information for inclusion in the Information Circular in a timely and expeditious manner;
- (c) the Parties shall prepare the Information Circular and other relevant documentation, in consultation with each other, and each of the Parties shall ensure that the Information Circular provides Striker Shareholders and Gear Shareholders with information in sufficient detail to permit them to form a reasoned judgment concerning the matters before them, in all cases ensuring compliance in all material respects with all Applicable Canadian Securities Laws (including compliance in respect of the issuance of Gear Shares) on the date of issue thereof;
- (d) Striker shall call and give notice of the Striker Meeting in accordance with Applicable Canadian Securities Laws, the ABCA and the Interim Order;
- (e) Gear shall call and give notice of the Gear Meeting in accordance with Applicable Canadian Securities Laws and the ABCA;
- (f) Striker shall cause the Information Circular to be mailed to the Striker Shareholders and such other securityholders of Striker or other third parties as may be required pursuant to the Interim

Order, and filed with applicable regulatory authorities and other Governmental Authorities in all jurisdictions where the same are required to be mailed and filed; and

- (g) Gear shall cause the Information Circular to be mailed to the Gear Shareholders and filed with applicable regulatory authorities and other Governmental Authorities in all jurisdictions where the same are required to be mailed and filed.

2.4 Preparation of Filings

- (a) Striker and Gear shall cooperate in:
 - (i) seeking the Interim Order and the Final Order, including by:
 - (A) Striker providing Gear on a timely basis any information required to be supplied by Striker concerning itself in connection therewith;
 - (B) Gear providing Striker on a timely basis any information required to be supplied by Gear concerning itself in connection therewith; and
 - (C) Striker shall provide Gear and legal counsel to Gear with reasonable opportunity to review and comment upon drafts of all material to be filed with the Court in connection with the Arrangement, and shall give reasonable consideration to all such comments. Striker shall also provide legal counsel to Gear on a timely basis with copies of any notice of appearance and evidence served on Striker or its legal counsel in respect of the application for the Final Order or any appeal therefrom. Subject to Applicable Laws, Striker shall not file any material with the Court in connection with the Arrangement or serve any such material, and shall not agree to modify or amend materials so filed or served, except with Gear's prior written consent, such consent not to be unreasonably withheld, conditioned or delayed; provided that nothing herein shall require Gear to agree or consent to any increase in the consideration to be received by the Striker Shareholders or other modification or amendment to such filed or served materials that expands or increases Gear's obligations, or diminishes or limits Gear's rights, set forth in any such filed or served materials or under this Agreement;
 - (ii) the taking of all such action as may be required under the ABCA, Applicable Canadian Securities Laws and U.S. Securities Laws in connection with the transactions contemplated by this Agreement and the Plan of Arrangement.
- (b) Each of Striker and Gear shall promptly furnish to the Other Party all information concerning it as may be required for the effectuation of the actions described in Section 2.1 and the foregoing provisions of this Section 2.4, and each covenants that no information furnished by it in connection with such actions or otherwise in connection with the consummation of the Arrangement and the other transactions contemplated by this Agreement will contain any misrepresentation at the time such information is filed with the Court or printed for distribution to the securityholders of the Parties, as the case may be.
- (c) No Party shall file any material with the Court in connection with the Arrangement or serve any such material or agree to modify or amend materials so filed or served except as contemplated hereby or with the prior written consent of the Other Party, such consent not to be unreasonably withheld, conditioned or delayed.

2.5 Employees

The employment of all officers and employees of Striker shall be terminated at the Effective Time and the officers and employees of Striker shall be entitled to receive the Striker Change of Control Payments provided that management of Gear reserves the right, at its sole discretion, to offer continued employment following the Effective Time (provided Gear shall make such offers, if any, of continued employment a minimum of ten Business Days prior to the Effective Date) to any employee of Striker on terms and conditions substantially similar to the terms under which such persons are currently employed and, such employees who are offered and accept such continued employment will not be terminated and will not be entitled to the payment of any change of control or severance payments whatsoever at the Effective Time. The Striker Change of Control Payments, less all withholding Taxes, shall be paid by Striker at the Effective Time or as soon as practicable thereafter concurrent with, and subject to, the execution of a full and final release from the payee to Striker in such form as is acceptable to Gear, acting reasonably. Striker shall use commercially reasonable efforts to obtain an executed copy of such full and final release from every officer and employee who is entitled to receive Striker Change of Control Payments prior to the Effective Time.

2.6 Indemnities, Directors' and Officers' Insurance

- (a) Gear agrees that it and Striker and their respective successors shall not take any action to terminate or materially adversely affect, and will fulfill its obligations pursuant to, indemnities provided or available to or in favour of past and present officers and directors of Striker pursuant to the provisions of the articles, by-laws or other constating documents of Striker, applicable corporate legislation and any written indemnity agreements which have been entered into between Striker and its current officers and directors effective on or prior to the date hereof.
- (b) Prior to the Effective Date, Striker shall be entitled to secure "run off" directors' and officers' liability insurance for the current officers and directors of Striker covering claims made prior to or within 6 years after the Effective Date which has a scope and coverage comparable in scope and coverage to that provided pursuant to Striker's current directors' and officers' insurance policy, provide that the cost of such insurance shall be included in the calculation of Striker Transaction Costs. Gear agrees to not take or permit any action to be taken by or on behalf of Striker to terminate or adversely affect the directors' and officers' insurance secured in accordance with this Section 2.6(b).

2.7 Treatment of Striker Options and Striker Warrants

- (a) The Striker Disclosure Letter includes a list of all Striker Options and Striker Warrants outstanding on the date hereof, including without limitation the following: (i) the names of the holders of Striker Options and Striker Warrants; (ii) the date of grant and the date of expiry of all Striker Options and Striker Warrants; (iii) the exercise price of each Striker Option; (iv) the amount required to be withheld on exercise of any Striker Options and Striker Warrants to satisfy Striker's Tax withholding obligations; and (v) the number of Striker Options and Striker Warrants held by each holder thereof.
- (b) The Parties acknowledge and agree that the Striker Board of Directors intends to approve the vesting of the outstanding unvested Striker Options, subject to the receipt of all necessary regulatory approvals, and that all such Striker Options will become exercisable prior to the Effective Time, and that Striker and the Striker Board of Directors may take all such actions as are necessary or desirable to effect the foregoing.

- (c) Striker agrees that prior to the time that the application for the Interim Order is heard, it shall use all reasonable commercial efforts to obtain an executed Striker Cancellation Agreement from each holder of Striker Options and Striker Warrants, which Striker Cancellation Agreement shall provide that:
- (i) each holder of Striker Options agrees, conditional upon the occurrence of the Effective Time, for all Striker Options that have not been exercised prior to the Effective Time, to either (A) exercise effective immediately before the Effective Time such Striker Options for Striker Shares in accordance with the terms of the Striker Option Plan and any agreement with respect to such Striker Options (subject to the remittance by such holder of Striker Options to Striker of cash in an amount equal to the amount of Taxes, if any, required to be remitted by Striker in connection with such exercise); or (B) surrender effective immediately before the Effective Time their Striker Options to Striker for cancellation for an aggregate payment of \$1.00 to each holder of Striker Options regardless of the number of Striker Options held by such holder; and
 - (ii) except in respect of Striker Warrants to purchase an aggregate of 650,000 Striker Shares held by certain Board Nominees, each holder of Striker Warrants agrees, conditional upon the occurrence of the Effective Time, for all Striker Warrants that have not been exercised prior to the Effective Time, to surrender, effective immediately before the Effective Time, their Striker Warrants to Striker for cancellation for an aggregate payment of \$1.00 to each holder of Striker Warrants regardless of the number of Striker Warrants held by such holder.
- (d) If Striker Cancellation Agreements have not been entered into by all holders of Striker Options and Striker Warrants prior to obtaining the Interim Order, then if determined necessary by the Parties, acting reasonably, the Parties shall enter into an amendment or amendment and restatement of this Agreement and the Plan of Arrangement to amend the Plan of Arrangement to provide for the deemed surrender and termination of the Striker Options and Striker Warrants at the Effective Time.

2.8 Recommendation of Striker Board of Directors

The Striker Board of Directors has unanimously:

- (a) determined that the Arrangement is in the best interests of Striker and the Striker Shareholders;
- (b) determined that the consideration to be received by Striker Shareholders pursuant to the Arrangement is fair, from a financial point of view, to Striker Shareholders;
- (c) approved the Arrangement and the entering into of this Agreement; and
- (d) resolved to recommend that Striker Shareholders vote in favour of the Striker Arrangement Resolution.

Notice of such approvals, determinations and resolution shall, subject to the terms hereof, be included in the Information Circular, along with the written Striker Fairness Opinion.

2.9 Recommendation of Gear Board of Directors

The Gear Board of Directors has unanimously:

- (a) determined that the Arrangement is in the best interests of Gear;
- (b) approved the Arrangement and the entering into of this Agreement; and
- (c) resolved to recommend that Gear Shareholders vote in favour of the Gear Resolution.

Notice of such approvals, determinations and resolution shall, subject to the terms hereof, be included in the Information Circular along with the written Gear Fairness Opinion.

2.10 Dissenting Shareholders

Registered Striker Shareholders entitled to vote at the Striker Meeting may exercise Dissent Rights with respect to their Striker Shares in connection with the Arrangement pursuant to and in the manner set forth in the Plan of Arrangement and the Interim Order. Striker shall give Gear prompt notice of any written notice of a dissent, withdrawal of such notice, and any other instruments served pursuant to such Dissent Rights and received by Striker and promptly provide Gear with copies of such notices and written objections and all other correspondence related thereto.

2.11 Tax Withholdings

Striker and Gear shall be entitled to deduct and withhold from any consideration otherwise payable to any Striker Shareholder or holder of Striker Options or Striker Warrants and, for greater certainty, from any amount payable to a Striker Shareholder who has validly exercised, and not withdrawn, Dissent Rights, as the case may be, under the Plan of Arrangement, such amounts as Striker or Gear is required to deduct and withhold from such consideration in accordance with applicable Tax laws and administrative policies of the Canada Revenue Agency. Any such amounts will be deducted and withheld from the consideration payable pursuant to the Plan of Arrangement or any agreement governing the exercise, payment or other disposition, as the case may be, of the Striker Options or Striker Warrants in accordance with this Agreement, and shall be treated for all purposes as having been paid to the Striker Shareholder or holder of Striker Options or Striker Warrants, as the case may be, in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate Taxing Authority. Striker and Gear shall be authorized to sell or otherwise dispose of such portion of the consideration as is necessary to provide sufficient funds to Striker and Gear, as the case may be, to enable it to comply with its deduction or withholding requirements and Striker and Gear shall notify the holder thereof and remit any unapplied balance of the net proceeds of such sale to such holder.

2.12 Lock-up Agreements

- (a) Striker shall, concurrent with the signing of this Agreement, deliver to Gear the Striker Lock-up Agreements which have been executed by Striker Shareholders holding or exercising control or direction over not less than: (i) 10,716,245 Striker Shares representing 33.2% of the outstanding Striker Shares; (ii) 2,283,750 Striker Options representing 83.1% of the outstanding Striker Options; and (iii) 2,825,000 Striker Warrants representing 94.2% of the outstanding Striker Warrants; and
- (b) Gear shall, concurrent with the signing of this Agreement, deliver to Striker the Gear Lock-up Agreements which have been executed by Gear Shareholders holding or exercising control or direction over not less than 5,955,192 Gear Shares representing approximately 7.0% of the outstanding Gear Shares.

2.13 Independent Operations Notices

If requested by Gear, Striker shall use its reasonable commercial efforts to obtain extensions with respect to deadlines by which any independent operations notices and/or other commitments (with respect to wells or otherwise) are due under any farm-in agreements.

ARTICLE 3 COVENANTS

3.1 Covenants of Striker

Striker covenants and agrees that, from the date of this Agreement until the earlier of the Effective Date or termination of this Agreement in accordance with Article 8, except with the prior written consent of Gear (such consent not to be unreasonably withheld, conditioned or delayed), except as set forth in the Striker Interim Capital Budget or except as otherwise expressly permitted or specifically contemplated by this Agreement (including the Plan of Arrangement and the Striker Disclosure Letter) or required by Applicable Laws:

- (a) Striker shall conduct its business only in the usual and ordinary course of business consistent with past practices (for greater certainty, where it is an operator of any property, it shall operate and maintain such property in a proper and prudent manner in accordance with good industry practice and the agreements governing the ownership and operation of such property), it shall consult with Gear in respect of its ongoing business and affairs and keep Gear apprised of all material developments relating thereto, subject to Applicable Laws;
- (b) Striker shall not, directly or indirectly, do or permit to occur any of the following:
 - (i) amend its constating documents;
 - (ii) declare, set aside or pay any dividend or other distribution or payment (whether in cash, shares or property) in respect of its outstanding shares;
 - (iii) issue (other than on exercise of currently outstanding Striker Options or Striker Warrants), grant, sell or pledge or agree to issue, grant, sell or pledge any shares or other securities of Striker, or securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire, shares or other securities of Striker;
 - (iv) redeem, purchase or otherwise acquire any of its outstanding Striker Shares or other securities, except as permitted pursuant to the terms thereof and as permitted in accordance with the terms hereunder;
 - (v) amend the terms of any of its securities, including the Striker Options or Striker Warrants other than to accelerate the vesting of any unvested Striker Options in accordance with this Agreement;
 - (vi) split, combine or reclassify any of its securities;
 - (vii) adopt a plan of liquidation or resolutions providing for the liquidation, dissolution, merger, consolidation or reorganization of Striker;
 - (viii) make any material change to the business, capital or affairs of Striker;

- (ix) reduce the stated capital of Striker or any of the outstanding Striker Shares or any other shares of Striker;
 - (x) pay, discharge or satisfy any material claims, liabilities or obligations other than in the ordinary course of business consistent with past practice;
 - (xi) take any action, refrain from taking any action, permit any action to be taken or not taken, inconsistent with this Agreement, which might directly or indirectly interfere with or affect the consummation of the Arrangement; or
 - (xii) authorize or propose any of the foregoing, or enter into or modify any contract, agreement, commitment or arrangement with respect to any of the foregoing;
- (c) Striker shall not, directly or indirectly, do or permit to occur any of the following:
- (i) sell, pledge, lease, exclusively license, transfer, dispose of or encumber any assets other than production in the ordinary course of Striker's business consistent with past practice;
 - (ii) expend, commit to expend or otherwise incur any liabilities;
 - (iii) expend or commit to expend any amounts with respect to any operating expenses except to the extent such expenses are in the ordinary course of Striker's business consistent with past practice;
 - (iv) reorganize, amalgamate, merge or otherwise combine Striker with any other Person;
 - (v) acquire (by merger, amalgamation, consolidation or acquisition of shares or assets) any corporation, partnership or other business organization or division thereof, or make any investment therein either by purchase of shares or securities, contributions of capital or property transfer;
 - (vi) acquire any assets;
 - (vii) incur, extend, renew or replace any indebtedness for borrowed money, or any other material liability or obligation or issue any debt securities or assume, guarantee, endorse or otherwise become responsible for, the obligations of any other individual or Person, or make any loans or advances, other than in respect of fees payable to legal, financial and other advisors which are included in the Striker Transaction Costs;
 - (viii) pay, settle, discharge or satisfy any material claims, liabilities, litigation, lawsuits, arbitrations, proceedings or obligations other than as reflected or reserved against in the Striker Financial Statements;
 - (ix) authorize, recommend or propose any release or relinquishment of any right under any Striker Material Contract;
 - (x) waive, release, grant or transfer any material rights of value or modify or change in any material respect any existing license, lease, contract, production sharing agreement, government land concession or other material document;

- (xi) enter into or terminate any rate swap transactions, basis swaps, forward rate transactions, commodity swaps, commodity options, equity or equity index swaps, equity or equity index options, bond options, interest rate options, foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross currency rate swap transactions, currency options, production sales transactions having terms greater than 30 days or any other similar transactions (including any option with respect to any of such transactions) or any combination of such transactions;
 - (xii) enter into any agreements for the sale of production having a term of more than 30 days;
 - (xiii) enter into any contracts or transactions with any officer or director of Striker; or
 - (xiv) authorize or propose any of the foregoing, or enter into or modify any contract, agreement, commitment or arrangement to do any of the foregoing;
- (d) Striker shall execute and adhere to the Striker Interim Capital Budget, unless otherwise agreed to by Gear, and Striker shall consult with Gear, on a regular basis, in respect of the ongoing business and affairs of Striker and keep Gear apprised of all material developments relating thereto;
- (e) Striker will promptly provide to Gear, for review and approval by Gear and its counsel, prior to filing or issuance of the same, any proposed public disclosure document relating to the Arrangement, including without limitation, any press release or material change report, subject to Striker's obligations under Applicable Laws to make timely disclosure of material information, and Gear agrees to keep such information confidential until same is filed as part of the Striker Public Record;
- (f) other than the payment of amounts contemplated by Section 2.5, Striker shall not adopt or amend or make any contribution to any bonus, employee benefit plan, profit sharing, deferred compensation, insurance, incentive compensation, other compensation or other similar plan, agreement, stock purchase plan, fund or arrangement for the benefit of employees, except as is necessary to comply with the law or with respect to existing provisions of any such plans, programs, arrangements or agreements;
- (g) other than the payment of amounts contemplated by Section 2.5, Striker shall not: (i) grant any officer, director or employee an increase in compensation in any form; (ii) grant any general salary increase; (iii) take any action with respect to the amendment of any severance or termination pay policies or arrangements for any directors, officers or employees; (iv) adopt or amend (other than to permit accelerated vesting of currently outstanding rights) any stock option plan (including the Striker Option Plan) or any other equity compensation plan; (v) advance any loan to any officer, director or any other party not at arm's length; (vi) make any payment to any director, officer, employee or consultant outside of their ordinary and usual compensation for services provided to Striker; (vii) enter into or amend any employment, severance, change of control or termination agreement or the terms of any outstanding rights thereunder, as applicable; (viii) hire or terminate any officers or employees except as contemplated hereby; or (ix) enter into any material consulting contract or operating agreement that: (A) cannot be terminated on 30 days or less notice without penalty, or (B) alone, or in the aggregate with any other consulting contract or operating agreements, would create an obligation in excess of \$10,000;
- (h) Striker shall use its reasonable commercial efforts to cause its current insurance (or re-insurance) policies not to be cancelled or terminated or any of the coverage thereunder to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by

insurance or re-insurance companies of nationally recognized standing providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect and shall pay all premiums in respect of such insurance policies that become due prior to the Effective Date;

- (i) Striker shall promptly notify Gear in writing of any material change (actual, anticipated, contemplated or, to the knowledge of Striker threatened, financial or otherwise) in its business, operations, affairs, assets, capitalization, financial condition, licenses, permits, rights, privileges or liabilities, whether contractual or otherwise, of Striker or of any change in any representation or warranty provided by Striker in this Agreement which change is or may be of such a nature to render any representation or warranty misleading or untrue in any material respect and Striker shall in good faith discuss with Gear any change in circumstances (actual, anticipated, contemplated, or to the knowledge of Striker threatened) which is of such a nature that there may be a reasonable question as to whether notice need to be given to Gear pursuant to this provision;
- (j) Striker shall not take any action that would render, or may reasonably be expected to render, any representation or warranty made by Striker in this Agreement untrue in any material respect;
- (k) Striker, officers of Striker and the Striker Board of Directors shall take all reasonable actions to solicit proxies to be voted at the Striker Meeting in favour of the Striker Arrangement Resolution;
- (l) Striker shall ensure that it has available funds pursuant to the Striker Credit Facilities to make, within the time periods contemplated herein, the payment of the amount which may be required by Section 6.2, having regard to its other liabilities and obligations, and shall take all such actions as may be necessary to ensure that it maintains such availability to ensure that it is able to pay such amount when required;
- (m) Striker shall provide notice to Gear of the Striker Meeting and allow Gear's representatives to attend such meeting;
- (n) Striker shall cooperate with Gear in the preparation of the Information Circular and provide to Gear, in a timely and expeditious manner, all information as may be reasonably requested by Gear with respect to Striker, including the Striker Information, for inclusion in the Information Circular and any amendments or supplements thereto, in each case complying in all material respects with all Applicable Laws on the date of issue thereof;
- (o) Striker shall ensure that the Information Circular has been prepared in compliance with Applicable Laws and provides the Striker Shareholders with information in sufficient detail to permit them to form a reasoned judgment concerning the matters before them, and shall include, without limitation; (i) the Striker Information (as reviewed and commented on by Gear, acting reasonably); (ii) the Gear Information in the form approved by Gear (as reviewed and commented on by Striker, acting reasonably); (iii) any financial statements in respect of prior acquisitions made by it that are required to be included therein in accordance with Applicable Laws; (iv) the unanimous determinations and recommendations of the Striker Board of Directors as set forth in Section 2.8; and (v) a copy of the Striker Fairness Opinion; provided that, notwithstanding the covenants of Striker in (iv), prior to the completion of the Arrangement, the Striker Board of Directors may withdraw, modify or change the recommendation regarding the Arrangement if, in the opinion of the Striker Board of Directors acting reasonably, having received the advice of its outside legal counsel which is reflected in minutes of the meeting of the Striker Board of Directors, such withdrawal, modification or change is required to act in a manner consistent with the fiduciary duties of the Striker Board of Directors and provided the Striker Board of Directors

and Striker shall have complied with the provisions of Section 3.4 and have paid the Gear Termination Fee;

- (p) Striker shall ensure that Gear and its counsel shall be given a reasonable opportunity to review and comment on drafts of the Striker Information to be included in the Information Circular and any other information prepared by Striker and its counsel for inclusion in the Information Circular and other documents related thereto, and reasonable consideration shall be given to any comments made by Gear and its counsel, provided that all Gear Information included in the Information Circular shall be in form and content satisfactory to Gear, acting reasonably;
- (q) Striker shall indemnify and save harmless Gear and its directors, officers and agents from and against any and all liabilities, claims, demands, losses, costs, damages and expenses (excluding any loss of profits or consequential damages) to which Gear or any of its directors, officers or agents thereof may be subject or which Gear or any of its directors, officers or agents thereof may suffer, whether under the provisions of any statute or otherwise, in any way caused by, or arising, directly or indirectly, from or in consequence of:
 - (i) any misrepresentation or alleged misrepresentation contained solely in the Striker Information included in the Information Circular or in the Striker Public Record;
 - (ii) any order made or any inquiry, investigation or proceeding by any securities commission or other competent authority based upon any untrue statement or omission or alleged untrue statement or omission of a material fact or any misrepresentation or any alleged misrepresentation in the Striker Information or in the Striker Public Record which prevents or restricts the trading in the Striker Shares; or
 - (iii) Striker not complying with any requirement of Applicable Laws in connection with the transactions contemplated in this Agreement,except that Striker shall not be liable in any such case to the extent that any such liabilities, claims, demands, losses, costs, damages and expenses arise out of or are based upon any misrepresentation or alleged misrepresentation based on the Gear Information, the negligence of Gear or the non-compliance by Gear with any requirement of Applicable Laws in connection with the transactions contemplated in this Agreement;
- (r) Striker shall provide to Gear all such information respecting its operations and affairs as may be reasonably requested from time to time by Gear;
- (s) Striker shall keep Gear informed as to the material decisions required with respect to the most advantageous methods of exploring, operating and producing from its business, in the opinion of Striker;
- (t) Striker shall use its reasonable commercial efforts to preserve intact its business organizations and goodwill and to maintain satisfactory relationships with suppliers, distributors, customers and others having business relationships with it;
- (u) except for proxies and other non-substantive communications with third parties and communications to legal and other advisors of Striker, Striker will furnish promptly to Gear and its counsel: (i) a copy of each notice, report, schedule or other document delivered, filed or received by Striker in connection with the Arrangement or the Striker Meeting; (ii) any filings under Applicable Laws in connection with the Arrangement or the Striker Meeting; and (iii) any

documents related to dealings with Governmental Authorities in connection with the transactions contemplated herein;

- (v) Striker shall make all necessary filings and applications pursuant to Applicable Laws required to be made on the part of Striker in connection with the transactions contemplated by this Agreement and shall take all reasonable commercial action necessary to be in compliance with such Applicable Laws;
- (w) Striker shall conduct the Striker Meeting in accordance with the by-laws of Striker and any instrument governing the Striker Meeting (including, without limitation, the Interim Order), as applicable, and as otherwise required by law;
- (x) Striker shall use its reasonable commercial efforts to obtain and maintain the Third Party Approvals applicable to it and provide the same to Gear on or prior to the Effective Date;
- (y) Striker will provide Gear with all information and documentation reasonably requested by it in connection with obtaining the Third Party Approvals applicable to it;
- (z) Striker will furnish promptly to Gear and its legal counsel any requests from any governmental or regulatory authority for any information in respect of the business, operations, financial condition or assets of Striker or any third party complaint, investigation or hearing (or investigations indicating the same may be contemplated) to the extent that it relates to or could affect Striker or its properties or assets in a material way;
- (aa) Striker shall promptly advise Gear of the number of Striker Shares for which Striker receives notices of dissent or written objections to the Arrangement and provide Gear with copies of such notices and written objections, and subject to Applicable Laws, shall provide Gear with an opportunity to review and comment upon any written communications proposed to be sent by or on behalf of Striker to any Striker Shareholder exercising or purporting to exercise Dissent Rights in relation to the Striker Arrangement Resolution and reasonable consideration shall be given to any comments made by Gear and its counsel prior to sending any such written communications. Striker shall not settle any claims with respect to Dissent Rights without the prior written consent of Gear (which consent may be withheld in Gear's sole and absolute discretion);
- (bb) Striker shall use reasonable commercial efforts to resolve any material defects in title to its properties of which it is aware prior to the Effective Date and which would or may have a Material Adverse Effect on Striker or as otherwise requested by Gear acting reasonably and agrees to consult with Gear with respect to all such steps as are proposed to be taken in connection therewith;
- (cc) Striker shall take all commercially reasonable actions to give effect to the transactions contemplated by this Agreement and the Plan of Arrangement;
- (dd) Striker shall use its commercially reasonable efforts to fulfill or cause the fulfillment of the conditions set forth in Sections 5.1, 5.2 and 5.3 as soon as reasonably possible to the extent that the fulfillment of the same is within the control of Striker;
- (ee) Striker shall:

- (i) duly and on a timely basis file all Tax Returns required to be filed by it on or after the date hereof and on or prior to the Effective Date and all such Tax Returns will be true, complete and correct in all material respects;
 - (ii) timely pay all Taxes shown on such Tax Returns and make all required withholdings and remittances in respect of Taxes;
 - (iii) not make or rescind any Tax Return, or file any amended Tax Returns, where the result of such action is inconsistent with past practice or the Applicable Laws relating to Taxes;
 - (iv) not make a request for a ruling or decision from, or enter into any agreement with, any Governmental Authority relating to a material amount of Taxes;
 - (v) not settle any claim, action, suit, litigation, proceeding, arbitration, investigation, audit or controversy relating to a material amount of Taxes;
 - (vi) not, directly or indirectly, reduce the amount, or amend the characterization, of any of its individual categories of Tax Pools or any other tax attributes;
 - (vii) not make any changes in financial or Tax accounting methods, principles, policies or practices, except as required by GAAP or under Applicable Laws; and
 - (viii) properly reserve (and reflect such reserves in its books and records and financial statements) in a manner consistent with past practice, and in accordance with GAAP and Applicable Laws relating to Taxes, for all Taxes accruing in respect of Striker which are not due or payable prior to the Effective Date;
- (ff) Striker shall not make any Tax filings outside the ordinary course of business, including making, amending or rescinding any Tax Return;
- (gg) Striker will maintain its status as a "reporting issuer" (or similarly designated entity) not in default under the securities legislation in force in all provinces of Canada where it is a reporting issuer as at the date hereof;
- (hh) Striker will maintain the listing of the Striker Shares on the TSXV;
- (ii) Striker shall advise Gear, as Gear may request, and on a daily basis on each of the last ten Business Days prior to the proxy cutoff date for the Striker Meeting, as to the aggregate tally of the proxies received by Striker in respect of the Striker Arrangement Resolution and any other matters to be considered at the Striker Meeting;
- (jj) Striker shall make available to Gear, and consents to the use of, all financial statements, reserve information and other information of Striker which may be required to be disclosed by Gear in any Gear documents, including, without limitation, any business acquisition report, information circular or prospectus of Gear, and any amendments thereto, as may be necessary or required in respect of the Gear Financing or otherwise under Applicable Canadian Securities Laws. Such financial statements shall be prepared in accordance with GAAP. If required by Applicable Canadian Securities Laws, such financial statements shall be audited or reviewed, as the case may be, by Striker's auditors and Striker shall use its reasonable commercial efforts to have its auditors and reserve engineers, to the extent required by Applicable Canadian Securities Laws, provide the

consent to the use of their reports and the use of their name in connection with any disclosure by Gear of such financial statements and/or reserves reports; and

- (kk) Striker shall, and shall use its reasonable commercial efforts to, have its advisors and representatives to provide such cooperation to Gear as Gear may reasonably request in connection with the Gear Financing, including one or more of the following cooperative actions if so requested:
- (i) participating in meetings, drafting sessions and due diligence sessions;
 - (ii) furnishing the underwriters or agents with such financial, reserve, business, operational and other pertinent information regarding Striker as may be reasonably requested by Gear, the underwriters or the agents;
 - (iii) cooperating with Gear in connection with applications to obtain such consents, approvals or authorizations which may be reasonably necessary or desirable in connection with the Gear Financing;
 - (iv) using its reasonable commercial efforts to obtain customary accountants comfort letters, legal letters, professional firm consents and other documentation and items relating to the Gear Financing as requested by Gear and, if reasonably requested by Gear, to cooperate with and assist it in obtaining such documentation and items; and
 - (v) taking all such corporate actions that are necessary or customary to permit the consummation of the Gear Financing.

3.2 Covenants of Gear

Gear covenants and agrees that, from the date of this Agreement until the earlier of the Effective Date or termination of this Agreement in accordance with Article 8, except with the prior written consent of Striker (such consent not to be unreasonably withheld, conditioned or delayed), except as set forth in the Gear Interim Capital Budget or except as otherwise expressly permitted or specifically contemplated by this Agreement (including the Plan of Arrangement and the Gear Disclosure Letter) or required by Applicable Laws:

- (a) Gear shall conduct its business only in the usual and ordinary course of business consistent with past practices (for greater certainty, where it is an operator of any property, it shall operate and maintain such property in a proper and prudent manner in accordance with good industry practice and the agreements governing the ownership and operation of such property), it shall consult with Striker in respect of its ongoing business and affairs and keep Striker apprised of all material developments relating thereto, subject to Applicable Laws.
- (b) Gear shall not, directly or indirectly, do or permit to occur any of the following:
 - (i) amend its constating documents;
 - (ii) declare, set aside or pay any dividend or other distribution or payment (whether in cash, shares or property) in respect of its outstanding shares;
 - (iii) other than the grant of Gear Options, the issuance of Gear Shares pursuant to the Gear Financing, the issuance of Gear Shares on exercise of currently outstanding Gear Options

or the issuance of Gear Shares on the conversion of any of the Gear Debentures, issue, grant, sell or pledge or agree to issue, grant, sell or pledge any shares or other securities of Gear, or securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire, shares or other securities of Gear;

- (iv) redeem, purchase or otherwise acquire any of its outstanding shares or other securities, except as permitted pursuant to the terms thereof and as permitted in accordance with the terms hereunder;
 - (v) amend the terms of any of its securities;
 - (vi) split, combine or reclassify any of its securities;
 - (vii) adopt a plan of liquidation or resolutions providing for the liquidation, dissolution, consolidation or reorganization of Gear;
 - (viii) reduce the stated capital of Gear or any of the outstanding Gear Shares or any other shares of Gear;
 - (ix) take any action, refrain from taking any action, permit any action to be taken or not taken, inconsistent with this Agreement, which might directly or indirectly interfere with or affect the consummation of the Arrangement; or
 - (x) authorize or propose any of the foregoing, or enter into or modify any contract, agreement, commitment or arrangement to do any of the foregoing;
- (c) Gear shall not, directly or indirectly, do or permit to occur any of the following:
- (i) expend or commit to expend any amounts with respect to any operating expenses except to the extent such expenses are in the ordinary course of Gear's business consistent with past practice or except to the extent such expenses would not have a Material Adverse Effect on Gear and Striker, taken as a whole;
 - (ii) except in connection with entering into of the Gear New Credit Facility, incur, extend, renew or replace any indebtedness for borrowed money, or any other material liability or obligation or issue any debt securities or assume, guarantee, endorse or otherwise become responsible for, the obligations of any other individual or Person, or make any loans or advances other than in respect of fees payable to legal, financial and other advisors in connection with the Arrangement and other than where to do so would not have a Material Adverse Effect on Gear and Striker, taken as a whole;
 - (iii) pay, settle, discharge or satisfy any material claims, liabilities, litigation, lawsuits, arbitrations, proceedings or obligations other than as reflected or reserved against in the Gear Financial Statements or other than where to do so would not have a Material Adverse Effect on Gear and Striker, taken as a whole;
 - (iv) authorize, recommend or propose any release or relinquishment of any right under any Gear Material Contract other than where to do so would not have a Material Adverse Effect on Gear and Striker, taken as a whole;

- (v) waive, release, grant or transfer any material rights of value or modify or change in any material respect any existing license, lease, contract, production sharing agreement, government land concession or other material document other than where to do so would not have a Material Adverse Effect on Gear and Striker, taken as a whole; or
- (vi) authorize or propose any of the foregoing, or enter into or modify any contract, agreement, commitment or arrangement to do any of the foregoing;
- (d) Gear shall execute and adhere to the Gear Interim Capital Budget, unless otherwise agreed to by Striker, and Gear shall consult with Striker, on a regular basis, in respect of the ongoing business and affairs of Gear and keep Striker apprised of all material developments relating thereto;
- (e) Gear will promptly provide to Striker, for review and approval by Striker and its counsel, prior to filing or issuance of the same, any proposed public disclosure document relating to the Arrangement, including without limitation, any press release or material change report, subject to Gear's obligations under Applicable Laws to make timely disclosure of material information, and Striker agrees to keep such information confidential until same is filed as part of the Gear Public Record;
- (f) Gear shall use its reasonable commercial efforts to cause its current insurance (or re-insurance) policies not to be cancelled or terminated or any of the coverage thereunder to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance or re-insurance companies of nationally recognized standing providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect and shall pay all premiums in respect of such insurance policies that become due prior to the Effective Date;
- (g) Gear shall not take any action that would render, or may reasonably be expected to render, any representation or warranty made by Gear in this Agreement untrue in any material respect;
- (h) Gear, officers of Gear and the Gear Board of Directors and senior management shall take all reasonable actions to solicit proxies to be voted at the Gear Meeting in favour of matters to be considered at the Gear Meeting, including the Gear Resolution;
- (i) Gear shall ensure that it has available funds pursuant to the Gear Credit Facility to make, within the time periods contemplated herein, the payment of the amount which may be required by Section 6.1, having regard to its other liabilities and obligations, and shall take all such actions as may be necessary to ensure that it maintains such availability to ensure that it is able to pay such amount when required;
- (j) Gear shall promptly notify Striker in writing of any Material Adverse Change (actual, anticipated, contemplated or, to the knowledge of Gear threatened, financial or otherwise) in respect of Gear which is not reflected in the Gear Financial Statements, or of any change in any representation or warranty provided by Gear in this Agreement which change is not reflected in the Gear Financial Statements and which is or may be of such a nature to render any representation or warranty misleading or untrue in any material respect and Gear shall in good faith discuss with Striker any change in circumstances (actual, anticipated, contemplated, or to the knowledge of Gear threatened) which is of such a nature that there may be a reasonable question as to whether notice need to be given to Striker pursuant to this provision;

- (k) Gear shall use its reasonable commercial efforts to obtain and maintain the Third Party Approvals applicable to it and provide the same to Striker on or prior to the Effective Date;
- (l) Gear will provide Striker with all information and documentation reasonably requested in connection with obtaining the Third Party Approvals applicable to it;
- (m) Gear shall provide notice to Striker of the Gear Meeting and allow Striker's representatives to attend such meeting;
- (n) Gear shall cooperate with Striker in the preparation of the Information Circular and provide to Striker, in a timely and expeditious manner, all information as may be reasonably requested by Striker with respect to Gear, including the Gear Information, for inclusion in the Information Circular and any amendments or supplements thereto, in each case complying in all material respects with all Applicable Laws on the date of issue thereof;
- (o) Gear shall ensure that the Information Circular has been prepared in compliance with Applicable Laws and provides the Gear Shareholders with information in sufficient detail to permit them to form a reasoned judgment concerning the matters before them, and shall include, without limitation; (i) the Gear Information (as reviewed and commented on by Striker, acting reasonably); (ii) the Striker Information in the form approved by Striker (as reviewed and commented on by Gear, acting reasonably); (iii) any financial statements in respect of prior acquisitions made by it that are required to be included therein in accordance with Applicable Laws; (iv) the unanimous determinations and recommendations of the Gear Board of Directors as set forth in Section 2.9; and (v) a copy of the Gear Fairness Opinion provided that, notwithstanding the covenants of Gear in (iv), prior to the completion of the Arrangement, the Gear Board of Directors may withdraw, modify or change the recommendation regarding the Arrangement if, in the opinion of the Gear Board of Directors acting reasonably, having received the advice of its outside legal counsel which is reflected in minutes of the meeting of the Gear Board of Directors, such withdrawal, modification or change is required to act in a manner consistent with the fiduciary duties of the Gear Board of Directors and provided Gear has paid the Striker Termination Fee;
- (p) Gear shall ensure Striker and its counsel shall be given a reasonable opportunity to review and comment on drafts of the Gear Information to be included in the Information Circular and any other information prepared by Gear and its counsel for inclusion in the Information Circular and other documents related thereto, and reasonable consideration shall be given to any comments made by Striker and its counsel, provided that all Striker Information included in the Information Circular shall be in form and content satisfactory to Striker, acting reasonably;
- (q) Gear shall provide to Striker all such information respecting its operations and affairs as may be reasonably requested from time to time by Striker;
- (r) Gear shall use its reasonable commercial efforts to preserve intact its business organizations and goodwill and to maintain satisfactory relationships with suppliers, distributors, customers and others having business relationships with it;
- (s) except for proxies and non-substantive communications with third parties and communications to legal and other advisors of Gear, Gear will furnish promptly to Striker and its counsel: (i) a copy of each notice, report, schedule or other document delivered, filed or received by Gear in connection with the Arrangement or the Gear Meeting; (ii) any filings under Applicable Laws in

connection with the Arrangement and the Gear Meeting; and (iii) any documents related to dealings with Governmental Authorities in connection with the transactions contemplated herein;

- (t) Gear shall conduct the Gear Meeting in accordance with the by-laws of Gear and any instrument governing the Gear Meeting as applicable, and as otherwise required by law;
- (u) Gear shall take all commercially reasonable actions to give effect to the transactions contemplated by this Agreement and the Plan of Arrangement;
- (v) Gear shall make all necessary filings and applications under Applicable Laws required to be made on the part of Gear in connection with the transactions contemplated by this Agreement and shall take all reasonable commercial action necessary to be in compliance with such Applicable Laws;
- (w) Gear shall use its commercially reasonable efforts to fulfill or cause the fulfillment of the conditions set forth in Sections 5.1, 5.2 and 5.3 as soon as reasonably possible to the extent that the fulfillment of the same is within the control of Gear;
- (x) Gear shall indemnify and save harmless Striker and its directors, officers and agents from and against any and all liabilities, claims, demands, losses, costs, damages and expenses (excluding any loss of profits or consequential damages) to which Striker or any of its directors, officers or agents thereof may be subject or which Striker or any of its directors, officers or agents thereof may suffer, whether under the provisions of any statute or otherwise, in any way caused by, or arising, directly or indirectly, from or in consequence of:
 - (i) any misrepresentation or alleged misrepresentation contained solely in the Gear Information included in the Information Circular or in the Gear Public Record;
 - (ii) any order made or any inquiry, investigation or proceeding by any securities commission or other competent authority based upon any untrue statement or omission or alleged untrue statement or omission of a material fact or any misrepresentation or any alleged misrepresentation in the Gear Information or in the Gear Public Record which prevents or restricts the trading in the Gear Shares; or
 - (iii) Gear not complying with any requirement of Applicable Laws in connection with the transactions contemplated in this Agreement,

except that Gear shall not be liable in any such case to the extent that any such liabilities, claims, demands, losses, costs, damages and expenses arise out of or are based upon any misrepresentation or alleged misrepresentation based on the Striker Information, the negligence of Striker or the non-compliance by Striker with any requirement of Applicable Laws in connection with the transactions contemplated in this Agreement;

- (y) Gear shall:
 - (i) duly and on a timely basis file all Tax Returns required to be filed by it on or after the date hereof and on or prior to the Effective Date and all such Tax Returns will be true, complete and correct in all material respects;
 - (ii) timely pay all Taxes shown on such Tax Returns and make all required withholdings and remittances in respect of Taxes;

- (iii) not make or rescind any Tax Return, or file any amended Tax Returns, where the result of such action is inconsistent with past practice or the Applicable Laws relating to Taxes;
 - (iv) not make a request for a ruling or decision from, or enter into any agreement with, any Governmental Authority relating to a material amount of Taxes;
 - (v) not settle any claim, action, suit, litigation, proceeding, arbitration, investigation, audit or controversy relating to a material amount of Taxes;
 - (vi) not make any changes in financial or Tax accounting methods, principles, policies or practices, except as required by GAAP or under Applicable Laws; and
 - (vii) properly reserve (and reflect such reserves in its books and records and financial statements) in a manner consistent with past practice, and in accordance with GAAP and Applicable Laws relating to Taxes, for all Taxes accruing in respect of Gear which are not due or payable prior to the Effective Date;
- (z) Gear shall not make any Tax filings outside the ordinary course of business, including making, amending or rescinding any Tax Return;
 - (aa) Gear shall advise Striker, as Striker may request, and on a daily basis on each of the last ten Business Days prior to the proxy cut-off date for the Gear Meeting, as to the aggregate tally of the proxies received by Gear in respect of the Arrangement Resolution and any other matters to be considered at the Gear Meeting;
 - (bb) Gear shall apply to the TSX for conditional approval of the listing of the Gear Shares issuable pursuant to the Arrangement on the TSX and shall use all reasonable commercial efforts to obtain such conditional approval, subject only to customary conditions for listing of such Gear Shares, including receiving the approval of the Gear Shareholders for the Gear Resolution, prior to the mailing of the Information Circular;
 - (cc) Gear will continue to maintain its status as a "reporting issuer" (or similarly designated entity) not in default under the securities legislation in force in all provinces of Canada where it is a reporting issuer as at the date hereof; and
 - (dd) Gear will maintain the listing of the Gear Shares on the TSX.

3.3 Mutual Covenants Regarding the Arrangement

From the date of this Agreement until the earlier of the Effective Date or the termination of this Agreement, each of Striker and Gear will use its reasonable commercial efforts to: (i) satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder; (ii) not take, or cause to be taken, any action or cause anything to be done that would cause such obligations not to be fulfilled in a timely manner; and (iii) take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under Applicable Laws to complete the Arrangement, including using reasonable commercial efforts:

- (a) to obtain all necessary consents, assignments, waivers and amendments to or terminations of any agreements and take such measures as may be appropriate to fulfill its obligations hereunder and to carry out the transactions contemplated hereby;

- (b) to effect all necessary registrations, filings and submissions of information requested by Governmental Authorities required to be effected by it in connection with the Arrangement;
- (c) to oppose, lift or rescind any injunction or restraining or other order seeking to stop, or otherwise adversely affecting its ability to consummate the Arrangement and to defend, or cause to be defended, any proceedings to which it is a party or brought against it or its directors or officers challenging this Agreement or the consummation of the transactions contemplated hereby; and
- (d) to reasonably cooperate with the Other Party and their tax advisors in structuring the Arrangement in a tax effective manner, and assist the Other Party and their tax advisors in making such investigations and inquiries with respect to such Party in that regard, as the Other Party and their tax advisors shall consider necessary, acting reasonably, provided that such Party shall not be obligated to consent or agree to any structuring that has the effect of, in the case of Striker, reducing or, in the case of Gear, increasing, the consideration to be received under the Arrangement.

Each of Striker and Gear will use its reasonable commercial efforts to cooperate with the other in connection with the performance by the other of their obligations under this Section 3.3 and this Agreement including, without limitation, continuing to provide reasonable access to information and to maintain ongoing communications as between officers of Striker and Gear, subject in all cases to the Gear Confidentiality Agreement and the Striker Confidentiality Agreement, as applicable.

3.4 Covenants Regarding Non-Solicitation

- (a) Striker shall immediately cease and cause to be terminated all existing discussions and negotiations (including, without limitation, through any officers, directors, employees, representatives, agents or advisors of Striker or other parties on its behalf), with any parties (other than pursuant to this Agreement) with respect to any proposal that constitutes, or may reasonably be expected to constitute or lead to an Acquisition Proposal. Striker shall not amend, modify, waive, release or otherwise forebear in the enforcement of, and shall use all commercially reasonable efforts to enforce, any confidentiality, non-solicitation or standstill or similar agreements or provisions to which it and any third parties are parties. Striker shall discontinue access to any of its confidential information (and not establish or allow access to any of its confidential information, or any data room, virtual or otherwise) and shall as soon as possible request, to the extent that it is entitled to do so, and exercise all rights it has to require, the return or destruction of all confidential information provided to any third parties who have entered into a confidentiality or similar agreement with Striker relating to an Acquisition Proposal and shall request (and exercise all rights to require) the destruction of all material including or incorporating or otherwise reflecting any material confidential information regarding it and shall use all reasonable commercial efforts to ensure that such requests are honoured. Without limiting the foregoing, it is understood that any violation of the restrictions set forth in this Subsection (a) by Striker or its officers, directors, employees, advisors, representatives and agents shall be deemed to be a breach of this Subsection (a) by Striker.
- (b) Striker shall not, directly or indirectly, do or authorize or permit any of its officers, directors or employees or any financial advisor, expert or other representative retained by it to do, any of the following:
 - (i) solicit, assist, initiate, encourage or in any way facilitate (including by way of furnishing information, or entering into any form of written or oral agreement, arrangement or understanding), the making of any proposal or offer that constitutes or may constitute, or

may reasonably be expected to lead to, an Acquisition Proposal or inquiries, proposals or offers regarding an Acquisition Proposal;

- (ii) enter into or participate in any discussions or negotiations regarding an Acquisition Proposal, or furnish or provide access to any other Person any information, including with respect to its businesses, properties, assets, securities, liabilities, operations, prospects or condition (financial or otherwise), in connection with an 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;
- (iii) waive, or otherwise forbear in the enforcement of, or enter into or participate in any discussions, negotiations or agreements to waive or otherwise forbear in respect of, any rights or other benefits under confidential information agreements relating to an Acquisition Proposal, including, without limitation, any "standstill" or similar provisions thereunder (it being acknowledged and agreed that the automatic termination of any standstill provision of any such agreement as a result of entering into and the announcement of this Agreement by the Parties pursuant to the express terms of any such agreement, shall not be in violation of this Subsection (b));
- (iv) accept, recommend, approve, agree to or endorse, or propose publicly to accept, recommend, approve, agree to or endorse, any Acquisition Proposal or agreement, understanding or arrangement in relation thereto; or
- (v) withdraw or modify, or propose to withdraw or modify, in any manner adverse to Gear, the approvals, determinations and recommendations of the Striker Board of Directors as set out in Section 2.8,

provided, however, that notwithstanding any other provision hereof, Striker and its respective officers, directors and advisers may, prior to the Striker Meeting:

- (vi) enter into or participate in any discussions or negotiations with a third party who (without any solicitation, initiation or encouragement, directly or indirectly, after the date hereof, by it or any of its officers, directors, representatives, agents or advisors of Striker or other representative retained by it) seeks to initiate such discussions or negotiations with Striker, provided that such discussions or negotiations did not result from or are not connected to a breach of this Section 3.4, and subject to execution of a confidentiality and standstill agreement substantially similar to the Striker Confidentiality Agreement (provided that such confidentiality agreement shall provide for disclosure thereof (along with all information provided thereunder) to Gear as set forth below), Striker may furnish to such third party information concerning it and its business, properties and assets, in each case if, and only to the extent that:
 - (A) the third party has first made a Superior Proposal; and
 - (B) prior to furnishing such information to or entering into or participating in any such discussions or negotiations with such third party, it provides prompt notice to Gear to the effect that it is furnishing information to or entering into or participating in discussions or negotiations with such Person together with a copy of the confidentiality agreement referenced above and, if not previously provided to Gear, copies of all information provided to such third party concurrently with

the provision of such information to such third party, and provided further that it shall notify Gear orally and in writing of any inquiries, offers or proposals relating to or constituting an Acquisition Proposal (which written notice shall include, without limitation, a copy of any such proposal (and any amendments or supplements thereto), the identity of the Person making it, if not previously provided to Gear, copies of all information provided to such party, any material correspondence with respect thereto, and all other information reasonably requested by Gear) within 24 hours of the receipt thereof, and shall keep the Gear informed of the status and details of any such inquiry, offer or proposal and answer the respective questions of Gear with respect thereto on a timely basis; and

- (vii) accept, recommend, approve or enter into an agreement to implement a Superior Proposal from a third party, but only if prior to such acceptance, recommendation, approval or implementation:
 - (A) the Striker Board of Directors shall have concluded in good faith, after considering all proposals to adjust the terms and conditions of this Agreement as contemplated by Subsection (d) and after receiving the advice of outside counsel as reflected in minutes of the Striker Board of Directors that the taking of such action is necessary for such board of directors in discharge of its fiduciary duties under Applicable Laws; and
 - (B) Striker shall otherwise have complied with its obligations set forth in this Section 3.4, including without limitation Subsection (d), and terminates this Agreement in accordance with Section 8.1(a)(v) and concurrently therewith pays the Gear Termination Fee to Gear.
- (c) Striker shall promptly (and in any event within 24 hours of the receipt thereof) notify Gear (at first orally and then in writing) of any Acquisition Proposal (or any amendment thereto) or any request for non-public information relating to it or its business, properties or assets. Such notice shall include a copy of any written Acquisition Proposal (and any amendment thereto) which has been received or, if no written Acquisition Proposal has been received, a description of the material terms and conditions of, and the identity of the Person making any inquiry, proposal, offer or request. Striker shall also provide such further and other details of the Acquisition Proposal or any amendment thereto as Gear may reasonably request. Striker shall keep Gear promptly and fully informed of the status, including any change to material terms, of any Acquisition Proposal or any amendment thereto, shall respond promptly to all inquiries by Gear, with respect thereto, and shall provide Gear copies of all material correspondence and other written material sent to or provided to it by any Person in connection with such inquiry, proposal, offer or request or sent or provided by it to any Person in connection with such inquiry, proposal, offer or request.
- (d) Striker shall give Gear, orally and in writing, at least 72 hours advance notice of any decision by the Striker Board of Directors to accept, recommend, approve or enter into an agreement to implement a Superior Proposal, which notice shall:
 - (i) set out the Striker Board of Directors reasonable determination of the financial value of the consideration offered by such third party to Striker Shareholders under such Superior Proposal;

- (ii) confirm that the Striker Board of Directors has determined that such Acquisition Proposal constitutes a Superior Proposal; and
- (iii) identify the third party making the Superior Proposal and include a copy thereof and any amendments thereto.

During the 72 hour period commencing on the delivery of such notice, Striker agrees not to accept, recommend, approve or enter into any agreement to implement such Superior Proposal and not to release the party making the Superior Proposal from any standstill provisions and shall not withdraw, redefine, modify or change its recommendation in respect of the Arrangement. In addition, during such 72 hour period it shall, and shall cause its financial and legal advisors to, negotiate in good faith with Gear and its financial and legal advisors to make such adjustments in the terms and conditions of this Agreement and the Arrangement as would enable it to proceed with the Arrangement as amended rather than the Superior Proposal. In the event Gear proposes to amend this Agreement and the Arrangement such that the Superior Proposal ceases to be a Superior Proposal and so advises the Striker Board of Directors prior to the expiry of such 72 hour period, the Striker Board of Directors shall not accept, recommend, approve or enter into any agreement to implement such Superior Proposal, shall not release the party making the Superior Proposal from any standstill provisions and shall not withdraw, redefine, modify or change its recommendation in respect of the Arrangement. Each successive amendment to any Superior Proposal that results in an increase in, or modification of, the consideration (or value of such consideration) to be received by the Striker Shareholders pursuant thereto shall constitute a new Superior Proposal for the purposes hereof and a new 72 hour period shall commence.

- (e) Striker shall reaffirm its recommendation of the Arrangement by press release promptly and in any event within 120 hours of any written request to do so by Gear (or, in the event that the Striker Meeting to approve the Arrangement is scheduled to occur within such 120 hour period, prior to the scheduled date of such meeting) in the event that: (i) any Acquisition Proposal which is publicly announced is determined not to be a Superior Proposal; or (ii) the Parties have entered into an amended agreement pursuant to Subsection (d) which results in any Acquisition Proposal not being a Superior Proposal.
- (f) Each of Striker and Gear agree that all information that may be provided to Gear by Striker with respect to any Acquisition Proposal pursuant to this Section 3.4 shall be treated as if it were "**Confidential Information**" as that term is defined in the Striker Confidentiality Agreement and shall not be disclosed or used except in accordance with the provisions of the Striker Confidentiality Agreement or in order to enforce its rights under this Agreement in legal proceedings.
- (g) Striker shall ensure that its officers, directors, employees, representatives, agents or advisors retained by it are aware of the provisions of this Section 3.4 and shall be responsible for any breach of this Section 3.4 by any of them.
- (h) Nothing in this Agreement shall prevent the Striker Board of Directors from complying with Section 2.17 of National Instrument 62-104 — *Take Over Bids and Issuer Bids* of the Canadian Securities Administrators and similar provisions under Applicable Canadian Securities Laws relating to the provision of directors' circulars in respect of an Acquisition Proposal that is not a Superior Proposal but only following compliance with Subsection (d) by Striker.

3.5 Provision of Information; Access

- (a) Until the Effective Date or termination of this Agreement, Striker shall provide Gear and its representatives access, during normal business hours and at such other time or times as Gear may reasonably request, to its premises (including field offices and sites), books, contracts, records, computer systems, properties, employees and management personnel and shall furnish to Gear all information concerning its business, properties and personnel as Gear may reasonably request, which information shall remain subject to the Striker Confidentiality Agreement, in order to permit Gear to be in a position to expeditiously and efficiently integrate the business and operations of Striker immediately upon but not prior to the Effective Date. Without limitation, Striker agrees to keep Gear fully apprised in a timely manner of every circumstance, action, occurrence or event occurring or arising after the date hereof that would be relevant and material to a prudent operator of the business and operations of Striker. Striker shall confer with and obtain Gear's approval (not to be unreasonably withheld, conditioned or delayed), prior to taking action (other than in emergency situations) with respect to all operational matters involved in its business, including, without limitation, decisions with respect to drilling, completions, equipping, recompletions, shut-ins and timing for tying in production from wells, and Gear representatives may attend at and participate in all weekly operations meetings held by Striker.
- (b) Until the Effective Date or termination of this Agreement, Gear shall provide Striker and its representatives access, during normal business hours and at such other time or times as Striker may reasonably request, to its premises (including field offices and sites), books, contracts, records, computer systems, properties, employees and management personnel and shall furnish to Striker all information concerning its business, properties and personnel as Striker may reasonably request, which information shall remain subject to the Gear Confidentiality Agreement.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties of Striker

Striker represents and warrants to and in favour of Gear and acknowledges that Gear is relying upon such representations and warranties in connection with the matters contemplated by this Agreement and the consummation of the Arrangement:

- (a) Organization and Qualification: Striker has been duly amalgamated and is validly subsisting under the Applicable Laws of the Province of Alberta and has the requisite power and authority to own its assets and properties as now owned and to carry on its business as now conducted. Striker is duly registered or authorized to conduct its affairs or do business, as applicable, and is in good standing in each jurisdiction in which the character of its assets and properties, owned, leased, licensed or otherwise held, or the nature of its activities makes such registration or authorization necessary. Copies of the constating documents Striker have been provided to Gear, together with all amendments to date, and such constating documents are accurate and complete as of the date hereof and have not been amended or superseded.
- (b) Authority Relative to this Agreement: Striker has the requisite corporate power and authority to execute this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the consummation by Striker of the transactions contemplated by the Arrangement has been duly authorized by the Striker Board of Directors and, subject to the requisite approval of the Striker Shareholders and the obtaining of the Final Order, no other

proceedings on the part of Striker are necessary to authorize this Agreement or the Arrangement. This Agreement has been duly executed and delivered by Striker and constitutes a legal, valid and binding obligation of Striker enforceable against it in accordance with its terms, subject to the qualification that such enforceability may be limited by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other Applicable Laws of general application relating to or affecting rights of creditors and that equitable remedies, including specific performance, are discretionary and may not be ordered.

- (c) Subsidiaries: Striker has no subsidiaries.
- (d) No Restrictions: There are no rights of first refusal and similar rights restricting transfer of the Striker Shares contained in shareholders, partnership, joint venture or similar agreements or pursuant to existing financing arrangements and there are no outstanding contractual or other obligations of Striker to repurchase, redeem or otherwise acquire any of its securities or with respect to the voting or disposition of any of its outstanding securities.
- (e) No Violations: Except as contemplated by this Agreement:
 - (i) neither the execution and delivery of this Agreement by Striker nor the consummation of the transactions contemplated by the Arrangement nor compliance by Striker with any of the provisions hereof will:
 - (A) other than pursuant to the Striker Credit Facilities, violate, conflict with, or result in a breach of any provision of, require any consent, approval or notice under, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) or result in a right of termination or acceleration under, or result in the creation of any Encumbrance upon any of the properties or assets of Striker or cause any indebtedness to come due before its stated maturity or cause any credit to cease to be available, under any of the terms, conditions or provisions of: (1) articles or by-laws of Striker; or (2) any note, bond, mortgage, indenture, loan agreement, deed of trust agreement, lien, contract or other instrument or obligation to which Striker is a party or to which it, or any of its properties or assets, may be subject or by which Striker is bound;
 - (B) subject to compliance with applicable statutes and regulations and stock exchange rules, violate any judgment, ruling, order, writ, injunction, determination, award, decree, statute, ordinance, rule or regulation applicable to Striker or any of its properties or assets; or
 - (C) cause the suspension or revocation of any authorization, consent, approval or license currently in effect; and
 - (ii) other than in connection with or in compliance with the provisions of Applicable Laws and the policies of the TSXV in relation to the completion of the Arrangement or which are required to be fulfilled post Arrangement, and except for requisite approvals of the Striker Shareholders, any consents or approvals required under the Striker Credit Facilities and the obtaining of the Final Order:
 - (A) there is no legal impediment to Striker's consummation of the Arrangement; and

- (B) no filing or registration with, or authorization, consent or approval of, any domestic or foreign public body or authority is required of Striker in connection with the consummation of the Arrangement, except for such filings or registrations which, if not made, or for such authorizations, consents or approvals which, if not received, would not, individually or in the aggregate, have a Material Adverse Effect on Gear or Striker or significantly impede the ability of Striker to consummate the Arrangement.
- (f) Litigation: There are no claims, actions, suits, proceedings, investigations, arbitrations, audits, grievances, assessments or reassessments in existence or pending or, to the knowledge of Striker, threatened or for which there is a reasonable basis, affecting or that would reasonably be expected to affect Striker or affecting or that would reasonably be expected to affect any of its properties or assets at law or in equity or before or by any court or Governmental Authority which claim, action, suit, proceeding, investigation, arbitration, audit, grievance, assessment or reassessment involves a possibility of any judgment against or liability of Striker.
- (g) Taxes, etc.:
- (i) All Tax Returns required to be filed by or on behalf of Striker have been duly filed on a timely basis and all such tax returns are true, complete and correct in all material respects. All Taxes or instalments of Taxes shown to be payable on such Tax Returns, or on subsequent assessments with respect thereto, have been paid in full on a timely basis, and no other material Taxes are payable by Striker with respect to items or periods covered by such Tax Returns.
- (ii) There are no assessments or reassessments of any Taxes that have been issued or are outstanding, or pursuant to which there are any amounts owing. No Governmental Authority has audited, challenged, disputed or questioned Striker in respect of Taxes or of any returns, filings or other reports filed under any statute providing for Taxes. Striker is not negotiating any draft assessment or reassessment with any Governmental Authority. Striker is not aware of any contingent liabilities for a material amount of Taxes or any grounds for an assessment or reassessment with respect thereto including, without limitation, aggressive treatment of income, expenses, credits or other claims for deduction under any return or notice. Striker has not received any indication from any Governmental Authority that an audit, assessment or reassessment is proposed in respect of any Taxes, regardless of its merits. Striker has not executed or filed with any Governmental Authority any agreement extending the period for the filing of any Tax Returns or for the assessment, reassessment or collection of any Taxes. Striker has not requested, nor entered into any agreement or other arrangement, or executed any waiver providing for, any extension of time within which: (A) to file any Tax Return for which Striker is or may be liable; (B) to file any elections, designations or similar documents or instruments relating to Taxes for which Striker is or may be liable; (C) Striker is required to pay or remit any Taxes or amounts on account thereof; or (D) any Governmental Authority may assess, reassess or collect Taxes for which either Striker is or may be liable.
- (iii) Striker has paid or has withheld and remitted to the appropriate Taxing Authority all Taxes on a timely basis and in accordance with Applicable Laws relating to Taxes, including any instalments or prepayments of Taxes, that are due and payable whether or not shown as being due on any Tax Return, or, where payment is not yet due, Striker has established adequate accruals in conformity with GAAP in the Striker Financial

Statements for the period covered by such financial statements for any Taxes, including income taxes and related future taxes, if applicable, that have not been paid, whether or not shown as being due on any Tax Return. Striker has made adequate provision or disclosure in its books and records for any Taxes accruing in respect of any period subsequent to the period covered by such financial statements, whether or not shown as being due on any Tax Return. The liability for Taxes has been assessed for all taxation periods up to and including December 31, 2014.

- (iv) Striker has made available to Gear true and complete copies of: (A) audit reports, statements of deficiencies, closing or other agreements received by Striker, or on behalf of Striker, relating to the Taxes for any taxation period; and (B) all Tax Returns for Striker for all taxable periods.
- (v) No material deficiencies exist, have been asserted, or to the knowledge of Striker, have been threatened, by any Governmental Authority with respect to Taxes of Striker that have not yet been settled.
- (vi) Striker is not a party to any sharing, indemnity or allocation agreement or arrangement relating to Taxes, and Striker has not, nor could it have, any liabilities or obligations in respect of Taxes under any such sharing, indemnity or allocation agreement relating to Taxes. No material liability (or reasonable claim of material liability) shall arise under any sharing, indemnity or allocation agreement or arrangement relating to Taxes or as a result of the transactions contemplated hereby.
- (vii) All ad valorem, property, production, severance and similar Taxes and assessments based on or measured by the ownership of property or the production of Striker's hydrocarbon substances, or the receipt of proceeds therefrom, payable in respect of Striker's oil and gas assets prior to the date hereof have been properly and fully paid and discharged in all material respects, and there are no unpaid Taxes or assessments which could result in a lien or charge on Striker's oil and gas assets.
- (viii) Striker has not claimed in any Tax Return for any taxation year ending on or before the date hereof any reserve (including, without limitation, any reserve under paragraph 20(1)(m) or 20(1)(n) or subparagraph 40(1)(a)(iii) of the Tax Act or any analogous provision under the legislation of any province or other jurisdiction) of any amount which could be included in the income of Striker for any period ending after the date hereof.
- (ix) No facts, circumstances or events exist or have existed that have resulted in or may result in the application of any of sections 79, 79.1, 80 to 80.04 of the Tax Act to Striker.
- (x) Striker has not acquired property from a non-arm's length person, within the meaning of the Tax Act, for consideration, the value of which is less than the fair market value of the property acquired in circumstances which would subject it to a liability under section 69 or 160 of the Tax Act or under any equivalent provisions of any applicable legislation.
- (xi) Striker has complied with all registration, reporting, collection and remittance requirements in respect of all federal and provincial sales tax legislation including, but not limited, to the *Excise Tax Act* (Canada). Striker has provided to Gear all invoices, purchase orders, and all such other documents as are necessary to report any claim for income tax credits or refunds claimed or to be claimed pursuant to the *Excise Tax Act* (Canada).

- (xii) Striker has not breached any flow-through share agreement to which it is a party in respect of the issuance of flow-through shares (as defined in the Tax Act) and Striker does not have any outstanding obligations to incur and/or renounce Canadian exploration expenses or Canadian development expenses (all as defined in the Tax Act) which it covenanted to incur and renounce nor has any Governmental Authority or Striker reduced any amount renounced by Striker pursuant to subsection 66(12.73) of the Tax Act.
- (xiii) Striker has not made any payment, nor is it obligated to make any payment, and it is not a party to any agreement under which it could be obligated to make any payment, that may not be deductible by virtue of section 67 or 78 of the Tax Act or any analogous provincial or similar provision.
- (xiv) Records or documents that meet the requirements of subsections 247(4)(a) to (c) of the Tax Act have been made and obtained by Striker with respect to all material transactions between Striker and any non-resident person with whom Striker was not dealing at arm's length within the meaning of the Tax Act.
- (h) Investment Canada Act: Striker is not a "non-Canadian" person within the meaning of the *Investment Canada Act* (Canada).
- (i) Tax Act Residency: Striker is not a non-resident for the purposes of the Tax Act and is a taxable Canadian corporation within the meaning of subsection 89(1) of the Tax Act.
- (j) Reporting Issuer Status: Striker is a "reporting issuer" in the provinces of Alberta, British Columbia, Saskatchewan, Manitoba and Ontario and is in material compliance with all Applicable Canadian Securities Laws therein and the Striker Shares are listed and posted for trading on the TSXV. Striker is not in default of any material requirements of any Applicable Canadian Securities Laws or any rules or regulations of, or agreement with, the TSXV. No delisting, suspension of trading in or cease trading order with respect to the Striker Shares is pending or, to the knowledge of Striker, threatened. Striker has timely filed with the Securities Authorities all material forms, reports, schedules, statements and other documents required to be filed by Striker with the Securities Authorities since becoming a "reporting issuer". Striker has not filed any confidential material change report that, at the date hereof, remains confidential.
- (k) Capitalization: As of the date hereof, the authorized capital of Striker consists of an unlimited number of Striker Shares and an unlimited number of preferred shares, issuable in series. As of the date hereof, there are issued and outstanding 32,235,642 Striker Shares and no other shares are issued and outstanding. Other than: (i) Striker Options to acquire up to 2,748,750 Striker Shares, and (ii) Striker Warrants to acquire up to 2,997,500 Striker Shares, there are no options, warrants or other rights, plans agreements or commitments of any nature whatsoever requiring the issuance, sale or transfer by Striker of any securities of Striker (including Striker Shares) or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any securities of Striker (including Striker Shares). All outstanding Striker Shares have been duly authorized and validly issued, are fully paid and non-assessable and are not subject to, nor were they issued in violation of, any pre-emptive rights and all Striker Shares issuable upon the exercise or satisfaction, as the case may be, of Striker Options and Striker Warrants in accordance with the terms of such securities will be duly authorized and validly issued as fully paid and non-assessable and will not be subject to any pre-emptive rights. Other than the Striker Shares, there are no securities of Striker outstanding which have the right to vote generally (except that the Striker Options and Striker Warrants exercisable or convertible into or

exchangeable for securities having the right to vote generally) with the Striker Shareholders on any matter.

- (l) Equity Monetization Plans: There are no outstanding stock appreciation rights, phantom equity, profit sharing plan or similar rights, agreements, arrangements or commitments payable to any employee of Striker and which are based upon the revenue, value, income or any other attribute of Striker.
- (m) No Orders: No order, ruling or determination having the effect of suspending the sale of, or ceasing the trading of, the Striker Shares or any other securities of Striker have been issued by any Governmental Authority and is continuing in effect and no proceedings for that purpose have been instituted, are pending or, to the knowledge of Striker, are contemplated or threatened under any Applicable Laws or by any Governmental Authority.
- (n) Reports: As of the respective dates of the documents contained in the Striker Public Record, such documents did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading in any material respect and complied in all material respects with all Applicable Laws.
- (o) Striker Financial Statements: The Striker Financial Statements were prepared in accordance with GAAP, consistently applied, (except (i) as otherwise indicated in such financial statements and the notes thereto or, in the case of audited statements, in the related report of Striker's independent auditors, or (ii) in the case of unaudited interim statements, to the extent they may not include footnotes, are subject to normal year-end adjustments or may be condensed or summary statements), and present fairly in accordance with GAAP, consistently applied, the financial position, results of operations and changes in financial position of Striker on a consolidated basis as of the dates thereof and for the periods indicated therein (subject, in the case of any unaudited interim financial statements, to normal year-end audit adjustments). There has been no material change in Striker accounting policies since January 1, 2014.
- (p) Books and Records: The financial books, records and accounts of Striker, in all material respects, (i) have been maintained in accordance with good business practices on a basis consistent with prior years, (ii) are stated in reasonable detail and accurately and fairly reflect the material transactions and dispositions of the assets of Striker, and (iii) accurately and fairly reflect the basis for the Striker Financial Statements. The corporate records and minute books of Striker have been maintained substantially in compliance with Applicable Laws and are complete and accurate in all material respects, and full access thereto has been provided to Gear.
- (q) Absence of Certain Changes or Events: Except for the Arrangement or any action taken in accordance with this Agreement, since January 1, 2014, other than as reflected in the Striker Public Record:
 - (i) Striker has conducted its business only in the ordinary course of business substantially consistent with past practice;
 - (ii) no liability or obligation of any nature (whether absolute, accrued, contingent or otherwise) material to Striker has been incurred other than in the ordinary course of business other than where such liability or obligation would not have a Material Adverse Effect on Striker;

- (iii) there has been no Material Adverse Change in respect of Striker; and
- (iv) Striker has not, and to the knowledge of Striker, no director, officer, employee or auditor of Striker, has received or otherwise had or obtained knowledge of any fraud or material complaint, allegation, assertion or claim, whether written or oral, regarding fraud or the accounting or auditing practices, procedures, methodologies or methods of Striker or its internal accounting controls.
- (r) Registration, Exemption Orders, Licenses, etc.: To the knowledge of Striker, Striker has obtained and is in material compliance with all material Governmental Authorizations. Such Governmental Authorizations are in full force and effect in accordance with their terms, and no event has occurred or circumstance exists that (with or without notice or lapse of time) may constitute or result in a material violation of any such Governmental Authorization. No material proceedings are pending or, to the knowledge of Striker, threatened, which could result in the revocation or limitation of any material Governmental Authorization, and all steps have been taken and filings made on a timely basis with respect to each material Governmental Authorization and its renewal.
- (s) Compliance with Laws: The operations and business of Striker are and have been carried out in compliance with and not in violation of any Applicable Laws in all material respects, and Striker has not received any notice of any alleged material violation of any such Applicable Laws.
- (t) Restrictions on Business Activities: There is no judgment, injunction or order binding upon Striker, and Striker is not subject to any contractual commitment, that has or could reasonably be expected to have the effect of prohibiting, restricting or impairing its business or, individually or in the aggregate, have a Material Adverse Effect on Striker.
- (u) Non-Arm's Length Transactions: Except for amounts due as normal salaries and bonuses and in reimbursement of ordinary expenses and for the conditional resignation agreements between Striker and each of the officers of Striker, there are no Contracts or other transactions (including with respect to loans or other indebtedness) currently in place between Striker, on the one hand, and (i) any officer, director or employee of, or consultant to Striker, (ii) any holder of record or beneficial owner of 10% or more of the voting securities of Striker, or (iii) any associate or affiliate of any such Person (collectively, "**Striker Related Parties**"). No Striker Related Party, owns, has or is entitled to any royalty, net profits interest, carried interest, participation interest, or any other Encumbrances or claims of any nature whatsoever which are based on production from the properties or assets of Striker or any revenue or rights attributed thereto.
- (v) Title: Although it does not warrant title, Striker has no reason to believe that Striker does not have title to or the right to produce and sell its petroleum, natural gas and related hydrocarbons (for the purpose of this Section, the foregoing are referred to as the "**Striker Interests**") and does represent and warrant that the Interests are free and clear of adverse claims created by, through or under Striker except for Permitted Encumbrances and that, to the best of its knowledge, information and belief, Striker holds the Striker Interests under valid and subsisting leases, licences, permits, concessions, concession agreements, contracts, subleases, reservations or other agreements.
- (w) Striker Reserves Report: Striker has made available to GLJ, prior to the issuance of its report dated March 2, 2016 evaluating the crude oil, natural gas liquids and natural gas reserves of Striker as at December 31, 2015 (the "**Striker Reserves Report**"), for the purpose of preparing the Striker Reserves Report, all information requested by GLJ, which information did not contain any misrepresentation at the time such information was provided. Except with respect to changes

in the prices of oil and gas or as a result of production since such time, Striker has no knowledge of any material adverse change in any production, reserves or other relevant information provided to GLJ since the date that such information was provided. Striker believes that the Striker Reserves Report reasonably presents the quantity and pre-tax present worth values of the oil and natural gas reserves attributable to the crude oil, natural gas liquids and natural gas properties evaluated in such report as of its effective date based upon information available at the time such reserves information was prepared, and Striker believes that, at the date of such report, such report did not (and as of the date hereof, except as may be attributable to production since the date of such report, does not) overstate the aggregate quantity or pre-tax present worth values of such reserves or the estimated monthly production volumes therefrom.

- (x) Absence of Undisclosed Liabilities: Striker does not have any material liabilities of any nature (matured or unmatured, fixed or contingent), other than:
 - (i) those set forth or adequately provided for in the most recent balance sheet and associated notes thereto included in the Striker Financial Statements (for the purposes of this Section, the "**Striker Balance Sheet**");
 - (ii) those incurred subsequent to the date of the Striker Balance Sheet in the ordinary course of business; and
 - (iii) those incurred in connection with the execution of this Agreement.
- (y) Absence of Undisclosed Changes: There has not been any material change in the capital, assets, liabilities or obligations (absolute, accrued, contingent or otherwise) of Striker on a consolidated basis from the position set forth in the Striker Financial Statements and Striker has not incurred or suffered a Material Adverse Change since December 31, 2015 and since that date there have been no material facts, transactions, events or occurrences which would have a Material Adverse Effect on the capital, assets, liabilities or obligations (absolute, accrued, contingent or otherwise), condition (financial or otherwise) or results of the operations of Striker which have not been disclosed in the Striker Public Record.
- (z) No Defaults: Striker is not in default under, and there exists no event, condition or occurrence which, after notice or lapse of time or both, would constitute such a default under, any Contract, agreement or licence to which it is a party or by which it is bound which would, if terminated or upon exercise of a right made available to a third party solely by a reason of such a default due to such default, individually or in the aggregate, have a Material Adverse Effect on Striker. Striker is not in violation of any Applicable Laws which violation could have a Material Adverse Effect on Striker.
- (aa) Pre-emptive Rights: There are no outstanding rights of first refusal or other pre-emptive rights of purchase which entitle any person to acquire any of the material rights, title, interests, property, licenses or assets of Striker that will be triggered or accelerated by the Arrangement.
- (bb) Environmental: Except to the extent that violations or other matters referred to in this subparagraph would not, individually or in the aggregate, have a Material Adverse Effect on Striker:
 - (i) Striker is not in violation of any applicable Environmental Laws;

- (ii) Striker has operated its business at all times and has received, handled, used, stored, treated, shipped and disposed of all Hazardous Substances in compliance with Environmental Laws;
 - (iii) there have been no spills, releases, deposits or discharges of Hazardous Substances, or wastes into the earth, subsoil, underground waters, air or into any body of water or any municipal or other sewer or drain water systems by Striker, or on or underneath any location which is or was currently or formerly owned, leased or otherwise operated by Striker, that have not been fully remediated;
 - (iv) no orders, directions or notices have been issued and remain outstanding pursuant to any Environmental Laws relating to the business or assets of Striker which Parties has received notice;
 - (v) Striker has not failed to report to the proper Governmental Authority the occurrence of any event which is required to be so reported by any Environmental Law;
 - (vi) Striker holds all Environmental Approvals required in connection with the operation of its business and the ownership and use of its assets, all Environmental Approvals are in full force and effect, and Striker has not received any notification pursuant to any Environmental Laws that any work, repairs, constructions or capital expenditures are required to be made by it as a condition of continued compliance with any Environmental Laws or Environmental Approvals, or that any Environmental Approval referred to above is about to be reviewed, made subject to limitation or conditions, revoked, withdrawn or terminated;
 - (vii) there are no pending or, to the knowledge of Striker, threatened claims, liens or encumbrances resulting from Environmental Laws with respect to any of the properties of Striker currently or formerly owned, leased, operated or otherwise used; and
 - (viii) Striker has not assumed or retained by contract or operation of law any losses, expenses, claims, damages or liabilities of any third-party pursuant to applicable Environmental Laws.
- (cc) Material Contracts: The Striker Disclosure Letter contains an accurate list of all of the following Contracts, correct, current and complete copies of which have been made available to Gear (the "**Striker Material Contracts**"): (i) all Contracts containing any rights on the part of any Person, including joint venture partners or entities, to acquire oil and gas or other property rights from Striker; (ii) all Contracts containing any rights on the part of Striker to acquire oil and gas or other property rights from any Person; (iii) any Contract in respect of which the applicable transaction has not yet been consummated for the acquisition or disposition of assets or securities or other equity interests of another Person; (iv) any standstill or similar Contract currently restricting the ability of Striker to offer to purchase or purchase the assets or equity securities of another Person; (v) all Contracts which entitle a party to rights of termination, the terms or conditions of which may or will be altered, or which entitle a party to any fee, payment, penalty or increased consideration, in each case as a result of the execution of this Agreement, the consummation of the transactions contemplated hereby or a "change in control" of Striker including without limitation any seismic license or similar agreements; and (vi) all Contracts pursuant to which Striker will, or may reasonably be expected to, result in a requirement of Striker to expend more than an aggregate of \$10,000 or receive or be entitled to receive revenue of more than an aggregate of \$10,000 in either case in the next 12 months, or is out of the ordinary course of

business of Striker. Each of such Striker Material Contracts constitutes a legally valid and binding agreement of Striker, enforceable in accordance with their respective terms and, to the knowledge of Striker, no party thereto is in default in the observance or performance of any term or obligation to be performed by it under any such Contract or agreement which is material to the business of Striker and no event has occurred which with notice or lapse of time or both would directly or indirectly constitute such a default, in any such case which default or event would reasonably be expected to have a Material Adverse Effect on Striker.

(dd) Employee Benefit Plans: Striker has made available to Gear true, complete and correct copies of each employee benefits plan (collectively, the "**Striker Plans**") covering active, former or retired employees of Striker, any related trust agreement, annuity or insurance contract or other funding vehicle, and:

- (i) each Striker Plan has been maintained and administered in material compliance with its terms and is, to the extent required by Applicable Law or contract, fully funded without having any deficit or unfunded actuarial liability or adequate provision has been made therefor;
- (ii) all required employer contributions under any such plans have been made and the applicable funds have been funded in accordance with the terms thereof;
- (iii) each Striker Plan that is required or intended to be qualified under Applicable Law or registered or approved by a Governmental Authority has been so qualified, registered or approved by the appropriate Governmental Authority, and to the knowledge of Striker, nothing has occurred since the date of the last qualification, registration or approval that would reasonably be expected to adversely affect, or cause, the appropriate Governmental Authority to revoke such qualification, registration or approval;
- (iv) to the knowledge of Striker, there are no pending or anticipated claims against or otherwise involving any of the Striker Plans and no suit, action or other litigation (excluding claims for benefits incurred in the ordinary course of Striker Plan activities) has been brought against or with respect to any Striker Plan;
- (v) all contributions, reserves or premium payments required to be made to the Striker Plans have been made or provided for; and
- (vi) Striker does not have any obligations for retiree health and life benefits under any Striker Plan.

(ee) Employees:

- (i) Striker has disclosed in the Striker Disclosure Letter all employees and consultants of Striker, including the Striker Change of Control Payments payable to such employees and consultants.
- (ii) No trade union, council of trade unions, employee bargaining agency or affiliated bargaining agent holds bargaining rights with respect to any employees of Striker by way of certification, interim certification, voluntary recognition, designation or successor rights or has applied to have Striker declared a related employer or successor employer pursuant to applicable labour legislation. Striker has not engaged in any unfair labour practices and, no strike, lock-out, work stoppage, or other labour dispute is occurring.

There are no threatened or pending strikes, work stoppages, picketing, lock-outs, hand-billings, boycotts, slowdowns or similar labour related disputes pertaining to Striker. Striker has not engaged in any closing or lay-off activities within the past two years that would violate or in any way subject Striker to the group termination or lay-off requirements of Applicable Laws.

- (iii) Striker has not recognized any trade union or has any staff association, staff council, works council or other organisation formed for or arrangements having a similar purpose and no notification to any trade union, staff association, staff council, works council or other organisation formed for or in respect of any arrangements having a similar purpose is required by Striker for the purpose of consummating the transactions contemplated by this Agreement.
- (ff) Employment Agreements: Except as set forth in the Striker Disclosure Letter:
- (i) Striker is not a party to any written contracts of employment or consultancy which may not be terminated on one month's notice, or which provide for payments occurring on a change of control of Striker; and
 - (ii) Striker is not a party to any employment agreement, consultancy agreement, or to any written or oral policy, agreement, obligation or understanding which contains any specific agreement as to notice of termination or severance pay in lieu thereof or which cannot be terminated without cause upon giving reasonable notice as may be implied by Applicable Law, or which creates rights in respect of loss or termination of office or employment or consultancy in relation to the Arrangement or which contains any specific agreement as to obligations arising on a change of control or as to notice of termination or severance pay in lieu thereof.
- (gg) Brokers and Finders: Other than the Striker Financial Advisory Fees which will be included in the Striker Transaction Costs, Striker has not retained nor will it retain any financial advisor, broker, agent or finder or pay or agreed to pay any financial advisor, broker, agent or finder on account of this Agreement, any transaction contemplated hereby or any transaction presently ongoing or contemplated.
- (hh) Rights Plans: Striker does not have a shareholder rights plan or any other form of plan, agreement, contract or instrument that will trigger any rights to acquire Striker Shares or other securities of Striker or rights, entitlements or privileges in favour of any Person upon the entering into of this Agreement or in connection with the Arrangement.
- (ii) Employment and Officer Obligations: Except as set forth in the Striker Disclosure Letter, there are no existing health plans or pension obligations, employment or consulting services agreements, or termination, severance, bonus, change of control or retention plans or policies of Striker.
- (jj) Fairness Opinion: The Striker Board of Directors received the Striker Fairness Opinion from FirstEnergy Capital Corp. that the consideration to be received by Striker Shareholders in connection with the Arrangement is fair, from a financial point of view, to the Striker Shareholders.
- (kk) Insurance: Policies of insurance that are in force as of the date hereof naming Striker as an insured adequately and reasonably cover all risks as are customarily covered by oil and gas

producers in the industry in which Striker operates and having regard to the nature of the risk insured and the relative cost of obtaining insurance to protect the interests of Striker. All such policies shall remain in force and effect and shall not be cancelled or otherwise terminated as a result of the transactions contemplated by this Agreement.

- (ll) Board Approval: The Striker Board of Directors has unanimously (other than directors who are not eligible to vote on such matters in accordance with the ABCA) made the determinations and recommendations as set forth in Section 2.8.
- (mm) Proceeds of Crime: Striker has not, directly or indirectly, (i) made or authorized any contribution, payment or gift of funds or property to any official, employee or agent of any governmental agency, authority or instrumentality of any jurisdiction, or (ii) made any contribution to any candidate for public office, in either case, where either the payment or the purpose of such contribution, payment or gift was, is, or would be prohibited under the *Canada Corruption of Foreign Public Officials Act* (Canada) or the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) or the rules and regulations promulgated thereunder or under any other legislation of any relevant jurisdiction covering a similar subject matter applicable to Striker and its operations and Striker has instituted and maintained policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance with such legislation.
- (nn) Swaps: Except as set forth in the Striker Disclosure Letter, Striker has no obligations or liabilities, direct or indirect, vested or contingent in respect of any rate swap transactions, basis swaps, forward rate transactions, commodity swaps, commodity options, equity or equity index swaps, equity or equity index options, bond options, interest rate options, foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross currency rate swap transactions, currency options, production sales transactions having terms greater than 30 days or any other similar transactions (including any option with respect to any of such transactions) or any combination of such transactions.
- (oo) Arrangements in Respect of Outstanding Securities: Neither Striker nor (to the knowledge of Striker) any of its shareholders is a party to any unanimous shareholders agreement, pooling agreement, voting trust or other similar type of arrangements in respect of outstanding securities of Striker.
- (pp) Insiders: To the knowledge of Striker, no insider of Striker has a present intention to sell any securities of Striker.
- (qq) Auditors: There has not been reportable disagreement (within the meaning of Section 4.11 of National Instrument 51-102 — *Continuous Disclosure Obligations of the Canadian Securities Administrators*) with Striker's auditors.
- (rr) Operational Matters: Except to the extent that any matter referenced to in this Subsection 4.1(rr) does not, and would not, reasonably be expected to have a Material Adverse Effect on Striker, all rentals, royalties, overriding royalty interests, production payments, net profits, interest burdens, payments and obligations due and payable, or performable, as the case may be, on or prior to the date hereof under, with respect to, or on account of, any direct or indirect assets of Striker has been, in all material respects: (i) duly paid; (ii) duly performed; or (iii) provided for prior to the date hereof and all costs, expenses and liabilities payable on or prior to the date hereof under the terms of any contracts and agreements to which Striker is directly or indirectly bound have been

properly and timely paid, except for such expenses that are being currently paid prior to delinquency in the ordinary course of business.

- (ss) Good Oilfield Practices: Any and all operations of Striker, and to the knowledge of Striker, any and all operations by third parties, on or in respect of the assets and properties of Striker, have been conducted in compliance with good oilfield practices.
- (tt) Location of Assets and U.S. Sales: All of the assets and property of Striker, including all entities "controlled by" Striker for purposes of the *Hart-Scott-Rodino Antitrust Improvements Act* of 1976, as amended, are located outside the United States and did not generate sales in or into the United States exceeding US\$78.2 million during Striker's most recent completed fiscal year.
- (uu) Foreign Private Issuer: Striker is a "foreign private issuer" within the meaning of Rule 405 of Regulation C under the U.S. Securities Act.
- (vv) Investment Company: Striker is not registered or, assuming it was incorporated in the United States, required to be registered as an "investment company" pursuant to the *United States Investment Company Act* of 1940, as amended.
- (ww) Exchange Act: No class of securities of Striker is registered or required to be registered pursuant to Section 12 of the *United States Securities Exchange Act of 1934*, as amended, nor does Striker have a reporting obligation pursuant to Section 15(d) of the U.S. Securities Act.
- (xx) No Guarantees: Striker has not guaranteed, endorsed, assumed, indemnified (other than pursuant to indemnity agreements with its directors and officers and as contemplated by the by-laws of Striker and Applicable Laws, standard indemnity agreements in financial services (including credit facilities) and underwriting and agency agreements and indemnities provided in the ordinary course to industry partners and service providers) or accepted any responsibility for, and does not and will not guarantee, endorse, assume, indemnify or accept any responsibility for, contingently or otherwise, any indebtedness or the performance of any obligation of Striker's directors, officers, employees, consultants or Striker Shareholders.
- (yy) Payments to Employees, Non-Residents, Etc.: Striker has: (i) withheld from each payment made to any of its present or former employees, officers or directors, and to all persons who are non-residents of Canada for the purposes of the Tax Act, and to other persons, all amounts required by Applicable Law or administrative practice to be withheld and has remitted such amounts within the prescribed periods to the appropriate Taxing Authority; (ii) remitted all Taxes and has remitted such amounts to the proper Taxing Authority within the time required by Applicable Law; and (iii) charged, collected and remitted, on a timely basis, all Taxes as required by Applicable Law on any sale, supply, delivery whatsoever, made by Striker.
- (zz) Debt Service Reserve Account: Striker does not maintain a debt service reserve account or account of a similar nature.
- (aaa) Striker Net Debt: As at the date hereof, the Striker Net Debt does not exceed \$10.0 million.
- (bbb) Striker Transactions Costs: The Striker Disclosure Letter sets out a genuine pre-estimate of the Striker Transaction Costs, including a detailed breakdown of such Striker Transaction Costs.
- (ccc) Striker Tax Pools: Striker Tax Pools at December 31, 2015 are as set forth in the Striker Disclosure Letter, and Striker has not taken any action, or entered into any transaction, outside of

the ordinary course of business that would have the effect of materially reducing any amount set out therein.

- (ddd) Production: Striker's average production for the month ended March 31, 2016 was not less than *[Amount redacted]*.
- (eee) Standstill Provisions: Striker has not waived any standstill or similar provisions contained in a confidentiality agreement or otherwise for any Person.
- (fff) No Withholding: Striker has not withheld from Gear any material information or documents concerning Striker or the assets or liabilities of Striker during the course of the review by Gear of Striker and its assets. No representation or warranty contained herein and no statement contained in any schedule or other disclosure document, including the Striker Disclosure Letter, provided or to be provided to Gear by Striker pursuant hereto contains or will contain any untrue statement of a material fact which is necessary in order to make the statements herein or therein not misleading.
- (ggg) Areas of Mutual Interest and Exclusion: Other than as disclosed in the Striker Disclosure Letter, Striker is not subject to any areas of mutual interest or areas of exclusion.

4.2 Representations and Warranties of Gear

Gear represents and warrants to and in favour of Striker and acknowledges that Striker is relying upon such representations and warranties in connection with the matters contemplated by this Agreement and the consummation of the Arrangement:

- (a) Organization and Qualification: Gear has been duly amalgamated and is validly subsisting under the Applicable Laws of the Province of Alberta and has the requisite power and authority to own its assets and properties as now owned and to carry on its business as now conducted. Gear is duly registered or authorized to conduct its affairs or do business, as applicable, and is in good standing in each jurisdiction in which the character of its assets and properties, owned, leased, licensed or otherwise held, or the nature of its activities makes such registration or authorization necessary. Copies of the constating documents of Gear have been provided to Striker, together with all amendments to date, and are accurate and complete as of the date hereof and have not been amended or superseded.
- (b) Authority Relative to this Agreement: Gear has the requisite corporate power and authority to execute this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the consummation by Gear of the transactions contemplated by the Arrangement has been duly authorized by the Gear Board of Directors and, subject to the requisite approval of the Gear Shareholders and the obtaining of the Final Order, no other proceedings on the part of Gear are necessary to authorize this Agreement or the Arrangement. This Agreement has been duly executed and delivered by Gear and constitutes a legal, valid and binding obligation of Gear enforceable against it in accordance with its terms, subject to the qualification that such enforceability may be limited by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other Applicable Laws of general application relating to or affecting rights of creditors and that equitable remedies, including specific performance, are discretionary and may not be ordered.
- (c) Subsidiaries: Gear has no subsidiaries.

- (d) No Restrictions: There are no rights of first refusal and similar rights restricting transfer of the Gear Shares contained in shareholders, partnership, joint venture or similar agreements or pursuant to existing financing arrangements and there are no outstanding contractual or other obligations of Gear to repurchase, redeem or otherwise acquire any of its securities or with respect to the voting or disposition of any of its outstanding securities.
- (e) No Violations: Except as contemplated by this Agreement:
- (i) neither the execution and delivery of this Agreement by Gear nor the consummation of the transactions contemplated by the Arrangement nor compliance by Gear with any of the provisions hereof will:
 - (A) other than any consents or approvals required under the Gear Credit Facility, violate, conflict with, or result in a breach of any provision of, require any consent, approval or notice under, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) or result in a right of termination or acceleration under, or result in the creation of any Encumbrance upon any of the properties or assets of Gear or cause any indebtedness to come due before its stated maturity or cause any credit to cease to be available, under any of the terms, conditions or provisions of: (1) articles or by-laws of Gear; or (2) any note, bond, mortgage, indenture, loan agreement, deed of trust agreement, lien, contract or other instrument or obligation to which Gear is a party or to which it, or any of its respective properties or assets, may be subject or by which Gear is bound;
 - (B) subject to compliance with applicable statutes and regulations and stock exchange rules, violate any judgment, ruling, order, writ, injunction, determination, award, decree, statute, ordinance, rule or regulation applicable to Gear or any of its properties or assets; or
 - (C) cause the suspension or revocation of any authorization, consent, approval or license currently in effect; and
 - (ii) other than in connection with or in compliance with the provisions of Applicable Laws and the rules of the TSX in relation to the completion of the Arrangement or which are required to be fulfilled post Arrangement, and except for the requisite approvals of the Gear Shareholders, any consents or approvals required under the Gear Credit Facility and the obtaining of the Final Order:
 - (A) there is no legal impediment to Gear's consummation of the Arrangement; and
 - (B) no filing or registration with, or authorization, consent or approval of, any domestic or foreign public body or authority is required of Gear in connection with the consummation of the Arrangement, except for such filings or registrations which, if not made, or for such authorizations, consents or approvals which, if not received, would not, individually or in the aggregate, have a Material Adverse Effect on Gear, or significantly impede the ability of Gear to consummate the Arrangement.
- (f) Gear Shares: Gear has reserved and allotted a sufficient number of Gear Shares as are issuable pursuant to the Arrangement, and, subject to the terms and conditions of the Arrangement, such

Gear Shares will be validly issued as fully paid and non-assessable to previous holders of Striker Shares pursuant to the Arrangement.

- (g) Litigation: Other than as disclosed in the Gear Disclosure Letter, there are no claims, actions, suits, proceedings, investigations, arbitrations, audits, grievances, assessments or reassessments in existence or pending or, to the knowledge of Gear, threatened or for which there is a reasonable basis, affecting or that would reasonably be expected to affect Gear or affecting or that would reasonably be expected to affect any of its properties or assets at law or in equity or before or by any court or Governmental Authority which claim, action, suit, proceeding, investigation, arbitration, audit, grievance, assessment or reassessment involves a possibility of any judgment against or liability of Gear.
- (h) Taxes, etc.:
- (i) All Tax Returns required to be filed by or on behalf of Gear have been duly filed on a timely basis and all such tax returns are true, complete and correct in all material respects. All Taxes or instalments of Taxes shown to be payable on such Tax Returns, or on subsequent assessments with respect thereto, have been paid in full on a timely basis, and no other material Taxes are payable by Gear with respect to items or periods covered by such Tax Returns.
- (ii) There are no assessments or reassessments of any Taxes that have been issued or are outstanding, or pursuant to which there are any amounts owing. No Governmental Authority has audited, challenged, disputed or questioned Gear in respect of Taxes or of any returns, filings or other reports filed under any statute providing for Taxes. Gear is not negotiating any draft assessment or reassessment with any Governmental Authority. Gear is not aware of any contingent liabilities for a material amount of Taxes or any grounds for an assessment or reassessment with respect thereto including, without limitation, aggressive treatment of income, expenses, credits or other claims for deduction under any return or notice. Gear has not received any indication from any Governmental Authority that an audit, assessment or reassessment is proposed in respect of any Taxes, regardless of its merits. Gear has not executed or filed with any Governmental Authority any agreement extending the period for the filing of any Tax Returns or for the assessment, reassessment or collection of any Taxes. Gear has not requested, nor entered into any agreement or other arrangement, or executed any waiver providing for, any extension of time within which: (A) to file any Tax Return for which Gear is or may be liable; (B) to file any elections, designations or similar documents or instruments relating to Taxes for which Gear is or may be liable; (C) Gear is required to pay or remit any Taxes or amounts on account thereof; or (D) any Governmental Authority may assess, reassess or collect Taxes for which either Gear is or may be liable.
- (iii) Gear has paid or has withheld and remitted to the appropriate Taxing Authority all Taxes on a timely basis and in accordance with Applicable Laws relating to Taxes, including any instalments or prepayments of Taxes, that are due and payable whether or not shown as being due on any Tax Return, or, where payment is not yet due, Gear has established adequate accruals in conformity with GAAP in the Gear Financial Statements for the period covered by such financial statements for any Taxes, including income taxes and related future taxes, if applicable, that have not been paid, whether or not shown as being due on any Tax Return. Gear has made adequate provision or disclosure in its books and records for any Taxes accruing in respect of any period subsequent to the period covered by such financial statements, whether or not shown as being due on any Tax Return. The

liability for Taxes has been assessed for all taxation periods up to and including December 31, 2014.

- (iv) Gear has made available to Striker true and complete copies of: (A) audit reports, statements of deficiencies, closing or other agreements received by Gear, or on behalf of Gear, relating to the Taxes for any taxation period; and (B) all Tax Returns for Gear for all taxable periods.
- (v) No material deficiencies exist, have been asserted, or to the knowledge of Gear, have been threatened, by any Governmental Authority with respect to Taxes of Gear that have not yet been settled.
- (vi) Gear is not a party to any sharing, indemnity or allocation agreement or arrangement relating to Taxes, and Gear has not, nor could it have, any liabilities or obligations in respect of Taxes under any such sharing, indemnity or allocation agreement relating to Taxes. No material liability (or reasonable claim of material liability) shall arise under any sharing, indemnity or allocation agreement or arrangement relating to Taxes or as a result of the transactions contemplated hereby.
- (vii) All ad valorem, property, production, severance and similar Taxes and assessments based on or measured by the ownership of property or the production of Gear's hydrocarbon substances, or the receipt of proceeds therefrom, payable in respect of Gear's oil and gas assets prior to the date hereof have been properly and fully paid and discharged in all material respects, and there are no unpaid Taxes or assessments which could result in a lien or charge on Gear's oil and gas assets.
- (viii) Gear has not claimed in any Tax Return for any taxation year ending on or before the date hereof any reserve (including, without limitation, any reserve under paragraph 20(1)(m) or 20(1)(n) or subparagraph 40(1)(a)(iii) of the Tax Act or any analogous provision under the legislation of any province or other jurisdiction) of any amount which could be included in the income of Gear for any period ending after the date hereof.
- (ix) No facts, circumstances or events exist or have existed that have resulted in or may result in the application of any of sections 79, 79.1, 80 to 80.04 of the Tax Act to Gear.
- (x) Gear has not acquired property from a non-arm's length person, within the meaning of the Tax Act, for consideration, the value of which is less than the fair market value of the property acquired in circumstances which would subject it to a liability under section 69 or 160 of the Tax Act or under any equivalent provisions of any applicable legislation.
- (xi) Gear has complied with all registration, reporting, collection and remittance requirements in respect of all federal and provincial sales tax legislation including, but not limited, to the *Excise Tax Act* (Canada). Gear has provided to Striker all invoices, purchase orders, and all such other documents as are necessary to report any claim for income tax credits or refunds claimed or to be claimed pursuant to the *Excise Tax Act* (Canada).
- (xii) Gear has not breached any flow-through share agreement to which it is a party in respect of the issuance of flow-through shares (as defined in the Tax Act) and, Gear does not have any outstanding obligations to incur and/or renounce Canadian exploration expenses or Canadian development expenses (all as defined in the Tax Act) which it covenanted to

incur and renounce nor has any Governmental Authority or Gear reduced any amount renounced by Gear pursuant to subsection 66(12.73) of the Tax Act.

- (xiii) Gear has not made any payment, nor is it obligated to make any payment, and it is not a party to any agreement under which it could be obligated to make any payment, that may not be deductible by virtue of section 67 or 78 of the Tax Act or any analogous provincial or similar provision.
 - (xiv) Records or documents that meet the requirements of subsections 247(4)(a) to (c) of the Tax Act have been made and obtained by Gear with respect to all material transactions between any of Gear and any non-resident person with whom Gear was not dealing at arm's length within the meaning of the Tax Act.
- (i) Investment Canada Act: Gear is not a "non-Canadian" within the meaning of the *Investment Canada Act* (Canada).
 - (j) Tax Act Residency: Gear is not a non-resident for the purposes of the Tax Act and is a taxable Canadian corporation within the meaning of subsection 89(1) of the Tax Act.
 - (k) Reporting Issuer Status: Gear is a "reporting issuer" in Alberta, British Columbia, Saskatchewan, Manitoba and Ontario and is in material compliance with all Applicable Canadian Securities Laws therein and the Gear Shares are listed and posted for trading on the TSX. Gear is not in default of any material requirements of any Applicable Canadian Securities Laws or any rules or regulations of, or agreement with, the TSX. No delisting, suspension of trading in or cease trading order with respect to the Gear Shares is pending or, to the knowledge of Gear, threatened. Gear has timely filed with the Securities Authorities all material forms, reports, schedules, statements and other documents required to be filed by Gear with the Securities Authorities since becoming a "reporting issuer". Gear has not filed any confidential material change report that, at the date hereof, remains confidential.
 - (l) Capitalization: As of the date hereof, the authorized capital of Gear consists of an unlimited number of Gear Shares, an unlimited number of preferred shares, issuable in series, and an unlimited number of Series 1 Preferred Shares. As of the date hereof, there are issued and outstanding 85,483,732 Gear Shares and no other shares are issued and outstanding. As of the date hereof, Gear has issued and outstanding \$14,800,000 aggregate principal amount of Gear Debentures. Other than Gear Options to acquire up to 6,252,018 Gear Shares, and Gear Shares issuable on conversion, redemption or maturity of the Gear Debentures, there are no options, warrants or other rights, plans agreements or commitments of any nature whatsoever requiring the issuance, sale or transfer by Gear of any securities of Gear (including Gear Shares) or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any securities of Gear (including Gear Shares). All outstanding Gear Shares have been duly authorized and validly issued, are fully paid and non-assessable and are not subject to, nor were they issued in violation of, any pre-emptive rights and all Gear Shares issuable upon the exercise of Gear Options, or upon the conversion, redemption or maturity of the Gear Debentures in accordance with the terms of such securities will be duly authorized and validly issued as fully paid and non-assessable and will not be subject to any pre-emptive rights. Other than the Gear Shares, there are no securities of Gear outstanding which have the right to vote generally (except that the Gear Options and Gear Debentures are exercisable or convertible into or exchangeable for securities having the right to vote generally) with the Gear Shareholders on any matter.

- (m) Equity Monetization Plans: There are no outstanding stock appreciation rights, phantom equity, profit sharing plan or similar rights, agreements, arrangements or commitments payable to any employee of Gear and which are based upon the revenue, value, income or any other attribute of Gear.
- (n) No Orders: No order, ruling or determination having the effect of suspending the sale of, or ceasing the trading of, the Gear Shares or any other securities of Gear have been issued by any Governmental Authority and is continuing in effect and no proceedings for that purpose have been instituted, are pending or, to the knowledge of Gear, are contemplated or threatened under any Applicable Laws or by any Governmental Authority.
- (o) Reports: As of the respective dates of the documents contained in the Gear Public Record, such documents did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading in any material respect and complied in all material respects with all Applicable Laws.
- (p) Gear Financial Statements: The Gear Financial Statements were prepared in accordance with GAAP, consistently applied (except: (i) as otherwise indicated in such financial statements and the notes thereto or, in the case of audited statements, in the related report of Gear's independent auditors; or (ii) in the case of unaudited interim statements, to the extent they may not include footnotes, are subject to normal year-end adjustments or may be condensed or summary in statements), and present fairly in accordance with GAAP, consistently applied, the financial position, results of operations and changes in financial position of Gear as of the dates thereof and for the periods indicated therein (subject, in the case of any unaudited interim financial statements, to normal year-end audit adjustments). There has been no material change in Gear accounting policies since January 1, 2014.
- (q) Compliance with Laws: The operations and business of Gear are and have been carried out in compliance with and not in violation of any Applicable Laws all material respects, and Gear has not received any notice of any alleged material violation of any such Applicable Laws.
- (r) Books and Records: The financial books, records and accounts of Gear, in all material respects: (i) have been maintained in accordance with good business practices on a basis consistent with prior years; (ii) are stated in reasonable detail and accurately and fairly reflect the material transactions and dispositions of the assets of Gear; and (iii) accurately and fairly reflect the basis for the Gear Financial Statements. The corporate records and minute books of Gear has been maintained substantially in compliance with Applicable Laws and are complete and accurate in all material respects and full access thereto has been provided to Striker.
- (s) Absence of Certain Changes or Events: Except for the Arrangement or any action taken in accordance with this Agreement, since January 1, 2014, other than as reflected in the Gear Public Record:
 - (i) Gear has conducted its business only in the ordinary course of business substantially consistent with past practice;
 - (ii) no liability or obligation of any nature (whether absolute, accrued, contingent or otherwise) material to Gear has been incurred other than in the ordinary course of business or other than where such liability or obligation would not have a Material Adverse Effect on Gear;

- (iii) there has been no Material Adverse Change in respect of Gear; and
- (iv) Gear, and to the knowledge of Gear, any director, officer, employee or auditor of Gear, has not received or otherwise had or obtained knowledge of any fraud or material complaint, allegation, assertion or claim, whether written or oral, regarding fraud or the accounting or auditing practices, procedures, methodologies or methods of Gear or their respective internal accounting controls.
- (t) Registration, Exemption Orders, Licenses, etc.: Gear has obtained and is in compliance with Governmental Authorizations, except where the failure to obtain or be in compliance could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Gear. Such Governmental Authorizations are in full force and effect in accordance with their terms, and no event has occurred or circumstance exists that (with or without notice or lapse of time) may constitute or result in a violation of any such Governmental Authorization, except where the violation would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Gear. No proceedings are pending or, to the knowledge of Gear, threatened, which could result in the revocation or limitation of any Governmental Authorization, and all steps have been taken and filings made on a timely basis with respect to each Governmental Authorization and its renewal, except where the failure to take such steps and make such filings would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Gear.
- (u) Restrictions on Business Activities: There is no judgment, injunction or order binding upon Gear, and Gear is not subject to any contractual commitment, that has or could reasonably be expected to have the effect of prohibiting, restricting or impairing its business or, individually or in the aggregate, have a Material Adverse Effect on Gear.
- (v) Non-Arm's Length Transactions: Except for amounts due as normal salaries and bonuses and in reimbursement of ordinary expenses and for the executive employment agreements between Gear and the officers of Gear, there are no Contracts or other transactions (including with respect to loans or other indebtedness) currently in place between Gear, on the one hand, and (i) any officer, director or employee of, or consultant to Gear, (ii) any holder of record or beneficial owner of 10% or more of the voting securities of Gear, or (iii) any associate or affiliate of any such Person (collectively, "**Gear Related Parties**"). No Gear Related Party, owns, has or is entitled to any royalty, net profits interest, carried interest, participation interest, or any other Encumbrances or claims of any nature whatsoever which are based on production from the properties or assets of Gear or any revenue or rights attributed thereto.
- (w) Title: Although it does not warrant title, Gear has no reason to believe that Gear does not have title to or the right to produce and sell its petroleum, natural gas and related hydrocarbons (for the purpose of this Section, the foregoing are referred to as the "**Gear Interests**") and does represent and warrant that the Interests are free and clear of adverse claims created by, through or under Gear except for Permitted Encumbrances and that, to the best of its knowledge, information and belief, Gear holds the Gear Interests under valid and subsisting leases, licences, permits, concessions, concession agreements, contracts, subleases, reservations or other agreements.
- (x) Gear Reserves Report: Gear has made available to GLJ, prior to the issuance of its report dated February 3, 2016 evaluating the crude oil, natural gas liquids and natural gas reserves of Gear as at December 31, 2015 (the "**Gear Reserves Report**"), for the purpose of preparing the Gear Reserves Report, all information requested by GLJ, which information did not contain any misrepresentation at the time such information was provided. Except with respect to changes in

the prices of oil and gas or as a result of production since such time, Gear has no knowledge of any material adverse change in any production, reserves or other relevant information provided to GLJ since the date that such information was provided. Gear believes that the Gear Reserves Report reasonably presents the quantity and pre-tax present worth values of the oil and natural gas reserves attributable to the crude oil, natural gas liquids and natural gas properties evaluated in such report as of its effective date based upon information available at the time such reserves information was prepared, and Gear believes that, at the date of such report, such report did not (and as of the date hereof, except as may be attributable to production since the date of such report, does not) overstate the aggregate quantity or pre-tax present worth values of such reserves or the estimated monthly production volumes therefrom.

- (y) Absence of Undisclosed Liabilities: Gear does not have any material liabilities of any nature (matured or unmatured, fixed or contingent), other than:
- (i) those set forth or adequately provided for in the most recent balance sheet and associated notes thereto included in the Gear Financial Statements (for the purposes of this Section, the "**Gear Balance Sheet**");
 - (ii) those incurred subsequent to the date of the Gear Balance Sheet in the ordinary course of business; and
 - (iii) those incurred in connection with the execution of this Agreement.
- (z) Absence of Undisclosed Changes: There has not been any material change in the capital, assets, liabilities or obligations (absolute, accrued, contingent or otherwise) of Gear on a consolidated basis from the position set forth in the Gear Financial Statements and Gear has not incurred or suffered a Material Adverse Change since December 31, 2015 and since that date there have been no material facts, transactions, events or occurrences which would have a Material Adverse Effect on the capital, assets, liabilities or obligations (absolute, accrued, contingent or otherwise), condition (financial or otherwise) or results of the operations of Gear which have not been disclosed in the Gear Public Record.
- (aa) No Defaults: Gear is not in default under, and there exists no event, condition or occurrence which, after notice or lapse of time or both, would constitute such a default under, any Contract, agreement or licence to which it is a party or by which it is bound which would, if terminated or upon exercise of a right made available to a third party solely by a reason of such a default due to such default, individually or in the aggregate, have a Material Adverse Effect on Gear. Gear is not in violation of any Applicable Laws which violation could have a Material Adverse Effect on Gear.
- (bb) Pre-emptive Rights: There are no outstanding rights of first refusal or other pre-emptive rights of purchase which entitle any person to acquire any of the material rights, title, interests, property, licenses or assets of Gear that will be triggered or accelerated by the Arrangement.
- (cc) Environmental: Except to the extent that violations or other matters referred to in this subparagraph would not, individually or in the aggregate, have a Material Adverse Effect on Gear:
- (i) Gear is not in violation of any applicable Environmental Laws;

- (ii) Gear has operated its business at all times and has received, handled, used, stored, treated, shipped and disposed of all Hazardous Substances in compliance with Environmental Laws;
 - (iii) there have been no spills, releases, deposits or discharges of Hazardous Substances, or wastes into the earth, subsoil, underground waters, air or into any body of water or any municipal or other sewer or drain water systems by Gear, or on or underneath any location which is or was currently or formerly owned, leased or otherwise operated by Gear, that have not been fully remediated;
 - (iv) no orders, directions or notices have been issued and remain outstanding pursuant to any Environmental Laws relating to the business or assets of Gear which Gear has notice;
 - (v) Gear has not failed to report to the proper Governmental Authority the occurrence of any event which is required to be so reported by any Environmental Law;
 - (vi) Gear holds all Environmental Approvals required in connection with the operation of its business and the ownership and use of such assets, all Environmental Approvals are in full force and effect, and Gear has not received any notification pursuant to any Environmental Laws that any work, repairs, constructions or capital expenditures are required to be made by it as a condition of continued compliance with any Environmental Laws or Environmental Approvals, or that any Environmental Approval referred to above is about to be reviewed, made subject to limitation or conditions, revoked, withdrawn or terminated;
 - (vii) there are no pending or, to the knowledge of Gear, threatened claims, liens or encumbrances resulting from Environmental Laws with respect to any of the properties of Gear currently or formerly owned, leased, operated or otherwise used; and
 - (viii) Gear has not assumed or retained by contract or operation of law any losses, expenses, claims, damages or liabilities of any third-party pursuant to applicable Environmental Laws.
- (dd) Material Contracts: The Gear Disclosure Letter contains an accurate list of all Contracts, correct, current and complete copies of which have been made available to Striker (the "**Gear Material Contracts**") pursuant to which Gear will, or may reasonably be expected to, result in a requirement of Gear to expend more than an aggregate of \$10,000 or receive or be entitled to receive revenue of more than an aggregate of \$10,000 in either case in the next 12 months. Each of such Material Contracts constitutes a legally valid and binding agreement of Gear enforceable in accordance with their respective terms and, to the knowledge of Gear, no party thereto is in default in the observance or performance of any term or obligation to be performed by it under any such Contract or agreement which is material to the business of Gear and no event has occurred which with notice or lapse of time or both would directly or indirectly constitute such a default, in any such case which default or event would reasonably be expected to have a Material Adverse Effect on Gear.
- (ee) Employee Benefit Plans: Gear has made available to Striker true, complete and correct copies of each employee benefits plan (collectively, the "**Gear Plans**") covering active, former or retired employees of Gear, any related trust agreement, annuity or insurance contract or other funding vehicle, and:

- (i) each Gear Plan has been maintained and administered in material compliance with its terms and is, to the extent required by Applicable Law or contract, fully funded without having any deficit or unfunded actuarial liability or adequate provision has been made therefor;
 - (ii) all required employer contributions under any such plans have been made and the applicable funds have been funded in accordance with the terms thereof;
 - (iii) each Gear Plan that is required or intended to be qualified under Applicable Law or registered or approved by a Governmental Authority has been so qualified, registered or approved by the appropriate Governmental Authority, and to the knowledge of Gear, nothing has occurred since the date of the last qualification, registration or approval that would reasonably be expected to adversely affect, or cause, the appropriate Governmental Authority to revoke such qualification, registration or approval;
 - (iv) to the knowledge of Gear, there are no pending or anticipated claims against or otherwise involving any of the Gear Plans and no suit, action or other litigation (excluding claims for benefits incurred in the ordinary course of Gear Plan activities) has been brought against or with respect to any Gear Plan;
 - (v) all contributions, reserves or premium payments required to be made to the Gear Plans have been made or provided for; and
 - (vi) Gear does not have any obligations for retiree health and life benefits under any Gear Plan.
- (ff) Employees:
- (i) Gear confirms that there are no severance, termination, change of control, bonus or retention payments payable to such employees, directors and consultants as a result of the transactions contemplated by this Agreement.
 - (ii) No trade union, council of trade unions, employee bargaining agency or affiliated bargaining agent holds bargaining rights with respect to any employees of Gear by way of certification, interim certification, voluntary recognition, designation or successor rights or has applied to have Gear declared a related employer or successor employer pursuant to applicable labour legislation. Gear has not engaged in any unfair labour practices and, no strike, lock-out, work stoppage, or other labour dispute is occurring. There are no threatened or pending strikes, work stoppages, picketing, lock-outs, hand-billings, boycotts, slowdowns or similar labour related disputes pertaining to Gear. Gear has not engaged in any closing or lay-off activities within the past two years that would violate or in any way subject Gear to the group termination or lay-off requirements of the Applicable Laws.
 - (iii) Gear has not recognized any trade union or has any staff association, staff council, works council or other organisation formed for or arrangements having a similar purpose and no notification to any trade union, staff association, staff council, works council or other organisation formed for or in respect of any arrangements having a similar purpose is required by Gear for the purpose of consummating the transactions contemplated by this Agreement.

- (gg) Rights Plans: Gear does not have a shareholder rights plan or any other form of plan, agreement, contract or instrument that will trigger any rights to acquire Gear Shares or other securities of Gear or rights, entitlements or privileges in favour of any Person upon the entering into of this Agreement or in connection with the Arrangement.
- (hh) Insurance: Policies of insurance that are in force as of the date hereof naming Gear as an insured adequately and reasonably cover all risks as are customarily covered by oil and gas producers in the industry in which the Gear operates and having regard to the nature of the risk insured and the relative cost of obtaining insurance to protect Gear's interests. All such policies shall remain in force and effect and shall not be cancelled or otherwise terminated as a result of the transactions contemplated by this Agreement.
- (ii) Fairness Opinion: The Gear Board of Directors has received the verbal Gear Fairness Opinion from Peters & Co. Limited that the consideration to be paid by Gear to Striker Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Gear Shareholders.
- (jj) Board Approval: The Gear Board of Directors has unanimously made the determinations and recommendations as set forth in Section 2.9.
- (kk) Proceeds of Crime: Gear has not, directly or indirectly: (i) made or authorized any contribution, payment or gift of funds or property to any official, employee or agent of any governmental agency, authority or instrumentality of any jurisdiction; or (ii) made any contribution to any candidate for public office, in either case, where either the payment or the purpose of such contribution, payment or gift was, is, or would be prohibited under the *Canada Corruption of Foreign Public Officials Act* (Canada) or the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) or the rules and regulations promulgated thereunder or under any other legislation of any relevant jurisdiction covering a similar subject matter applicable to Gear and its operations and Gear has instituted and maintained policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance with such legislation.
- (ll) Swaps: Except as disclosed in the Gear Disclosure Letter, Gear has no obligations or liabilities, direct or indirect, vested or contingent in respect of any rate swap transactions, basis swaps, forward rate transactions, commodity swaps, commodity options, equity or equity index swaps, equity or equity index options, bond options, interest rate options, foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross currency rate swap transactions, currency options, production sales transactions having terms greater than 90 days or any other similar transactions (including any option with respect to any of such transactions) or any combination of such transactions.
- (mm) Arrangements in Respect of Outstanding Securities: Neither Gear nor (to the knowledge of Gear) any of its shareholders is a party to any unanimous shareholders agreement, pooling agreement, voting trust or other similar type of arrangements in respect of outstanding securities of Gear.
- (nn) Insiders: To the knowledge of Gear, no director or officer of Gear has a present intention to sell any securities of Gear.
- (oo) Auditors: There has not been reportable disagreement (within the meaning of Section 4.11 of National Instrument 51-102 — *Continuous Disclosure Obligations* of the Canadian Securities Administrators) with Gear's auditors.

- (pp) Operational Matters: Except to the extent that any matter referenced to in this Section 4.2(pp) does not, and would not, reasonably be expected to have a Material Adverse Effect on Gear, all rentals, royalties, overriding royalty interests, production payments, net profits, interest burdens, payments and obligations due and payable, or performable, as the case may be, on or prior to the date hereof under, with respect to, or on account of, any direct or indirect assets of Gear have been, in all material respects: (i) duly paid; (ii) duly performed; or (iii) provided for prior to the date hereof and all costs, expenses and liabilities payable on or prior to the date hereof under the terms of any contracts and agreements to which Gear is directly or indirectly bound have been properly and timely paid, except for such expenses that are being currently paid prior to delinquency in the ordinary course of business.
- (qq) Good Oilfield Practices: Any and all operations of Gear, and to the knowledge of Gear, any and all operations by third parties, on or in respect of the assets and properties of Gear, have been conducted in compliance with good oilfield practices.
- (rr) Location of Assets and U.S. Sales: All of the assets and property of Gear, including all entities "controlled by" Gear for purposes of the *Hart-Scott-Rodino Antitrust Improvements Act* of 1976, as amended, are located outside the United States and did not generate sales in or into the United States exceeding US\$78.2 million during Gear's most recent completed fiscal year.
- (ss) Foreign Private Issuer: Gear is a "foreign private issuer" within the meaning of Rule 405 of Regulation C under the U.S. Securities Act.
- (tt) Investment Company: Gear is not registered or, assuming it was incorporated in the United States, required to be registered as an "investment company" pursuant to the United States *Investment Company Act of 1940*, as amended.
- (uu) Exchange Act: No class of securities of Gear is registered or required to be registered pursuant to Section 12 of the United States *Securities Exchange Act of 1934*, as amended, nor does Gear have a reporting obligation pursuant to Section 15(d) of the U.S. Securities Act.
- (vv) No Guarantees: Gear has not guaranteed, endorsed, assumed, indemnified (other than pursuant to indemnity agreements with its directors and officers and as contemplated by the by-laws of Gear and Applicable Laws, standard indemnity agreements in financial services (including credit facilities) and underwriting and agency agreements and indemnities provided in the ordinary course to industry partners and service providers) or accepted any responsibility for, and does not and will not guarantee, endorse, assume, indemnify or accept any responsibility for, contingently or otherwise, any indebtedness or the performance of any obligation of Gear's directors, officers, employees, consultants or Gear Shareholders.
- (vw) Payments to Employees, Non-Residents, Etc.: Gear has: (i) withheld from each payment made to any of its present or former employees, officers or directors, and to all persons who are non-residents of Canada for the purposes of the Tax Act, and to other persons, all amounts required by Applicable Law or administrative practice to be withheld and has remitted such amounts within the prescribed periods to the appropriate Taxing Authority; (ii) remitted all Taxes and has remitted such amounts to the proper Taxing Authority within the time required by Applicable Law; and (iii) charged, collected and remitted, on a timely basis, all Taxes as required by Applicable Law on any sale, supply, delivery whatsoever, made by Gear.
- (wx) Debt Service Reserve Account: Gear does not maintain a debt service reserve account or account of a similar nature.

- (yy) Gear Net Debt: As at the date hereof, the Gear Net Debt does not exceed \$58 million.
- (zz) Gear Tax Pools: Gear's Tax Pools at December 31, 2015 are as set forth in the Gear Disclosure Letter, and Gear has not taken any action, or entered into any transaction, outside of the ordinary course of business that would have the effect of materially reducing any amount set out therein.
- (aaa) Production: Gear's average sales production for the month ended March 31, 2016 was not less than [*Amount redacted*].
- (bbb) Standstill Provisions: Gear has not waived any standstill or similar provisions contained in a confidentiality agreement or otherwise for any Person.
- (ccc) No Withholding: Gear has not withheld from Striker any material information or documents concerning Gear or Gear's assets or liabilities during the course of the review by Striker of Gear and its assets. No representation or warranty contained herein and no statement contained in any schedule or other disclosure document, including the Gear Disclosure Letter, provided or to be provided to Striker by Gear pursuant hereto contains or will contain any untrue statement of a material fact which is necessary in order to make the statements herein or therein not misleading.
- (ddd) Areas of Mutual Interest and Exclusion: Gear is not subject to any areas of mutual interest or areas of exclusion.

4.3 Privacy Issues

- (a) For the purposes of this Section 4.3, the following definitions shall apply:
 - (i) "**applicable law**" means, in relation to any Person, transaction or event, all applicable provisions of Applicable Laws by which such Person is bound or having application to the transaction or event in question, including applicable privacy laws;
 - (ii) "**applicable privacy laws**" means any and all applicable laws relating to privacy and the collection, use and disclosure of Personal Information in all applicable jurisdictions, including but not limited to the *Personal Information Protection and Electronic Documents Act* (Canada) or any comparable provincial law including the *Personal Information Protection Act* (Alberta) or both;
 - (iii) "**authorized authority**" means, in relation to any Person, transaction or event, any (A) federal, provincial, municipal or local governmental body (whether administrative, legislative, executive or otherwise), both domestic and foreign, (B) agency, authority, commission, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, (C) court, arbitrator, commission or body exercising judicial, quasi-judicial, administrative or similar functions, and (D) other body or entity created under the authority of or otherwise subject to the jurisdiction of any of the foregoing, including any stock or other securities exchange, in each case having jurisdiction over such Person, transaction or event; and
 - (iv) "**Personal Information**" means information (other than business contact information when used or disclosed for the purpose of contacting such individual in that individual's capacity as an employee or an official of an organization and for no other purpose) about

an identifiable individual disclosed or transferred by one Party to another Party in accordance with this Agreement and/or as a condition of the Arrangement.

- (b) The Parties hereto acknowledge that they are responsible for compliance at all times with applicable privacy laws which govern the collection, use or disclosure of Personal Information disclosed to either of the Parties pursuant to or in connection with this Agreement (the "**Disclosed Personal Information**").
- (c) Prior to the completion of the Arrangement, neither Party shall use or disclose the Disclosed Personal Information for any purposes other than those related to the performance of this Agreement and the completion of the Arrangement. After the completion of the transactions contemplated herein, a Party may only collect, use and disclose the Disclosed Personal Information for the purposes for which the Disclosed Personal Information was initially collected from or in respect of the individual to which such Disclosed Personal Information relates or for the completion of the transactions contemplated herein, unless (i) either Party shall have first notified such individual of such additional purpose, and where required by applicable law, obtained the consent of such individual to such additional purpose, or (ii) such use or disclosure is permitted or authorized by applicable law, without notice to, or consent from, such individual.
- (d) Each of the Parties acknowledges and confirms that the disclosure of the Disclosed Personal Information is necessary for the purposes of determining if the Parties shall proceed with the Arrangement, and that the Disclosed Personal Information relates solely to the carrying on of the business or the completion of the Arrangement.
- (e) Each of the Parties acknowledge and confirm that it has taken and shall continue to take reasonable steps to, in accordance with applicable law, prevent accidental loss or corruption of the Disclosed Personal Information, unauthorized input or access to the Disclosed Personal Information, or unauthorized or unlawful collection, storage, disclosure, recording, copying, alteration, removal, deletion, use or other processing of such Disclosed Personal Information.
- (f) Subject to the following provisions, each of the Parties shall at all times keep strictly confidential all Disclosed Personal Information provided to it, and shall instruct those employees or advisors responsible for processing such Disclosed Personal Information to protect the confidentiality of such information in a manner consistent with the Parties' obligations hereunder. Prior to the completion of the Arrangement, each of the Parties shall take reasonable steps to ensure that access to the Disclosed Personal Information shall be restricted to those employees or advisors of the respective Party who have a *bona fide* need to access such information in order to complete the Arrangement.
- (g) Where authorized by applicable law, each of the Parties shall promptly notify the Other Party to this Agreement of all inquiries, complaints, requests for access, variations or withdrawals of consent and claims of which the Party is made aware in connection with the Disclosed Personal Information. To the extent permitted by applicable law, the Parties shall fully co-operate with one another, with the persons to whom the Personal Information relates, and any authorized authority charged with enforcement of applicable privacy laws, in responding to such inquiries, complaints, requests for access, variations or withdrawals of consent and claims.
- (h) Upon the expiry or termination of this Agreement, or otherwise upon the reasonable request of either Party, the Other Party shall forthwith cease all use of the Disclosed Personal Information acquired by it in connection with this Agreement and will return to the requesting Party or, at the

requesting Party's request, destroy in a secure manner, the Disclosed Personal Information (and any copies thereof) in its possession.

ARTICLE 5 CONDITIONS PRECEDENT

5.1 Mutual Conditions Precedent

The respective obligations of the Parties to consummate the transactions contemplated hereby, and in particular the Arrangement, are subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions:

- (a) Interim Order: The Interim Order shall have been granted on or before July 15, 2016 in form and substance satisfactory to each of Striker and Gear, acting reasonably, and such order shall not have been set aside or modified in a manner unacceptable to Striker and Gear, each acting reasonably, on appeal or otherwise.
- (b) Mailing Date: The Information Circular and all other necessary documents shall have been mailed to the Striker Shareholders and the Gear Shareholders on or prior to July 15, 2016.
- (c) Striker Arrangement Resolution: The Striker Arrangement Resolution shall have been passed by the Striker Shareholders on or prior to the Outside Date.
- (d) Gear Resolution: The Gear Resolution shall have been passed by the Gear Shareholders on or prior to the Outside Date.
- (e) Final Order: The Final Order shall have been granted on or prior to the Outside Date in form and substance satisfactory to Striker and Gear, acting reasonably, and such order shall not have been set aside or modified in a manner unacceptable to Striker and Gear, acting reasonably, on appeal or otherwise.
- (f) Effective Date: The Effective Date shall occur on or before the Outside Date.
- (g) Gear Shares: The TSX shall have conditionally approved for listing all of the Gear Shares issuable to the Striker Shareholders pursuant to the Arrangement.
- (h) Striker Articles of Arrangement: The Striker Articles of Arrangement to be filed with the Registrar in accordance with the Arrangement shall be in form and substance satisfactory to each of Gear and Striker, acting reasonably.
- (i) Third Party Approvals: Each of Striker and Gear shall have obtained all consents, waivers, permissions and approvals necessary to complete the Arrangement by or from relevant Governmental Authorities, on terms and conditions satisfactory to the Parties, acting reasonably, (collectively, the "**Third Party Approvals**").
- (j) No Actions: There shall be no action taken under any existing Applicable Law, nor any statute, rule, regulation or order which is enacted, enforced, promulgated or issued by any Governmental Authority, that:
 - (i) makes illegal or otherwise directly or indirectly restrains, enjoins or prohibits the Arrangement or any other transactions contemplated herein; or

- (ii) results in a judgment or assessment of material damages directly or indirectly relating to the transactions contemplated herein.

The foregoing conditions are for the mutual benefit of Striker and Gear and may be waived, in whole or in part, by the Parties at any time. If any of the foregoing conditions are not satisfied or waived on or before the Outside Date, then a Party may terminate this Agreement as provided in Section 8.1(a)(ii) (save and except for Section 4.3, Article 6, Article 9, Section 10.4 and Section 10.8 hereof which shall survive such termination and remain in full force and effect) by written notice to the Other Party in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of such terminating Party's breach of this Agreement.

5.2 Additional Conditions to Obligations of Striker

The obligation of Striker to consummate the transactions contemplated hereby, and in particular the Arrangement, is subject to the following conditions:

- (a) Representations and Warranties: The representations and warranties of Gear set forth herein shall be true and correct as of the Effective Date as if made on and as of such date (except to the extent such representations and warranties speak as of an earlier date or, with respect to all representations and warranties, except as affected by transactions contemplated or permitted by this Agreement), except where the failure of such representations and warranties to be true and correct, individually or in the aggregate, would not result, or would not reasonably be expected to result, in a Material Adverse Change or have a Material Adverse Effect on Gear or would not, or would not reasonably be expected to, materially impede the ability of the Parties to complete the Arrangement, and Gear shall have provided to Striker a certificate of a senior officer certifying (without personal liability) such facts on the Effective Date; provided that Gear shall be entitled to cure any breach of a representation and warranty within five Business Days after receipt of written notice thereof from Striker (except that no cure period shall be provided for a breach which by its nature cannot be cured and, in no event, shall any cure period extend beyond the Outside Date).
- (b) Covenants: Gear shall have complied in all respects with its covenants herein, except where the failure to comply in all respects with such covenants, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect on Gear or would not reasonably be expected to significantly impede the ability of the Parties to complete the Arrangement, and Gear shall have provided to Striker a certificate of a senior officer certifying (without personal liability) compliance with such covenants; provided that Gear shall be entitled to cure any breach of a covenant within five Business Days after receipt of written notice thereof from Striker (except that no cure period shall be provided for a breach which by its nature cannot be cured and, in no event, shall any cure period extend beyond the Outside Date).
- (c) No Actions: No act, action, suit, proceeding, objection or opposition shall have been threatened or taken before or by any Governmental Authority or by any elected or appointed public official or private Person in Canada or elsewhere, whether or not having the force of law, and no law, regulation, policy, judgment, decision, order, ruling or directive (whether or not having the force of law) shall have been proposed, enacted, promulgated, amended or applied, which in the sole judgment of Striker, acting reasonably, in either case has had or, if the Arrangement was consummated, would result in a Material Adverse Change or have a Material Adverse Effect on Gear or would, or would reasonably be expected to, materially impede the ability of the Parties to complete the Arrangement.

- (d) Gear Board and Shareholder Authorization: Gear shall have furnished Striker with:
- (i) certified copies of the resolutions duly passed by the Gear Board of Directors approving the entering into of this Agreement and the consummation of the transactions contemplated hereby; and
 - (ii) a certified copy of the Gear Resolution duly passed by Gear Shareholders at the Gear Meeting.
- (e) Board Nominee: The Board Nominees shall be appointed to the Gear Board of Directors at or prior to the Effective Time.
- (f) No Material Adverse Change: Between the date hereof and the Effective Time, there shall not have occurred any Material Adverse Change with respect to Gear.
- (g) Gear Common Shares: Striker shall be satisfied, acting reasonably, that immediately prior to the Effective Time the aggregate number of Gear Shares issued and outstanding does not exceed 85,483,732 Gear Shares (excluding any Gear Options granted after the date hereof, any Gear Shares issued after the date hereof pursuant to the Gear Financing, any Gear Shares issued after the date hereof on exercise of Gear Options or any Gear Shares issued after the date hereof upon conversion of Gear Debentures) and Gear shall have provided to Striker a certificate of a senior officer certifying (without personal liability) such facts on the Effective Date and such other evidence of such facts as Striker may reasonably require.
- (h) Lock-up Agreements: None of the Gear Lock-up Agreements shall have been breached in any material respects.
- (i) Gear Net Debt: As at the date of this Agreement, the Gear Net Debt shall not exceed \$58 million and Gear shall have provided to Striker a certificate of a senior officer certifying (without personal liability) such facts on the Effective Date and such other evidence of such facts as Striker may reasonably request.
- (j) Production: Gear's average sales production for the month ended March 31, 2016 shall not have been less than **[Amount redacted]** and Gear shall have provided to Striker a certificate of a senior officer certifying (without personal liability) such facts on the Effective Date (both parties agree that such officer's certificate may be based on field estimates of Gear's production) and such other evidence of such facts as Striker may reasonably request.
- (k) Gear New Credit Facility: Gear and Gear's bankers or lenders shall have entered into an agreement providing for the Gear New Credit Facility on substantially the terms provided for in the commitment letter executed by Gear's bankers or lenders dated June 7, 2016, a copy of which has been provided to Striker.
- (l) Agreements: Gear shall have tabled duly executed copies of all agreements, documents and instruments required to be tabled by such Parties pursuant to the Plan of Arrangement.

The conditions in this Section 5.2 are for the exclusive benefit of Striker and may be asserted by Striker regardless of the circumstances or may be waived by Striker in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which Striker may have. If any of the foregoing conditions are not satisfied or waived, Striker may, in addition to any other remedies it may have at law or equity, terminate this Agreement as provided in Section 8.1(a)(ii) (save and except for

Section 4.3, Article 6, Article 9, Section 10.4 and Section 10.8 hereof which shall survive such termination and remain in full force and effect).

5.3 Additional Conditions to Obligations of Gear

The obligation of Gear to consummate the transactions contemplated hereby, and in particular the Arrangement, is subject to the following conditions:

- (a) **Representations and Warranties:** The representations and warranties of Striker set forth herein shall be true and correct as of the Effective Date as if made on and as of such date (except to the extent such representations and warranties speak as of an earlier date or, with respect to all representations and warranties, except as affected by transactions contemplated or permitted by this Agreement), except where the failure of such representations and warranties to be true and correct, individually or in the aggregate, would not result, or would not reasonably be expected to result, in a Material Adverse Change or have a Material Adverse Effect on Striker or would not, or would not reasonably be expected to, materially impede the ability of the Parties to complete the Arrangement, and Striker shall have provided to Gear a certificate of a senior officer certifying (without personal liability) such facts on the Effective Date; provided that Striker shall be entitled to cure any breach of a representation and warranty within five Business Days after receipt of written notice thereof from Gear (except that no cure period shall be provided for a breach which by its nature cannot be cured and, in no event, shall any cure period extend beyond the Outside Date).
- (b) **Covenants:** Striker shall have complied in all respects with their covenants herein, except where the failure to comply in all respects with such covenants, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect on Striker or would not reasonably be expected to significantly impede the ability of the Parties to complete the Arrangement, and Striker shall have provided to Gear a certificate of a senior officer certifying (without personal liability) compliance with such covenants; provided that Striker shall be entitled to cure any breach of a covenant within five Business Days after receipt of written notice thereof from Gear (except that no cure period shall be provided for a breach which by its nature cannot be cured and, in no event, shall any cure period extend beyond the Outside Date).
- (c) **No Actions:** No act, action, suit, proceeding, objection or opposition shall have been threatened or taken before or by any Governmental Authority or by any elected or appointed public official or private Person in Canada or elsewhere, whether or not having the force of law, and no law, regulation, policy, judgment, decision, order, ruling or directive (whether or not having the force of law) shall have been proposed, enacted, promulgated, amended or applied, which in the sole judgment of Gear, acting reasonably, in either case has had or, if the Arrangement was consummated, would result in a Material Adverse Effect on Striker or would materially impede the ability of the Parties to complete the Arrangement.
- (d) **Striker Board and Shareholder Authorization:** Striker shall have furnished Gear with:
 - (i) certified copies of the resolutions duly passed by the Striker Board of Directors approving the entering into of this Agreement and the consummation of the transactions contemplated hereby; and
 - (ii) a certified copy of the Striker Arrangement Resolution duly passed by Striker Shareholders and any other securityholders of Striker who may be required to approve the Arrangement Resolution at the Striker Meeting.

- (e) Dissent Rights: Striker Shareholders holding not more than 5% of the Striker Shares then outstanding shall have validly exercised, and not withdrawn, Dissent Rights, and Striker shall have provided to Gear a certificate of a senior officer certifying (without personal liability) such facts on the Effective Date with respect to Striker.
- (f) Striker Options and Striker Warrants: Gear shall be satisfied, acting reasonably, that (i) all Striker Options and Striker Warrants (other than Striker Warrants to purchase an aggregate of 650,000 Striker Shares held by certain Board Nominees, which will remain outstanding in accordance with the terms of such Striker Warrants following the Effective Time) have either been exercised in accordance with their terms by the holders thereof in exchange for Striker Shares or terminated for nil consideration (or for the nominal consideration provided for in the Striker Cancellation Agreements), or Gear shall be otherwise satisfied, acting reasonably, that the Striker Options and Striker Warrants will no longer represent any right to acquire Striker Shares after giving effect to the Arrangement, and (ii) there are no other outstanding claims or rights or securities which could become claims or rights to Striker Shares, and Striker shall have provided to Gear a certificate of a senior officer certifying (without personal liability) such facts on the Effective Date.
- (g) No Material Adverse Change: Between the date hereof and the Effective Time, there shall not have occurred any Material Adverse Change with respect to Striker.
- (h) Striker Common Shares: Gear shall be satisfied, acting reasonably, that immediately prior to the Effective Time the aggregate number of Striker Shares issued and outstanding on a fully diluted basis does not exceed 37,981,892 Striker Shares and Striker shall have provided to Gear a certificate of a senior officer certifying (without personal liability) such facts on the Effective Date.
- (i) Releases: Executed mutual resignations and releases in a form acceptable to Gear, acting reasonably, shall have been received by Gear on or prior to the Effective Date from each Person who is a director or officer of Striker or an employee or consultant of Striker (provided such employee or consultant is entitled to receive a severance amount as a consequence of the Arrangement).
- (j) Lock-up Agreements: None of the Striker Lock-up Agreements shall have been breached in any material respects by the Striker Shareholders who have entered into the Striker Lock-up Agreements.
- (k) Striker Net Debt: As of the date of this Agreement, the Striker Net Debt shall not exceed \$10.0 million and Striker shall have provided to Gear a certificate of a senior officer certifying (without personal liability) such facts on the Effective Date and such other evidence of such facts as Gear may reasonably request.
- (l) Striker Tax Pools: The Striker Tax Pools at December 31, 2015 shall be as set forth in the Striker Disclosure Letter, and Striker shall not have taken any action, or entered into any transaction, outside of the ordinary course of business that had the effect of materially reducing any amount set out therein. Striker shall have provided to Gear a certificate of a senior officer certifying (without personal liability) such facts on the Effective Date and such other evidence of such facts as Gear may reasonably request.
- (m) Production: Striker's average production for the month ended March 31, 2016 shall not have been less than *[Amount redacted]* and Striker shall have provided to Gear a certificate of a senior officer certifying (without personal liability) such facts on the Effective Date (both parties agree

that such officer's certificate may be based on field estimates of Striker's production) and such other evidence of such facts as Gear may reasonably request.

- (n) Agreements: Striker shall have tabled duly executed copies of all agreements, documents and instruments required to be tabled by such Parties pursuant to the Plan of Arrangement.

The conditions in this Section 5.3 are for the exclusive benefit of Gear and may be asserted by Gear regardless of the circumstances or may be waived by Gear in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which Gear may have. If any of the foregoing conditions are not satisfied or waived, Gear may, in addition to any other remedies it may have at law or equity, terminate this Agreement as provided in Section 8.1(a)(ii) (save and except for Section 4.3, Article 6, Article 9, Section 10.4 and Section 10.8 hereof which shall survive such termination and remain in full force and effect).

5.4 Notice and Effect of Failure to Comply with Conditions

Each of Striker and Gear shall give prompt notice to the other of the occurrence, or failure to occur, at any time from the date hereof to the Effective Date of any event or state of facts which occurrence or failure would, or would be likely to: (a) cause any of the representations or warranties of such Party contained herein to be untrue or inaccurate in any material respect; or (b) result in the failure to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by any Party hereunder; provided, however, that no such notification will affect the representations or warranties of the Parties or the conditions to the obligations of the Parties hereunder.

5.5 Satisfaction of Conditions

The conditions set out in this Article 5 are conclusively deemed to have been satisfied, waived or released when, with the agreement of the Parties, the Striker Articles of Arrangement are filed under the ABCA to give effect to the Arrangement.

ARTICLE 6 AGREEMENT AS TO DAMAGES AND OTHER ARRANGEMENTS

6.1 Striker Damages

If at any time after the execution of this Agreement and prior to its termination:

- (a) the Gear Board of Directors (i) fails to make any of the recommendations or determinations referred to in Section 2.9; or (ii) withdraws, amends, changes or qualifies, or proposes publicly to withdraw, amend, change or qualify, in any manner adverse to Striker, any of its recommendations, approvals or determinations referred to in Section 2.9;
- (b) Gear is in breach of any of its covenants made in this Agreement which breach individually or in the aggregate causes or would reasonably be expected to cause a Material Adverse Change with respect to, or Material Adverse Effect on, Gear or materially impedes or would reasonably be expected to materially impede the completion of the Arrangement, and Gear fails to cure such breach within five Business Days after receipt of written notice thereof from Striker (except that no cure period shall be provided for a breach which by its nature cannot be cured and, in no event, shall any cure period extend beyond the Outside Date); or

- (c) Gear is in breach of any of its representations or warranties made in this Agreement (without giving effect to any materiality qualifiers contained therein) which breach individually or in the aggregate causes or would reasonably be expected to cause a Material Adverse Change with respect to, or have a Material Adverse Effect on, Gear or materially impedes or would reasonably be expected to materially impede the completion of the Arrangement, and Gear fails to cure such breach within five Business Days after receipt of written notice thereof from Striker (except that no cure period shall be provided for a breach which by its nature cannot be cured and, in no event, shall any cure period extend beyond the Outside Date),

each of the above being a "**Striker Damages Event**", then in the event of the termination of this Agreement pursuant to Article 8, Gear shall pay to Striker (or to whom Striker may direct in writing) \$1,800,000 (the "**Striker Termination Fee**") as liquidated damages in immediately available funds to an account designated by Striker within one Business Day after the occurrence of the Striker Damages Event. After a Striker Damages Event but prior to payment of such amount, Gear shall be deemed to hold such funds in trust for Striker. For greater certainty, Striker is not entitled to more than one payment of the Striker Termination Fee pursuant to this Section 6.1.

6.2 Gear Damages

If at any time after the execution of this Agreement and prior to its termination:

- (a) the Striker Board of Directors (i) fails to make any of the recommendations or determinations referred to in Section 2.8; or (ii) withdraws, amends, changes or qualifies, or proposes publicly to withdraw, amend, change or qualify, in any manner adverse to Gear, any of its recommendations, approvals or determinations referred to in Section 2.8;
- (b) the Striker Board of Directors shall have failed to publicly reaffirm any of its recommendations, approvals or determinations referred to in Section 2.8 in accordance with Section 3.4(e) or within 120 hours of any written request to do so by Gear (or, in the event that the Striker Meeting to approve the Arrangement is scheduled to occur within such 120 hour period, prior to the scheduled date of such meeting);
- (c) a bona fide Acquisition Proposal (or bona fide intention to make an Acquisition Proposal) is publicly announced, proposed, offered or made to Striker or the Striker Shareholders prior to the date of the Striker Meeting and (i) remains outstanding at the time of the Striker Meeting, and (ii) the Striker Shareholders do not approve the applicable Striker Arrangement Resolution or the applicable Striker Arrangement Resolution is not submitted for their approval at the Striker Meeting;
- (d) the Striker Board of Directors or any committee of the Striker Board of Directors accepts, recommends, approves or enters into an agreement, understanding or letter of intent to implement a Superior Proposal;
- (e) Striker is in breach of any of its covenants or obligations in Section 3.4 in any material respect; or
- (f) Striker is in breach of any of its covenants made in this Agreement which breach individually or in the aggregate causes or would reasonably be expected to cause a Material Adverse Change with respect to, or Material Adverse Effect on, Striker or materially impedes or would reasonably be expected to materially impede the completion of the Arrangement, and Striker fails to cure such breach within five Business Days after receipt of written notice thereof from Gear (except

that no cure period shall be provided for a breach which by its nature cannot be cured and, in no event, shall any cure period extend beyond the Outside Date); or

- (g) Striker is in breach of any of its representations or warranties made in this Agreement (without giving effect to any materiality qualifiers contained therein) which breach individually or in the aggregate causes or would reasonably be expected to cause a Material Adverse Change with respect to, or have a Material Adverse Effect on, Striker or materially impedes or would reasonably be expected to materially impede the completion of the Arrangement, and Striker fails to cure such breach within five Business Days after receipt of written notice thereof from Gear (except that no cure period shall be provided for a breach which by its nature cannot be cured and, in no event, shall any cure period extend beyond the Outside Date),

each of the above being a "**Gear Damages Event**", then in the event of the termination of this Agreement pursuant to Article 8, Striker shall pay to Gear (or to whom Gear may direct in writing) \$1,800,000 (the "**Gear Termination Fee**") as liquidated damages in immediately available funds to an account designated by Gear within one Business Day after the first to occur of the events described above. After a Gear Damages Event, but prior to payment of the Gear Termination Fee, Striker shall be deemed to hold such applicable payment in trust for Gear. For greater certainty, Gear is not entitled to more than one payment of the Gear Termination Fee pursuant to this Section 6.2.

6.3 Liquidated Damages

Each Party acknowledges that the Striker Termination Fee and the Gear Termination Fee set out in Sections 6.1 and 6.2, respectively, are a payment of liquidated damages which are a genuine pre-estimate of the damages which Striker or Gear, as the case may be, will suffer or incur as a result of the event giving rise to such damages and the resultant termination of this Agreement and is not a penalty. Each of the Parties irrevocably waives any right it may have to raise as a defence that any such liquidated damages are excessive or punitive. For greater certainty, the Parties agree that the payment of the amounts pursuant to Sections 6.1 and 6.2 is the sole monetary remedy of the respective Party receiving such payment; provided, however, that this limitation shall not apply in the event of fraud or intentional breach of this Agreement by either of the Parties. Nothing herein shall preclude a Party from seeking injunctive relief to restrain any breach or threatened breach of the covenants or agreements set forth in this Agreement, the Gear Confidentiality Agreement or the Striker Confidentiality Agreement or otherwise to obtain specific performance of any of such act, covenants or agreements, without the necessity of posting bond or security in connection therewith.

ARTICLE 7 AMENDMENT

7.1 Amendment

This Agreement may at any time and from time to time before or after the holding of the later of the Striker Meeting or the Gear Meeting pursuant to Applicable Laws, be amended by written agreement of all of the Parties hereto without, subject to Applicable Law, further notice to or authorization on the part of their respective securityholders and any such amendment may, without limitation:

- (a) change the time for performance of any of the obligations or acts of the Parties;
- (b) waive any inaccuracies or modify any representation or warranty contained herein or in any document delivered pursuant hereto;

- (c) waive compliance with or modify any of the covenants herein contained and waive or modify performance of any of the obligations of the Parties; or
- (d) waive compliance with or modify any other conditions precedent contained herein; provided that no such amendment reduces or materially adversely affects the consideration to be received by a Striker Shareholder without approval by the affected securityholders given in the same manner as required for the approval of the Arrangement or as may be ordered by the Court.

7.2 Amendment of Plan of Arrangement

- (a) Gear and Striker may by mutual agreement amend the Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that each such amendment must be: (i) set out in writing; (ii) filed with the Court and, if made following the Striker Meeting approved by the Court; and (iii) communicated to holders of Striker Shares, if and as required by the Court.
- (b) Other than as may be required under the Interim Order, any amendment to the Plan of Arrangement may be proposed by Striker or Gear at any time prior to or at the Striker Meeting (provided that the Other Party shall have consented thereto) with or without any other prior notice or communication, and if so proposed and accepted by the Persons voting at the Striker Meeting, shall become part of the Plan of Arrangement for all purposes.
- (c) Any amendment to the Plan of Arrangement that is approved by the Court following the Striker Meeting shall be effective only if it is consented to by each of Gear and Striker.

ARTICLE 8 TERMINATION

8.1 Termination

- (a) This Agreement may be terminated at any time prior to the Effective Date:
 - (i) by mutual written consent of Striker and Gear;
 - (ii) as provided in Sections 5.1, 5.2 and 5.3;
 - (iii) by Striker upon the occurrence of a Striker Damages Event as provided in Section 6.1;
 - (iv) by Gear upon the occurrence of a Gear Damages Event as provided in Section 6.2; and
 - (v) by Striker upon the occurrence of a Gear Damages Event as provided in Section 6.2(d) (in accordance with Section 3.4(b)(vii) and provided Striker has complied with its obligations set forth in Section 3.4(d)) and the payment by Striker to Gear of the Gear Termination Fee as required by Section 6.2 has been made.
- (b) If this Agreement is terminated in accordance with the foregoing provisions of this Section 8.1, this Agreement shall forthwith become void and neither Party shall have any liability or further obligation to and of the Other Party hereunder except as provided in Section 4.3, Article 6, Article 9, and Sections 10.4 and 10.8 and each Party's obligations under the Gear Confidentiality Agreement or Striker Confidentiality Agreement, as applicable, which shall survive such termination, and provided that neither the termination of this Agreement nor anything contained in this Subsection (b) shall relieve either Party from any liability for any breach by it of this

Agreement, including from any inaccuracy in any of its representations and warranties and any non-performance by it of its covenants made herein, prior to the date of such termination.

ARTICLE 9 NOTICES

9.1 Notices

All notices that may or are required to be given pursuant to any provision of this Agreement are to be given or made in writing and served personally, delivered by overnight courier or sent by email or facsimile transmission:

(a) in the case of Gear, to:

Gear Energy Ltd.
2600, 500 - 4th Avenue SW
Calgary, AB T2P 2V6

Facsimile Number: 403-705-2660
Email: igillmore@gearenergy.com
Attention: President and Chief Executive Officer, Ingram Gillmore

with a copy to:

Burnet, Duckworth & Palmer LLP
2400, 525 - 8th Avenue SW
Calgary, AB T2P 1G1

Facsimile Number: (403) 260-0332
Email: ebb@bdplaw.com
Attention: Edward (Ted) Brown

(b) in the case of Gear, to:

Striker Exploration Ltd.
1250, 645 - 7th Avenue SW
Calgary, AB T2P 4G8

Facsimile Number: 403-264-1348
Email: dbailey@strikerexp.com
Attention: President and Chief Executive Officer, Doug Bailey

with a copy to:

McCarthy Tétrault LLP
4000, 421 - 7th Avenue SW
Calgary, AB T2P 4K9

Facsimile Number: (403) 260-3501
Email: sgill@mccarthy.ca
Attention: Sony Gill

or such other address as the Parties may, from time to time, advise the Other Party hereto by notice in writing. The date or time of receipt of any such notice will be deemed to be the date of delivery or facsimile transmission is received or a confirmation of receipt of email is received.

ARTICLE 10 GENERAL

10.1 Binding Effect

This Agreement shall be binding upon and enure to the benefit of the Parties hereto and their respective successors and permitted assigns.

10.2 Assignment

Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by either Party hereto without the prior written consent of the Other Party hereto.

10.3 Public Communications

Each of the Parties agree to consult with the Other Party prior to issuing any press releases or otherwise making public statements with respect to this Agreement or the Arrangement or making any filing with any Governmental Authority with respect thereto. Without limiting the generality of the foregoing, no Party shall issue any press release regarding the Arrangement, this Agreement or any transaction relating to this Agreement without first providing a draft of such press release to the Other Party and reasonable opportunity for comment; provided, however, that the foregoing shall be subject to each Party's overriding obligation to make any such disclosure required in accordance with Applicable Laws. If such disclosure is required and the Other Party has not reviewed or commented on the disclosure, the Party making such disclosure shall use all commercially reasonable efforts to give prior oral or written notice to the Other Party, and if such prior notice is not possible, to give such notice promptly following such disclosure.

10.4 Costs

Except as otherwise expressly provided for in Article 6, all fees, costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the Party incurring such cost or expense, whether or not the Arrangement is completed.

10.5 Severability

If any one or more of the provisions or parts thereof contained in this Agreement should be or become invalid, illegal or unenforceable in any respect, the remaining provisions or parts thereof contained herein shall be and shall be conclusively deemed to be severable therefrom and the validity, legality or enforceability of such remaining provisions or parts thereof shall not in any way be affected or impaired by the severance of the provisions or parts thereof severed. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

10.6 Further Assurances

Each of the Parties hereto shall, from time to time and at all times hereafter, at the request of the Other Party hereto, but without further consideration, do all such further acts, and execute and deliver all such further documents and instruments and provide all such further assurances as may be reasonably required in order to fully perform and carry out the terms and intent hereof.

10.7 Time of Essence

Time shall be of the essence of this Agreement.

10.8 Applicable Law and Enforcement

This Agreement shall be governed, including as to validity, interpretation and effect, by the Applicable Laws of the Province of Alberta and the Applicable Laws of Canada applicable therein. The Parties hereby irrevocably submit and attorn to the exclusive jurisdiction of the courts of the Province of Alberta in respect of all matters arising out of this Agreement. The Parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is, accordingly, agreed that the Parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof in any court of the Province of Alberta having jurisdiction, this being in addition to any other remedy to which they are entitled at law or in equity, subject to the provisions of this Agreement.

10.9 Waiver

Either Party may, on its own behalf only, (i) extend the time for the performance of any of the obligations or acts of the Other Party, (ii) waive compliance with the Other Party's agreements or the fulfillment of any conditions to its own obligations contained herein, or (iii) waive inaccuracies in the Other Party's representations or warranties contained herein or in any document delivered by the Other Party; provided, however, that any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of the Other Party and, unless otherwise provided in the written waiver, will be limited to the specific breach or condition waived.

10.10 Third Party Beneficiaries

The provisions of Section 2.6(a) and 2.6(b) are: (i) intended for the benefit of all such present directors and officers of Striker and shall be enforceable by each of such persons and his or her heirs, executors, administrators and other legal representatives (collectively, the "**Striker Third Party Beneficiaries**") and Striker shall hold the rights and benefits of such section in trust for and on behalf of the Striker Third Party Beneficiaries and Gear hereby accepts such trust and agrees to hold the benefit of and enforce performance of such covenants on behalf of the Striker Third Party Beneficiaries; and (ii) are in addition to, and not in substitution for, any other rights that the Striker Third Party Beneficiaries may have by contract or otherwise.

[Remainder of page intentionally left blank]

10.11 Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together constitute one and the same instrument.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first above written.

GEAR ENERGY LTD.

Per: (signed) "Ingram Gillmore"

STRIKER EXPLORATION CORP.

Per: (signed) "Doug Bailey"

EXHIBIT "A"
PLAN OF ARRANGEMENT

**PLAN OF ARRANGEMENT UNDER SECTION 193
OF THE
BUSINESS CORPORATION ACT (ALBERTA)**

**ARTICLE 1
INTERPRETATION**

1.1 Definitions

In this Plan, the following defined terms have the meanings hereinafter set forth:

- (a) "**ABCA**" means the *Business Corporations Act*, R.S.A. 2000, c. B-9;
- (b) "**AmalCo**" means the corporation resulting from the amalgamation of Gear and Striker pursuant to the Arrangement;
- (c) "**Arrangement**", "herein", "hereof", "hereto", "hereunder" and similar expressions mean and refer to the arrangement pursuant to Section 193 of the ABCA set forth in this Plan as supplemented, modified or amended, and not to any particular article, section or other portion hereof;
- (d) "**Arrangement Agreement**" means the arrangement agreement dated effective as of June 7, 2016 between Striker and Gear with respect to the Arrangement and all amendments thereto and amendments and restatements thereof;
- (e) "**Articles of Arrangement**" means the articles of arrangement in respect of the Arrangement required under Section 193(10) of the ABCA to be filed with the Registrar after the Final Order has been made to give effect to the Arrangement;
- (f) "**Business Day**" means a day other than a Saturday, Sunday or other day when banks in the city of Calgary, Alberta are not generally open for business;
- (g) "**Certificate**" means the certificate or certificates or other confirmation of filing to be issued by the Registrar pursuant to Section 193(11) of the ABCA giving effect to the Arrangement;
- (h) "**Court**" means the Court of Queen's Bench of Alberta;
- (i) "**Depository**" means Computershare Trust Company of Canada or such other trust company as may be designated by Gear and Striker;
- (j) "**Effective Date**" means the date that the Arrangement is effective under the ABCA;
- (k) "**Effective Time**" means the time that the Certificate is issued;
- (l) "**Final Order**" means the final order of the Court approving the Arrangement under Section 193(9) of the ABCA, as such order may be affirmed, amended or modified by any court of competent jurisdiction;
- (m) "**Gear**" means Gear Energy Ltd., a corporation amalgamated under the ABCA;
- (n) "**Gear Shares**" means the common shares in the capital of Gear;
- (o) "**Governmental Authority**" means any:

- (i) multinational, federal, provincial, state, regional, municipal, local or other government or any governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau, ministry or agency, domestic or foreign;
 - (ii) any subdivision, agent, commission, board or authority of any of the foregoing;
 - (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing; and
 - (iv) any stock exchange;
- (p) "**Interim Order**" means the interim order of the Court under Section 193(4) of the ABCA containing declarations and directions with respect to the Arrangement, as such order may be affirmed, amended or modified by any court of competent jurisdiction;
- (q) "**Letter of Transmittal**" means the letter of transmittal sent to Striker Shareholders pursuant to which Striker Shareholders are required to deliver certificates representing Striker Shares to the Depositary;
- (r) "**Parties**" means, collectively, the parties to the Arrangement Agreement, and "Party" means any one of them;
- (s) "**Person**" includes any individual, firm, partnership, joint venture, venture capital fund, association, trust, trustee, executor, administrator, legal personal representative, estate group, body corporate, corporation, unincorporated association or organization, Governmental Authority, syndicate or other entity, whether or not having legal status;
- (t) "**Plan**" means this plan of arrangement, as amended or supplemented from time to time in accordance with the terms hereof, and "hereby", "hereof", "herein", "hereunder", "herewith" and similar terms refer to this plan of arrangement and not to any particular provision of this plan of arrangement;
- (u) "**Registrar**" means the Registrar of Corporations or a Deputy Registrar of Corporations appointed under Section 263 of the ABCA;
- (v) "**Striker**" means Striker Exploration Corp., a corporation amalgamated under the ABCA;
- (w) "**Striker Dissent Rights**" mean the rights of dissent granted in Section 4.1 hereof to the registered Striker Shareholders in respect of the Arrangement and the Interim Order;
- (x) "**Striker Dissenting Shareholders**" mean registered Striker Shareholders who validly exercise the Striker Dissent Rights with respect to the Arrangement provided to them under this Plan and the Interim Order;
- (y) "**Striker Meeting**" means the special meeting of Striker Shareholders to be held to consider the Arrangement and related matters, and any adjournment(s) thereof;
- (z) "**Striker Shares**" means the common shares in the capital of Striker;
- (aa) "**Striker Shareholders**" means holders of Striker Shares; and
- (bb) "**Tax Act**" means the *Income Tax Act* (Canada), R.S.C. 1985, c. 1 (5th Supp.).

1.2 Interpretation Not Affected by Headings

The division of this Plan into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan.

1.3 Article References

Unless reference is specifically made to some other document or instrument, all references herein to articles, sections and subsections are to articles, sections and subsections of this Plan.

1.4 Number and Gender

Unless the context otherwise requires, words importing the singular number shall include the plural and vice versa, and words importing any gender shall include all genders.

1.5 Date for Any Action

If any date on which any action is required to be taken hereunder by either Party is not a Business Day and a business day in the place where an action is required to be taken, such action is required to be taken on the next succeeding day which is a Business Day and a business day, as applicable, in such place.

1.6 Statutes

References in this Plan to any statute or sections thereof shall include such statute as amended or substituted and any regulations promulgated thereunder from time to time in effect.

1.7 Currency

Unless otherwise stated, all references in this Plan to sums of money are expressed in lawful money of Canada.

ARTICLE 2 ARRANGEMENT AGREEMENT

2.1 Plan Part of the Arrangement Agreement

The Plan is made pursuant to the Arrangement Agreement and is subject to the provisions of, and forms part of, the Arrangement Agreement.

2.2 Plan Binding

This Plan, upon the filing of the Articles of Arrangement and the issue of the Certificate, shall become effective at the Effective Time, and shall be binding at and after the Effective Time on: (a) the Striker Shareholders; (b) Striker; and (c) Gear.

2.3 Filing of the Articles of Arrangement

The Articles of Arrangement and Certificate shall be filed and issued, respectively, with respect to this Arrangement in its entirety. The Certificate shall be conclusive evidence that the Arrangement has become effective and that each of the provisions of Section 3.1 has become effective in the sequence and at the times set out therein.

ARTICLE 3 ARRANGEMENT

3.1 The Arrangement

Commencing at the Effective Time, each of the events set out below shall occur and shall be deemed to occur on the Effective Date in the following order without any further act or formality, except as otherwise provided herein:

- (a) the Striker Shares held by Striker Dissenting Shareholders shall be transferred to Gear (free and clear of any liens, claims, encumbrances, charges, adverse interests and security interests of any nature or kind whatsoever) and shall continue to be outstanding, and such Striker Dissenting Shareholders shall cease to have any rights as Striker Shareholders, other than the right to be paid the fair value of their Striker Shares by Gear in accordance with the Striker Dissent Rights and such Striker Dissenting Shareholders' names shall be removed as the holders of such Striker Shares from the register of Striker Shares maintained by or on behalf of Striker and Gear's name shall be added as the holder of such Striker Shares to such register;
- (b) all Striker Shareholders (other than Gear) shall transfer to Gear all of the Striker Shares (free and clear of any liens, claims, encumbrances, charges, adverse interests and security interests of any nature or kind whatsoever) held by them in exchange for 2.325 Gear Shares for each 1.0 Striker Share so transferred;
- (c) the stated capital account maintained by Striker for the issued and outstanding shares of each class in the capital of Striker will be reduced to \$1.00 without payment of any amount in respect of those shares;
- (d) Gear and Striker shall be amalgamated under the ABCA to form AmalCo and:
 - (i) all of the property of each of Gear and Striker shall continue to be the property of AmalCo;
 - (ii) AmalCo shall continue to be liable for all of the obligations of each of Gear and Striker;
 - (iii) any existing cause of action, claim or liability to prosecution of Gear or Striker shall be unaffected;
 - (iv) any civil, criminal or administrative action or proceeding pending by or against Gear or Striker may be continued to be prosecuted by or against AmalCo;
 - (v) a conviction against, or ruling, order or judgment in favour of or against, Gear or Striker may be enforced by or against AmalCo;
 - (vi) the Articles of Amalgamation of Gear shall be deemed to be the Articles of Incorporation of AmalCo and the Certificate of Amalgamation of Gear shall be deemed to be the Certificate of Incorporation of AmalCo;
 - (vii) the name of AmalCo shall be "Gear Energy Ltd.";
 - (viii) the by-laws of AmalCo shall be the by-laws of Gear;

- (ix) the first directors of AmalCo shall be the directors of Gear;
 - (x) the first officers of AmalCo shall be the officers of Gear; and
 - (xi) the registered office of AmalCo shall be the registered office of Gear; and
- (e) on the amalgamation referred to in Subsection 3.1(d) above:
- (i) no securities shall be issued by AmalCo and, for greater certainty, the Gear Shares shall survive and continue to be shares of AmalCo without amendment; and
 - (ii) all of the Striker Shares held by Gear immediately prior to the amalgamation shall be cancelled without any payment in respect of such shares.

3.2 Effect of the Arrangement

With respect to each Striker Shareholder, other than Striker Dissenting Shareholders, at the Effective Time, upon the exchange of Striker Shares for Gear Shares pursuant to Subsection 3.1(b):

- (a) each holder of such Striker Shares shall cease to be a holder of the Striker Shares so exchanged and the name of such holder shall be removed from the register of holders of Striker Shares as it relates to the Striker Shares so exchanged;
- (b) Gear shall become the holder of the Striker Shares so exchanged and shall be added to the register of holders of Striker Shares; and
- (c) Gear shall allot and issue to such holder the number of Gear Shares issuable to such holder on the basis set forth in Subsection 3.1(b) and the name of such holder shall be added to the register of holders of Gear Shares.

ARTICLE 4 DISSENTING STRIKER SHAREHOLDERS

4.1 Dissent Rights

Each registered Striker Shareholder shall have the right to dissent with respect to the Arrangement, in the same manner as provided for in Section 191 of the ABCA, but as modified by the terms of this Plan and the Interim Order. A Striker Dissenting Shareholder shall, immediately after the step contemplated in Subsection 3.1(a), cease to have any rights as a Striker Shareholder and shall only be entitled to be paid by Gear the fair value of such Striker Dissenting Shareholder's Striker Shares under the Arrangement net of all withholding or other taxes required to be withheld by Striker or Gear in accordance with applicable laws, to the extent applicable. The fair value of the Striker Shares shall be determined as of the close of business on the last Business Day before the day on which the Arrangement is approved by the Striker Shareholders at the Striker Meeting. A Striker Dissenting Shareholder who is entitled to be paid the fair value of its Striker Shares shall be deemed to have transferred its Striker Shares to Gear and such Striker Shares so transferred shall continue to be outstanding in accordance with this Plan. A Striker Dissenting Shareholder who for any reason is not entitled to be paid the fair value of its Striker Shares shall be treated as if such Striker Dissenting Shareholder had participated in the Arrangement on the same basis as a non-dissenting Striker Shareholder, in which case Gear shall transfer the Gear Shares to which the Striker Dissenting Shareholder is entitled under the Arrangement to the Striker Dissenting Shareholder. In no event shall Striker, Gear or any other Person be required to

recognize a Striker Dissenting Shareholder as a Striker Shareholder after the transfer of the Striker Shares to Gear pursuant to Subsection 3.1(a). For greater certainty, in addition to any other restrictions in Section 191 of the ABCA, no Person who has voted in favour of the Arrangement shall be entitled to dissent with respect to the Arrangement.

ARTICLE 5 OUTSTANDING CERTIFICATES AND FRACTIONAL SECURITIES

5.1 Deposit of Consideration by Gear

At or promptly after the Effective Time, Gear shall issue to the Depositary an irrevocable treasury order authorizing the Depositary, as the registrar and transfer agent of Gear, to issue certificates representing the aggregate number of Gear Shares to which the Striker Shareholders are entitled in accordance with the terms of the Arrangement.

5.2 Certificates

After the Effective Time, each certificate formerly representing Striker Shares shall represent only the right to receive:

- (a) in the case of certificates held by Striker Dissenting Shareholders, other than those Striker Dissenting Shareholders deemed to have participated in the Arrangement pursuant to Section 4.1, the fair value of the Striker Shares represented by such certificates from Gear as provided for in the Interim Order and Section 4.1; and
- (b) in the case of certificates held by all other Striker Shareholders, the consideration that such Striker Shareholders are entitled to in accordance with the terms the Arrangement.

5.3 Lost Certificates

If any certificate which immediately prior to the Effective Time represented outstanding Striker Shares has been lost, stolen or destroyed, upon satisfying such reasonable requirements as may be imposed by Gear and the Depositary in relation to the issuance of replacement share certificates, the Depositary will issue and deliver in exchange for such lost, stolen or destroyed certificate the consideration to which the holder is entitled pursuant to the Arrangement (and any dividends or distributions with respect thereto) as determined in accordance with the Arrangement.

5.4 Dividends and Distributions

All dividends and distributions, if any, made with respect to any Gear Shares allotted and issued pursuant to this Arrangement but for which a certificate has not been issued shall be paid or delivered to the Depositary to be held by the Depositary in trust for the registered holder thereof. The Depositary shall pay and deliver to any such registered holder, upon delivery of the certificate representing Gear Shares in accordance with the Arrangement, such dividends and distributions to which such holder is entitled, net of all withholding and other taxes required to be withheld by Gear in accordance with applicable laws, to the extent applicable (and no interest shall be payable by Gear, Striker or the Depositary in respect thereof).

5.5 Failure to Deposit Certificates

Any certificate formerly representing Striker Shares that is not deposited with all other documents as required by this Plan and the Letter of Transmittal on or before the last Business Day prior to the third anniversary of the Effective Date shall cease to represent a right or claim of any kind or nature, and the right of the holder of such Striker Shares to receive certificates representing Gear Shares to which such holder is entitled pursuant to the Arrangement (together with all dividends, distributions or other payments thereon held for such holder) shall be deemed to be surrendered to Amalco.

5.6 Fractional Shares

No certificates representing fractional Gear Shares shall be issued pursuant to the Arrangement. In lieu of any fractional Gear Shares, each registered Striker Shareholder otherwise entitled to a fractional interest in a Gear Share will receive the nearest whole number of Gear Shares. For greater certainty, where such fractional interest is greater than or equal to 0.5, the number of Gear Shares to be issued will be rounded up to the nearest whole number, and where such fractional interest is less than 0.5, the number of Gear Shares to be issued will be rounded down to the nearest whole number.

5.7 Withholdings

Gear, Striker and the Depositary shall be entitled to deduct and withhold from any consideration, dividend or distribution otherwise payable to any former holder of Striker Shares, such amounts as either Gear, Striker or the Depositary are required to deduct and withhold with respect to such payment under the Tax Act or any provision of federal, provincial, territorial, state, local or foreign tax law. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the holder of the securities in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate Governmental Authority. Gear, Striker and the Depositary are hereby authorized to sell or otherwise dispose of such portion of the consideration as is necessary to provide sufficient funds to Gear, Striker and the Depositary, as the case may be, to enable it to comply with such deduction or withholding requirement, and Gear, Striker and the Depositary shall notify the holder thereof and remit any unapplied balance of the net proceeds of such sale to such holder.

5.8 No Interest after the Effective Time

After the Effective Time, the Striker Shareholders (other than Gear) shall not be entitled to any interest, dividend, premium or other payment on or with respect to the Striker Shares other than the Gear Shares which they are entitled to receive pursuant to this Plan.

ARTICLE 6 AMENDMENTS

6.1 Amendment of this Plan

- (a) Gear and Striker may by mutual agreement amend this Plan at any time and from time to time prior to the Effective Time, provided that each such amendment must be: (i) set out in writing; (ii) filed with the Court and, if made following the Striker Meeting, approved by the Court; and (iii) communicated to holders of Striker Shares, if and as required by the Court.
- (b) Other than as may be required under the Interim Order, any amendment to this Plan may be proposed by Striker or Gear at any time prior to or at the Striker Meeting (provided that the other

party shall have consented thereto) with or without any other prior notice or communication, and if so proposed and accepted by the Persons voting at the Striker Meeting, shall become part of this Plan for all purposes.

- (c) Any amendment, modification or supplement to this Plan which is approved or directed by the Court following the Striker Meeting shall be effective only: (i) if it is consented to by Striker and Gear (each acting reasonably); and (ii) if required by the Court or applicable law, it is consented to by Striker Shareholders.
- (d) This Plan may be amended, modified or supplemented following the Effective Time unilaterally by Gear, provided that it concerns a matter that, in the reasonable opinion of Gear, is of an administrative nature required to better give effect to the implementation of this Plan and is not adverse to the financial or economic interest of any former Striker Shareholder.

EXHIBIT "B"
STRIKER ARRANGEMENT RESOLUTION

BE IT RESOLVED AS A SPECIAL RESOLUTION OF THE HOLDERS OF COMMON SHARES OF STRIKER EXPLORATION CORP. ("**STRIKER**") THAT:

1. the arrangement under Section 193 of the *Business Corporations Act* (Alberta) (the "**Arrangement**") substantially as set forth in the plan of arrangement (the "**Plan of Arrangement**") attached as Appendix • to the joint management information circular of Striker and Gear Energy Ltd. ("**Gear**") dated •, 2016 (the "**Information Circular**") accompanying the notice of meeting of Striker is hereby authorized, approved, ratified and confirmed;
2. the arrangement agreement between Striker and Gear dated June 7, 2016 (the "**Arrangement Agreement**"), a copy of which is attached as Appendix • to the Information Circular, with such amendments or variations thereto made in accordance with the terms of the Arrangement Agreement as may be approved by the persons referred to in paragraph 4 hereof, such approval to be evidenced conclusively by their execution and delivery of any such amendments or variations, is hereby authorized, approved, ratified and confirmed;
3. notwithstanding that this resolution has been duly passed and/or has received the approval of the Court of Queen's Bench of Alberta, the board of directors of Striker may, without further notice to or approval of the securityholders of Striker, subject to the terms of the Arrangement Agreement and the Arrangement, (i) amend or terminate the Arrangement Agreement or the Plan of Arrangement, or (ii) revoke this resolution at any time prior to the filing of articles of arrangement giving effect to the Arrangement;
4. any director or officer of Striker is hereby authorized, for and on behalf of Striker, to execute and deliver articles of arrangement and to execute, with or without the corporate seal, and, if appropriate, deliver all other documents and instruments and to do all other things as in the opinion of such director or officer may be necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such document or instrument, and the taking of any such action; and
5. all actions heretofore taken by or on behalf of Striker in connection with any matter referred to in any of the foregoing resolutions which were in furtherance of the Arrangement are hereby approved, ratified and confirmed in all respects.

EXHIBIT "C"
GEAR RESOLUTION

BE IT RESOLVED AS AN ORDINARY RESOLUTION OF THE HOLDERS OF COMMON SHARES OF GEAR ENERGY LTD. ("**GEAR**") THAT:

1. the issuance of up to • common shares ("**Gear Shares**") in the capital of Gear in exchange for common shares ("**Striker Shares**") in the capital of Striker Exploration Corp. ("**Striker**") (including in exchange for up to • Striker Shares issued on exercise of outstanding options to purchase Striker Shares and up to 5,000 additional Gear Shares that may be required to be issued to account for clerical and administrative matters, including the rounding for fractional shares), pursuant to the arrangement under Section 193 of the *Business Corporations Act* (Alberta) (the "**Arrangement**") substantially as set forth in the plan of arrangement (the "**Plan of Arrangement**") attached as Appendix • to the joint management information circular of Gear and Striker dated •, 2016 (the "**Information Circular**") accompanying the notice of meeting of Gear is hereby authorized and approved;
2. notwithstanding that this resolution has been duly passed, the board of directors of Gear may, without further notice to or approval of the securityholders of Gear, subject to the terms of the Arrangement, (i) amend or terminate the arrangement agreement dated June 7, 2016 between Gear and Striker or the Plan of Arrangement, or (ii) revoke this resolution at any time prior to the filing of articles of arrangement giving effect to the Arrangement;
3. any director or officer of Gear is hereby authorized, for and on behalf of Gear, to execute and deliver articles of arrangement and to execute, with or without the corporate seal, and, if appropriate, deliver all other documents and instruments and to do all other things as in the opinion of such director or officer may be necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such document or instrument, and the taking of any such action; and
4. all actions heretofore taken by or on behalf of Gear in connection with any matter referred to in any of the foregoing resolutions which were in furtherance of the Arrangement are hereby approved, ratified and confirmed in all respects.

APPENDIX E
INTERIM ORDER

Court File Number	1601-07718
Court	COURT OF QUEEN'S BENCH OF ALBERTA
Judicial Centre	Calgary
Matter	IN THE MATTER OF SECTION 193 OF THE <i>BUSINESS CORPORATIONS ACT</i> , RSA 2000, c B-9, AS AMENDED AND IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING STRIKER EXPLORATION CORP., GEAR ENERGY LTD. AND THE SHAREHOLDERS OF STRIKER EXPLORATION CORP.
Applicant	STRIKER EXPLORATION CORP.
Respondent	Not Applicable
Document	INTERIM ORDER
Address for Service and Contact Information of Party Filing this Document	McCARTHY TÉTRAULT LLP Barristers and Solicitors Suite 4000, 421-7th Avenue S.W. Calgary, Alberta, Canada, T2P 4K9 Attention: Sean S. Smyth, Q.C. / Kelli C. McAllister Telephone: (403) 260-3698 / 3563 Facsimile: (403) 260-3501 File No.: 214912-484399

Clerk's stamp
ORIGINAL STAMPED

DATE ON WHICH ORDER WAS PRONOUNCED:	WEDNESDAY, JUNE 22, 2016
NAME OF JUDGE WHO MADE THIS ORDER:	The Honourable Madam Justice J. Strekaf
LOCATION OF HEARING:	Calgary

UPON the Originating Application (the "**Originating Application**") of STRIKER EXPLORATION CORP. ("**Striker**" or the "**Applicant**");

AND UPON reading the Originating Application, the affidavit of Doug Bailey, sworn June 21, 2016 (the "**Bailey Affidavit**") and the documents referred to therein;

AND UPON being advised that, if ultimately granted at the Application for Final Order, the approval of the Arrangement by this Honourable Court would constitute the basis for an

exemption from the registration requirements of the United States *Securities Act of 1933*, as amended, pursuant to Section 3(a)(10) thereof, with respect to the exchange of securities;

AND UPON HEARING counsel for the Applicant;

IT IS HEREBY ORDERED THAT:

General

1. In this Order:
 - (a) the capitalized terms used and not otherwise defined in this Order (the “**Order**”) shall have the meanings attributed to them in the draft Notices of Special Meetings and Notice of Application to the Court of Queen’s Bench of Alberta and joint management information circular of Striker and Gear Energy Ltd. (“**Gear**”) to be dated on or about June 27, 2016, (the “**Information Circular**”) attached as Exhibit “D” to the Bailey Affidavit; and
 - (b) all references to “**Arrangement**” used herein mean the arrangement as set forth in the plan of arrangement attached as Exhibit A (the “**Plan of Arrangement**”) to the arrangement agreement (the “**Arrangement Agreement**”), which Arrangement Agreement is attached as Exhibit “A” to the Bailey Affidavit.
2. The Applicant shall seek approval of the Arrangement as described in the Information Circular by the holders of issued and outstanding common shares of Striker (the “**Striker Shares**”) registered as such (the “**Registered Striker Shareholders**”) as at June 27, 2016 (the “**Record Date**”) and which, for greater certainty, includes persons who become Registered Striker Shareholders as at the or prior to Record Date through the exercise of Striker Options or Striker Warrants, in the manner set forth below.

The Meeting

3. The Applicant shall call and conduct a special meeting (the “**Meeting**”) of Registered Striker Shareholders to take place on or about July 26, 2016. At the Meeting, the Registered Striker Shareholders will consider and vote upon a resolution to approve the Arrangement substantially in the form attached as Appendix A to the Information Circular (the “**Arrangement Resolution**”) and such other business as may properly be brought

before the Meeting or any adjournment or postponement thereof, all as more particularly described in the Information Circular.

4. A quorum at the Meeting shall be two or more Registered Striker Shareholders present in person or represented by proxy and holding not less than 10% of the Striker Shares entitled to vote at the Meeting.
5. If a quorum is not present at the time appointed for the Meeting, the Meeting shall be adjourned to a fixed time and place as may be appointed by the Chair of the Meeting. If a quorum is not present at the opening of the Meeting, the Registered Striker Shareholders present or represented may adjourn the Meeting to a fixed time and place but may not transact any other business. No notice of the adjourned Meeting shall be required and, if at such adjourned meeting a quorum is not present, the Registered Striker Shareholders present in person or by proxy shall be a quorum for all purposes.
6. The Registered Striker Shareholders entitled to vote at the Striker Meeting shall vote together as one class with each such Registered Striker Shareholder being entitled to one vote for each Striker Share held.
7. The Record Date for Registered Striker Shareholders entitled to receive notice of and vote at the Meeting shall be June 27, 2016. Registered Striker Shareholders as at the Record Date shall be entitled to receive notice of the Meeting. Registered Striker Shareholders will be entitled to vote those Striker Shares included in the list of Striker Shareholders prepared as at the Record Date. If a Registered Striker Shareholder transfers Striker Shares after the Record Date and the transferee of those Striker Shares, having produced properly endorsed certificates evidencing such Striker Shares or having otherwise established that the transferee owns such Striker Shares, demands, at least 10 days before the Meeting, that the transferee's name be included in the list of Registered Striker Shareholders entitled to vote at the Meeting, such transferee shall be entitled to vote such Striker Shares at the Meeting.
8. Only proxies deposited by Registered Striker Shareholders whose names appear on the records of Striker as the registered holders of Striker Shares can be recognized and acted upon at the meeting.

9. The Applicant is authorized and directed to send the Information Circular to the Registered Striker Shareholders.

Conduct of the Meeting

10. The Meeting shall be called, held and conducted in accordance with the Information Circular, the articles and by-laws of the Applicant in effect at the relevant time, the applicable provisions of the ABCA, the rulings and directions of the Chair of the Meeting, this Order and any further order of this Court. To the extent that there is any inconsistency or discrepancy between this Order and the ABCA or the articles or by-laws of the Applicant, the terms of this Order shall govern.
11. The Chair of the Meeting shall be any director or officer nominated by the Striker Board for that purpose.
12. The scrutineer of the Meeting (the "**Scrutineer**") shall be appointed by the Chair of the Meeting at the Meeting.
13. The only persons entitled to attend the Meeting shall be:
 - (a) Registered Striker Shareholders or their authorized proxy holders,
 - (b) Directors, officers, employees, and solicitors of the parties to the Arrangement Agreement;
 - (c) the Scrutineer and its representatives; and
 - (d) such other persons who may be permitted to attend by the Chair of the Meeting.
14. The number of votes required to pass the Striker Arrangement Resolution shall be:
 - (a) not less than 66 $\frac{2}{3}$ % of the votes cast by Registered Striker Shareholders present in person or represented by proxy at the Meeting; and
 - (b) not less than a simple majority of the votes cast by Registered Striker Shareholders present in person or represented by proxy at the Meeting after excluding the votes cast by those persons whose votes are required to be excluded in accordance with Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*.

15. To be valid, a proxy must be deposited with Alliance Trust Company in the manner described in the Information Circular.
16. The accidental omission to give notice of the Meeting or the non-receipt of the notice shall not invalidate any resolution passed or proceedings taken at the Meeting.
17. The Applicant is authorized to adjourn or postpone the Meeting on one or more occasions (whether or not a quorum is present, if applicable) and for such period or periods of time as the Applicant deems advisable, without the necessity of first convening the Meeting or first obtaining any vote of the Registered Striker Shareholders in respect of the adjournment or postponement. Notice of such adjournment or postponement may be given by such method as the Applicant determines is appropriate in the circumstances. If the Meeting is adjourned or postponed in accordance with this Order, the references to the Meeting in this Order shall be deemed to be the Meeting as adjourned or postponed, as the context allows.

Amendments to Meeting Materials

18. The Applicant is authorized to make such amendments, revisions or supplements ("**Additional Information**") to the Information Circular, form of proxy ("**Proxy**"), notice of the Meeting ("**Notice of Meeting**"), form of letter of transmittal ("**Letter of Transmittal**") and notice of Originating Application ("**Notice of Originating Application**") as it may determine, and the Applicant may disclose such Additional Information, including material changes, by the method and in the time most reasonably practicable in the circumstances as determined by the Applicant. Without limiting the generality of the foregoing, if any material change or material fact arises between the date of this Order and the date of the Meeting, which change or fact, if known prior to mailing of the Information Circular, would have been disclosed in the Information Circular, then:
 - (a) the Applicant shall advise the Registered Striker Shareholders of the material change or material fact by disseminating a news release (a "**News Release**") in accordance with applicable securities laws and the policies of the TSX Venture Exchange; and
 - (b) provided that the News Release describes the applicable material change or material fact in reasonable detail, the Applicant shall not be required to deliver an amendment to the Information Circular to the Registered Striker Shareholders or

otherwise give notice to the Registered Striker Shareholders of the material change or material fact other than dissemination and filing of the News Release as aforesaid; and

- (c) unless determined to be advisable by the Applicant, the Applicant shall not be required to adjourn or otherwise postpone the Meeting as a result of any Additional Information, including any material change, as contemplated by this paragraph 18.

Amendments to the Plan of Arrangement

- 19. The Applicant is authorized to make such amendments, revisions or supplements to the Plan of Arrangement as it may determine necessary or desirable, provided that such amendments, revisions or supplements are made in accordance with and in the manner contemplated by the Arrangement Agreement. The Plan of Arrangement so amended, revised or supplemented shall be deemed to be the Arrangement submitted to the Meeting and the subject of the Arrangement Resolution, without need to return to this Court to amend this Order.

Dissent Rights

- 20. The Registered Striker Shareholders are, subject to the provisions of this Order and the Arrangement, including Article 4 of the Plan of Arrangement, accorded the right to dissent under section 191 of the ABCA with respect to the Arrangement Resolution and the right be paid the fair value of their Striker Shares by Gear in respect of which such right to dissent was validly exercised.
- 21. In order for a Registered Striker Shareholder (a “**Dissenting Shareholder**”) to exercise such right to dissent under section 191 of the ABCA as modified and supplemented by this Order:
 - (a) the Dissenting Shareholder’s written objection to the Arrangement Resolution must be received by the Applicant, care of McCarthy Tétrault LLP, Suite 4000, 421 – 7 Avenue SW, Calgary, Alberta, T2P 4K9 Attention: Sony Gill, by not later than 9:00 a.m. (Calgary time) on July 22, 2016 (or not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to any adjournment of the Meeting if the Meeting is not held on July 26, 2016);

- (b) a vote against the Arrangement Resolution, whether in person or by proxy, shall not constitute a written objection to the Arrangement Resolution as required under subclause (a) hereof;
 - (c) a Dissenting Shareholder shall not have voted his or her Striker Shares at the Meeting, either by proxy or in person, in favour of the Arrangement Resolution;
 - (d) a Dissenting Shareholder may not exercise the right to dissent in respect of only a portion of the Dissenting Shareholder's Shares, but may dissent only with respect to all of the Striker Shares held by the Dissenting Shareholder; and
 - (e) the exercise of such right to dissent must otherwise comply with the requirements of section 191 of the ABCA, this Order and the Plan of Arrangement.
22. The fair value of the Striker Shares to which a Dissenting Shareholder is entitled shall be determined as of the close of business on the last business day before the day on which the Arrangement Resolution is approved by the Registered Striker Shareholders and shall be paid to the Dissenting Shareholder by Gear as contemplated by the Plan of Arrangement and this Order.
23. Dissenting Shareholders who validly exercise their right to dissent, as set out above, and who:
- (a) are ultimately entitled to be paid fair value for their Striker Shares shall: (i) be deemed not to have participated in the transactions in Section 3.1(b) of the Plan of Arrangement; (ii) be paid an amount equal to such fair value by Gear; (iii) not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement had such Dissenting Shareholders not exercised their Dissent Rights in respect of such Striker Shares; and (iv) be deemed to have transferred their Striker Shares to Gear in accordance with Section 3.1(a) of the Plan of Arrangement, notwithstanding the provisions of section 191 of the ABCA; or
 - (b) are ultimately not entitled, for any reason, to be paid fair value for their Striker Shares shall: (i) be deemed to have participated in the Arrangement, as of the Effective Time, on the same basis as a non-dissenting holder of Striker Shares; and (ii) be entitled to receive only the consideration contemplated in Section

3.1(b) of the Plan of Arrangement that such Dissenting Shareholder would have received if such Dissenting Shareholder had not exercised Dissent Rights,

but in no event shall the Applicant, Gear or any other person be required to recognize such Dissenting Shareholders as holders of Striker Shares after the Effective Time, and the names of such Dissenting Shareholders shall be removed from the register of Striker Shares as at the Effective Time.

24. Subject to further order of this Court, the rights available to Registered Striker Shareholders under the ABCA, this Order and the Plan of Arrangement to dissent from the Arrangement Resolution shall constitute full and sufficient dissent rights for the Registered Striker Shareholders with respect to the Arrangement Resolution.
25. Notice to the Registered Striker Shareholders of their right to dissent with respect to the Arrangement Resolution and to receive, subject to the provisions of the ABCA, this Order and the Plan of Arrangement, the fair value of the Striker Shares to which a Dissenting Shareholder is entitled pursuant to the Arrangement shall be sufficiently given by including information with respect to this right as set forth in the Information Circular which is to be sent to Registered Striker Shareholders in accordance with paragraph 27 of this Order.

Notice

26. The Information Circular, substantially in the form attached as Exhibit "D" to the Bailey Affidavit, with such amendments thereto as Striker, Gear and their respective counsel may determine necessary or desirable (provided such amendments are not inconsistent with the terms of this Order), and together with any other communications or documents determined by the Applicant to be necessary or advisable, including the Letter of Transmittal (collectively, the "**Meeting Materials**"), shall be sent to Registered Striker Shareholders as at the Record Date, the directors of the Applicant, non-registered Striker Shareholders, and the auditors of the Applicant, by one or more of the following methods:
 - (a) Registered Striker Shareholders, by pre-paid first class or ordinary mail, by courier or by delivery in person, addressed to each such holder at his, her or its address, as shown on the books and records of the Applicant as of the Record Date not later than 21 days prior to the Meeting. In calculating the 21-day period,

the date of mailing or delivery shall be included and the date of the Meeting shall be excluded;

- (b) non-registered Striker Shareholders, by providing sufficient copies of the Meeting Materials to intermediaries, in accordance with National Instrument 54-101 – *Communication With Beneficial Owners of Securities of a Reporting Issuer*, and
- (c) the directors and auditors of the Applicant, transmission of the Meeting Materials to their business e-mail addresses or by any other means as expressly acknowledged in writing by the recipient thereof to have effected delivery shall be good and sufficient service.

27. Delivery of the Meeting Materials in the manner directed by this Order shall be deemed to be good and sufficient service upon the Striker Shareholders, the directors and auditors of the Applicant of:

- (a) the Originating Application;
- (b) this Order;
- (c) the Notice of the Meeting;
- (d) the contents of the Meeting Materials; and
- (e) the Notice of Originating Application.

Solicitation of Proxies

28. Striker is authorized to use the applicable Proxy enclosed with the Meeting Materials subject to its ability to insert dates and other relevant information in the final forms of such proxies. Striker is authorized to solicit proxies, directly and through its officers, directors and employees, and through such agents or representatives as Striker may retain for that purpose, and such solicitation may be by mail or such other forms of personal and electronic communication as they may determine.

Final Application

29. Subject to further order of this Court, and provided that the Registered Striker Shareholders have approved the Arrangement in the manner directed by this Court and the directors of the Applicant have not revoked their approval, the Applicant may proceed with an application for a final Order of the Court approving the Arrangement (the "**Final Order**") at 3:00 p.m. on July 26, 2016 or so soon thereafter as counsel may be heard. Subject to the Final Order and to the issuance of the proof of filing of the articles of arrangement, the Applicant, Gear, all Striker Shareholders and all other persons affected will be bound by the Arrangement in accordance with its terms.
30. Any Striker Shareholder or other interested party (each an "**Interested Party**") desiring to appear and make submissions at the application for the Final Order is required to file with this Court and serve upon the Applicant, on or before 9:00 a.m. (Calgary time) on July 19, 2016 (or the business day that is five (5) Business Days prior to the date of the Meeting if it is not held on July 26, 2016), a notice of intention to appear ("**Notice of Intention to Appear**") including the Interested Party's address for service (or alternatively, a facsimile number for service by facsimile or an email address for service by electronic mail), indicating whether such Interested Party intends to support or oppose the application or make submissions at the application, together with a summary of the position such Interested Party intends to advocate before the Court, and any evidence or materials which are to be presented to the Court. Service of this notice on the Applicant shall be effected by service upon the solicitors for the Applicant, McCarthy Tétrault LLP, Suite 4000, 421 – 7th Avenue S.W., Calgary, Alberta, T2P 4K9, Attention: Sean S. Smyth or by facsimile at (403) 260-3501.
31. In the event that the application for the Final Order is adjourned, only those parties appearing before this Court for the Final Order, and those Interested Parties serving a Notice of Intention to Appear in accordance with paragraph 30 of this Order, shall have notice of the adjourned date.

Leave to Vary Interim Order

32. The Applicant is entitled at any time to seek leave to vary this Order upon such terms and the giving of such notice as this Court may direct.

“The Honourable Madam Justice J. Strekaf”

Justice of the Court of Queen’s
Bench of Alberta

APPENDIX F

STRIKER FAIRNESS OPINION

June 7, 2016

The Board of Directors of
Striker Exploration Corp.
645 – 7 Ave. S.W.
Calgary, Alberta T2P 4G8

To the Board of Directors of Striker Exploration Corp.:

We understand that Striker Exploration Corp. ("Striker") has entered into an arrangement agreement (the "Arrangement Agreement") with Gear Energy Ltd. ("Gear") pursuant to which Gear will acquire all of the issued and outstanding common shares of Striker ("Striker Shares"), by way of a plan of arrangement (the "Arrangement") on the basis of 2.325 common shares of Gear ("Gear Shares") for each Striker Share (the "Share Consideration").

Completion of the Arrangement is subject to, among other things, the approval of not less than 66 2/3% of the votes cast by the holders of Striker Shares ("Striker Shareholders") present in person or represented by proxy at a special meeting of Striker Shareholders scheduled to be held on July 26, 2016 (the "Meeting").

We understand that all of the directors and officers of Striker, each associate and affiliate of such directors and officers that own Striker Shares and certain other Striker shareholders (collectively, the "Supporting Shareholders") have entered into Striker Lock-Up Agreements (as defined in the Information Circular (as defined below)), pursuant to which each Supporting Shareholder will, among other things, vote all Striker Shares owned or controlled by them in favor of the Arrangement at the Meeting.

FirstEnergy's Engagement

Striker formally retained FirstEnergy Capital Corp. ("FirstEnergy") pursuant to an engagement agreement dated February 17, 2016 to provide the board of directors of Striker (the "Board") with, among other things, its analysis and consideration of various financial and strategic alternatives available to Striker, including financial advice in connection with the Arrangement and to provide our opinion ("Opinion") as to the fairness, from a financial point of view, of the consideration to be received by the Striker shareholders pursuant to the Arrangement (the "Engagement"). In consideration for our services, including providing this Opinion, FirstEnergy is to be paid a fee upon delivery of this Opinion and a success fee upon completion of the Arrangement. In addition, FirstEnergy is to be indemnified by Striker under certain circumstances. We have not been engaged to prepare, and have not prepared, a valuation or appraisal of Striker, Gear, or any of Striker's or Gear's assets or liabilities and this Opinion should not be construed as such.

FirstEnergy consents to the inclusion of this Opinion in its entirety and the summary thereof in the joint management information circular of Striker and Gear to be dated on or about June 27, 2016 to be delivered to Striker Shareholders and the holders of Gear Shares (the "Information Circular").

Credentials of FirstEnergy

FirstEnergy is a registered investment dealer focusing on Canadian and international companies participating in oil and gas exploration, production and services, energy transportation, electricity generation and energy technologies. FirstEnergy is one of the leading investment banking firms providing corporate finance, mergers and acquisitions, oil and gas property acquisition and divestiture services, equity sales, research and trading services to companies active in or investing in the energy industry. This Opinion is the opinion of FirstEnergy and the form and content herein have been approved for release by a committee of its directors, each of whom is experienced in merger, acquisition, divestiture, valuation, and fairness opinion matters.

Independence of FirstEnergy

None of FirstEnergy, its affiliates or associates, is an insider, associate or affiliate (as those terms are defined in the *Securities Act* (Alberta)), or a related entity of Striker or Gear or any of their respective associates or affiliates. FirstEnergy is not acting as an advisor to Striker or Gear or any of their respective associates or affiliates in connection with any other matter, other than acting as financial advisor to Striker as outlined herein and underwriter to Gear in connection with the bought deal financing announced on June 7, 2016.

FirstEnergy acts as a trader and dealer, both as principal and agent, in all major financial markets in Canada and, as such, may have had, may have today or in the future may have positions in the securities of Striker or Gear, and from time to time, may have executed or may execute transactions on behalf of Striker, Gear or clients for which it received or may receive compensation. In addition, as an investment dealer, FirstEnergy conducts research on securities and may, in the ordinary course of its business, provide research reports and investment advice to its clients on issues and investment matters, including with respect to Striker and Gear.

FirstEnergy has acted as a financial advisor, agent or underwriter to Striker and Gear in the past two years. FirstEnergy may in the future, in the ordinary course of business, perform financial advisory or investment banking related services for Striker, Gear or their successors. FirstEnergy does not believe that any of these relationships affect FirstEnergy's independence with respect to this Opinion.

Scope of Review

In connection with rendering this Opinion, we have reviewed and relied upon, or carried out, among other things, the following:

- a) the fully executed Letter of Intent dated May 6, 2016;
- b) the Arrangement Agreement between Striker and Gear dated June 7, 2016;
- c) the form of Striker Lock-Up Agreement as referred to in the Arrangement Agreement;
- d) the Plan of Arrangement (as defined in the Arrangement Agreement) (and associated documents);
- e) Striker's audited financial statements for the year ended December 31, 2015;
- f) Striker's unaudited interim financial statements for the quarter ended March 31, 2016;

- g) Striker's annual information form for the fiscal year ended December 31, 2015 dated April 25, 2016;
- h) Striker's independent reserve report effective December 31, 2015, prepared by GLJ Petroleum Consultants Ltd. (the "Striker Reserve Report");
- i) due diligence responses provided by senior management of Striker;
- j) certain internal financial information and financial and operational projections of Striker as provided by Striker management;
- k) selected relevant reports published by equity research analysts and industry sources regarding Striker and other comparable companies;
- l) Gear's unaudited financial statements for the quarter ended March 31, 2016;
- m) Gear's audited financial statements for the year ended December 31, 2015;
- n) Gear's annual information form for the fiscal year ended December 31, 2015 dated March 14, 2016;
- o) Gear's independent reserve report effective December 31, 2015, prepared by GLJ Petroleum Consultants Ltd. (the "Gear Reserve Report");
- p) Gear's mechanical update of the Gear Reserve Report as at March 31, 2016 prepared by GLJ Petroleum Consultants Ltd.;
- q) due diligence responses provided by senior management of Gear;
- r) certain internal financial information and financial and operational projections of Gear as provided by Gear management;
- s) selected relevant reports published by equity research analysts and industry sources regarding Gear and other comparable companies;
- t) data with respect to other transactions of a comparable nature considered by FirstEnergy to be relevant; and
- u) other information, analyses and investigations as FirstEnergy considered appropriate in the circumstances.

We have not, to the best of our knowledge, been denied access by Striker or Gear to any information requested by us.

This Opinion has been prepared in accordance with the Disclosure Standards for Formal Valuation and Fairness Opinions of the Investment Industry Regulatory Organization of Canada but that organization was not involved in the preparation of this Opinion.

Assumptions and Limitations

We have relied upon, and have assumed the completeness, accuracy and fair representation of all financial and other information, data, advice, opinions and representations obtained by us from public sources, including information relating to Striker and Gear, or provided to us by Striker and Gear and their affiliates or advisors or otherwise pursuant to our Engagement and this Opinion is conditional upon

such completeness, accuracy and fairness. Subject to the exercise of professional judgement and except as expressly described herein, we have not attempted to verify independently the accuracy or completeness of any such information, data, advice, opinions and representations. Senior officers of Striker have represented to us, in a certificate delivered as at the date hereof, amongst other things, that the historical and current information, data, opinions and other materials (the "Striker Information") provided to us on behalf of Striker are, to the best of their knowledge and taken as a whole, complete and correct at the date the Striker Information was prepared and that since the date of the Striker Information, there has been no material change, financial or otherwise, in the position of Striker, or in its assets, liabilities (contingent or otherwise), business or operations and there has been no change in any material fact which is of a nature as to render the Striker Information, taken as a whole, untrue or misleading in any material respect. Senior officers of Gear have represented to us, in a certificate delivered as at the date hereof, amongst other things, that the historical and current information, data, opinions and other materials (the "Gear Information") provided to us on behalf of Gear are, to the best of their knowledge and taken as a whole, complete and correct at the date the Gear Information was prepared and that since the date of the Gear Information, there has been no material change, financial or otherwise, in the position of Gear, or in its assets, liabilities (contingent or otherwise), business or operations and there has been no change in any material fact which is of a nature as to render the Gear Information, taken as a whole, untrue or misleading in any material respect.

This Opinion is rendered on the basis of securities markets, economic and general business and financial conditions prevailing as at the date hereof, and the condition and prospects, financial and otherwise, of Striker as they were reflected in the information and documents reviewed by us and as they were represented to us in our discussions with management of Striker. In addition, we considered the financial condition of Gear as it is reflected in the information and documents reviewed by us. In rendering this Opinion, we have assumed that there are no undisclosed material facts relating to Striker and/or Gear or their respective businesses, operations or capital. Any changes therein may affect this Opinion and, although we reserve the right to change or withdraw our Opinion in such event, we disclaim any obligation to advise any person of any change that may come to our attention or to update this Opinion after the date hereof.

In our analyses and in connection with the preparation of this Opinion, we made numerous assumptions which we believe to be reasonable with respect to industry performance, general business, market and economic conditions and other matters, many of which are beyond the control of any party involved in the Arrangement. We have also assumed that all of the representations and warranties contained in the Arrangement Agreement are correct as of the date hereof in all material respects and that the Arrangement will be completed substantially in accordance with its terms and all applicable laws.

We believe that the analyses and factors considered in arriving at our Opinion must be considered as a whole and are not necessarily amenable to partial analysis or summary description. Selecting portions of the analyses and the factors we considered, without considering all factors and analyses together, could create a misleading view of the process underlying this Opinion that we employed and the conclusions we reached in this Opinion.

We are not legal, tax or accounting experts and we express no opinion concerning any legal, tax or accounting matters concerning the Arrangement or the sufficiency of this letter for your purposes.

Conclusion

Based upon and subject to the foregoing, it is our opinion that the consideration to be received by the Striker Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Striker Shareholders.

This Opinion may be relied upon by the Board for the purposes of considering the Arrangement and its recommendation to Striker Shareholders with respect to the Arrangement, but may not be used or relied upon by any other person without our express prior written consent, except as otherwise provided herein.

Yours very truly,

(signed) *"FirstEnergy Capital Corp."*

FirstEnergy Capital Corp.

APPENDIX G
GEAR FAIRNESS OPINION



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 308 Fourth Avenue SW
 Calgary, AB T2P 0H7
 Tel: (403) 261 - 4850
 www.petersco.com

June 7, 2016

Gear Energy Ltd.
 2600, 500 – 4 Avenue SW
 Calgary, AB T2P 2V6

Attention: The Board of Directors of Gear Energy Ltd.

Dear Sirs:

Peters & Co. Limited (“**Peters & Co.**”, “**we**”, “**our**” or “**us**”) understands that Gear Energy Ltd. (“**Gear**”) and Striker Exploration Corp. (“**Striker**”) propose to enter into an arrangement agreement dated June 7, 2016 (the “**Arrangement Agreement**”). The Arrangement Agreement contemplates the combination of Gear and Striker by way of plan of arrangement (the “**Arrangement**”) pursuant to which Gear will acquire all of the issued and outstanding common shares of Striker (the “**Striker Shares**”) on the basis of 2.325 common shares of Gear for each one Striker Share (the “**Consideration**”). We also understand that 650,000 common share purchase warrants of Striker, having an exercise price of \$2.40 per Striker Share, will automatically adjust (and continue in place) into 1,511,250 common share purchase warrants of Gear, having an exercise price of \$1.03 per Gear common share.

The Arrangement is subject to a number of terms and conditions, which must be either satisfied or waived, including, among other things: (i) the approval of the Arrangement by not less than 66 2/3% of the votes validly cast at the special meeting of the holders of Striker Shares (“**Striker Shareholders**”); (ii) the approval of the issuance of common shares of Gear by a majority of the votes validly cast at the special meeting of holders of common shares of Gear; and (iii) the receipt of all applicable approvals, including those of the TSX. The terms and conditions of the Arrangement will be more fully described in the joint information circular of Gear and Striker which will be mailed to securityholders of Gear and Striker in connection with the Arrangement.

We understand that directors and officers of Gear, each associate and affiliate of such directors and officers that own Gear common shares and certain other holders of Gear common shares (who, together own or exercise control or direction over an aggregate of approximately 7.0% of the outstanding common shares of Gear) have agreed to enter into support agreements (the “**Gear Lock-up Agreements**”), to support and vote in favour of the resolution approving the issuance of common shares of Gear pursuant to the Arrangement.

We understand that directors and officers of Striker, each associate and affiliate of such directors and officers that own Striker Shares and certain other Striker Shareholders (who, together own or exercise control or direction over an aggregate of approximately 33.2% of the outstanding Striker Shares) have agreed to enter into voting support agreements (the “**Striker Lock-up Agreements**”), to support and vote in favour of the Arrangement.

Engagement of Peters & Co.

Peters & Co. was formally engaged by Gear pursuant to an engagement agreement dated May 5, 2016 (the “**Engagement Agreement**”), to provide certain financial advisory services, including a fairness opinion

concerning the possible transaction involving Gear and Striker. This opinion (the “**Fairness Opinion**”) as to the fairness, from a financial point of view, of the Consideration to be paid by Gear pursuant to the Arrangement is provided pursuant to the Engagement Agreement.

Pursuant to the terms of the Engagement Agreement, Peters & Co. has not been engaged to prepare a formal valuation of any of the assets, shares, options or warrants involved in the Arrangement and this Fairness Opinion should not be construed as such. However, Peters & Co. has performed financial analyses which we considered to be appropriate and necessary in the circumstances and such analyses support the conclusions reached in the Fairness Opinion. The terms of the Engagement Agreement provide that Peters & Co. is to be paid fees for its services as financial advisor, including fees that are payable upon the completion of the Arrangement. Gear has agreed to indemnify Peters & Co. in respect of certain liabilities which may be incurred by it in connection with the use by Gear and the board of directors of Gear of this Fairness Opinion.

Qualifications of Peters & Co.

Peters & Co. is an independent, fully-integrated investment dealer headquartered in Calgary, Alberta, Canada. The firm specializes in investments in the Canadian energy industry. Peters & Co. was founded in 1971 and is a participating member of the Toronto Stock Exchange, the TSX Venture Exchange, the Canadian Securities Exchange, the Investment Industry Regulatory Organization of Canada, the Investment Industry Association of Canada and the Canadian Investor Protection Fund. Peters & Co. Equities Inc., a wholly-owned subsidiary of Peters & Co., is a member of the Financial Industry Regulatory Authority, the Securities Investor Protection Corporation and the Securities Industry and Financial Markets Association in the United States.

Peters & Co. provides investment services to institutional investors and individual private clients; employs its own sales and trading group; conducts specialized and comprehensive investment research on the oil and natural gas, oilfield services and energy infrastructure industries; and is an active underwriter for, and financial advisor to, companies, trusts and limited partnerships active in the Canadian and international energy industry. Peters & Co. and its principals have participated in a significant number of transactions involving oil and natural gas, oilfield services and energy infrastructure companies, trusts and limited partnerships in Canada and internationally and have acted as financial advisors in a significant number of transactions involving evaluations of, and opinions for, private and publicly-traded companies, trusts and limited partnerships.

The opinion expressed herein is the opinion of Peters & Co. as a firm. The Fairness Opinion has been reviewed and approved for release by certain senior corporate finance principals of Peters & Co., all of whom are experienced in merger, acquisition, divestiture, valuation and fairness opinion matters.

Relationship of Peters & Co. with Interested Parties

Neither Peters & Co. nor any of its affiliates or associates is an insider, associate or affiliate (as those terms are defined in the *Securities Act* (Alberta)) of Gear or Striker. Neither Peters & Co. nor any of its affiliates has been engaged to provide any financial advisory services nor has it participated in any financing involving Gear, Striker, or any of their respective associates or affiliates, with the past two years prior to delivery of this Fairness Opinion, other than the services provided under the Engagement Agreement and as described below. Peters & Co. was co-lead underwriter in connection with an offering of Gear common shares and convertible unsecured subordinated debentures which closed in November 2015. Peters & Co. has agreed to act as lead underwriter and sole bookrunner on Gear’s proposed short form prospectus offering of Gear common shares to be announced concurrently with the Arrangement, and other than such financing, there are no understandings, agreements or commitments between Peters & Co. and Gear, Striker or any of their respective associates or affiliates, with respect to any future business dealings.

Peters & Co. acts as a trader and dealer, both as principal and as agent, in all major Canadian financial markets and as such has had, or may have, positions in the securities of Gear and/or Striker from time to time and has executed, or may execute, transactions in the securities of Gear and/or Striker for which it receives compensation. In addition, as an investment dealer, Peters & Co. conducts research on securities and may, in the ordinary course of its business, be expected to provide investment advice to its clients on investment matters, including the common shares of Gear and the Arrangement. There are no understandings or agreements between Peters & Co., Gear and/or Striker with respect to any future business dealings.

Scope of Review

In connection with rendering the Fairness Opinion, Peters & Co. has reviewed and relied upon, among other things, the following:

Information Concerning Gear

- (i) a draft of the Arrangement Agreement;
- (ii) the audited financial statements and management's discussion and analysis of Gear for the years ended December 31, 2015 and 2014, together with the notes thereto and the auditors' report thereon;
- (iii) the unaudited financial statements and management's discussion and analysis of Gear for the three month periods ended March 31, 2016 and 2015;
- (iv) the management information circular for Gear dated April 11, 2016 for the annual and special meeting of holders of Gear common shares held on May 11, 2016;
- (v) the annual information form of Gear dated March 14, 2016 for the year ended December 31, 2015;
- (vi) the convertible debenture indenture of Gear dated November 30, 2015;
- (vii) the report prepared by GLJ Petroleum Consultants Ltd. dated February 3, 2016 evaluating the oil, natural gas and natural gas liquid reserves of Gear as at December 31, 2015 (the "**GLJ Report**");
- (viii) the look-ahead analysis prepared GLJ Petroleum Consultants Ltd. dated April 29, 2016 evaluating the oil, natural gas and natural gas liquid reserves of Gear, using those production forecasts of the GLJ Report, mechanically advanced to March 31, 2016 and incorporating updates to operating costs, as well as quality and transportation commodity price adjustments as of March 31, 2016;
- (ix) the internal forecast of Gear, prepared by management, for the twelve month periods ending December 31, 2016, 2017, 2018, 2019, and 2020;
- (x) the corporate presentation of Gear dated May 2016;
- (xi) the due diligence responses provided by senior management of Gear;
- (xii) a draft of the Gear Lock-up Agreements;
- (xiii) the term sheet and commitment letters from Gear's lenders with respect to the pro forma credit facilities available to Gear following the completion of the Arrangement;
- (xiv) information obtained in various discussions with the senior management and certain other employees of Gear and Gear's legal counsel; and

-
- (xv) certain other confidential financial, operational, legal, corporate and other information prepared by or provided by the senior management of Gear.

Information Concerning Striker

- (i) the audited financial statements and management's discussion and analysis of Striker for the years ended December 31, 2015 and 2014, together with the notes thereto and the auditors' report thereon;
- (ii) the unaudited financial statements and management's discussion and analysis of Striker for the three month periods ended March 31, 2016 and 2015;
- (iii) the annual information form of Striker dated April 25, 2016 for the year ended December 31, 2015;
- (iv) the report prepared by GLJ Petroleum Consultants Ltd. dated March 2, 2016 evaluating the oil, natural gas and natural gas liquid reserves of Striker as at December 31, 2015;
- (v) the management information circular for Striker dated September 25, 2015 for the annual meeting of holders of Striker Shares held on November 5, 2015;
- (vi) the corporate marketing presentation of Striker dated March 2016;
- (vii) the due diligence responses provided by senior management of Striker;
- (viii) a draft of the Striker Lock-up Agreements;
- (ix) information obtained in various discussions with the senior management and certain other employees of Striker and Striker's legal counsel; and
- (x) certain other confidential financial, operational, legal, corporate and other information prepared by or provided by the senior management of Striker.

In addition to the information detailed above, Peters & Co. has:

- (i) reviewed certain publicly-available information pertaining to current and expected future oil and natural gas prices, oilfield activity levels and other economic factors;
- (ii) reviewed and considered capital market conditions, both current and expected, for the oil and natural gas industry in general, for exploration and production companies, and for Gear and Striker specifically;
- (iii) reviewed the operating and financial performance and business characteristics of Gear and Striker relative to the performance and characteristics of select relevant Canadian exploration and production companies;
- (iv) received representations contained in a certificate addressed to us from certain senior officers of Gear and Striker as to the completeness and accuracy of the information upon which the Fairness Opinion is based; and
- (v) reviewed other financial, securities market and industry information and carried out such other analyses and investigations as Peters & Co. considered necessary and appropriate in the circumstances.

Peters & Co. was granted access by Gear to its senior management, the Board and legal advisors and was, to the best of our knowledge, provided with all material information.

Assumptions and Limitations

The Fairness Opinion is rendered on the basis of securities market, economic and general business and financial conditions prevailing as at the date hereof and the condition and prospects, financial and otherwise, of Gear and Striker as reflected in the information and documents reviewed by us and as represented to us in our discussions with the senior management of Gear and Striker. In our analyses, numerous assumptions were made with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of any party involved.

Peters & Co. has assumed and relied upon the accuracy, completeness and fair presentation of all of the financial and other information, data, advice, other materials, representations and opinions (the “**Information**”) obtained by us from public sources or received from Gear and Striker or their respective consultants or advisors or otherwise pursuant to our engagement, and the Fairness Opinion is conditional upon such completeness, accuracy and fairness. Peters & Co. has not attempted to verify independently the accuracy or completeness of any such Information.

The Arrangement is subject to a number of conditions outside the control of Gear and Striker and we have assumed that all conditions precedent to the completion of the Arrangement can be satisfied in due course and in a reasonable amount of time and all consents, permissions, exemptions or orders of regulatory authorities will be obtained, without adverse conditions or qualifications. In rendering the Fairness Opinion, we express no views as to the likelihood that the conditions with respect to the Arrangement will be satisfied or waived or that the Arrangement will be implemented within the timeframe indicated in the Arrangement Agreement. The Fairness Opinion does not constitute a recommendation as to whether any holders of common shares of Gear should vote in favour of the Arrangement.

Certain senior officers of Gear and Striker have represented to us in certificates that, among other things, the Information provided to us on behalf of Gear and Striker, as applicable, is complete and correct at the date such Information was provided, and that since the date of the provision of such Information, there has been no material change, financial or otherwise, in the position of Gear or Striker or their respective assets, liabilities (contingent or otherwise), business or operations and there has been no change in any material fact which is of a nature so as to render such Information, taken as a whole, untrue or misleading in any material respect. With respect to any financial forecasts and projections provided to Peters & Co. and used in our analyses, we have assumed that they have been reasonably prepared and reflect the best currently available estimates and judgments of the senior management of Gear and Striker as to the matters covered thereby, and in rendering the Fairness Opinion, we express no view as to the reasonableness of such forecasts or projections or the assumptions on which they are based.

Fairness Opinion and Reliance

Based upon our analyses and subject to all of the foregoing, Peters & Co. is of the opinion that, as of the date hereof, the Consideration to be paid by Gear pursuant to the Arrangement is fair, from a financial point of view, to the holders of common shares of Gear.

This Fairness Opinion may be relied upon by the board of directors of Gear solely for the purposes of considering the Arrangement and its recommendation to the holders of common shares of Gear with respect to the Arrangement and may not be published, reproduced, disseminated, quoted from, or referred to, in whole or in part, or be used or relied upon by any person, or for any other purpose, without our express prior written consent.

Yours truly,

(Signed) *“Peters & Co. Limited”*

PETERS & CO. LIMITED

**APPENDIX H
INFORMATION CONCERNING STRIKER**

NOTICE TO READER

Unless the context indicates otherwise, capitalized terms which are used in this Appendix H and not otherwise defined in this Appendix H have the meanings given to such terms under the heading "*Glossary of Terms*" in the Information Circular.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Appendix H, and in certain documents incorporated by reference into this Appendix H, constitute forward-looking statements and forward-looking information (collectively referred to herein as "forward-looking statements") within the meaning of applicable Canadian securities laws. Such forward-looking statements relate to future events or Striker's future performance. See "*General Information – Cautionary Notice Regarding Forward-Looking Statements and Information*" in the Information Circular. Readers should also carefully consider the matters and cautionary statements discussed under the headings "*Information Concerning Gear Following Completion of the Arrangement*" and "*Risk Factors*" in the Information Circular, and under the heading "*Risk Factors*" in this Appendix H and the Striker AIF.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in the Information Circular from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from Striker, at 1250, 645 – 7th Avenue S.W., Calgary, Alberta T2P 4G8, Telephone (403) 262-0242. In addition, copies of the documents incorporated herein by reference may be obtained from the securities commissions or similar authorities in Canada through the SEDAR website at www.sedar.com.

The following documents of Striker, filed with the various securities commissions or similar authorities in each of the provinces of Canada where Striker is a reporting issuer, are specifically incorporated by reference into and form an integral part of the Information Circular:

- (a) the Striker AIF;
- (b) the Striker Annual Financial Statements;
- (c) the Striker Interim Financial Statements;
- (d) the Striker Annual MD&A;
- (e) the Striker Interim MD&A;
- (f) the material change report dated June 14, 2016 relating to the entering into of the Arrangement Agreement;
- (g) the material change report dated January 5, 2016 relating to Striker's disposition of certain non-core assets for cash consideration of approximately \$5.2 million;
- (h) the information circular dated September 25, 2015 relating to the annual general meeting of Striker held on November 5, 2015; and
- (i) the information circular dated January 16, 2015 relating to the annual general and special meeting of Striker held on February 19, 2015.

Any material change reports (excluding confidential material change reports), comparative unaudited interim financial statements, comparative annual financial statements and the auditor's report thereon, management's

discussion and analysis, information circulars (excluding those portions that are not required pursuant to National Instrument 44-101 – *Short Form Prospectus Distributions* of the Canadian Securities Administrators to be incorporated by reference herein) and business acquisition reports filed by Striker with the securities commissions or similar authorities in the provinces of Canada subsequent to the date of the Information Circular and prior to the Effective Date shall be deemed to be incorporated by reference in the Information Circular.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of the Information Circular to the extent that a statement contained herein or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission 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. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of the Information Circular.

SUMMARY DESCRIPTION OF THE BUSINESS OF STRIKER

Striker is a light oil focused company operating predominantly in Alberta.

Striker was incorporated pursuant to the provisions of the ABCA on March 29, 2000 as "Wireless Capital Corp.". Striker changed its name to "Elkwater Resources Ltd." on June 9, 2003. On November 20, 2014, Striker amalgamated with Exoro Energy Inc. and continued as one corporation under the provisions of the ABCA. On February 25, 2015, Striker changed its name to "Striker Exploration Corp." and effected a share consolidation.

Striker has no subsidiaries.

Striker is a reporting issuer in the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, and Ontario and the Striker Shares are listed on the TSXV under the trading symbol "SKX".

Striker's head office is located at 1250, 645 – 7th Avenue S.W., Calgary, Alberta T2P 4G8. The registered office of Striker is located at 4000, 421 – 7th Avenue S.W., Calgary, Alberta T2P 4K9.

For further information regarding Striker and its business activities, see the Striker AIF and the other documents incorporated by reference in the Information Circular.

RECENT DEVELOPMENTS

The Arrangement

On June 7, 2016, Striker entered into the Arrangement Agreement with Gear, pursuant to which Gear proposes to acquire all of the issued and outstanding Striker Shares by way of a plan of arrangement under the ABCA. For a full description of the Arrangement and the Arrangement Agreement, see "*The Arrangement*" and "*Information Concerning Gear Following Completion of the Arrangement*" in the Information Circular. Also see Appendix J "*Pro Forma Consolidated Financial Statements of Gear Energy Ltd.*" and Appendix I "*Information Concerning Gear*".

DESCRIPTION OF SHARE CAPITAL

The authorized capital of Striker consists of an unlimited number of Striker Shares and an unlimited number of preferred shares, issuable in series.

Striker Shares

Holders of Striker Shares are entitled to one vote per Striker Share at meetings of Striker Shareholders, to receive dividends if, as and when declared by the Striker Board and to receive pro rata the remaining property and assets of Striker upon its dissolution or winding-up, subject to the rights of shares having priority over the Striker Shares.

As at June 24, 2016, there were 32,235,642 Striker Shares issued and outstanding, Striker Warrants exercisable for up to 2,897,500 Striker Shares and 2,748,750 Striker Options issued and outstanding.

Preferred Shares

As at June 24, 2016, there were no preferred shares issued and outstanding. For further information on the rights, privileges and restrictions attached to the preferred shares, see the Striker AIF which is incorporated by reference herein.

CONSOLIDATED CAPITALIZATION

Other than in connection with the Arrangement, there have been no material changes in the share or loan capitalization of Striker since March 31, 2016.

See "*Information Concerning Gear Following the Arrangement – Pro Forma Capitalization*" in the Information Circular for: the consolidated capitalization of: (i) Gear as at March 31, 2016 before giving effect to the Gear Financing or the Arrangement; (ii) Gear as at March 31, 2016 after giving effect to the Gear Financing but before giving effect to the Arrangement; and (iii) Gear as at March 31, 2016 after giving effect to the Gear Financing and the Arrangement. This table should be read in conjunction with the Gear Interim Financial Statements, Striker Interim Financial Statements, Gear Interim MD&A and Striker Interim MD&A, each incorporated by reference in this Information Circular and the unaudited pro forma financial statements attached as Appendix J.

PRIOR SALES

The following table summarizes the issuances of Striker Shares or securities convertible into Striker Shares in the 12 month period prior to the date hereof.

<u>Date of Issuance</u>	<u>Description of Transaction</u>	<u>Number of Securities</u>	<u>Price per Security</u>
August 5, 2015	Private placement ⁽¹⁾	5,405,405 Striker Shares	\$1.48
September 1, 2015	Stock option grant	75,000 Striker Options	\$1.30 ⁽²⁾
January 29, 2016	Stock option grant	635,000 Striker Options	\$1.28 ⁽²⁾

Notes:

- (1) On August 5, 2015, Striker completed a non-brokered private placement of 5,405,405 Striker Shares at a subscription price of \$1.48 per Striker Share for aggregate gross proceeds of approximately \$8.0 million.
- (2) Represents the exercise price of the Striker Options granted.

PRICE RANGE AND VOLUME OF TRADING OF STRIKER SHARES

The outstanding Striker Shares trade on the TSXV under the trading symbol "SKX". The following table sets out the high and low trading prices and aggregate volume of trading of the Striker Shares for the periods noted below.

Period	High	Low	Volume
2015			
May	\$2.32	\$1.89	1,126,354
June	\$2.28	\$1.99	992,752
July	\$2.06	\$1.38	1,153,377
August	\$1.63	\$1.14	1,137,231
September	\$1.25	\$1.05	475,886
October	\$1.27	\$1.05	702,141
November	\$1.02	\$0.70	1,427,971
December	\$1.22	\$0.70	1,597,864
2016			
January	\$1.29	\$0.86	2,076,725
February	\$1.27	\$0.95	2,172,705
March	\$1.65	\$1.05	2,149,915
April	\$1.61	\$1.36	581,589
May	\$1.46	\$1.30	489,127
June 1 - 24	\$1.63	\$1.27	5,830,501

On May 17, 2016, the last trading day on which the Striker Shares traded prior to announcement of the Arrangement, the closing price of the Striker Shares was \$1.38. On June 24, 2016, the last trading day prior to the date of the Information Circular, the closing price of the Striker Shares was \$1.38.

DIVIDENDS TO THE HOLDERS OF STRIKER SHARES

Striker has not declared or paid any dividends on the Striker Shares since incorporation. Any decision to pay dividends on the Striker Shares will be made by the Striker Board on the basis of Striker's earnings, financial requirements and other conditions existing at such future time.

EXECUTIVE COMPENSATION

Securities legislation requires the disclosure of the compensation received by each "Named Executive Officer" ("**Named Executive Officer**") of Striker for the most recently completed financial year. "Named Executive Officer" is defined by securities legislation to mean: (a) a Chief Executive Officer of Striker; (b) a Chief Financial Officer of Striker; (c) each of Striker's three most highly compensated executive officers or the three most highly compensated individuals acting in a similar capacity, other than the Chief Executive Officer and Chief Financial Officer, at the end of the most recently completed financial year and whose total compensation was, individually, more than \$150,000 for that financial year; and (iv) each individual who would be a "Named Executive Officer" under paragraph (c) but for the fact that the individual was neither an executive officer of Striker, nor acting in a similar capacity, at the end of the most recently completed financial year.

For the fiscal year ended December 31, 2015, Striker had four Named Executive Officers. The following table and notes thereto provide a summary of the compensation paid to the Named Executive Officers of Striker for fiscal year ended December 31, 2015:

Name and Principal Positions	Year	Salary (\$)	Share-based Awards (\$)	Option-based Awards ⁽¹⁾ (\$)	Non-Equity Incentive Plan Compensation		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-Term Incentive Plans			
Doug Bailey, ⁽²⁾ President and Chief Executive Officer	2015	150,000	-	278,813	-	-	-	8,740	437,553
	2014	72,308	-	-	-	-	-	1,836	74,144
Neil Burrows, Vice President Finance and Chief Financial Officer	2015	140,000	-	223,051	-	-	-	7,713	370,764
	2014	67,487	-	-	-	-	-	251	67,738
Ryan Heath, Vice President Land and Business Development	2015	140,000	-	223,051	-	-	-	6,612	369,663
	2014	67,487	-	-	-	-	-	1,479	68,966
Frank Muller, Vice President Exploration and Chief Operating Officer	2015	140,000	-	250,932	-	-	-	1,593	392,525
	2014	67,487	-	-	-	-	-	1,264	68,751
Darrin Drall, Vice President Engineering	2015	140,000	-	223,051	-	-	-	11,055	374,106
	2014	67,487	-	-	-	-	-	251	67,738

Notes:

- (1) The amounts disclosed herein for the option-based awards are calculated based on the fair value of Striker Options granted during the year based on their fair value of each grant as at the grant date using the Black-Scholes model using the following assumptions on the grant date: the grant price, risk free interest rate and the volatility of Striker Shares up to the grant date.
- (2) No amounts were paid to Mr. Bailey related to his role as a director of Striker.

Compensation Discussion and Analysis

The Striker Board has established a Compensation and Corporate Governance Committee, which determines the compensation payable to the executives and directors of Striker and, in doing so, ensures that the total compensation payable is fair and reasonable and is consistent with Striker's compensation philosophy.

The objective of Striker's compensation program is to attract, motivate, reward and retain highly talented and experienced executive officers. The compensation program is structured to ensure that compensation is competitive with other similarly situated companies and is reflective of the experience, performance, and contribution of the individuals involved and the overall performance of Striker. Striker's compensation philosophy is designed to align the interests of executive officers with shareholders' interests and with the execution of Striker's business strategy.

The Compensation and Corporate Governance Committee provides recommendations to the Striker Board with respect to the compensation of executive officers of Striker, such compensation to include a base salary, the payment of cash bonuses, if applicable, and participation in the Striker Option Plan. In addition, executive officers are entitled to broad-based benefit programs. The Compensation and Corporate Governance Committee believes that the combination of fixed and variable compensation elements will motivate executives to achieve corporate goals and enhance shareholder value.

Base Salaries

The Compensation and Corporate Governance Committee recognizes that the size of Striker prohibits base salary compensation for officers from matching those of larger companies in the petroleum and natural gas industry. The Compensation and Corporate Governance Committee does believe, however, that performance-based compensation plans are an important element in the compensation packages for Striker's officers, and that long-term equity interests, in the form of options, compensate for lower base salaries. This compensation strategy is similar to the strategies of many other companies in Striker's peer group.

Base salaries for officers, including the Chief Executive Officer, have been established by the Compensation and Corporate Governance Committee at levels comparable to base salaries paid by Striker's industry peer group. In assessing comparability, Striker relies upon a review of base salary amounts as disclosed by industry peers in their public disclosure documents. Consideration is given to the time period evaluated in industry surveys and public data and to the business climate applicable at the time with respect to industry demand for experienced personnel. Salaries of officers, including that of the Chief Executive Officer, will be reviewed annually.

Bonuses

Striker does not have a formalized bonus plan for its executive officers and employees, however, Striker's executive officers and employees may receive a bonus as and when declared by the Striker Board, after review and recommendation by the Compensation and Corporate Governance Committee. The determination of the payment and amount of bonus entitlements, if applicable, will be based upon a number of factors, including growth in reserves, production and cash flow per debt adjusted share and the overall financial performance of Striker for the applicable period. Bonuses will be reviewed annually by the Compensation and Corporate Governance Committee and the Striker Board.

Striker Option Plan

The Striker Option Plan provides that the Striker Board may from time to time, in its discretion, grant Striker Options to directors, officers, employees and consultants of Striker, or any subsidiary of Striker. The Striker Option Plan provides for a floating maximum limit of 10% of the outstanding Striker Shares, as permitted by the policies of the TSXV.

Eligibility

The Striker Board may grant Striker Options to any director, officer, employee or consultant of Striker or a subsidiary of Striker, a corporation wholly-owned by such persons, or any other individual or body corporate who may be granted an option pursuant to the requirements of the TSXV.

Administration

The Striker Option Plan is administered by the Striker Board and the Striker Board may, subject to applicable law, delegate its powers to administer the Stock Option Plan to a committee of the Striker Board. Striker Options may be granted at the discretion of the Striker Board, in such number that may be determined at the time of grant, subject to the limits set out in the Striker Option Plan. Previous grants are taken into account when considering new grants.

Exercise Price

The exercise price of each option granted under the Striker Option Plan may not be less than the Discounted Market Price (as defined in the Striker Option Plan).

Maximum Percentage of Striker Shares Reserved

The aggregate number of Striker Shares that may be issued pursuant to the exercise of Striker Options awarded under the Striker Option Plan and all other share compensation arrangements of Striker is 10% of the Striker Shares outstanding from time to time, subject to the following limitations:

- (a) the aggregate number of Striker Shares reserved for issuance under the Striker Option Plan must not exceed 10% of the issued and outstanding Striker Shares (on a non-diluted basis);
- (b) the aggregate number of Striker Shares reserved for issuance to any one person under the Striker Option Plan, within a 12 month period, must not exceed 5% of the issued and outstanding Striker Shares (on a non-diluted basis);
- (c) the aggregate number of Striker Shares reserved for issuance to any one participant employed to provide investor relations activities (as defined in the Striker Option Plan) within a 12 month period, must not exceed 2% of the issued and outstanding Striker Shares; and
- (d) the aggregate number of Striker Shares reserved for issuance to any single consultant under the Striker Option Plan within a 12 month period, shall not exceed 2% of the issued and outstanding Striker Shares.

Term and Vesting

Striker Options may be exercisable for up to five years from the date of grant, but the Striker Board has the discretion to grant options that are exercisable for a shorter period. The vesting period or periods within this period during which an Striker or a portion thereof may be exercised shall be determined by the Striker Board. In the absence of any determination by the Striker Board as to vesting, and subject to the policies of the TSXV, vesting shall be as to one third on each of the first, second and third anniversaries of the date of grant. Further, the Striker Board may, in its sole discretion at any time or in the option agreement in respect of any Striker Options granted, accelerate or provide for the acceleration of, vesting of Striker Options previously granted.

Transferability

Striker Options under the Striker Option Plan are not transferable or assignable.

Expiration and Termination

If prior to the exercise of a Striker Option, the holder ceases to be a director, officer, employee or consultant, the Striker Option shall be limited to the number of Striker Shares purchasable by the holder immediately prior to the time of his or her cessation of office or employment and the holder shall have no right to purchase any other Striker Shares. Pursuant to the Striker Option Plan, Striker Options must be exercised within 30 days following termination of employment or cessation of the optionee's position with Striker, or such other period established by the Striker Board, provided that if the cessation of office, directorship, consulting arrangement or employment was by reason of death, the Striker Option may be exercised within one year, subject to the expiry date.

Compensation Governance

A discussion of the policies and practices of Striker in determining compensation for the year ended December 31, 2015 is set forth above under the heading "*Compensation Discussion and Analysis*".

The objectives of the Compensation and Corporate Governance Committee are to attract and retain individuals of high calibre to serve as officers of Striker, to motivate their performance in order to achieve Striker's strategic objectives and to align the interests of executive officers with the long-term interests of the Striker Shareholders. These objectives are designed to ensure that Striker rewards the Named Executive Officers where they have contributed to the prosperity and growth of Striker.

The members of the Compensation and Corporate Governance Committee are Kevin Olson, John O'Connell and John Ferguson, each of whom is independent. Kevin Olson is the Chairman of the Compensation and Corporate Governance Committee. Each member of the Compensation and Corporate Governance Committee has direct experience that is relevant to his responsibilities as a member of the Compensation and Corporate Governance Committee. Mr. Olson is currently the President of Kyklopes Capital Management Ltd. and has public issuer experience, both as an officer and as a director. Mr. O'Connell is currently the Chairman and Chief Executive

Officer of Davis-Rea Ltd. and has public issuer experience, both as an officer and as a director. Mr. Ferguson is currently the President and Chief Executive Officer of RMP Energy Inc. and has public issuer experience, both as an officer and as a director.

Risk Oversight

In carrying out its mandate, the Compensation and Corporate Governance Committee reviews from time to time the risk implications of Striker's compensation policies and practices, including those applicable to Striker's executives. This review of the risk implications ensures that compensation plans, in their design, structures and application have a clear link between pay and performance and do not encourage excessive risk taking. Key considerations regarding risk management include the following:

- design of the compensation program to ensure all executives are compensated equally based on the same or, depending on the mandate and term of appointment of that particular executive, substantially equivalent performance goals;
- balance of short-term performance incentives with equity-based awards that vest over time;
- ensuring overall expense to Striker of the compensation program does not represent a disproportionate percentage of Striker's revenues, after giving consideration to the development stage of Striker; and
- utilizing compensation policies that do not rely solely on the accomplishment of specific tasks without consideration to longer term risks and objectives.

For the reasons set forth below, the Compensation and Corporate Governance Committee believes that Striker's current executive compensation policies and practices achieve an appropriate balance in relation to Striker's overall business strategy and do not encourage executives to expose Striker to inappropriate or excessive risks.

While one feature of Striker's current executive compensation practice is the awarding of Striker Options under the Striker Option Plan, and while such compensation is "at risk" (i.e. not guaranteed), Striker's long-term incentive plans provide for vesting restrictions that encourage sustainable Striker Share price appreciation and reduce the risk of actions which may have short-term advantages. Additionally, the granting of Striker Options is in accordance with the terms and provisions of the Striker Option Plan.

The base salaries set for Striker's executives are intended to provide a steady income regardless of Striker Share price performance, allowing executives to focus on both near-term and long-term goals and objectives without undue reliance on short term Striker Share price performance or market fluctuations.

Compensation payable in the form of bonuses is overseen by the Compensation and Corporate Governance Committee and the Striker Board. The Striker Board does not consider the applicable periods set for bonus purposes to be heavily weighed to the short-term and believes it has struck an appropriate balance between short-term performance incentives and long-term awards that vest over time.

Hedging and Offsetting

At present, Striker does not have a formal policy prohibiting its directors and officers from engaging in short sales of securities of Striker or buying or selling puts, calls or other derivatives that are designed to hedge or offset a decrease in the market value of securities of Striker.

Currently, in the absence of such a policy, the directors and officers of Striker are expected to act at all times transparently, with integrity and with a view to the best interests of Striker and the shareholders in their securities trading activities.

It should be noted that any transactions of this nature are subject to insider reporting requirements and are reported on the System for Electronic Disclosure by Insiders (SEDI).

Outstanding Option-Based and Share-Based Awards

The following table provides a summary of option-based awards outstanding at the end of the most recent fiscal year ended December 31, 2015:

Name	Number of securities underlying unexercised Striker Options (#)	Striker Option exercise price (\$)	Striker Option expiration date	Value of unexercised in-the-money Striker Options (\$) ⁽¹⁾
Doug Bailey	300,000	\$2.40	February 23, 2020	-
Neil Burrows	240,000	\$2.40	February 23, 2020	-
Ryan Heath	240,000	\$2.40	February 23, 2020	-
Frank Muller	270,000	\$2.40	February 23, 2020	-
Darrin Drall	240,000	\$2.40	February 23, 2020	-

Note:

- (1) Calculated based on the difference between the closing price of \$1.22 per Striker Share on the TSXV on December 31, 2015 and the exercise price of the Striker Options, multiplied by the number of underlying Striker Shares.

Incentive Plan Awards - Value Vested or Earned During the Year

The following table provides a summary of the incentive plan awards earned during the year ended December 31, 2015:

Name	Option-based awards – Value vested during the year (\$) ⁽¹⁾	Non-equity incentive plan compensation – Annual Incentive Plans – Value earned during the year (\$)
Doug Bailey	-	-
Neil Burrows	-	-
Ryan Heath	-	-
Frank Muller	-	-
Darrin Drall	-	-

Note:

- (1) The dollar value that would have been realized if the Striker Options had been exercised based on the difference between the market price per Striker Share at the vesting date and the exercise price.

Pension Plan Benefits

Striker does not have a pension plan or provide any benefits following or in connection with retirement. In addition, Striker does not have a deferred compensation plan.

Management Agreements, Consulting Contracts, Termination and Change of Control Payments

There are currently no employment contracts or other compensation plans or arrangements with regard to any of the Named Executive Officers which provide for specific compensation in the event of resignation, retirement, other termination of employment or from a change of control of Striker or from a change in an officer's responsibilities following a change of control.

Summary of Directors' Compensation

Striker's directors do not have service contracts with respect to their roles as directors and are not provided with cash remuneration for their service to Striker as directors. All directors are reimbursed for reasonable expenses incurred by them in their capacity as directors, including travel and other out of pocket expenses incurred in connection with meetings of the Striker Board or any committee of the Striker Board. In addition, the directors are entitled to participate in the Striker Option Plan.

The following table sets forth for each of Striker's directors, including Striker's former directors, other than directors who were also Named Executive Officers, all amounts of compensation for Striker's most recently completed fiscal year ended December 31, 2015:

Name	Fees Earned (\$)	Share-Based Awards⁽¹⁾ (\$)	Option-Based Awards⁽²⁾ (\$)	Non-Equity Incentive Plan Compensation⁽¹⁾ (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
Neil Roszell	-	-	\$92,938	-	-	-	\$92,938
Kevin Olson	-	-	\$92,938	-	-	-	\$92,938
John Ferguson	-	-	\$92,938	-	-	-	\$92,938
Patrick R. Ward	-	-	\$92,938	-	-	-	\$92,938
John O'Connell ⁽³⁾	-	-	\$92,938	-	-	-	\$92,938

Notes:

- (1) Striker currently has no share-based or non-equity incentive plans.
- (2) The amounts disclosed herein for the option-based awards are calculated based on the fair value of the Striker Options granted during the year based on their fair value of each grant as at the grant date using the Black-Scholes model using the following assumptions on the grant date: the grant price, risk free interest rate and the volatility of the Striker Shares up to the grant date.
- (3) Mr. O'Connell became a director of Striker effective February 19, 2015.

Outstanding Option-Based and Share-Based Awards

The following table provides a summary of option-based awards outstanding at the end of the most recent fiscal year ended December 31, 2015 for the directors of Striker other than directors who are also Named Executive Officers:

Name	Number of securities underlying unexercised Striker Options (#)	Striker Option exercise price (\$)	Striker Option expiration date	Value of unexercised in-the-money Striker Options (\$)⁽¹⁾
Neil Roszell	100,000	\$2.40	February 23, 2020	-
Kevin Olson	100,000	\$2.40	February 23, 2020	-
John Ferguson	100,000	\$2.40	February 23, 2020	-
Patrick R. Ward	100,000	\$2.40	February 23, 2020	-

Name	Number of securities underlying unexercised Striker Options (#)	Striker Option exercise price (\$)	Striker Option expiration date	Value of unexercised in-the-money Striker Options (\$) ⁽¹⁾
John O'Connell	100,000	\$2.40	February 23, 2020	-

Note:

- (1) Calculated based on the difference between the closing price of \$1.22 per Striker Share on the TSXV on December 31, 2015 and the exercise price of the Striker Options, multiplied by the number of underlying Striker Shares.

Incentive Plan Awards - Value Vested or Earned During the Year

The following table provides a summary of the incentive plan awards earned during the year ended December 31, 2015 for the directors of Striker other than directors who are also Named Executive Officers:

Name	Option-based awards – Value vested during the year (\$) ⁽¹⁾	Non-equity incentive plan compensation – Annual Incentive Plans – Value earned during the year (\$)
Neil Roszell	-	-
Kevin Olson	-	-
John Ferguson	-	-
Patrick R. Ward	-	-
John O'Connell	-	-

Note:

- (1) The dollar value that would have been realized if the Spartan Options had been exercised based on the difference between the market price per Striker Share at the vesting date and the exercise price.

EQUITY COMPENSATION PLAN INFORMATION

The following table sets forth information with respect to compensation plans under which equity securities are authorized for issuance as at December 31, 2015, aggregated for all compensation plans previously approved by Striker Shareholders and all compensation plans not previously approved by Striker Shareholders:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
Equity Compensation Plans Approved by Securityholders ⁽¹⁾	2,491,250	\$2.37	732,314
Equity Compensation Plans Not Approved by Securityholders	-	-	-
Total	2,491,250	\$2.37	732,314

Note:

- (1) For a summary of the Striker Option Plan, see "Executive Compensation – Striker Option Plan" in this Appendix H.

RISK FACTORS

An investment in the Striker Shares and the Gear Shares are subject to certain risks. Investors should carefully consider the risk factors described under the heading "*Risk Factors*" in the Information Circular, under the heading "*Risk Factors*" in Appendix I – "*Information Concerning Gear*", under the heading "*Risk Factors*" in the Striker AIF, incorporated by reference herein and the risk factors set forth in the Striker Annual MD&A and the Striker Interim MD&A also incorporated by reference herein.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No executive officer, director or employee of Striker, or former executive officer, director or employee of Striker, at any point within thirty days before the date of the Information Circular, had any outstanding indebtedness owing to Striker or any other entity where the indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Striker.

No current director or executive officer of Striker, or any director or executive officer of Striker during the most recently completed financial year, or any associate of such director or executive officer (i) is, or at any time during the most recently completed financial year was, indebted to Striker, or (ii) has had indebtedness to another entity that is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Striker.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Sanjib Gill, the Corporate Secretary of Striker, is a partner of the national law firm McCarthy Tétrault LLP, which law firm renders legal services to Striker.

Other than as disclosed above, under the heading "*The Arrangement – Interests of Certain Persons or Companies in the Arrangement*" in the Information Circular, elsewhere in the Information Circular or in any document incorporated by reference herein or deemed to be incorporated by reference herein, management of Striker is not aware of any material interest, direct or indirect, of any Informed Person (as defined in National Instrument 51-102 – *Continuous Disclosure Obligations*) of Striker or any proposed nominee as a director of Striker, or any associate or affiliate of any such person in any transaction since the commencement of Striker's most recently completed financial year, or in any proposed transaction, that has materially affected or would materially affect Striker.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

To the knowledge of Striker, there are no legal proceedings or regulatory actions material to Striker to which Striker is a party, or was a party to as of the date of the Information Circular, or of which any of its properties is the subject matter, or was the subject matter of as of the date of the Information Circular, nor are there any such proceedings known to Striker to be contemplated. There have been no penalties or sanctions imposed against Striker by a court relating to securities legislation or by a securities regulatory authority and Striker has not entered into any settlement agreement with a court or securities regulatory authority.

AUDITORS, TRANSFER AGENT AND REGISTRAR

KPMG LLP is the current auditor of Striker and has confirmed that it is independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of Alberta.

The transfer agent and registrar for the Striker Shares is Alliance Trust Company at its principal office in Calgary, Alberta.

ADDITIONAL INFORMATION

Additional information regarding Striker may be found on SEDAR at www.sedar.com. Financial information in respect of Striker and its affairs is provided in the Striker Annual Financial Statements, Striker Interim Financial

Statements, Striker Annual MD&A and Striker Interim MD&A. Copies of Striker's financial statements and related management's discussion and analysis are available upon request from the Chief Financial Officer of Striker, at 1250, 645 – 7th Avenue S.W., Calgary, Alberta T2P 4G8, telephone number (403) 262-0242.

APPENDIX I

INFORMATION CONCERNING GEAR

NOTICE TO READER

Unless the context indicates otherwise, capitalized terms which are used in this Appendix I and not otherwise defined in this Appendix I have the meanings given to such terms under the heading "*Glossary of Terms*" in the Information Circular.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Appendix I, and in certain documents incorporated by reference into this Appendix I, constitute forward-looking statements and forward-looking information (collectively referred to herein as "forward-looking statements") within the meaning of applicable Canadian securities laws. Such forward-looking statements relate to future events or Gear's future performance. See "*General Information – Cautionary Notice Regarding Forward-Looking Statements and Information*" in the Information Circular. Readers should also carefully consider the matters and cautionary statements discussed under the headings "*Information Concerning Gear Following Completion of the Arrangement*" and "*Risk Factors*" in the Information Circular, and under the heading "*Risk Factors*" in this Appendix I and the Gear AIF.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Information Circular, including this Appendix I from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of Gear, at the registered office of Gear, 2400, 525 – 8th Avenue S.W., Calgary, Alberta T2P 1G1, telephone number (403) 260-0298. In addition, copies of the documents incorporated herein by reference may be obtained by accessing the disclosure documents available through the Internet on the SEDAR website at www.sedar.com.

The following documents of Gear filed with the various securities commissions or similar authorities in the provinces of Canada are specifically incorporated by reference into and form an integral part of the Information Circular:

- (a) the Gear AIF;
- (b) the Gear Annual Financial Statements;
- (c) the Gear Interim Financial Statements;
- (d) the Gear Annual MD&A;
- (e) the Gear Interim MD&A;
- (f) Gear's management information circular dated April 11, 2016 (the "**Gear 2016 Information Circular**") for the annual and special meeting of Gear's shareholders held on May 11, 2016; and
- (g) the material change report of Gear in respect of the Gear Financing and the Arrangement dated June 13, 2016.

Any documents of the type required by National Instrument 44-101 – *Short Form Prospectus Distributions* to be incorporated by reference in a short form prospectus, including any material change reports (excluding confidential reports), comparative interim financial statements, comparative annual financial statements and the auditor's report thereon, management's discussion and analysis of financial condition and results of operations, information circulars, annual information forms, marketing materials and business acquisition reports filed by Gear with the

securities commissions or similar authorities in Canada subsequent to the date of the Information Circular and before the Effective Date, are deemed to be incorporated by reference in this Information Circular including Appendices H, I and J.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Information Circular to the extent that a statement contained herein or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission 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. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Circular.

GEAR ENERGY LTD.

Gear is an Alberta-based, growth-oriented, junior oil and gas company engaged in the exploration for, and the acquisition, development and production of, oil and natural gas reserves in the Western Canadian Sedimentary Basin, with a focus on heavy oil.

Gear does not have any subsidiaries.

All of Gear's oil and gas properties are located in Alberta, British Columbia and Saskatchewan. Gear currently has core holdings in east central Alberta and west central Saskatchewan. Gear has a significant land position in Alberta, British Columbia and Saskatchewan and intends to continue to evaluate additional oil and gas assets in Alberta, British Columbia and Saskatchewan. Gear's strategy is to provide long term production and cashflow growth on a per debt adjusted share basis as a low cost oil-weighted operator. Gear's business plan contemplates that Gear will pursue exploration, development and exploitation drilling, complemented with property or corporate acquisitions exhibiting synergies in land, facilities, production and operating efficiencies.

For further details on the business of Gear, see "*General Development of the Business*" and "*Description of the Business*" in the Gear AIF. Readers are encouraged to thoroughly review this document as it contains important information about Gear.

The principal and head office of Gear is located at 2600, 240 – 4th Avenue S.W., Calgary, Alberta T2P 4H4 and the registered office of Gear is located at 2400, 525 - 8th Avenue S.W., Calgary, Alberta T2P 1G1.

RECENT DEVELOPMENTS

The Gear Financing

On June 7, 2016, entered into a bought deal letter with respect to the Gear Financing of 25.0 million Gear Shares at a price of \$0.70 per Gear Share for aggregate gross proceeds of \$17.5 million through a syndicate of underwriters. Gear has granted the underwriters under the Gear Financing an option (the "**Over-Allotment Option**") exercisable in whole or in part from time to time until 30 days following the closing of the Gear Financing to purchase up to an additional 3.75 million Gear Shares at a price of \$0.70 per Gear Share. On June 24, 2016, the underwriters provided notice to Gear that they intended to exercise the Over-Allotment Option in full on the closing date of the Gear Financing, which will result in an aggregate of 28.75 million Gear Shares being issued for aggregate gross proceeds of \$20.125 million. The Gear Financing is expected to close on or about June 29, 2016.

Proceeds of the Gear Financing are expected to be used to repay outstanding bank indebtedness of Gear under the existing Gear Credit Facility, thereby freeing up borrowing capacity which may be used to fund a portion of Gear's ongoing capital program and for working capital purposes. See "*Information Concerning Gear Following Completion of the Arrangement – Pro Forma Consolidated Capitalization of Gear*" in the Information Circular.

The Arrangement

On June 7, 2016, Gear entered into the Arrangement Agreement with Striker, pursuant to which Gear proposes to acquire all of the issued and outstanding Striker Shares by way of a plan of arrangement under the ABCA. For a full description of the Arrangement and the Arrangement Agreement, see "*The Arrangement*" and "*Information Concerning Gear Following Completion of the Arrangement*" in the Information Circular. Also see Appendix J "*Pro Forma Consolidated Financial Statements of Gear Energy Ltd.*" and Appendix H "*Information Concerning Striker*".

Gear New Credit Facilities

On June 7, 2016, Gear entered into a term sheet with Alberta Treasury Branches on behalf of a syndicate of lenders in respect of a new credit agreement expected to be entered into concurrently with, and conditional on, the closing of the Arrangement. See "*Information Concerning Gear Following Completion of the Arrangement – Gear New Credit Facilities*" in the Information Circular.

DESCRIPTION OF SECURITIES BEING ISSUED

Gear Shares

Gear is authorized to issue an unlimited number of Gear Shares. The holders of Gear Shares are entitled to: dividends if, as and when declared by the Gear Board; vote at any meetings of the holders of Gear Shares; and upon liquidation, dissolution or winding up of Gear, receive the remaining property and assets of Gear. All of the Gear Shares outstanding are fully paid and non-assessable. As of June 24, 2016, there were 85,483,732 Gear Shares issued and outstanding.

For a description of all other authorized securities of Gear, refer to the Gear AIF under the heading "*Description of Capital Structure*", which is incorporated by reference herein. Also see "*Information Concerning Gear Following Completion of the Arrangement – Description of Share Capital*" in the Information Circular.

CONSOLIDATED CAPITALIZATION OF GEAR

For a table setting forth the consolidated capitalization of: (i) Gear as at March 31, 2016 before giving effect to the Gear Financing or the Arrangement; (ii) Gear as at March 31, 2016 after giving effect to the Gear Financing but before giving effect to the Arrangement; and (iii) Gear as at March 31, 2016 after giving effect to the Gear Financing and the Arrangement, see "*Information Concerning Gear Following Completion of the Arrangement – Pro Forma Capitalization*" in the Information Circular.

PRIOR SALES

Gear has not sold or issued any Gear Shares or securities convertible into Gear Shares during the 12 month period prior to the date of the Information Circular other than the following:

<u>Date</u>	<u>Number of Securities</u>	<u>Issue Price Per Security (\$)</u>	<u>Type of Security</u>
June 12, 2015	1,105,852	1.99 ⁽¹⁾	Gear Options
July 13, 2015	150,000	1.72 ⁽¹⁾	Gear Options
November 30, 2015	14,666,700	0.75	Gear Shares ⁽²⁾
November 30, 2015	14,800	1,000	Gear Debentures ⁽²⁾
December 4, 2015	734,700	0.60 ⁽¹⁾	Gear Options
March 1, 2016	854,820	0.35 ⁽¹⁾	Gear Options

Notes:

(1) Represents the exercise price of Gear Options.

- (2) On November 30, 2015, Gear completed: (i) a public offering of 12,000,000 Gear Shares at a price of \$0.75 per Gear Share; (ii) a private placement of 2,666,700 Gear Shares at a price of \$0.75 per Gear Share; and (iii) a private placement of \$14,800,000 aggregate principal amount of Gear Debentures at a price of \$1,000 per Gear Debenture, for aggregate gross proceeds of approximately \$25.8 million.

PRICE RANGE AND TRADING VOLUME OF SECURITIES

The Gear Shares are listed and posted for trading on the TSX under the symbol "GXE". The following table sets forth the high and low sales prices (which are not necessarily the closing prices) and the trading volumes for the Gear Shares on the TSX as reported by the TSX for the periods indicated:

Period	Price Range (\$)		Trading Volume
	High	Low	
2015			
May	2.53	1.95	2,023,843
June	2.16	1.78	3,016,188
July	1.85	1.40	1,476,052
August	1.44	0.85	2,090,872
September	1.12	0.67	3,570,101
October	1.10	0.70	2,609,163
November	0.94	0.58	2,067,273
December	0.63	0.40	5,241,073
2016			
January	0.61	0.25	3,428,616
February	0.37	0.30	2,386,991
March	0.59	0.35	2,712,209
April	0.82	0.46	3,614,545
May	0.72	0.58	2,648,435
June (1 - 24)	0.82	0.56	7,252,086

RISK FACTORS

An investment in the securities of Gear is speculative and subject to certain risks. Gear Shareholders and Striker Shareholders should consider carefully the risk factors described under "*Risk Factors*" in the Gear AIF and the Striker AIF which are incorporated into and form part of the Information Circular. In addition, Gear Shareholders and Striker Shareholders should carefully review and consider all other information contained in the Information Circular together with all other information included or incorporated by reference in the Information Circular, before making an investment decision or a decision to vote for or against the Gear Resolution or Striker Arrangement Resolution, as applicable, and consult their own experts where necessary. Readers should also carefully consider the matters and cautionary statements discussed under the heading "*Risk Factors*" in the Information Circular.

Credit Facility Arrangements

Gear anticipates entering into a new credit agreement for the Gear New Credit Facilities upon closing of the Arrangement; however, entering into the new credit agreement for the Gear New Credit Facilities is subject to a number of conditions, including the completion of the Arrangement. To the extent that the Gear New Credit Facilities are not provided to Gear for any reason, including for reason of the Arrangement not being completed, there is no certainty that credit will be available to Gear under the Gear Credit Facility for Gear to continue to fund its capital expenditures and ongoing operations. The Gear Credit Facility and the amount authorized thereunder are dependent on the borrowing base determined by its lenders. Gear is required to comply with covenants under the Gear Credit Facility which may, in certain cases, include certain financial ratio tests, which from time to time either affect the availability, or price, of additional funding. As at the date hereof, the Gear Credit Facility carry a single financial covenant to maintain an adjusted working capital ratio of not less than 1.0:1. Adjusted working capital is defined as current assets less unrealized hedging gains, plus the undrawn portion of the Gear Credit Facility divided by accounts payable and accrued liabilities. In the event that Gear does not comply with this covenant, Gear's access to capital could be restricted or repayment could be required. Events beyond Gear's control may contribute to the failure of Gear to comply with such covenants. A failure to comply with covenants could result in default under the Gear Credit Facility, which could result in Gear being required to repay amounts owing thereunder. Even if

Gear is able to obtain new financing, it may not be on commercially reasonable terms or terms that are acceptable to Gear. If Gear is unable to repay amounts owing under the Gear Credit Facility, the lenders under the Gear Credit Facility could proceed to foreclose or otherwise realize upon the collateral granted to them to secure the indebtedness. The acceleration of Gear's indebtedness under one agreement may permit acceleration of indebtedness under other agreements that contain cross default or cross-acceleration provisions.

Gear's lenders use Gear's reserves, commodity prices, applicable discount rate and other factors, to periodically determine Gear's borrowing base. As a result of the depressed commodity prices experienced in the last several years, and the continued uncertainty as to when and if commodity prices will significantly recover, the borrowing base could be further reduced which would reduce the funds available to Gear under the Gear Credit Facility. This could result in the requirement to repay a portion, or all, of Gear's indebtedness under the Gear Credit Facility.

Oil prices continue to be volatile and have fallen dramatically over the last two years. Oil as a geopolitical commodity remains volatile. The current available lending limit of the Gear Credit Facility is based on the lenders' interpretation of Gear's reserves and future commodity prices. The borrowing base review with respect to the Gear Credit Facility was scheduled to be completed by June 1, 2016; however, such review was postponed due to the announcement of the Arrangement and the Gear New Credit Facilities as it is anticipated that the amounts outstanding under the Gear Credit Facility will be repaid in full upon Gear entering into the new credit agreement for the Gear New Credit Facilities. If the new credit agreement for the Gear New Credit Facilities is not entered into, it is anticipated that the borrowing base under the Gear Credit Facility will be reduced and the reduction could be significant. In addition, as the Gear Credit Facility are a demand facility, the lenders may demand full or partial repayment by Gear at any time. There is no certainty that Gear would be in a position to make such repayment or that alternative financing would be available on terms acceptable to Gear or at all.

Royalty Regime

There can be no assurance that the governments of the Canadian provinces or other jurisdictions in which Gear conducts its operations will not adopt new royalty regimes or modify the existing royalty regimes which may have an impact on the economics of Gear's projects. On January 29, 2016, the Government of Alberta adopted a new royalty regime which will take effect on January 1, 2017. On April 21, 2016, the Government of Alberta released further details on the drilling and completion cost allowance and royalty formulas that will apply to non-oil sands wells drilled on or after January 1, 2017. There is the possibility that certain strategic programs will be announced in the summer of 2016 although no details on these programs have been provided. The impact on Gear of any changes to applicable royalty regimes will be dependent on a number of factors, but an increase in royalties would reduce Gear's earnings and could make future capital investments, or Gear's operations, less economic.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

No person who is or has been a director or executive officer of Gear at any time since the beginning of the year ended December 31, 2015, nor any proposed nominee for election as a director of Gear, nor any associate or affiliate of any one of them, is or was indebted to (i) Gear or (ii) another entity where such indebtedness is or was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Gear at any time since the beginning of the year ended December 31, 2015.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed in the Information Circular and the Gear AIF, there were no material interests, direct or indirect, of our directors or executive officers, or any person who beneficially owns, directly or indirectly, or exercises control or direction over, more than 10% of the voting rights attached to all our outstanding voting rights, or any other Informed Person (as defined in National Instrument 51-102 – *Continuous Disclosure Obligations*) or any known associate or affiliate of such persons, in any transaction within the three most recently completed financial years or during the current financial year which has materially affected or is reasonably expected to materially affect Gear.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of Gear are Deloitte LLP, Chartered Accountants, 700, 850 – 2nd Street S.W., Calgary, Alberta, T2P 0R8. Deloitte LLP is independent within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Alberta.

The transfer agent and registrar for the Gear Shares is Computershare Trust Company of Canada at its principal offices in Calgary, Alberta and Toronto, Ontario.

ADDITIONAL INFORMATION

Additional information relating to Gear is available on SEDAR at www.sedar.com. Financial information in respect of Gear and its affairs is provided in the Gear Annual Financial Statements, the Gear Annual MD&A and the Gear Interim MD&A. Additional Information, including directors' and officers' remuneration and the securities authorized for issuance under equity compensation plans, is contained in the Gear 2016 Information Circular. Copies of Gear's financial statements and related management's discussion and analysis are available upon request from the Corporate Secretary of Gear, at the registered office of Gear, 2400, 525 – 8th Avenue S.W., Calgary, Alberta T2P 1G1, telephone number (403) 260-0298.

APPENDIX J

UNAUDITED PRO FORMA FINANCIAL STATEMENTS

GEAR ENERGY LTD.
Pro forma Balance Sheet
As at March 31, 2016
(unaudited)
(Cdn thousands)

	Gear Energy Ltd.	Striker Exploration Corp.	Pro Forma Adjustments	Note 2	Pro Forma Gear Energy Ltd.
ASSETS					
Current Assets					
Accounts receivable	\$ 5,304	\$ 3,313	\$ -		\$ 8,617
Prepaid expenses	2,054	709	-		2,763
Inventory	5,477	-	-		5,477
Risk management contracts	8,026	-	-		8,026
	20,861	4,022	-		24,883
Deferred income tax asset	26,243	-	317	f,h	26,560
Exploration and evaluation assets	-	260	-		260
Petroleum and natural gas properties	174,055	123,205	(51,488)	a,i	262,501
			16,729	e	
Total assets	\$ 221,159	\$ 127,487	\$ (34,442)		\$ 314,204
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	\$ 5,473	\$ 4,350	\$ 3,237	a,c,g	\$ 13,060
Risk management contracts	-	62	-		62
Conversion approval option	1,800	-	-		1,800
Debt	52,112	-	8,023	a,d	
			(910)	b	
			(16,325)	h	42,900
	59,385	4,412	(5,975)		57,822
Long term debt	-	8,023	(8,023)	a,d	-
Debentures	12,379	-	-		12,379
Decommissioning liability	56,803	26,204	(18,311)	a	
			16,729	e	81,425
Total liabilities	128,567	38,639	(15,580)		151,626
SHAREHOLDERS' EQUITY					
Share capital	241,509	112,251	(112,251)	a	
			53,619	a	
			16,642	h	311,770
Warrants	-	21,725	(21,375)	a,i	350
Contributed surplus	12,551	2,669	(2,669)	a	12,551
Deficit	(161,468)	(47,797)	47,797	a	
			(625)	c	(162,093)
Total shareholders' equity	92,592	88,848	(18,862)		162,578
Total liabilities and shareholders' equity	\$ 221,159	\$ 127,487	\$ (34,442)		\$ 314,204

See accompanying notes to the pro forma financial statements.

GEAR ENERGY LTD.
Pro forma Statements of Loss
For the three months ended March 31, 2016
(unaudited)
(Cdn thousands, except per share amounts)

	Gear Energy Ltd.	Striker Exploration Corp.	Pro Forma Adjustments	Note 3	Pro Forma Gear Energy Ltd.
Sales of crude oil, natural gas and natural gas liquids	\$ 8,173	\$ 5,571	\$ -		\$ 13,744
Royalties	(656)	(828)	-		(1,484)
REVENUE	7,517	4,743	-		12,260
Gain on risk management contracts	3,982	138	-		4,120
	11,499	4,881	-		16,380
EXPENSES					
Operating	6,192	3,307	-		9,499
General and administrative	1,481	908	-		2,389
Share-based compensation	174	195	-		369
Interest and financing charges	616	105	(111)	b	610
Accretion	389	164	(37)	c	516
Depletion, depreciation and amortization	4,283	4,076	(973)	a	7,386
Drilling commitments	480	-	-		480
Gain on disposition	(400)	-	-		(400)
	13,215	8,755	(1,121)		20,849
Deferred tax recovery	-	-	-		-
Net loss	\$ (1,716)	\$ (3,874)	\$ 1,121		\$ (4,469)
Net loss per share	\$ (0.02)	\$ (0.12)		d	\$ (0.02)

See accompanying notes to the pro forma financial statements

GEAR ENERGY LTD.
Pro Forma Statements of Loss
For the year ended December 31, 2015
(unaudited)
(Cdn thousands, except per share amounts)

	Gear Energy Ltd.	Striker Exploration Corp.	Pro Forma Adjustments	Note 3	Pro Forma Gear Energy Ltd.
Sales of crude oil, natural gas and natural gas liquids	\$ 80,374	\$ 37,907	\$ -		\$ 118,281
Royalties	(11,415)	(6,357)	-		(17,772)
REVENUE	68,959	31,550	-		100,509
Gain on risk management contracts	10,662	653	-		11,315
	79,621	32,203	-		111,824
EXPENSES					
Operating	36,671	14,150	-		50,821
General and administrative	5,882	4,389	-		10,271
Share-based compensation	2,194	1,827	-		4,021
Interest and financing charges	2,815	696	(345)	b	3,166
Accretion	1,508	540	(38)	c	2,010
Depletion, depreciation and amortization	40,399	20,289	(6,457)	a	54,231
Impairment	96,660	16,433	-		113,093
Exploration expense	-	169	-		169
Gain on foreign exchange	(429)	-	-		(429)
Loss (gain) on disposition	(15)	2,848	-		2,833
	185,685	61,341	(6,840)		240,186
Deferred tax recovery	9,545	667	-		10,212
Net loss	\$ (96,519)	\$ (28,471)	\$ 6,840		\$ (118,150)
Net loss per share	\$ (1.34)	\$ (0.98)	\$	d	\$ (0.68)

See accompanying notes to the pro forma financial statements

GEAR ENERGY LTD.**Notes to the Pro Forma Statements****As at March 31, 2016 and for the three months ended March 31, 2016 and for the year ended December 31, 2015**

(unaudited)

1. Basis of Presentation

The accompanying unaudited pro forma balance sheet of Gear Energy Ltd. ("Gear" or the "Company") as at March 31, 2016 and the unaudited pro forma statements of loss for the three months ended March 31, 2016 and the year ended December 31, 2015 (the "pro forma financial statements") have been prepared to reflect the proposed acquisition by Gear of all the issued and outstanding common shares of Striker Exploration Corp. ("Striker") by Gear pursuant to an Arrangement Agreement. The pro forma financial statements also reflect the issuance of 25 million Gear common shares at a price of \$0.70 per share pursuant the short form prospectus dated June 13, 2016.

These unaudited pro forma financial statements have been prepared based on financial statements that were prepared in accordance with International Financial Reporting Standards ("IFRS") and applicable securities regulations. The unaudited pro forma financial statements have been prepared from information derived from and should be read in conjunction with the following:

- Audited financial statements of Gear as at and for the year ended December 31, 2015.
- Unaudited interim condensed financial statements of Gear as at and for the three months ended March 31, 2016.
- Audited financial statements of Striker for the year ended December 31, 2015.
- Unaudited interim condensed financial statements of Striker as at and for the three months ended March 31, 2016.

The unaudited pro forma balance sheet gives effect to the assumed transactions and assumptions described in note 2 as if they had occurred on March 31, 2016. The unaudited pro forma statements of loss give effect to the transactions and assumptions in note 3 as if they had occurred at January 1, 2015. Certain amounts on the financial statements of Striker were reclassified to conform to the presentation of Gear. The unaudited pro forma financial statements may not be indicative of the results that actually would have occurred if the events reflected therein had been in effect on the date indicated or of the results which may be obtained in the future. In preparing these unaudited pro forma financial statements, no adjustments have been made to reflect the operating synergies and administrative savings that could result from the operations of the combined assets.

Accounting policies used in the preparation of the unaudited pro forma financial statements are in accordance with those disclosed in the financial statements of Gear as at and for the year ended December 31, 2015. In the opinion of management these unaudited pro forma financial statements include all of the necessary adjustments for a fair presentation of the ongoing entity.

2. Pro forma assumptions and adjustments for pro forma balance sheet

The unaudited pro forma balance sheet gives effect to the following assumptions and adjustments:

- a) Pursuant to the Arrangement Agreement Gear will acquire all of the issued and outstanding common shares of Striker (inclusive of common shares issued for outstanding in-the-money Striker stock options) at an exchange ratio of 2.325 Gear shares for one Striker share. The transaction is subject to approval by the shareholders of both companies. The arrangement has been accounted for using the acquisition method of accounting, with Gear being the acquirer for accounting purposes, whereby the assets and liabilities assumed are recorded at their fair values.

The preliminary purchase price allocation relating to the Striker acquisition is as follows:

Estimated Fair Value of Net Assets Acquired (Cdn\$ thousands)	
Net working capital	\$ (2,940)
Property, plant and equipment ("PP&E")	71,717
Exploration and evaluation assets ("E&E")	260
Risk management contracts	(62)
Debt	(7,113)
Decommissioning liability	(7,893)
Net assets acquired	\$ 53,969

Cost of Acquisition	
Fair value of common shares issued (76.6 million common shares x \$0.70 per share)	\$ 53,619
Fair value of warrant consideration (i)	350
Total consideration	\$ 53,969

The above amounts are estimates, which have been made by management of Gear for the acquisition, based on information available. Amendments will be made to these amounts as values subject to estimate are finalized and to account for final balances at the time of closing.

- b) Includes exercise proceeds of \$910 thousand from the exercise of 710 thousand in-the-money Striker options with an average exercise price of \$1.28 per option.
- c) Included as an adjustment to accounts payable and accrued liabilities are transaction costs associated with the acquisition totaling \$2.8 million. Transaction costs include amounts relating to advisor fees, legal and accounting fees, severance and other acquisition related costs. \$2.2 million of this amount relates to costs incurred by Striker to effect the transaction and have been included in the purchase price allocation. Gear's transaction costs related to the arrangement are \$0.6 million and have been debited against the deficit on the balance sheet.
- d) Coincident with the closing of the Arrangement, Gear is expected to enter into a credit agreement with a syndicate of banks which has an initial term of 364 days.
- e) The decommissioning liabilities acquired in the acquisition were initially recognized at fair value using a discount rate of 10%. They were subsequently revalued using the risk free rate resulting in an increase in the decommissioning liabilities acquired with the offset to property, plant and equipment.
- f) Striker has unrecognized deferred tax assets associated with deductible temporary differences. The recoverability of Striker's deferred tax assets after the business combination is currently under review by management. Due to the current uncertainty of its recoverability, no amount has been recognized in these pro forma financial statements.
- g) Gear will assume Striker's office lease for a total commitment of \$0.4 million. This amount has been included in accounts payable and accrued liabilities as the space is unlikely to be utilized.
- h) In conjunction with the Arrangement Agreement, Gear has entered into an agreement with a syndicate of underwriters on a bought-deal financing to issue 25 million common shares of Gear at a share prices of \$0.70 per share for total gross proceeds of \$17.5 million. The associated share issue costs are estimated to be \$1.2 million, resulting in net proceeds of approximately \$16.3 million which have been applied against debt. Share issue costs have been recorded net

of deferred taxes of \$0.3 million. These pro forma financial statements do not assume the exercise of the over-allotment by the underwriters.

- i) Consideration includes the continuation of 650 thousand fully vested Striker warrants held by certain directors of Striker who will be appointed to the board of directors of Gear at the effective time of the Arrangement. Each warrant gives the holder option to purchase 2.325 Gear shares at an exercise price of \$1.03 per share. These warrants have been recognized on the pro forma balance sheet at their acquisition date fair value of \$0.4 million with the offset to property plant and equipment.

3. Pro forma assumptions and adjustments for pro forma statements of loss

The unaudited pro forma statements of loss give effect to the following assumptions and adjustments:

- a) Depletion expense has been adjusted to reflect the application of the appropriate unit-of-production rate based on proved and probable reserves following the adjustment of the Striker carrying value of the petroleum and natural gas properties to its fair value upon acquisition as determined in the purchase price allocation in note 2(a).
- b) Interest expense has been adjusted to reflect interest rates applicable to the new credit facility noted in 2(d), and proceeds on the equity issuance.
- c) Accretion expense has been reduced to reflect the change in accretion for the decommissioning liability adjustment noted in 2 (e).
- d) The following table reconciles the pro forma weighted average shares outstanding for the three months ended March 31, 2016 and the year ended December 31, 2015:

Weighted average common shares outstanding	Three months ended March 31, 2016	Year ended Dec 31, 2015
Gear weighted average common shares	85,484	72,103
Shares issued to purchase Striker (note 2(a))	76,599	76,599
Gear bought-deal financing (note 2(h))	25,000	25,000
Pro forma weighted average shares outstanding	187,083	173,702

APPENDIX K

SECTION 191 OF THE *BUSINESS CORPORATIONS ACT (ALBERTA)*

Striker Shareholders have the right to dissent in respect of the Arrangement in accordance with Section 191 of the ABCA (as varied by the Interim Order). Such rights of dissent are described in the Information Circular under the heading "*The Arrangement – Striker Dissent Rights*". The full text of Section 191 of the ABCA is set forth below.

191(1) Subject to sections 192 and 242, a holder of shares of any class of a corporation may dissent if the corporation resolves to

- (a) amend its articles under section 173 or 174 to add, change or remove any provisions restricting or constraining the issue or transfer of shares of that class,
- (b) amend its articles under section 173 to add, change or remove any restrictions on the business or businesses that the corporation may carry on,
 - (b.1) amend its articles under Section 173 to add or remove an express statement establishing the unlimited liability of shareholders as set out in Section 15.2(1),
- (c) amalgamate with another corporation, otherwise than under section 184 or 187,
- (d) be continued under the laws of another jurisdiction under section 189, or
- (e) sell, lease or exchange all or substantially all its property under section 190.

(2) A holder of shares of any class or series of shares entitled to vote under section 176, other than section 176(1)(a), may dissent if the corporation resolves to amend its articles in a manner described in that section.

(3) In addition to any other right he may have, but subject to subsection (20), a shareholder entitled to dissent under this section and who complies with this section is entitled to be paid by the corporation the fair value of the shares held by the shareholder in respect of which the shareholder dissents, determined as of the close of business on the last business day before the day on which the resolution from which the shareholder dissents was adopted.

(4) A dissenting shareholder may only claim under this section with respect to all the shares of a class held by the shareholder or on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.

(5) A dissenting shareholder shall send to the corporation a written objection to a resolution referred to in subsection (1) or (2)

- (a) at or before any meeting of shareholders at which the resolution is to be voted on, or
- (b) if the corporation did not send notice to the shareholder of the purpose of the meeting or of his right to dissent, within a reasonable time after the shareholder learns that the resolution was adopted and of the shareholder's right to dissent.

(6) An application may be made to the Court after the adoption of a resolution referred to in subsection (1) or (2),

- (a) by the corporation, or
- (b) by a shareholder if the shareholder has sent an objection to the corporation under subsection (5)

to fix the fair value in accordance with subsection (3) of the shares of a shareholder who dissents under this section, or to fix the time at which a shareholder of an unlimited liability corporation who dissents under this section ceases to become liable for any new liability, act or default of the unlimited liability corporation.

(7) If an application is made under subsection (6), the corporation shall, unless the Court otherwise orders, send to each dissenting shareholder a written offer to pay the shareholder an amount considered by the directors to be the fair value of the shares.

(8) Unless the Court otherwise orders, an offer referred to in subsection (7) shall be sent to each dissenting shareholder

(a) at least 10 days before the date on which the application is returnable, if the corporation is the applicant, or

(b) within 10 days after the corporation is served with a copy of the application, if a shareholder is the applicant.

(9) Every offer made under subsection (7) shall

(a) be made on the same terms, and

(b) contain or be accompanied with a statement showing how the fair value was determined.

(10) A dissenting shareholder may make an agreement with the corporation for the purchase of the shareholder's shares by the corporation, in the amount of the corporation's offer under subsection (7) or otherwise, at any time before the Court pronounces an order fixing the fair value of the shares.

(11) A dissenting shareholder

(a) is not required to give security for costs in respect of an application under subsection (6), and

(b) except in special circumstances must not be required to pay the costs of the application or appraisal.

(12) In connection with an application under subsection (6), the Court may give directions for

(a) joining as parties all dissenting shareholders whose shares have not been purchased by the corporation and for the representation of dissenting shareholders who, in the opinion of the Court, are in need of representation,

(b) the trial of issues and interlocutory matters, including pleadings and questioning under Part 5 of the *Alberta Rules of Court*,

(c) the payment to the shareholder of all or part of the sum offered by the corporation for the shares,

(d) the deposit of the share certificates with the Court or with the corporation or its transfer agent,

(e) the appointment and payment of independent appraisers, and the procedures to be followed by them,

(f) the service of documents, and

(g) the burden of proof on the parties.

(13) On an application under subsection (6), the Court shall make an order

- (a) fixing the fair value of the shares in accordance with subsection (3) of all dissenting shareholders who are parties to the application,
- (b) giving judgment in that amount against the corporation and in favour of each of those dissenting shareholders,
- (c) fixing the time within which the corporation must pay that amount to a shareholder, and
- (d) fixing the time at which a dissenting shareholder of an unlimited liability corporation ceases to become liable for any new liability, act or default of the unlimited liability corporation.

(14) On:

- (a) the action approved by the resolution from which the shareholder dissents becoming effective,
- (b) the making of an agreement under subsection (10) between the corporation and the dissenting shareholder as to the payment to be made by the corporation for the shareholder's shares, whether by the acceptance of the corporation's offer under subsection (7) or otherwise, or
- (c) the pronouncement of an order under subsection (13),

whichever first occurs, the shareholder ceases to have any rights as a shareholder other than the right to be paid the fair value of the shareholder's shares in the amount agreed to between the corporation and the shareholder or in the amount of the judgment, as the case may be.

(15) Subsection (14)(a) does not apply to a shareholder referred to in subsection (5)(b).

(16) Until one of the events mentioned in subsection (14) occurs,

- (a) the shareholder may withdraw the shareholder's dissent, or
- (b) the corporation may rescind the resolution,

and in either event proceedings under this section shall be discontinued.

(17) The Court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder, from the date on which the shareholder ceases to have any rights as a shareholder by reason of subsection (14) until the date of payment.

(18) If subsection (20) applies, the corporation shall, within 10 days after

- (a) the pronouncement of an order under subsection (13), or
- (b) the making of an agreement between the shareholder and the corporation as to the payment to be made for the shareholder's shares,

notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

(19) Notwithstanding that a judgment has been given in favour of a dissenting shareholder under subsection (13)(b), if subsection (20) applies, the dissenting shareholder, by written notice delivered to the corporation within 30 days after receiving the notice under subsection (18), may withdraw the shareholder's notice of objection, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to the shareholder's full rights as a shareholder, failing which the shareholder retains a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.

(20) A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that

- (a) the corporation is or would after the payment be unable to pay its liabilities as they become due, or
- (b) the realizable value of the corporation's assets would by reason of the payment be less than the aggregate of its liabilities.

