NOTICE OF SPECIAL MEETING OF HOLDERS OF
9.875% SECOND PRIORITY SENIOR SECURED NOTES DUE 2019
OF LIGHTSTREAM RESOURCES LTD.

AND

NOTICE OF SPECIAL MEETING OF HOLDERS OF
8.625% SENIOR NOTES DUE 2020
OF LIGHTSTREAM RESOURCES LTD.

AND

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS OF
LIGHTSTREAM RESOURCES LTD.

All to be held on September 30, 2016

MANAGEMENT INFORMATION CIRCULAR

with respect to, among other things, a proposed

PLAN OF ARRANGEMENT

and

RECAPITALIZATION

August 29, 2016

These materials are important and require your immediate attention. They require shareholders and noteholders of Lightstream Resources Ltd. to make important decisions. If you are in doubt as to how to make such decisions please contact your financial, legal, tax or other professional advisors.

August 29, 2016

To the holders of: 9.875% Second Priority Senior Secured Notes due 2019 of Lightstream Resources Ltd. ("**Lightstream**" or the "**Company**")

And to the holders of: 8.625% Senior Notes due 2020 of Lightstream

And to the holders of: Common Shares of Lightstream

The Company's significant debt burden, and resulting significant debt service costs, have severely constrained our ability to generate cash flow, particularly in the current context of a continuing low oil price environment. A reduction in our outstanding indebtedness and corresponding interest expense is necessary in order to protect the significant long-term value in our resources, assets and operations, and will position Lightstream to regain access to growth capital when commodity prices improve. We are pleased to report that we have made substantial progress in the Company's previously announced initiative to devise and implement a strategy to address our liquidity and capital structure and, on July 12, 2016, we entered into a support agreement, as amended and restated on August 26, 2016 (the "**Support Agreement**"), with certain holders of our 9.875% second priority senior secured notes due June 15, 2019 (the "**Secured Notes**") in furtherance of this strategy. In the accompanying management information circular (the "**Information Circular**"), we propose a series of transactions (the "**Recapitalization**") under the *Canada Business Corporations Act* (the "**CBCA**") that we believe will achieve our objectives of improving our liquidity position and overall capital structure, while preserving the long-term value of our assets.

In general, the Recapitalization contemplates the following key elements:

(a) the continuance of Lightstream into the federal jurisdiction of Canada under the CBCA (the "**Continuance**");

(b) a plan of arrangement (the "**Plan of Arrangement**") under Section 192 of the CBCA (the "**Arrangement**") which will involve a number of steps including and resulting in, among other things, the following:

(i) the shareholder rights plan of the Company in respect of the common shares of Lightstream (the "**Common Shares**") and any rights issued pursuant thereto will be terminated and of no further force and effect;

(ii) all outstanding stock options will be repurchased for nominal consideration of $0.01 per stock option and thereafter cancelled and extinguished;

(iii) the Common Shares will be consolidated on the basis of one post-consolidation share for approximately every 88.29 (approximately 92 on a fully-diluted basis) pre-consolidation shares, such that the holders of Common Shares (the "**Shareholders**") will hold an aggregate of approximately 2,250,000 consolidated Common Shares, subject to the treatment of fractional consolidated Common Shares, which following the Arrangement will represent approximately 2.25% of the total issued and outstanding New Common Shares (as defined below);

(iv) through a series of transactions, the consolidated Common Shares will be exchanged for (A) one common share in a new class of voting common shares in the capital of the Company (the "**New Common Shares**") for each consolidated Common Share, and (B) each Shareholder's *pro rata* portion of 7,750,000 Series 2 warrants to purchase New

Common Shares (or approximately 3.4444 Series 2 warrants for every New Common Share);

(v) all accrued and unpaid interest on the Secured Notes and the Company's 8.625% senior notes due February 1, 2020 (the "**Unsecured Notes**", and together with the Secured Notes, the "**Notes**") will be forgiven, settled and extinguished for no consideration;

(vi) the Secured Notes will be converted or exchanged into New Common Shares, with each holder of Secured Notes ("**Secured Noteholders**") receiving its *pro rata* portion of approximately 95,000,000 New Common Shares, which will be equal to approximately 95% of the total issued and outstanding New Common Shares following the completion of the Arrangement;

(vii) the Unsecured Notes will be exchanged into New Common Shares, with each holder of the Unsecured Notes (the "**Unsecured Noteholders**") receiving its *pro rata* portion of approximately 2,750,000 New Common Shares, which will be equal to approximately 2.75% of the total issued and outstanding New Common Shares following the completion of the Arrangement, and its *pro rata* portion of 5,000,000 Series 1 warrants to purchase New Common Shares (or approximately 1.8182 Series 1 warrants for every New Common Share);

(viii) an offering solely to Eligible Secured Noteholders (as defined in the Information Circular) of approximately U.S.$39,285,000 principal amount of new 12% second lien secured notes of Lightstream issued with an original cash issue discount of 2% due 2020 (the "**New Secured Notes**"), which is fully backstopped by certain Secured Noteholders;

(ix) Lightstream and ArrangeCo (our wholly-owned subsidiary) shall amalgamate and continue as "Lightstream Resources Ltd."; and

(x) all incentive shares and deferred common shares under Lightstream's employee incentive plans will immediately vest and be adjusted to reflect the consolidation and capital reorganization contemplated by the Plan of Arrangement and will have a maximum term to expiry of 180 days following the completion of the Arrangement, and all other options, warrants, rights or similar instruments derived from, relating to, or convertible or exchangeable for Common Shares, shall be cancelled and extinguished.

In addition, in connection with the completion of the Recapitalization, Lightstream has received commitment letters pursuant to which the lenders party thereto have agreed to provide a credit facility to the Company with a commitment of $400 million, on terms and conditions consistent with such commitment letters or otherwise acceptable to such lenders, the Company and certain Secured Noteholders.

Management of Lightstream and Lightstream's Board of Directors (the "**Board**") believe that the Recapitalization will have the following benefits:

(a) Shareholders, Secured Noteholders and Unsecured Noteholders will have an opportunity to continue to participate in the development of Lightstream's properties through their ongoing ownership of New Common Shares;

(b) the Recapitalization will improve the Company's financial strength and reduce our financial risk by:

(i) retiring approximately $1.175 billion of debt;

(ii) reducing annual cash interest expense by approximately $108 million;

(iii) improving liquidity by virtue of the proceeds raised from the offering of the New Secured Notes and the establishment of the new credit facility, and by relieving the Company from the obligation to pay cash interest in respect of the previously outstanding Notes, as unpaid interest, together with all principal amounts and other claims in respect of the Notes, will be settled and extinguished pursuant to the Plan of Arrangement;

(iv) improving the Company's ability to manage the effects of the continuing low crude oil price environment; and

(v) positioning the Company to:

(A) pursue a modest capital expenditure program to preserve substantial value in the Company's resources and assets during the current period of depressed commodity prices;

(B) provide flexibility to raise additional capital in the future; and

(C) pursue a growth-focused capital plan in the event that WTI oil prices recover into a price per barrel that justifies investment over the longer term.

We believe that the Recapitalization represents the best alternative available to address the Company's capital structure and liquidity needs. RBC Dominion Securities Inc. ("**RBC**"), a member company of RBC Capital Markets, the financial advisor to the Board, has provided an opinion (the "**Fairness Opinion**") to the Board that, as of July 27, 2016 and subject to the scope of review, assumptions and limitations set forth in its opinion, the Recapitalization is fair from a financial point of view to the Company. RBC has also provided an opinion (the "**CBCA Opinion**") to the Board that as of July 27, 2016 and subject to the scope of review, assumptions and limitations set forth in its opinion, the Secured Noteholders, Unsecured Noteholders and Shareholders would each be in a better position from a financial point of view under the Recapitalization than if the Company were liquidated. Based on a range of factors, including the Fairness Opinion, the CBCA Opinion and advice of outside legal counsel, the Board is unanimously recommending that all Secured Noteholders, Unsecured Noteholders and Shareholders support the Recapitalization and vote in favour of the Arrangement, which will significantly reduce the Company's debt and provide liquidity for ongoing operations. A copy of the Fairness Opinion is appended as Appendix I to the accompanying Information Circular and copy of the CBCA Opinion is appended as Appendix J to the accompanying Information Circular.

The Recapitalization has the support of an *ad hoc* committee (the "**Ad Hoc Committee**") of Secured Noteholders holding, on a combined basis, approximately 91.5% of the outstanding principal amount of the Secured Notes.

In addition, the directors and officers of Lightstream holding, on a combined basis, approximately 5.1% of the Common Shares have agreed to vote all of their Common Shares and Notes in favour of the approval and adoption of the Recapitalization.

Shareholders will be asked to approve the Continuance, the Plan of Arrangement and the Company's annual meeting matters at a Shareholders' meeting to be held at Eighth Avenue Place, Fourth Floor, 525 – 8th Avenue S.W., Calgary, Alberta, at 9:00 a.m. on September 30, 2016. Secured Noteholders will be asked to approve the Plan of Arrangement at a Secured Noteholders' meeting scheduled to be held at Eighth Avenue Place, Fourth Floor, 525 – 8th Avenue S.W., Calgary, Alberta, at 10:00 a.m. on September 30, 2016. Unsecured Noteholders will be asked to approve the Plan of Arrangement at an Unsecured Noteholders' meeting scheduled to be held at Eighth Avenue Place, Fourth Floor, 525 – 8th Avenue S.W., Calgary, Alberta, at 10:30 a.m. on September 30, 2016.

If the requisite approvals for the Recapitalization are not obtained, or the Company is otherwise unable to complete the Recapitalization (including because the Company is unable to reach a settlement that is acceptable to the Initial Consenting Noteholders in respect of existing litigation involving the Company and certain of its Unsecured Noteholders by September 16, 2016), the Company will, pursuant to the terms of the Support Agreement, commence proceedings under the *Companies' Creditors Arrangement Act* ("**CCAA**"). The Company, in consultation with our advisors, the Ad Hoc Committee and its advisors and the lenders under the Company's credit agreement and their advisors, began a robust sale and investment solicitation process (the "**SISP**") on July 13, 2016 in respect of our business and assets in order to identify the best available alternatives under the CCAA and allow the Company to react in a timely fashion should the Continuance or Plan of Arrangement fail to receive the requisite approvals. In the event the Company moves to the CCAA process, the members of the Ad Hoc Committee will, subject to the terms and conditions of the Support Agreement, make (or direct) a credit bid (the "**Secured Notes Credit Bid**") of the full amount of the claims outstanding in respect of the Secured Notes through a newly formed entity, which credit bid may serve as a stalking horse transaction in the SISP if the Ad Hoc Committee so elects, or the Ad Hoc Committee may implement an alternative transaction structure within the CCAA proceedings that is acceptable to the Ad Hoc Committee and Lightstream, each acting reasonably.

The members of the Ad Hoc Committee have agreed that, subject to the terms and conditions of the Support Agreement, in the event that the Secured Notes Credit Bid is the successful bid, they will replicate the consideration

offered to Unsecured Noteholders or Shareholders in the Recapitalization as part of the Secured Notes Credit Bid, provided that, the Unsecured Noteholders or Shareholders, as the case may be, previously approved the Recapitalization at the requisite levels at their respective special meetings held to vote on the Recapitalization. Alternatively, if the Secured Notes Credit Bid is not the successful bid, the members of the Ad Hoc Committee have agreed that, in the event that they are repaid in full, then upon receipt of such repayment they will make $20,000,000 available to Shareholders provided that the Shareholders previously approved the Recapitalization at the requisite levels at the special meeting held to vote on the Recapitalization and that no other consideration was made available to the Shareholders from the Ad Hoc Committee or otherwise. However, the obligation to pay such consideration to the Shareholders or Unsecured Noteholders, as applicable, is not applicable if certain Unsecured Noteholders are successful in obtaining any remedy in respect of their existing litigation against the Company that would have a material adverse effect on the Company or would impact the priority or composition of the Secured Noteholders.

The Board and management of Lightstream believe that it is extremely important that the Recapitalization be approved and implemented. We urge you to give serious attention to the Recapitalization and to support it in person or by proxy at the appropriate meeting to be held on September 30, 2016. The current proposal is integral to our objectives of normalizing Lightstream's capital structure, enhancing liquidity, and positioning Lightstream for future growth and profitability, objectives which the management of Lightstream and the Board are committed to. We hope that we will receive your support.

Yours very truly,

(Signed) "*John D. Wright*"

John D. Wright
President and Chief Executive Officer

This material is important and requires your immediate attention. The transactions contemplated in the Recapitalization are complex. The accompanying Information Circular contains a description of, and a copy of, the Plan of Arrangement and other information concerning Lightstream to assist you in considering the Recapitalization. You are urged to review this information carefully. Should you have any questions or require assistance in understanding and evaluating how you will be affected by the proposed Recapitalization, please consult your legal, tax or other professional advisors.

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QUESTIONS AND ANSWERS ON THE RECAPITALIZATION

What am I voting on?

Holders of the common shares ("**Shareholders**") of Lightstream Resources Ltd. ("**Lightstream**" or the "**Company**") are being asked to vote on the following two special matters:

1. a special resolution approving the continuance of Lightstream from the jurisdiction of Alberta into the jurisdiction of Canada (the "**Continuance**") in order to implement a plan of arrangement under the *Canada Business Corporations Act* ("**CBCA**"); and

2. a special resolution approving the plan of arrangement (the "**Plan of Arrangement**") under Section 192 of the CBCA (the "**Arrangement**"), which will involve a number of steps (as more particularly described and in the sequence set forth in the Plan of Arrangement) including and resulting in, among other things, the following:

    (a) the shareholder rights plan of the Company in respect of the common shares of Lightstream (the "**Common Shares**") and any rights issued pursuant thereto will be terminated and of no further force and effect;

    (b) all outstanding stock options will be repurchased for nominal consideration of $0.01 per stock option and thereafter cancelled and extinguished;

    (c) the Common Shares will be consolidated on approximately an 88.29:1 basis (approximately 92:1 on a fully-diluted basis) (the "**Common Share Consolidation**") such that the Shareholders will hold an aggregate of approximately 2,250,000 consolidated Common Shares, subject to the treatment of fractional consolidated Common Shares;

    (d) through a series of transactions, the consolidated Common Shares will be exchanged for (i) one common share in a new class of voting common shares in the capital of the Company (the "**New Common Shares**") for each Common Share, and (ii) each Shareholder's *pro rata* portion of 7,750,000 Series 2 warrants to purchase New Common Shares (the "**New Series 2 Warrants**");

    (e) all accrued and unpaid interest on the Company's 9.875% second priority senior secured notes due June 15, 2019 (the "**Secured Notes**") and the Company's 8.625% senior notes due February 1, 2020 (the "**Unsecured Notes**", and together with the Secured Notes, the "**Notes**") will be forgiven, settled and extinguished for no consideration;

    (f) the Secured Notes will be converted or exchanged into a number of New Common Shares equal to approximately 95% of the total issued and outstanding New Common Shares following the completion of the Arrangement, with each holder of the Secured Notes (the "**Secured Noteholders**") receiving its *pro rata* portion of approximately 95,000,000 New Common Shares;

    (g) the Unsecured Notes will be exchanged into a number of New Common Shares equal to approximately 2.75% of the total issued and outstanding New Common Shares following the completion of the Arrangement and a total of 5,000,000 Series 1 warrants to purchase New Common Shares (the "**New Series 1 Warrants**"), with each holder of the Unsecured Notes (the "**Unsecured Noteholders**", and together with the Secured Noteholders, the "**Noteholders**") receiving its *pro rata* portion of approximately 2,750,000 New Common Shares and 5,000,000 Series 1 warrants to purchase New Common Shares;

    (h) an offering of approximately U.S.$39,285,000 principal amount of new 12% second lien secured notes of Lightstream issued with an original cash issue discount of 2% due 2020 (the "**New Secured Notes**"), which is fully backstopped by certain Secured Noteholders;

    (i) Lightstream and ArrangeCo (our wholly-owned subsidiary) shall amalgamate and continue as "Lightstream Resources Ltd."; and

    (j) all incentive shares and deferred common shares under Lightstream's employee incentive plans will immediately vest and be adjusted to reflect the consolidation and capital reorganization contemplated by the Plan of Arrangement and will have a maximum term to expiry of 180 days

following the completion of the Arrangement, and all other options, warrants, rights or similar instruments derived from, relating to, or convertible or exchangeable for Common Shares, shall be cancelled and extinguished.

In addition, in connection with the completion of the Recapitalization, Lightstream has received commitment letters pursuant to which the lenders party thereto have agreed to provide a credit facility to the Company with a commitment of $400 million, on terms and conditions consistent with such commitment letters or otherwise acceptable to such lenders, the Company and certain Secured Noteholders.

Further details respecting the Plan of Arrangement, including information respecting the election to be made by Secured Noteholders, are set forth under the heading "*Business of the Special Meeting – Description of the Recapitalization – Plan of Arrangement*" in the management information circular of Lightstream dated August 29, 2016 (the "**Information Circular**").

By voting in favour of the Arrangement, Shareholders will also be voting in favour of a transaction that, among other things, will result in the significant dilution of current Shareholders, "materially affect control" of the Company, involve the issuance of New Common Shares at a conversion or exchange price that is at a discount exceeding the maximum discount permitted by the Toronto Stock Exchange, and involve the issuance of New Series 1 Warrants and New Series 2 Warrants that, in each case, have an initial exercise price that is at a discount to the deemed market price of the Common Shares on July 12, 2016 (the date on which the exercise prices of such warrants was agreed to). See "*Quorum and Voting Requirements – Shareholders' Meeting – TSX Requirements*" in the Information Circular.

Any holders of less than 89 Common Shares (92 Common Shares on a fully-diluted basis) prior to the date of the Common Share Consolidation will not receive any Common Shares following the Common Share Consolidation, and correspondingly will not receive any New Common Shares or New Series 2 Warrants.

With respect to the Company's annual meeting matters, Shareholders are also being asked to vote on the following two general matters:

1. an ordinary resolution approving the election of directors of Lightstream for the ensuing year or until their successors are elected or appointed; and

2. an ordinary resolution approving the appointment of auditors of the Company for the ensuing year.

Secured Noteholders and Unsecured Noteholders are also being asked to vote separately on a special resolution approving the Arrangement.

What are some of the benefits of the Arrangement?

Management and the Board of Directors believe that the Arrangement will have the following benefits to Lightstream and our Shareholders and Noteholders:

(a) improving financial strength and reducing financial risk by:

  (i) retiring approximately $1.175 billion of debt; and

  (ii) reducing annual interest expense by approximately $108 million;

(b) improving liquidity by virtue of the proceeds raised from the offering of the New Secured Notes and the establishment of the new credit facility, and by relieving the Company from the obligation to pay cash interest in respect of the previously outstanding Notes, as unpaid interest, together with all principal amounts and other claims in respect of the Notes, will be settled and extinguished pursuant to the Plan of Arrangement;

(c) improving the Company's ability to manage the effects of the continuing low crude oil price environment;

(d) positioning the Company to:

(i) pursue a modest capital expenditure program to preserve substantial value in the Company's resources and assets during the current period of depressed commodity prices;

(ii) provide flexibility to raise additional capital in the future; and

(iii) pursue a growth-focused capital plan in the event that WTI oil prices recover into a price range per barrel that justifies investment over the longer term; and

(e) providing Shareholders and Noteholders with an opportunity to continue to participate in the development of Lightstream's properties through their ongoing ownership of New Common Shares.

When and where will the meetings be taking place?

The Shareholders' meeting will be held at Eighth Avenue Place, Fourth Floor, 525 – 8th Avenue S.W., Calgary, Alberta, at 9:00 a.m. (Calgary time) on September 30, 2016 (the "**Shareholders' Meeting**").

The Secured Noteholders' meeting will be held at Eighth Avenue Place, Fourth Floor, 525 – 8th Avenue S.W., Calgary, Alberta, at 10:00 a.m. (Calgary time) on September 30, 2016 (the "**Secured Noteholders' Meeting**").

The Unsecured Noteholders' meeting will be held at Eighth Avenue Place, Fourth Floor, 525 – 8th Avenue S.W., Calgary, Alberta, at 10:30 a.m. (Calgary time) on September 30, 2016 (the "**Unsecured Noteholders' Meeting**").

How do I vote?

Shareholders, Secured Noteholders and Unsecured Noteholders of record as of September 6, 2016 or their duly appointed proxyholders can attend and vote at the Shareholders' Meeting, Secured Noteholders' Meeting and Unsecured Noteholders' Meeting, respectively, and/or submit a proxy in respect thereof.

Non-registered Shareholders, non-registered Secured Noteholders and non-registered Unsecured Noteholders (collectively, the "**Non-Registered Holders**") who hold Common Shares, Secured Notes and/or Unsecured Notes, as applicable, in the name of an intermediary or in the name of a depository such as "CEDE & CO." or "CDS & Co." will receive a voting instruction form with this Information Circular. Non-Registered Holders must complete and sign the voting instruction form and return it in accordance with the directions set out on such form. A Non-Registered Holder who wishes to attend a meeting in person must follow the procedures set out in "*Information Concerning the Meetings – Non-Registered Holders*" in the Information Circular.

Who is soliciting my proxy?

Lightstream is soliciting proxies by mail, telephone and other means of communication and by directors, officers and employees of Lightstream.

What if I sign the proxy form enclosed with this Information Circular?

Signing the enclosed proxy form for the Shareholders' Meeting or the enclosed proxy form for the Unsecured Noteholders' Meeting will, unless otherwise indicated, give authority to John D. Wright, or failing him, Peter D. Scott, both of whom are officers of Lightstream, to vote your Common Shares and/or Unsecured Notes, as applicable, at the Shareholders' Meeting and/or Unsecured Noteholders' Meeting, respectively. Signing the enclosed proxy form for the Secured Noteholders' Meeting will, unless otherwise indicated, give authority to Brendan O'Neill, legal counsel to an ad hoc committee of the Secured Noteholders (the "**Ad Hoc Committee**"), or any such other person as he may appoint, to vote your Secured Notes at the Secured Noteholders' Meeting.

Can I appoint someone other than these individuals to vote my Common Shares and/or Notes?

Yes. Write the name of the person you wish to appoint, who need not to be a Shareholder, Secured Noteholder or Unsecured Noteholder, in the blank space provided in the proxy form.

When is the cut-off time for delivery of proxies?

In order for votes of Shareholders to be counted at the Shareholders' Meeting, proxies must be received by 9:00 a.m. (Calgary time) on September 28, 2016, or if the Shareholders' Meeting is adjourned or postponed, proxies must be received by the time that is not less than 48 hours (excluding weekends and holidays) before the time set for holding the adjourned or postponed Shareholders' Meeting.

In order for votes of the Secured Noteholders to be counted at the Secured Noteholders' Meeting, proxies must be received by 10:00 a.m. (Calgary time) on September 28, 2016, or if the Secured Noteholders' Meeting is adjourned or postponed, proxies must be received by the time that is not less than 48 hours (excluding weekends and holidays) before the time set for holding the adjourned or postponed Secured Noteholders' Meeting.

In order for votes of the Unsecured Noteholders to be counted at the Unsecured Noteholders' Meeting, proxies must be received by 10:30 a.m. (Calgary time) on September 28, 2016, or if the Unsecured Noteholders' Meeting is adjourned or postponed, proxies must be received by the time that is not less than 48 hours (excluding weekends and holidays) before the time set for holding the adjourned or postponed Unsecured Noteholders' Meeting.

What are the voting recommendations of the Board of Directors of Lightstream?

The Lightstream Board of Directors unanimously recommends that shareholders vote in favor of the Continuance, the Arrangement and all annual meeting matters at the Shareholders' Meeting.

The Lightstream Board of Directors unanimously recommends that Secured Noteholders vote in favor of the Arrangement at the Secured Noteholders' Meeting.

The Lightstream Board of Directors unanimously recommends that Unsecured Noteholders vote in favor of the Arrangement at the Unsecured Noteholders' Meeting.

What votes are required at the Meetings to approve the resolutions?

The vote required to pass the Shareholders' resolution in respect of the Continuance and, subject to any further order of the Court of Queen's Bench of Alberta (the "**Court**"), the Shareholders' resolution in respect of the Arrangement is, in respect of each vote, at least 66⅔% of the votes cast by the Shareholders present in person or represented by proxy at the Shareholders' Meeting. The resolution of the Shareholders approving the Arrangement must also receive disinterested Shareholder approval in accordance with the requirements of the Toronto Stock Exchange and be approved by a simple majority of the votes cast by the Shareholders present in person or by proxy at the Shareholders' Meeting, voting together as a single class after excluding the Common Shares beneficially owned or over which control or direction is exercised by persons whose votes may not be included in determining minority approval pursuant to Multilateral Instrument 61-101 – *Protection of Minority Securityholders in Special Transactions*.

The vote required to pass all of the annual meeting matters set forth in the Shareholders' Notice of Meeting is a simple majority of the votes cast by the shareholders present in person or represented by proxy at the Shareholders' Meeting.

Subject to any further order of the Court, the vote required to pass the Secured Noteholders' resolution in respect of the Arrangement is at least 66⅔% of the votes cast by the Secured Noteholders present in person or represented by proxy at the Secured Noteholders' Meeting. Similarly, subject to any further order of the Court, the vote required to pass the Unsecured Noteholders' resolution in respect of the Arrangement is at least 66⅔% of the votes cast by the Unsecured Noteholders present in person or represented by proxy at the Unsecured Noteholders' Meeting.

In addition to the approval of Shareholders, Secured Noteholders and Unsecured Noteholders, are there any other approvals required for the Arrangement?

Yes, the Arrangement requires the approval of the Court and also is subject to the receipt of certain stock exchange and regulatory approvals.

Will there be any changes to the Arrangement to be voted upon at the Meeting?

Pursuant to the terms of the Interim Order received from the Court on August 29, 2016, Lightstream and the subsidiary with which we will amalgamate are authorized to make such amendments, revisions or supplements to the

Arrangement as they may determine necessary or desirable, provided that such amendments, revisions or supplements are made in writing, in the manner contemplated by the Arrangement and the Arrangement Agreement (as defined in the Information Circular) and in accordance with any order of the Court.

The Arrangement so amended, revised or supplemented shall be deemed to be the Arrangement submitted to the securityholders at each of the Shareholders' Meeting, the Secured Noteholders' Meeting and the Unsecured Noteholders' Meeting, as applicable, and shall be deemed to be the subject of the respective resolutions in respect of the Arrangement.

In connection with such potential amendments, revisions or supplements, Lightstream is authorized to make such amendments, revisions or supplements ("**Additional Information**") to the Information Circular, forms of proxy, notices of meeting in respect of the Shareholders' Meeting, Secured Noteholders' Meeting and Unsecured Noteholders' Meeting, as applicable, or the form of conversion notice or form of letter of transmittal, as applicable, Lightstream may disclose such Additional Information, including material changes, by the method and in the time most reasonably practicable in the circumstances as determined by Lightstream. Without limiting the generality of the foregoing, Additional Information may be communicated by news release, newspaper advertisement or notice sent to Noteholders and Shareholders who are entitled to vote at the respective meetings.

Any such amendments, revisions or supplements made by Lightstream will be subject to the terms of the Support Agreement.

Shareholders, Secured Noteholders and Unsecured Noteholders are urged to monitor the public disclosure of, and correspondence received from, Lightstream for Additional Information. In addition, Additional Information may be provided at the Shareholders' Meeting, the Secured Noteholders' Meeting and the Unsecured Noteholders' Meeting. As a result, all Shareholders, Secured Noteholders and Unsecured Noteholders are also urged to attend the Shareholders' Meeting, the Secured Noteholders' Meeting and the Unsecured Noteholders' Meeting, respectively.

How will I know when the Arrangement will be implemented?

The Arrangement will be completed upon satisfaction or waiver of all of the conditions to the Arrangement. Assuming that all of the conditions to the Arrangement are satisfied and all required regulatory approvals are obtained, Lightstream expects the Arrangement to become effective in early October, 2016. At that time, Lightstream will publicly announce that the conditions are satisfied or waived and that the Arrangement has been implemented.

How will Secured Noteholders, Unsecured Noteholders and Shareholders receive their New Common Shares and how will Unsecured Noteholders and Shareholders receive their New Series 1 Warrants and New Series 2 Warrants, respectively?

All of the Secured Notes are currently held by and in the name of The Depository Trust Company ("**DTC**") on behalf of Secured Noteholders. Therefore, unless the Secured Notes are withdrawn from DTC, the New Common Shares issuable to the Secured Noteholders pursuant to the Arrangement will be registered in the name of "CEDE & CO." Delivery of the New Common Shares to individual Secured Noteholders in this respect will be made through the facilities of DTC to DTC participants who will in turn deliver the New Common Shares to the beneficial holders entitled to such New Common Shares in accordance with standing instructions and customary practices. Secured Noteholders that withdraw their Secured Notes from DTC in connection with the elections which may be made by Secured Noteholders in connection with the Plan of Arrangement will have their New Common Shares registered and delivered in accordance with the instructions set forth in the applicable Secured Noteholder's conversion notice.

Similarly, all of the Unsecured Notes are held by and in the name of DTC on behalf of Unsecured Noteholders. The New Common Shares and New Series 1 Warrants issuable to the Unsecured Noteholders will therefore be registered in the name of "CEDE & CO." Delivery of the New Common Shares and New Series 1 Warrants to individual Unsecured Noteholders will be made through the facilities of DTC to DTC participants who will in turn deliver the New Common Shares and New Series 1 Warrants to the beneficial holders entitled to such New Common Shares and New Series 1 Warrants pursuant to standing instructions and customary practices.

If you are a registered Shareholder (i.e. you hold your Common Shares in your own name), the New Common Shares and New Series 2 Warrants issuable to Shareholders pursuant to the Arrangement will be registered in your name and delivered to you in accordance with the instructions set forth in your duly completed and delivered Letter of Transmittal. If you are a non-registered Shareholder (i.e. you hold your Common Shares through CDS Clearing and Depository Services Inc. or another intermediary or nominee), the New Common Shares and New Series 2 Warrants

issuable to Shareholders pursuant to the Arrangement will be delivered to such intermediary or nominee who will, in turn, deliver the New Common Shares and New Series 2 Warrants to the beneficial holders entitled to such New Series 2 Warrants in accordance with standing instructions and customary practices.

Are there risks I should consider when deciding how to vote my Common Shares, Secured Notes and/or Unsecured Notes?

Shareholders, Secured Noteholders and Unsecured Noteholders should, in each case, consider a number of risk factors when determining how to vote their Common Shares, Secured Notes and/or Unsecured Notes, as applicable. These risk factors are discussed in the Information Circular and/or in certain sections of documents that have been publicly filed by the Company, which sections are incorporated by reference into the Information Circular. See "*Risk Factors*" in the Information Circular.

Am I entitled to dissent rights?

Registered Shareholders have the right to dissent with respect to the Continuance, and if the Continuance becomes effective, to be paid by Lightstream the fair value of the Common Shares held by the dissenting Shareholder determined as of the close of business on the last business day before the day on which the resolution in respect of the Continuance is approved by the Shareholders.

The Lightstream Board of Directors may, in its sole discretion, determine not to proceed with the Continuance at any time before or after the holding of the Shareholders' Meeting but prior to the issuance of a Certificate of Continuance, without further action on the part of Shareholders. If the Continuance is not approved, or the Board of Directors determines not to proceed with the Continuance for any reason (including as a result of the exercise of dissent rights in respect of more than 5% of the Common Shares), the Arrangement will not be completed.

For more information on your dissent rights see "*Description of the Recapitalization – Continuance of Lightstream from Alberta to Canada – Continuance Right of Dissent*" in the Information Circular.

What happens if the Continuance and Arrangement are not approved or are otherwise not completed?

If the requisite approvals for the Continuance and Arrangement are not obtained, or the Company is otherwise unable to complete the Arrangement (including because the Company is unable to reach a settlement that is acceptable to the Initial Consenting Noteholders in respect of existing litigation involving the Company and certain of its Unsecured Noteholders by September 16, 2016), the Company will, pursuant to the terms of our support agreement with an ad hoc committee of Secured Noteholders (the "**Ad Hoc Committee**") dated July 12, 2016, as amended and restated on August 26, 2016 (the "**Support Agreement**"), commence proceedings under the *Companies' Creditors Arrangement Act* ("**CCAA**"). The Company, in consultation with our advisors, the Ad Hoc Committee and its advisors and the lenders under the Company's credit agreement and their advisors, began a robust sale and investment solicitation process (the "**SISP**") on July 13, 2016 in respect of our business and assets in order to identify the best available alternatives under the CCAA and allow the Company to react in a timely fashion should the Continuance or Plan of Arrangement fail to receive the requisite approvals. In the event the Company moves to the CCAA process, the members of the Ad Hoc Committee will, subject to the terms and conditions of the Support Agreement, make (or direct) a credit bid (the "**Secured Notes Credit Bid**") of the full amount of the claims outstanding in respect of the Secured Notes through a newly formed entity, which credit bid may serve as a stalking horse transaction in the SISP if the Ad Hoc Committee so elects, or the Ad Hoc Committee may implement an alternative transaction structure within the CCAA proceedings that is acceptable to the Ad Hoc Committee and Lightstream, each acting reasonably.

The members of the Ad Hoc Committee have agreed that, subject to the terms and conditions of the Support Agreement, in the event that the Secured Notes Credit Bid is the successful bid, they will replicate the consideration offered to Unsecured Noteholders or Shareholders in the Recapitalization as part of the Secured Notes Credit Bid, provided that, the Unsecured Noteholders or Shareholders, as the case may be, previously approved the Recapitalization at the requisite levels at their respective special meetings held to vote on the Recapitalization. Alternatively, if the Secured Notes Credit Bid is not the successful bid, the members of the Ad Hoc Committee have agreed that, in the event that they are repaid in full, then upon receipt of such repayment they will make $20,000,000 available to Shareholders provided that the Shareholders previously approved the Recapitalization at the requisite levels at the special meeting held to vote on the Recapitalization and that no other consideration was made available to the Shareholders from the Ad Hoc Committee or otherwise. However, the obligation to pay such consideration to the Shareholders or Unsecured Noteholders, as applicable, is not applicable if certain Unsecured Noteholders are successful in obtaining any remedy in respect of their existing litigation against the Company that would have a material adverse effect on the Company or would impact the priority or composition of the Secured Noteholders.

LIGHTSTREAM RESOURCES LTD.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

TAKE NOTICE that, pursuant to an order of the Court of Queen's Bench of Alberta (the "**Court**") dated August 29, 2016, an annual and special meeting (the "**Shareholders' Meeting**") of the holders (the "**Shareholders**") of common shares ("**Common Shares**") of Lightstream Resources Ltd. ("**Lightstream**" or the "**Company**") will be held at Eighth Avenue Place, Fourth Floor, 525 – 8th Avenue S.W., Calgary, Alberta, at 9:00 a.m. (Calgary time) on September 30, 2016 to, among other things:

1. consider and, if deemed advisable, to pass, with or without variation, a special resolution (the "**Continuance Resolution**") approving the continuance (the "**Continuance**") of Lightstream into the federal jurisdiction of Canada under the *Canada Business Corporations Act* (the "**CBCA**"), the full text of which is set forth in Appendix A to the management information circular of Lightstream dated August 29, 2016 (the "**Information Circular**"), as more particularly described in the Information Circular;

2. consider and, if deemed advisable, to pass, with or without variation, a special resolution (the "**Arrangement Resolution**"), the full text of which is set out in Appendix A to the Information Circular, approving an arrangement (the "**Arrangement**") pursuant to Section 192 of the CBCA, as more particularly described in the Information Circular;

3. consider and, if deemed advisable, to pass, with or without variation an ordinary resolution to elect the directors of the Company, as more particularly described in the Information Circular;

4. consider and, if deemed advisable, to pass, with or without variation an ordinary resolution to appoint the auditors of the Company for the ensuing year and to authorize the Board of Directors to fix the auditors' remuneration; and

5. transact such other business as may properly come before the Shareholders' Meeting or any adjournment or postponement thereof.

AND NOTICE IS HEREBY GIVEN that the Court has been advised that its order approving the Arrangement, if granted, will constitute the basis for an exemption from the registration requirements of the *United States Securities Act of 1933*, as amended, as provided by Section 3(a)(10) thereof, with respect to the issuance by the Company of the New Common Shares and New Series 2 Warrants (each as defined in the Information Circular) to Shareholders in exchange for the existing Common Shares pursuant to the Arrangement.

The record date for entitlement to notice of and voting at the Shareholders' Meeting is September 6, 2016 unless a Shareholder has transferred any Common Shares subsequent to the record date and the transferee Shareholder, not later than ten days before the Shareholders' Meeting, establishes ownership of the Common Shares and demands that the transferee's name be included on the list of Shareholders entitled to vote at the Shareholders' Meeting. Each Shareholder entitled to vote at the Shareholders' Meeting will have one vote for each Common Share held.

The quorum for the Shareholders' Meeting is at least one person present in person, being a Shareholder entitled to vote thereat, or a duly appointed proxy or representative for an absent Shareholder so entitled and representing in the aggregate not less than 25% of the outstanding Common Shares of Lightstream carrying voting rights at the Shareholders' Meeting.

A Shareholder may attend the Shareholders' Meeting in person or may appoint another person as proxyholder. The form of proxy in respect of the Shareholders' Meeting accompanying the Information Circular nominates John D. Wright, President and Chief Executive Officer of the Company, or failing him, Peter D. Scott, Senior Vice President and Chief Financial Officer of the Company, with full power of substitution as proxyholder. A Shareholder may appoint another person as its proxyholder by inserting the name of such person in the space provided in the form of proxy, or by completing another valid form of proxy. Persons appointed as proxyholders need not be Shareholders.

Subject to any further order of the Court, the votes required to pass the Continuance Resolution and the Arrangement Resolution are, in each case, at least 66⅔% of the votes cast by the Shareholders present in person or represented by proxy at the Shareholders' Meeting. In addition, the Arrangement Resolution must also receive disinterested Shareholder approval in accordance with the requirements of the Toronto Stock Exchange and be approved by a simple majority of the votes cast by the Shareholders present in person or by proxy at the Shareholders' Meeting,

voting together as a single class after excluding the Common Shares beneficially owned or over which control or direction is exercised by persons whose votes may not be included in determining minority approval pursuant to Multilateral Instrument 61-101 – *Protection of Minority Securityholders in Special Transactions*.

By voting in favour of the Arrangement Resolution, Shareholders will also be voting in favour of:

(i) the issuance of New Common Shares to (A) funds and accounts managed by Apollo Capital Management, L.P. and its affiliates ("**Apollo**") and (B) funds advised by GSO Capital Partners LP or its affiliates ("**GSO**"), which will be considered to "materially affect control" of the Company by creating a holding of in excess of 20% of the voting securities by each of Apollo and GSO;

(ii) the issuance of up to 97,750,000 New Common Shares issuable upon the exchange or conversion, as applicable, of the 9.875% second priority secured notes of Lightstream due June 15, 2019 (the "**Secured Notes**") and the exchange of the 8.625% senior unsecured notes of Lightstream due February 1, 2020 (the "**Unsecured Notes**") (which New Common Shares will be issued following the consolidation of the Common Shares on the basis of approximately 88.29 (approximately 92 on a fully-diluted basis) Common Shares to one Common Share): (A) at a conversion or exchange price, as applicable, below market and which will result in dilution of in excess of 25% of the issued and outstanding New Common Shares following the Arrangement; (B) at a conversion or exercise price, as applicable, that exceeds the maximum discount permitted by the Toronto Stock Exchange; and (C) that could also materially affect control of the Company; and

(iii) the issuance of up to 5,000,000 New Common Shares issuable upon the exercise of the New Series 1 Warrants, which New Series 1 Warrants will have an initial exercise price (prior to giving effect to the Common Share Consolidation (as defined in the Information Circular)) that will be at a significant discount to the market price of the Common Shares on July 12, 2016 (the date on which the exercise prices of such warrants were agreed to and announced pursuant to the terms of the Support Agreement (as defined in the Information Circular)) and the issuance of up to 7,750,000 New Common Shares issuable upon the exercise of the New Series 2 Warrants, which New Series 2 Warrants will have an initial exercise price (prior to giving effect to the Common Share Consolidation) that will be at a significant discount to the market price of the Common Shares on July 12, 2016 (the date on which the exercise prices of such warrants were agreed to and announced pursuant to the terms of the Support Agreement).

Pursuant to Section 191 of the *Business Corporations Act* (Alberta), registered Shareholders will have the right to dissent in respect of the Continuance Resolution and, if the Continuance becomes effective, to be paid by Lightstream the fair value of the Common Shares in respect of which a registered Shareholder exercises the Continuance Dissent Right (as defined in the Information Circular). If a registered Shareholder wishes to dissent, a written notice of dissent must be received by the Company at or before the Shareholders' Meeting, or any adjournment or postponement thereof. Details regarding the Continuance Dissent Right can be found in the accompanying Information Circular under "*Description of the Recapitalization – Continuance of Lightstream from Alberta to Canada – Continuance Right of Dissent*".

The implementation of the Arrangement is subject to the approval of the Continuance Resolution and among other things, the approval of the Arrangement by the holders of Secured Notes and the holders of Unsecured Notes, voting at separate meetings, and approval of the Court. The matter is scheduled to be heard on October 5, 2016 at 10:00 a.m. (Calgary time), or such other time and/or date as the Court will advise, at the Calgary Courts Centre, 601 – 5th Street S.W., Calgary, Alberta.

The vote required to pass all of the other matters of business set forth in this notice is a simple majority of the votes cast by the Shareholders present in person or represented by proxy at the Shareholders' Meeting.

In order to be effective, proxies must be received by Computershare Trust Company of Canada ("**Computershare**") prior to 9:00 a.m. (Calgary time) on September 28, 2016, or if the Shareholders' Meeting is adjourned or postponed, proxies must be received by the time that is not less than 48 hours (excluding weekends and holidays) before the time set for holding the adjourned or postponed Shareholders' Meeting. The deadline for the deposit of proxies may be waived by the Chairman of the Shareholders' Meeting at his sole discretion without notice.

Registered Shareholders who are unable to attend the Shareholders' Meeting in person are requested to complete, date and sign the enclosed form of proxy and return it by mail, hand delivery or fax to our transfer agent, Computershare, as follows:

1. By mail to Computershare, Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 1Y1;

2. By hand delivery to Computershare, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1; or

3. By facsimile to (416) 263-9524 or 1-866-249-7775.

Alternatively, registered Shareholders may vote through the Internet at www.investorvote.com or by telephone at 1-866-732-8683 (toll free). Shareholders will require the 15-digit control number found on their proxy form to vote through the Internet or by telephone.

If a Shareholder does not hold the Common Shares in his, her or its name, such Shareholder should contact his, her or its broker or other intermediary through which such Common Shares are held to obtain a voting instruction form or a valid form of proxy. Beneficial or non-registered Shareholders should follow the instructions on the voting instruction form provided by their bank, broker or other intermediary with respect to the procedures to be followed for voting at the Shareholders' Meeting, including with respect to the time at which the Shareholder's voting instructions must be received by such bank, broker or intermediary.

Enclosed with the accompanying Information Circular for use by registered Shareholders is a Letter of Transmittal. The Letter of Transmittal, when properly completed and duly executed and returned to Computershare together with a certificate or certificates representing Common Shares and all other required documents, will enable each registered Shareholder to obtain such Shareholder's New Common Shares and New Series 2 Warrants issuable in connection with the Arrangement.

Other than as directed by their bank, broker or other intermediary, non-registered Shareholders do not have to take any action to receive their New Common Shares or New Series 2 Warrants.

DATED at Calgary, Alberta, this 29th day of August, 2016.

(Signed) "*John D. Wright*"

John D. Wright
President and Chief Executive Officer

LIGHTSTREAM RESOURCES LTD.

NOTICE OF MEETING OF SECURED NOTEHOLDERS

TAKE NOTICE that, pursuant to an order of the Court of Queen's Bench of Alberta (the "**Court**") dated August 29, 2016, a meeting (the "**Secured Noteholders' Meeting**") of the registered holders (the "**Secured Noteholders**") of the 9.875% second priority senior secured notes due June 15, 2019 (the "**Secured Notes**") of Lightstream Resources Ltd. ("**Lightstream**" or the "**Company**") will be held at Eighth Avenue Place, Fourth Floor, 525 – 8th Avenue S.W., Calgary, Alberta, at 10:00 a.m. (Calgary time) on September 30, 2016 for the following purposes:

1. to consider and, if deemed advisable, to pass, with or without variation, a special resolution (the "**Arrangement Resolution**"), the full text of which is set out in Appendix B to the management information circular of Lightstream dated August 29, 2016 (the "**Information Circular**"), approving an arrangement (the "**Arrangement**") pursuant to Section 192 of the *Canada Business Corporations Act*, as more particularly described in the Information Circular; and

2. to transact such other business as may properly come before the Secured Noteholders' Meeting or any adjournment or postponement thereof.

AND NOTICE IS HEREBY GIVEN that the Court has been advised that its order approving the Arrangement, if granted, will constitute the basis for an exemption from the registration requirements of the *United States Securities Act of 1933*, as amended, as provided by Section 3(a)(10) thereof, with respect to the issuance by the Company of the New Common Shares (as defined in the Information Circular) to be issued to Secured Noteholders in exchange for the existing Secured Notes pursuant to the Arrangement.

The record date for entitlement to notice of the Secured Noteholders' Meeting has been set by the Court, subject to any further order of the Court, as September 6, 2016. Secured Noteholders entitled to vote at the Secured Noteholders' Meeting will be entitled to one vote for each U.S.$1.00 principal amount of Secured Notes held by them as of the record date in respect of the Arrangement Resolution and any other matters to be considered at the Secured Noteholders' Meeting.

Secured Noteholders will vote as a single class at the Secured Noteholders' Meeting. Subject to any further order of the Court, the Court has set the quorum for the Secured Noteholders' Meeting to be at least two (2) Secured Noteholders present in person or represented by proxies in respect of the votes to be cast by Secured Noteholders on the Arrangement Resolution.

A Secured Noteholder may attend the Secured Noteholders' Meeting in person or may appoint another person as proxyholder. The Secured Noteholder form of proxy nominates Brendan O'Neill (of Goodmans LLP, counsel to an ad hoc committee of Secured Noteholders) or any such other person as he may appoint, with full power of substitution as proxyholder. A Secured Noteholder may appoint another person as its proxyholder by inserting the name of such person in the space provided in the applicable voting instruction form received from its bank, broker or other intermediary. Persons appointed as proxyholders need not be Secured Noteholders.

Subject to any further order of the Court, the Arrangement Resolution must be passed by at least 66⅔% of the votes cast by the Secured Noteholders present in person or represented by proxy at the Secured Noteholders' Meeting. The implementation of the Arrangement is subject to the approval of certain actions by the shareholders of Lightstream and the holders of the 8.625% senior unsecured notes of Lightstream due February 1, 2020, voting at separate meetings, and the approval of the Court. The matter is scheduled to be heard on October 5, 2016 at 10:00 a.m. (Calgary time), or such other time and/or date as the Court will advise, at the Calgary Courts Centre, 601 – 5th Street S.W., Calgary, Alberta.

Whether or not Secured Noteholders are able to be present at the Secured Noteholders' Meeting, they are requested to vote following the instructions provided on the appropriate voting instruction form or proxy using one of the available methods.

In order to be effective, proxies must be received by Computershare Trust Company of Canada prior to 10:00 a.m. (Calgary time) on September 28, 2016, or if the Secured Noteholders' Meeting is adjourned or postponed, proxies must be received by the time that is not less than 48 hours (excluding weekends and holidays) before the time set for holding the adjourned or postponed Secured Noteholders' Meeting. The deadline for the deposit of proxies may be waived by the Chairman of the Secured Noteholders' Meeting at his sole discretion without notice.

Beneficial owners of the Secured Notes will receive a voting instruction form with the accompanying Information Circular which will include information respecting voting, including the time at which voting instructions must be received by the Secured Noteholder's bank, broker or other intermediary. If no such voting instruction form is enclosed, Secured Noteholders should promptly contact their bank, broker or other intermediary.

Non-registered Secured Noteholders should follow the instructions on the forms they receive, including with respect to the time at which the Secured Noteholder's voting instructions must be received by such bank, broker or intermediary, and contact their bank, broker or intermediary promptly if they need assistance.

The forms of Conversion Notice (as defined in the Information Circular) for use by Secured Noteholders in connection with the Arrangement may be obtained by contacting Lightstream at (403) 268-7800 or ir@lightstreamres.com. The decision of a Secured Noteholder in respect of the conversion or exchange of such holder's Secured Notes is very important. Secured Noteholders are urged to seek the advice of their financial, legal, tax and other professional advisors prior to completing and returning a Conversion Notice (or making the decision not to return or complete a Conversion Notice). *In order to be accepted by the Company, a Conversion Notice, along with a certificate representing a Secured Noteholder's Secured Notes, must be delivered to the Company, pursuant to the instructions set forth on the form of Conversion Notice, at least five business days prior to the Secured Noteholders' Meeting.*

DATED at Calgary, Alberta, this 29th day of August, 2016.

(Signed) "*John D. Wright*"

John D. Wright
President and Chief Executive Officer

LIGHTSTREAM RESOURCES LTD.

NOTICE OF MEETING OF UNSECURED NOTEHOLDERS

TAKE NOTICE that, pursuant to an order of the Court of Queen's Bench of Alberta (the "**Court**") dated August 29, 2016, a meeting (the "**Unsecured Noteholders' Meeting**") of the registered holders (the "**Unsecured Noteholders**") 8.625% senior notes due February 1, 2020 (the "**Unsecured Notes**") of Lightstream Resources Ltd. ("**Lightstream**" or the "**Company**") will be held at Eighth Avenue Place, Fourth Floor, 525 – 8th Avenue S.W., Calgary, Alberta, at 10:30 a.m. (Calgary time) on September 30, 2016 for the following purposes:

1. to consider and, if deemed advisable, to pass, with or without variation, a special resolution (the "**Arrangement Resolution**"), the full text of which is set out in Appendix B to the management information circular of Lightstream dated August 29, 2016 (the "**Information Circular**"), approving an arrangement (the "**Arrangement**") pursuant to Section 192 of the *Canada Business Corporations Act*, as more particularly described in the Information Circular; and

2. to transact such other business as may properly come before the Secured Noteholders' Meeting or any adjournment or postponement thereof.

AND NOTICE IS HEREBY GIVEN that the Court has been advised that its order approving the Arrangement, if granted, will constitute the basis for an exemption from the registration requirements of the *United States Securities Act of 1933*, as amended, as provided by Section 3(a)(10) thereof, with respect to the issuance by the Company of the New Common Shares and New Series 1 Warrants (each as defined in the Information Circular) to Unsecured Noteholders in exchange for the existing Unsecured Notes pursuant to the Arrangement.

The record date for entitlement to notice of the Unsecured Noteholders' Meeting has been set by the Court, subject to any further order of the Court, as September 6, 2016. Unsecured Noteholders entitled to vote at the Unsecured Noteholders' Meeting will be entitled to one vote for each U.S.$1.00 principal amount of Unsecured Notes held by them as of the record date in respect of the Arrangement Resolution and any other matters to be considered at the Unsecured Noteholders' Meeting.

Unsecured Noteholders will vote as a single class at the Unsecured Noteholders' Meeting. Subject to any further order of the Court, the Court has set the quorum for the Unsecured Noteholders' Meeting to be at least two (2) Unsecured Noteholders present in person or represented by proxies in respect of the votes to be cast by Unsecured Noteholders on the Arrangement Resolution.

An Unsecured Noteholder may attend the Unsecured Noteholders' Meeting in person or may appoint another person as proxyholder. The Unsecured Noteholder form of proxy nominates John D. Wright, President and Chief Executive Officer of the Company, or failing him, Peter D. Scott, Senior Vice President and Chief Financial Officer of the Company, with full power of substitution as proxyholder. An Unsecured Noteholder may appoint another person as its proxyholder by inserting the name of such person in the space provided in the applicable voting instruction form received from its bank, broker or other intermediary. Persons appointed as proxyholders need not be Unsecured Noteholders.

Subject to any further order of the Court, the Arrangement Resolution must be passed by at least 66⅔% of the votes cast by the Unsecured Noteholders present in person or represented by proxy at the Unsecured Noteholders' Meeting. The implementation of the Arrangement is subject to the approval of certain actions by the shareholders of Lightstream and the holders of the 9.875% second priority senior secured notes of Lightstream due June 15, 2019, voting at separate meetings, and the approval of the Court. The matter is scheduled to be heard on October 5, 2016 at 10:00 a.m. (Calgary time), or such other time and/or date as the Court will advise, at the Calgary Courts Centre, 601 – 5th Street S.W., Calgary, Alberta.

Whether or not Unsecured Noteholders are able to be present at the Unsecured Noteholders' Meeting, they are requested to vote following the instructions provided on the appropriate voting instruction form or proxy using one of the available methods.

In order to be effective, proxies must be received by Computershare Trust Company of Canada prior to 10:30 a.m. (Calgary time) on September 28, 2016, or if the Unsecured Noteholders' Meeting is adjourned or postponed, proxies must be received by the time that is not less than 48 hours (excluding weekends and holidays) before the time set for

holding the adjourned or postponed Unsecured Noteholders' Meeting. The deadline for the deposit of proxies may be waived by the Chairman of the Unsecured Noteholders' Meeting at his sole discretion without notice.

Beneficial owners of the Unsecured Notes will receive a voting instruction form with the accompanying Information Circular which will include information respecting voting, including the time at which voting instructions must be received by the Unsecured Noteholder's bank, broker or other intermediary. If no such voting instruction form is enclosed, Secured Noteholders should promptly contact their bank, broker or other intermediary.

Non-registered Unsecured Noteholders should follow the instructions on the forms they receive, including with respect to the time at which the Unsecured Noteholder's voting instructions must be received by such bank, broker or intermediary, and contact their bank, broker or intermediary promptly if they need assistance.

DATED at Calgary, Alberta, this 29th day of August, 2016.

(Signed) "*John D. Wright*"

John D. Wright
President and Chief Executive Officer

IMPORTANT INFORMATION

General

This Information Circular is furnished in connection with the solicitation of proxies by and on behalf of management of Lightstream for use at the Meetings and any adjournments or postponements thereof. No person has been authorized to give any information or make any representation in connection with the Recapitalization or any other matters to be considered at the Meetings other than those contained in this Information Circular and, if given or made, any such information or representation must not be relied upon as having been authorized and should not be relied upon in making a decision as to how to vote on the Recapitalization.

All summaries of, and references to, the Transactions in this Information Circular are qualified in their entirety by reference to the complete text of the Plan of Arrangement, a copy of which is attached as Appendix H to this Information Circular. **You are urged to carefully read the full text of the Plan of Arrangement.**

These meeting materials are being sent to both Registered Shareholders and Non-Registered Shareholders. DTC is currently the sole Registered Secured Noteholder and holds the Secured Notes on behalf of the Non-Registered Secured Noteholders. Similarly, DTC is currently the sole Registered Unsecured Noteholder and holds the Unsecured Notes on behalf of the Non-Registered Unsecured Noteholders. If you are a Non-Registered Shareholder, a Non-Registered Secured Noteholder and/or a Non-Registered Unsecured Noteholder and the Company or our agent has sent these materials directly to you, your name and address and information about your holdings of Common Shares, Secured Notes and/or Unsecured Notes, as the case may be, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding such Common Shares, Secured Notes and/or Unsecured Notes, as the case may be, on your behalf.

All capitalized terms used in this Information Circular but not otherwise defined herein have the meanings set forth under "*Glossary of Terms*". Information contained in this Information Circular is given as of August 29, 2016, unless otherwise specifically stated.

Forward Looking Information and Statements

Certain statements in this Information Circular and the information incorporated herein by reference constitute "forward looking information" within the meaning of Canadian Securities Laws and "forward looking statements" within the meaning of Section 27A of the 1933 Act and Section 21E of the 1934 Act (collectively, "**forward looking information**"). Forward looking information is frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate", "scheduled", "potential", "will", "indicate", "focus", "vision", "goal", "outlook", "proposed", "target", "objective", or other similar words, or statements that certain events or conditions "may", "should" or "could" occur.

In addition to the cautionary statement below, with respect to forward looking information contained in the documents incorporated by reference herein, prospective purchasers should refer to "*Notice to Reader – Special Note Regarding Forward-Looking Statements*" in our AIF (as defined herein) and "*Forward-Looking Statements*" in our Management's Discussion and Analysis for each of the year ended December 31, 2015 and the three and six months ended June 30, 2016, each of which is incorporated by reference herein, as well as to the advisories section of any documents incorporated by reference in this Information Circular that are filed after the date hereof.

Forward looking information is based on the Company's expectations regarding our ability to satisfy all conditions precedent to completion of the Recapitalization, our financial position and liquidity following the Recapitalization, our future growth prospects, results of operations, production, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, business prospects and opportunities. Such forward looking information reflects the Company's current beliefs and assumptions and is based on information currently available to it. Forward looking information involves significant known and unknown risks and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the forward looking information including risks associated with the impact of general economic conditions, industry conditions, governmental regulation, volatility of commodity prices, currency fluctuations, the lack of availability of qualified personnel or management, stock market volatility and the Company's ability to access sufficient capital from internal and external sources, the risks discussed under "*Risk Factors*" and elsewhere in this Information Circular (including the documents incorporated by reference) and in the Company's public disclosure documents, and other factors, many of which are beyond the Company's control. Although the forward looking information contained in this Information Circular is based upon assumptions which the Company believes to be reasonable, the Company cannot

make assurances that actual results will be consistent with such forward looking information. Such forward looking information is made as of the date of this Information Circular, and the Company assumes no obligation to update or revise them to reflect new events or circumstances, except as required by Law.

Discussions containing forward looking statements may be found, among other places, in "*Effect of the Recapitalization*", "*Background to and Reasons for the Transactions*", "*Unaudited Pro Forma Consolidated Balance Sheet*", "*Lightstream After the Recapitalization*" and "*Risk Factors*" sections herein and in the "*Business of the Company*" and "*Risk Factors*" sections in the Annual Information Form and other documents incorporated by reference herein. Specific forward looking information contained in this Information Circular includes, among others, statements regarding:

- the anticipated completion of the Recapitalization and the timing thereof;
- the potential and anticipated impact of the Recapitalization on Lightstream;
- the receipt of the New Revolving Credit Facility and the use of funds thereunder;
- the ability of the Company to obtain a further forbearance from its lenders and the ongoing discussions with the Senior Lenders and Swap Lenders with respect to the forbearance and their enforcement rights and remedies under the Revolving Credit Facility;
- the commencement of proceedings under the CCAA in the event that the Recapitalization is not approved or otherwise does not occur;
- future capital structure, debt levels and annual interest costs;
- improved liquidity and ability to manage the effects of a low commodity price environment;
- the Company's strategy, including capital expenditure plans and growth plans;
- the ability of the Company to raise capital in the future; and
- future ownership of the Company's New Common Shares.

With respect to forward looking information contained in this Information Circular, the Company has made assumptions regarding, among other things:

- that all conditions precedent to and necessary approvals for the completion of the Recapitalization, including obtaining a satisfactory Oppression Litigation Settlement and the receipt of all required Securityholder, Court, exchange and regulatory approvals, as applicable, will be satisfied or obtained in a timely manner, and that all parties involved in the Recapitalization will fulfill their obligations in connection therewith;
- future oil and gas prices, interest rates and foreign exchange rates;
- future development and operating costs and royalty and taxation rates;
- the Senior Lenders and Swap Lenders will not exercise their enforcement rights and remedies under the Revolving Credit Facility;
- continued compliance with existing regulatory and environmental regimes and approvals or future changes or modifications to those regimes and approvals; and
- the Company's ability to obtain future financing on acceptable terms.

Many of the foregoing assumptions are subject to change and are beyond the Company's control. Some of the risks that could affect the Recapitalization and the Company's future results and could cause results to differ materially from those expressed in the forward looking information include:

- the failure to satisfy all conditions precedent and obtain all necessary approvals for the completion of the Recapitalization, including obtaining a satisfactory Oppression Litigation Settlement and the receipt of all required Securityholder, Court, exchange and regulatory approvals, as applicable, in a timely manner, or the failure of a party involved in the Recapitalization to fulfill its obligations in connection therewith;

- general economic conditions in Canada, the U.S. and globally and changes in commodity prices;

- the uncertainty of the Company's ability to attract credit or other capital and the adequacy of the Company's liquidity;

- currency and interest rate fluctuations;

- changes in, or the introduction of new, government regulations relating to the business of the Company, including changes in applicable royalty regimes, government incentive programs or applicable Laws (including tax Laws);

- difficulties or interruptions encountered and costs incurred during the production of the Company's resources;

- imprecision in estimated capital expenditures as well as potential delays or changes in plans with respect to exploration and development projects or capital expenditures;

- a further forbearance may not be obtained and the Senior Lenders and Swap Lenders may enforce their enforcement rights and remedies under the Revolving Credit Facility;

- performance and availability or curtailment of facilities owned by third parties;

- impacts of fossil fuel combustion on climate change, including potential impact on demand for, or implementation of, regulation of the Company's products;

- failure to obtain third party consents and approvals, when required; and

- stock market volatility and the basis of market valuations.

Readers are cautioned that the foregoing list of factors is not exhaustive. The forward looking information and statements contained in this Information Circular and the documents incorporated by reference herein: (i) were made as of the dates stated therein and have not been updated except as modified or superseded by a subsequently filed document that is also incorporated by reference in this Information Circular; (ii) represent the Company's views as of the date of such documents and should not be relied upon as representing the Company's views as of any subsequent date; and (iii) are expressly qualified by this cautionary statement. While the Company anticipates that subsequent events and developments may cause our views to change, the Company specifically disclaims any intention or obligation to update forward looking information and statements, whether as a result of new information, future events or otherwise, except to the extent required by applicable Securities Laws.

Forward looking information and statements contained in this Information Circular and the documents incorporated herein by reference about prospective results of operations, financial position or cash flows that are based upon assumptions about future economic conditions and courses of action are presented for the purpose of assisting Noteholders and Shareholders in understanding Lighstream's management's current views regarding those future outcomes, and may not be appropriate for other purposes.

There can be no assurance that the forward looking information and statements will prove to be accurate, and actual results and future events could vary or differ materially from those anticipated by them. Accordingly undue reliance should not be placed on forward looking information and statements.

Notice to Securityholders in the United States

THE SECURITIES ISSUABLE IN CONNECTION WITH THE ARRANGEMENT HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR SECURITIES REGULATORY AUTHORITIES IN ANY STATE OF THE UNITED STATES; NOR HAS THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR ANY SUCH STATE REGULATORY AUTHORITY PASSED UPON THE ADEQUACY OR ACCURACY OF THIS INFORMATION CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The issuance pursuant to the Arrangement of the New Common Shares, New Series 1 Warrants and New Series 2 Warrants pursuant to the Exchanges has not been and will not be registered under the 1933 Act and such securities will be issued in reliance on the exemption from the registration requirements of the 1933 Act set forth in Section 3(a)(10) thereof (and similar exemptions under applicable state Securities Laws) on the basis of the approval of the Court, which will consider, among other things, the fairness of the Arrangement to the Persons affected. Section 3(a)(10) exempts from the general requirement of registration under the 1933 Act securities issued in exchange for one or more bona fide outstanding securities where the terms and conditions of the issuance and exchange are approved by a court of competent jurisdiction that is authorized by Law to grant such approval, after a hearing upon the fairness of such terms and conditions of such issuance and exchange at which all Persons to whom the securities will be issued in such exchange have the right to appear and receive timely notice thereof. The Court will conduct a hearing to determine the fairness of the terms and conditions of the Arrangement, including the proposed issuance of securities pursuant to the Exchanges. The Court delivered the Interim Order on August 29, 2016 and, subject to the approval of the Arrangement by the Shareholders, Unsecured Noteholders and Secured Noteholders, a hearing on the fairness of the Arrangement will be held by the Court on October 5, 2016 at 10:00 a.m. (Calgary time), or such other time and/or date as the Court will advise, at the Calgary Courts Centre, 601 – 5th Street S.W., Calgary, Alberta. All Shareholders, Secured Noteholders and Unsecured Noteholders are entitled to appear and be heard at this hearing. The Final Order will constitute the basis for the exemption from the registration requirements of the 1933 Act provided by Section 3(a)(10) thereof with respect to the issuance pursuant to the Arrangement of the New Common Shares, New Series 1 Warrants and New Series 2 Warrants pursuant to the Exchanges. The Court has been advised of this effect of the Final Order. See "*The Arrangement Agreement – Required Approvals and Completion of the Arrangement*" and "*Certain Regulatory and Other Matters Relating to the Arrangement*" included herein.

The New Secured Notes have not been and will not be registered under the 1933 Act, or the securities Laws of any state of the United States and may not be offered or sold within the United States except pursuant to an exemption from the registration requirements of the 1933 Act. The New Secured Notes are being offered and sold in the United States only to institutions that are Accredited Investors. See "*Description of the Recapitalization – Plan of Arrangement – U.S. Eligible Purchasers and Transfer Restrictions*".

The solicitation of proxies hereby is not subject to the proxy requirements of Section 14(a) of the 1934 Act. This Information Circular has been prepared in accordance with the applicable disclosure requirements in Canada. Accordingly, the solicitation 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 Securities Laws, and this Information Circular has been prepared solely in accordance with the disclosure requirements of Canada. Securityholders in the United States should be aware that these requirements may be different from those applicable to registration statements prepared under the 1933 Act and proxy statements prepared under the 1934 Act.

Financial statements included or incorporated by reference herein have been prepared in accordance with IFRS, and are subject to Canadian auditing and auditor independence standards. IFRS and Canadian auditing and auditor independence standards differ from U.S. GAAP in material ways, and thus, the Company's financial statements are not directly comparable to financial statements prepared under U.S. GAAP and subject to United States auditing and auditor independence standards. See "*Reporting Currencies and Accounting Principles*" below.

Securityholders should be aware that the acquisition, sale or conversion of the securities described herein may have tax consequences both in Canada and the United States. See "*Certain Canadian Federal Income Tax Considerations*" and "*Certain U.S. Federal Income Tax Considerations*" elsewhere in this Information Circular. Although this Information Circular describes certain U.S. federal income tax consequences of the transactions for Shareholders, the United States tax consequences for Secured Noteholders and Unsecured Noteholders subject to United States taxation are not described herein. **Each prospective investor should consult its own tax advisor concerning the transactions and securities described herein.**

The enforcement by investors of civil liabilities under the United States federal Securities Laws may be affected adversely by the fact that Lightstream is incorporated outside the United States and some or all of the officers and directors of Lightstream and the experts named herein are residents of a foreign country and that all or a substantial portion of the assets of the Company and said Persons are located outside the United States. As a result, it may be difficult or impossible for holders of Lightstream's securities in the United States to effect service of process within the United States upon Lightstream and our officers and directors and the experts named herein, or to realize, against them, upon judgments of courts of the United States predicated upon civil liabilities under the federal Securities Laws of the United States or "blue sky" Laws of any state within the United States. In addition, holders of Lightstream's securities in the United States should not assume that the courts of Canada: (a) would enforce judgments of United States courts obtained in actions against such Persons predicated upon civil liabilities under the federal Securities Laws of the United States or "blue sky" Laws of any state within the United States; or (b) would enforce, in original actions, liabilities against such Persons predicated upon civil liabilities under the federal Securities Laws of the United States or "blue sky" Laws of any state within the United States. See "*Risk Factors – Risks Relating to the Recapitalization*".

Reporting Currencies and Accounting Principles

In this Information Circular, unless otherwise stated, dollar amounts are reported in Canadian dollars.

In this Information Circular, unless otherwise stated, all references to percentages of Common Shares, Pre-Consolidation Shares or New Common Shares are expressed on a non-fully-diluted basis.

The financial information contained or incorporated by reference in this Information Circular has been prepared in accordance with IFRS.

IFRS differs in certain material respects from U.S. GAAP and, as such, the Company's financial statements and the financial information derived therefrom may not be comparable to the financial statements and financial information of U.S. companies prepared in accordance with U.S. GAAP. As the SEC has adopted rules to accept, from foreign private issuers such as the Company, financial statements prepared in accordance with IFRS without reconciliation to U.S. GAAP, this Information Circular does not include an explanation of the principal differences between, or any reconciliation of, IFRS and U.S. GAAP. Readers should consult their own professional advisors for an understanding of the differences between IFRS and U.S. GAAP, and of how those differences might affect the financial information presented herein.

Presentation of Certain Non-GAAP Financial Measures

Readers are cautioned that the documents incorporated by reference in this Information Circular contain certain terms that are not defined by the financial measures used by Lightstream to prepare our GAAP-compliant financial statements and are referred to as non-GAAP measures. These non-GAAP measures should not be considered an alternative to, or more meaningful than, measures as determined in accordance with GAAP as an indicator of Lightstream's performance. The measures referenced above do not have any standardized meaning prescribed by GAAP and therefore may not be comparable to similar measures presented by other companies. Management believes that the non-GAAP measures it utilizes are useful financial measurements which assist in demonstrating the Company's ability to make interest payments, fund capital expenditures necessary for future growth or to repay debt. Such measures have been described and presented in this Information Circular (including the documents incorporated by reference) in order to provide readers with additional information regarding Lightstream's liquidity and our ability to generate funds to finance our operations.

See "*Notice to Reader – Non-GAAP Measures*" in the AIF and "*Non-GAAP Measures*" in the Company's Management's Discussion and Analysis for each of the year ended December 31, 2015 and for the three and six months ended June 30, 2016 for further information and applicable reconciliations in respect of non-GAAP measures utilized by the Company.

Presentation of Oil and Gas Reserves and Production Information

All oil and natural gas reserves information contained or incorporated by reference in this Information Circular has been prepared and presented in accordance with the Canadian Oil and Gas Evaluation Handbook and National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* ("**NI 51-101**"). The actual oil and gas reserves and future production will be greater than or less than the estimates provided herein. The estimated value of future net revenue from the production of the disclosed oil and gas reserves does not represent the fair market value of these reserves. There is no assurance that the forecast prices and costs or other assumptions made in connection

with the reserves disclosed herein will be attained and variances could be material. Certain terms used herein but not otherwise defined in the Glossary of Terms are defined in NI 51-101 and, unless the context requires otherwise, shall have the same meanings herein as in NI 51-101.

All oil and natural gas reserves information contained in or incorporated by reference in this Information Circular has been prepared in accordance with Canadian requirements, which differ in certain respects from the disclosure standards applicable to information included in reports and other materials filed with the SEC by U.S. domestic issuers subject to SEC reporting and disclosure requirements. As a consequence, the disclosures in this Information Circular relating to oil and gas reserves may not be comparable to those of U.S. domestic companies subject to SEC reporting and disclosure requirements. Prospective purchasers should conduct their own investigation and analysis of the business, data and transaction described herein.

Exchange Rates

The following table sets forth, for each of the years indicated, the year-end noon exchange rate, the average noon exchange rate and the high and low noon exchange rates of one Canadian dollar in exchange for one U.S. dollar using information provided by the Bank of Canada. The noon exchange rate on August 26, 2016, using information provided by the Bank of Canada for the conversion of Canadian dollars into United States dollars, was $1.2947 equals U.S.$1.00.

	Six Months Ended June 30		Year ended December 31		
	2016	2015	2015	2014	2013
	$	$	$	$	$
High	1.4589	1.2803	1.3990	1.1643	1.0697
Low	1.2544	1.1728	1.1728	1.0614	0.9839
Average	1.3302	1.2354	1.2787	1.1045	1.0299
Period End	1.3009	1.2474	1.3840	1.1601	1.0636

The foregoing rates may differ from the actual rates used in the preparation of Lightstream's financial statements and other financial information appearing in this Information Circular. The Company's inclusion of these exchange rates is not meant to suggest that the Canadian dollar amounts actually represent such U.S. dollar amounts or that such amounts could have been converted into U.S. dollars at any particular rate, if at all.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Information Circular from documents filed by Lightstream 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 Chief Executive Officer of Lightstream at 2800, 525 – 8th Avenue S.W., Calgary, Alberta, T2P 1G1. These documents are also available through the Internet on the System for Electronic Document Analysis and Retrieval ("**SEDAR**"), which can be accessed at www.sedar.com.

The following documents of Lightstream, filed with the various provincial securities commissions or similar authorities in Canada, are specifically incorporated into and form an integral part of this Information Circular:

(a) the Annual Information Form for the year ended December 31, 2015 dated March 30, 2016 (the "**AIF**");

(b) the audited consolidated financial statements for the years ended December 31, 2015 and 2014 and related notes, together with the auditors' report thereon;

(c) the Management's Discussion and Analysis of the financial conditions and results of operations of Lightstream for the years ended December 31, 2015 and 2014;

(d) the unaudited interim financial statements for the three and six months ended June 30, 2016 and 2015;

(e) the Management's Discussion and Analysis of the financial conditions and results of operations of Lightstream for the three and six months ended June 30, 2016;

(f) the Material Change Report dated May 2, 2016 relating to the reduction of the Company's borrowing base;

(g) the Material Change Report dated July 19, 2016 relating to the announcement of the Transactions and the receipt of the Preliminary Order; and

(h) the Material Change Report dated August 4, 2016 related to the announcement of the Arrangement Agreement and related matters.

Any annual information form, annual or interim financial statement and related management's discussion and analysis, material change report (excluding confidential material change reports), business acquisition report, information circular, news releases containing financial information for financial periods more recent than the most recent annual or interim financial statements, or disclosure document filed pursuant to an undertaking to a Canadian securities regulatory authority filed by Lightstream with any securities commission or similar regulatory authority in Canada subsequent to the date of this Information Circular and prior to the Effective Time shall be deemed to be incorporated by reference into this Information Circular, as well as any document so filed by Lightstream which expressly states it is to be incorporated by reference into this Information Circular. These documents will be available on SEDAR, which can be accessed at www.sedar.com.

Any statement contained herein, or in any 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 that 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 purpose 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 constitute a part of this Information Circular, except as so modified or superseded.

GLOSSARY OF TERMS

Unless the context otherwise requires or as otherwise defined herein, when used in this Information Circular the following terms shall have the meanings set forth below. Words importing the singular number shall include the plural and vice versa, and words importing any gender shall include all genders.

"**1933 Act**" means the *United States Securities Act of 1933*, as amended and now in effect and as it may be further amended from time to time prior to the Implementation Date.

"**1934 Act**" means the *United States Securities Exchange Act of 1934*, as amended and now in effect and as it may be further amended from time to time prior to the Implementation Date.

"**ABCA**" means the *Business Corporations Act* (Alberta), RSA 2000, c. B-9, as amended.

"**Accredited Investor**" means an institution that is an "accredited investor" within the meaning of Rule 501(a)(1), (2), (3) or (7) of Regulation D under the 1933 Act.

"**Ad Hoc Committee**" means an *ad hoc* committee of holders of Secured Notes.

"**Amalco**" means the corporation formed from the amalgamation of Lightstream and ArrangeCo pursuant to the terms of the Plan of Arrangement.

"**Anticipated Implementation Date**" means the anticipated Implementation Date for the Plan of Arrangement, to be established by Lightstream and the Initial Consenting Noteholders and communicated to the Participating Noteholders and Backstoppers pursuant to the Plan of Arrangement.

"**Apollo**" means funds and accounts managed by Apollo Capital Management, L.P. and its affiliates.

"**ArrangeCo**" means 9817158 Canada Ltd., a corporation incorporated pursuant to the CBCA and a wholly-owned subsidiary of Lightstream.

"**Arrangement**" means the arrangement under Section 192 of the CBCA on the terms and subject to the conditions set forth in the Plan of Arrangement, subject to any amendments or variations made in accordance with the terms of the Support Agreement, the Backstop Agreement, the Arrangement Agreement and the Plan of Arrangement, or made at the direction of the Court in the Final Order, with the consent of Lightstream, ArrangeCo and the Initial Consenting Noteholders in each case, each acting reasonably.

"**Arrangement Agreement**" means the arrangement agreement dated July 28, 2016, as amended August 4, 2016, between Lightstream and ArrangeCo, as the same may be amended or restated from time to time in accordance with its terms.

"**Articles of Amendment**" means the articles of amendment of the Company in respect of the Arrangement required under Subsection 177(1) of the CBCA.

"**Articles of Arrangement**" means the articles of arrangement of the Company in respect of the Arrangement required under Subsection 192(6) of the CBCA to be sent to the Director after the Final Order is made, which shall include the Plan of Arrangement, with any such modifications as may be acceptable to Lightstream, ArrangeCo and the Initial Consenting Noteholders, each acting reasonably.

"**Articles of Continuance**" mans the articles of continuance of the Company in respect of the Continuance required under Subsection 187(3) of the CBCA.

"**Backstop Agreement**" means the backstop agreement dated as of July 28, 2016 among Lightstream and the Backstoppers, pursuant to which the Backstoppers agreed to acquire any of the New Secured Notes not otherwise purchased by Eligible Secured Noteholders pursuant to the New Secured Notes Offering, as the same may be amended or restated from time to time in accordance with its terms.

"**Backstopped Notes**" means the total number of New Secured Notes not validly subscribed for and funded pursuant to the Subscription Privilege.

"**Backstoppers**" means those Secured Noteholders who have entered into the Backstop Agreement.

"**Board of Directors**" or "**Board**" means the board of directors of Lightstream.

"**Broadridge**" means Broadridge Investor Communications Corporation in Canada and its counterpart in the United States.

"**Business Day**" means any day, other than a Saturday or a Sunday or a civic holiday, on which commercial banks are generally open for business in Calgary, Alberta.

"**By-Law No. 1**" means the amended by-law of the Company approved by the Shareholders on May 14, 2014.

"**By-Law No. 2**" means the advance notice by-law of the Company approved by the Shareholders on May 14, 2014.

"**Canadian Securities Commissions**" means, collectively, the applicable securities commissions or regulatory authorities in each of the provinces of Canada.

"**Canadian Securities Laws**" means, collectively, and, as the context may require, the applicable securities Laws of each of the provinces of Canada, and the respective regulations and rules made under those securities Laws together with all applicable published policy statements, instruments, blanket orders and rulings of the Canadian Securities Commissions and all discretionary orders or rulings, if any, of the Canadian Securities Commissions made in connection with the transactions contemplated by this Information Circular together with applicable published policy statements of the Canadian Securities Administrators, as the context may require.

"**CBCA**" means the *Canada Business Corporations Act*, RSC 1985, c C-44, as amended.

"**CBCA By-Laws**" means the proposed new by-laws of the Company after the Continuance, substantially in the form set out in Appendix D.

"**CBCA Opinion**" means the opinion of RBC to the Board that, as of July 27, 2016 and subject to the scope of review, assumptions and limitations set forth in its opinion, the Secured Noteholders, Unsecured Noteholders and Shareholders would each be in a better position from a financial point of view under the Recapitalization than if the Company were liquidated. The full text of the CBCA Opinion is appended as Appendix J to this Information Circular.

"**CCAA**" means the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended.

"**CCAA Proceedings**" means proceedings in respect of the Company under the CCAA.

"**CCAA Sale Transaction**" means a sale of all or substantially all of the Lightstream Entities' business and assets pursuant to a Court approved sale transaction in the CCAA Proceedings (and shall include any alternative transaction structure within the CCAA Proceedings that is acceptable to the Ad Hoc Committee and Lightstream, each acting reasonably, as contemplated in the Support Agreement).

"**CDN$**" or "**$**" means Canadian dollars.

"**CDS**" means CDS Clearing and Depository Services Inc. or any of its successors or assigns.

"**Certificate of Arrangement**" means the certificate of arrangement to be issued by the Director pursuant to Section 192(7) of the CBCA giving effect to the Articles of Arrangement and the Plan of Arrangement in accordance with Section 262 of the CBCA.

"**Certificate of Continuance**" means the certificate of continuance to be issued by the Director pursuant to Section 187(4) of the CBCA giving effect to the Continuance in accordance with Section 262 of the CBCA.

"**Common Share Consolidation**" means the consolidation of Lightstream's existing issued and outstanding Common Shares pursuant to the Plan of Arrangement.

"**Common Shares**" or "**Shares**" means common shares in the capital of Lightstream (including, for greater certainty, Amalco following the amalgamation of Lightstream and ArrangeCo pursuant to the Plan of Arrangement) as they

existed prior to the redesignation of such common shares into Lightstream Class A Shares pursuant to the Plan of Arrangement (including for greater certainty prior to the Common Share Consolidation, the Pre-Consolidation Shares, and following completion of the Common Share Consolidation, the common shares in the capital of Lightstream as they exist from and after such time).

"**Company**" means Lightstream.

"**Computershare**" means Computershare Trust Company of Canada.

"**Consenting Noteholders**" means the Initial Consenting Noteholders and each of the other signatories to the Support Agreement, whether as an original signatory or by executing a consent agreement in the form set out in the Support Agreement.

"**Continuance**" means the continuation of Lightstream from the ABCA to the CBCA pursuant to Section 189 of the ABCA.

"**Continuance Dissenting Shareholder**" means a Registered Shareholder who exercises the Continuance Dissent Right in respect of the Continuance in strict compliance with the ABCA.

"**Continuance Dissent Right**" means the right of a Registered Shareholder to dissent in respect of the Continuance and, if the Continuance becomes effective, to be paid by Lightstream the fair value of the Common Shares in respect of which a Shareholder exercises the Continuance Dissent Right.

"**Continuance Resolution**" means the special resolution of the Shareholders approving the Continuance, the full text of which is set forth in Appendix A to this Information Circular.

"**Conversion Notice**" means a Reorganization Time Notice or a Subsequent Time Notice delivered pursuant to the terms of the Secured Note Indenture.

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

"**Credit Agreement**" means the third amended and restated credit agreement dated as of May 29, 2015 entered into, among others, by Lightstream as borrower, the Toronto-Dominion Bank as administrative agent and the lenders party thereto, as amended by: (i) a consent and first amending agreement dated as of June 30, 2015; and (ii) a secured amending agreement dated as of December 2, 2015.

"**DCS Plan**" means the deferred share compensation plan of Lightstream.

"**DCSs**" or "**Deferred Common Shares**" means the deferred common shares issuable under the DCS Plan.

"**Depositary**" means Computershare Investor Services Inc.

"**Director**" means the Director appointed pursuant to Section 260 of the CBCA.

"**DTC**" means The Depository Trust Company, a New York corporation, and its successors.

"**Effective Time**" means 12:01 a.m. on the Implementation Date or such other time as Lightstream, ArrangeCo and the Initial Consenting Noteholders, each acting reasonably, may agree in writing.

"**Eligible Secured Noteholder**" means a Person that: (i) is a Secured Noteholder on the Participation Record Date; (ii) either (A) is in the United States (as such term is defined in Regulation S under the 1933 Act) or places its purchase order from within the United States, and is, and Lightstream has a reasonable belief that such Person is, an institution that is an Accredited Investor, or (B) is not in the United States and does not place its purchase order from within the United States; and (iii) if such Person is resident outside of Canada and the United States, it is qualified to participate in the New Secured Notes Offering in accordance with the Laws of its jurisdiction of residence and it has provided evidence satisfactory to Lightstream to demonstrate such qualification.

"**Escrow Agent**" means the escrow agent to be appointed to be pursuant to the Escrow Agreement.

"**Escrow Agreement**" means the escrow agreement to be entered into between Lightstream, Goodmans LLP (on behalf of the Backstoppers) and the Escrow Agent for purposes of the Backstop Agreement, the terms and conditions of which shall be acceptable to each of Lightstream, the Backstoppers and the Escrow Agent, each acting reasonably, pursuant to which certain funds in respect of the New Secured Notes Offering shall be received and held in escrow.

"**Exchanges**" means, for the purposes of the U.S. Securities Law disclosure in this Information Circular, the issuance pursuant to the Arrangement of the New Common Shares, New Series 1 Warrants and New Series 2 Warrants to the applicable Securityholders in exchange for their Common Shares, Secured Notes or Unsecured Notes, as applicable.

"**Fairness Opinion**" means the opinion of RBC to the Board that, as of July 27, 2016 and subject to the scope of review, assumptions and limitations set forth in its opinion, the Recapitalization is fair from a financial point of view to the Company. The full text of the Fairness Opinion is appended as Appendix I to this Information Circular.

"**Final Order**" means the final order of the Court approving the Plan of Arrangement, as such order may be amended at any time prior to the Implementation Date or, if appealed, then unless such appeal is withdrawn or denied, as affirmed or amended on appeal.

"**First Forbearance Agreement**" means the forbearance agreement dated as of July 12, 2016 among the Lightstream Entities, the Senior Lenders and The Toronto-Dominion Bank, as administrative agent for the Senior Lenders, as amended by an amending agreement effective as of July 25, 2016 and as further amended by an amending agreement effective as of August 5, 2016.

"**fully-diluted basis**" means, when used in reference to Common Shares or Pre-Consolidation Shares, the number of Common Shares or Pre-Consolidation Shares that would exist assuming that all outstanding Options have been terminated and that all outstanding DCSs and Incentive Shares have been converted or exchanged into Common Shares (or Pre-Consolidation Shares, as applicable) in accordance with their terms.

"**GAAP**" means accounting principles generally accepted in Canada applicable to public companies at the relevant time and which incorporates IFRS.

"**Governmental Entity**" means any government, regulatory authority, governmental department, agency, commission, bureau, official, minister, Crown corporation, court, board, tribunal or dispute settlement panel or other Law, rule or regulation-making organization or entity: (a) having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any other geographic or political subdivision of any of them; or (b) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power.

"**GSO**" means funds advised by GSO Capital Partners LP or its affiliates.

"**IFRS**" means International Financial Reporting Standards.

"**Implementation Date**" means the date shown on the Certificate of Arrangement issued by the Director under the CBCA.

"**Incentive Shares**" means the Common Shares issuable under the IS Plan.

"**Information Circular**" means this management information circular.

"**Initial Consenting Noteholders**" means the Noteholders that entered into the Support Agreement on July 12, 2016.

"**Insider**" means "reporting insiders" as defined in National Instrument 55-104 – *Insider Reporting Requirements and Exemptions* of the Canadian Securities Administrators.

"**Interim Order**" means the amended interim order of the Court granted August 29, 2016 pursuant to Section 192(4) of the CBCA, containing declarations and directions with respect to the Arrangement and the Meetings issued pursuant to the application of Lightstream and ArrangeCo, as such order may be amended or supplemented by further order of the Court at any time prior to the Implementation Date or, if appealed, then unless such appeal is withdrawn or denied, as affirmed or amended on appeal.

"**Investment Canada Act**" means the *Investment Canada Act*, RSC 1985, c 28 (1st Supp), as amended.

"**Investment Canada Act Approval**" means, if required, the Initial Consenting Noteholders shall have received notification from the responsible Minister under the Investment Canada Act, that the Minister is satisfied or is deemed to be satisfied that the applicable transactions forming part of the Recapitalization are likely to be of net benefit to Canada.

"**IS Plan**" means the incentive share compensation plan of the Company.

"**Law**" or "**Laws**" means any law, statute, order, decree, consent decree, judgment, rule regulation, ordinance or other pronouncement having the effect of law whether in Canada, the United States or any other country, or any domestic or foreign state, county, province, city or other political subdivision or of any Governmental Entity.

"**Letter of Transmittal**" means the letter of transmittal provided to Shareholders for the purposes of exchanging their Common Shares for the Share Consideration pursuant to the Plan of Arrangement, as such letter of transmittal may be amended from time to time.

"**Lightstream**" means Lightstream Resources Ltd., and, as the context may require, includes Amalco as the corporation arising from the amalgamation of Lightstream and ArrangeCo pursuant to the Plan of Arrangement.

"**Lightstream Class A Shares**" means, following the reorganization and alteration of the authorized share capital of Lightstream pursuant to the Plan of Arrangement to re-name and re-designate the Common Shares, Class A common shares in the capital of Lightstream, which shares shall have the same rights and restrictions as the Common Shares except that each Lightstream Class A Share shall be entitled to two votes at any meeting of the Shareholders.

"**Lightstream Entities**" means Lightstream, the Partnerships and the Subsidiaries.

"**Meeting Date**" means September 30, 2016, subject to any postponement or adjournment of that date in accordance with the terms of the Interim Order or any other order of the Court.

"**Meetings**" means, collectively, the Shareholders' Meeting, the Secured Noteholders' Meeting and the Unsecured Noteholders' meeting.

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

"**New Common Shares**" means a new class of voting common shares which Lightstream will create and issue as described in the Plan of Arrangement and for which the Lightstream Class A Shares are to be exchanged under the Plan of Arrangement and which, immediately after completion of the transactions comprising the Plan of Arrangement, will be identical in every relevant respect to the Common Shares immediately after giving effect to the Common Share Consolidation pursuant to the Plan of Arrangement.

"**New Indenture Trustee**" means the trustee, and its successors and assigns, under the New Secured Note Indenture.

"**New Revolving Facility**" means the credit facility contemplated by the New Revolving Facility Commitment Letters on terms and conditions acceptable to Lightstream and the Initial Consenting Noteholders, which shall include a commitment of $400 million and a 364-day revolving period with a one-year term-out and which shall be used to repay all indebtedness and amounts owing to the lenders under the Credit Agreement in full and to provide working capital and finance permitted acquisitions after the Implementation Date.

"**New Revolving Facility Commitment Letters**" means commitment letters pursuant to which the providers of the New Revolving Facility agree to provide the New Revolving Facility to the Company, on terms and conditions acceptable to Lightstream and the Initial Consenting Noteholders, and which shall provide that the New Revolving Facility shall become available on the Implementation Date and shall be used to repay all indebtedness and amounts owing to the lenders under the Credit Agreement in full and to provide working capital and finance permitted acquisitions after the Implementation Date.

"**New Secured Note Indenture**" means the indenture to be entered into between Lightstream and the New Indenture Trustee on the Implementation Date, which shall govern the New Secured Notes and be in form and substance acceptable to Lightstream and the Backstoppers, each acting reasonably.

"**New Secured Notes**" means of approximately U.S.$39,285,000 principal amount of new 12% second lien secured notes of Lightstream due 2020 to be issued on the Implementation Date, with an original cash issue discount of 2% pursuant to the Plan of Arrangement and the New Secured Note Indenture, and having the material terms set forth in the term sheet attached as Appendix M.

"**New Secured Notes Offering**" means the offering of New Secured Notes to Eligible Secured Noteholders pursuant to the Plan of Arrangement.

"**New Secured Notes Participation Form**" means the certification and participation form to be circulated to Secured Noteholders and completed by Eligible Secured Noteholders in advance of the Participation Deadline in order to make certain acknowledgments, agreements and certifications (including as to status as an Eligible Secured Noteholder and restrictions on transfer and exercise of conversion rights) and to participate in the New Secured Notes Offering.

"**New Series 1 Warrant Indenture**" means a warrant indenture governing the New Series 1 Warrants to be dated as of the Implementation Date between Lightstream and Computershare, as warrant agent, in form and substance acceptable to Lightstream and the Initial Consenting Noteholders, each acting reasonably.

"**New Series 1 Warrants**" means the new Series 1 common share purchase warrants of Lightstream to be issued to the Unsecured Noteholders pursuant to the Arrangement and pursuant to the New Series 1 Warrant Indenture, with each New Series 1 Warrant exercisable for one New Common Share for a period of five years following the Implementation Date at the following exercise prices per New Common Share: $10.25 commencing on the Implementation Date; $10.69 commencing on June 1, 2017; $10.90 commencing on December 1, 2017; $11.34 commencing on June 1, 2018; and $11.77 commencing on June 1, 2019.

"**New Series 2 Warrant Indenture**" means a warrant indenture governing the New Series 2 Warrants to be dated as of the Implementation Date between Lightstream and Computershare, as warrant agent, in form and substance acceptable to Lightstream and the Initial Consenting Noteholders, each acting reasonably.

"**New Series 2 Warrants**" means the new Series 2 common share purchase warrants of Lightstream to be issued to the Shareholders at the applicable time pursuant to the Arrangement and pursuant to the Series 2 Warrant Indenture, with each New Series 2 Warrant exercisable for one New Common Share for a period of five years following the Implementation Date at the following exercise prices per New Common Share: $12.88 commencing on the Implementation Date; $13.41 commencing on June 1, 2017; $13.75 commencing on December 1, 2017; $14.29 commencing on June 1, 2018; $14.42 commencing on December 1, 2018; and $14.96 commencing on June 1, 2019.

"**Non-Registered Holders**" means, collectively, Non-Registered Secured Noteholders, Non-Registered Shareholders and Non-Registered Unsecured Noteholders.

"**Non-Registered Secured Noteholder**" means a Secured Noteholder whose name is not shown on the registers maintained by or on behalf of Lightstream for the Secured Notes.

"**Non-Registered Shareholder**" means a Shareholder whose name is not shown in the register maintained by or on behalf of Lightstream for the Common Shares.

"**Non-Registered Unsecured Noteholder**" means an Unsecured Noteholder whose name is not shown on the registers maintained by or on behalf of Lightstream for the Unsecured Notes.

"**Noteholders**" means, collectively, the Secured Noteholders and Unsecured Noteholders.

"**Noteholders' Meetings**" means, collectively, the Secured Noteholders' Meeting and the Unsecured Noteholders' Meeting.

"**Notes**" means, collectively, the Secured Notes and the Unsecured Notes.

"**Notices of Meeting**" means, the Secured Noteholders' Notice, Unsecured Noteholders' Notice and the Shareholders' Notice mailed to Secured Noteholders, Unsecured Noteholders and Shareholders, respectively in connection with the Meetings.

"**Obligations**" means all obligations, liabilities and indebtedness of Lightstream and its affiliates with respect to or arising out of, or in connection with, the Secured Notes or the Secured Note Indenture or the Unsecured Notes or the Unsecured Note Indenture (including any guarantees granted in respect of, or pursuant to, the foregoing), as the case may be, but, for greater certainty, shall not include any obligations or liabilities of Lightstream and its affiliates with respect to or arising out of, or in connection with, the Support Agreement or the Backstop Agreement.

"**Opinions**" means, collectively, the Fairness Opinion and the CBCA Opinion.

"**Oppression Litigation**" means the actions pending against the Company in the Court commenced by certain Unsecured Noteholders, bearing Court File No. 1501-08782 and Court File No. 1507-07813.

"**Oppression Litigation Settlement**" means a comprehensive settlement among the Company and those Unsecured Noteholders party to the Oppression Litigation settling all claims related to the Oppression Litigation and providing for the withdrawal of such Oppression Litigation, which Oppression Litigation Settlement shall be on terms acceptable to the Initial Consenting Noteholders in their sole discretion.

"**Options**" means the options to acquire Common Shares granted pursuant to Lightstream's Stock Option Plan.

"**Other Transaction**" has the meaning set forth under "*Background to and Reasons for the Transactions – Support Agreement*".

"**Outside Date**" means October 31, 2016, provided that if on October 31, 2016 the Arrangement has not been implemented solely as a result of any required approval under the Investment Canada Act not having been obtained, the Outside Date shall be automatically extended to November 30, 2016; or such other date as Lightstream and the Initial Consenting Noteholders may agree in writing.

"**Participating Noteholder**" means every Eligible Secured Noteholder that submits a duly executed New Secured Notes Participation Form (or other acceptable form of instruction) in advance of the Participation Deadline in accordance with the terms thereof which is subsequently accepted by Lightstream.

"**Participating Noteholder Funding Deadline**" means at or before 2:00 p.m. on the date that is five Business Days prior to the Anticipated Implementation Date, or such other date as Lightstream and the Backstoppers, each acting reasonably, may agree in writing.

"**Participation Deadline**" shall mean 5:00 p.m. (Calgary time) on September 19, 2016, or such other date as Lightstream and the Backstoppers, each acting reasonably, may agree in writing.

"**Participation Record Date**" means September 6, 2016, or such other date as Lightstream and the Backstoppers, each acting reasonably, may agree in writing.

"**Partnerships**" means LTS Resources Partnership and Bakken Resources Partnership.

"**Person**" includes any individual, firm, partnership, joint venture, venture capital fund, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate (including a limited liability company and an unlimited liability company), corporation, unincorporated association or organization, governmental authority, syndicate or other entity, whether or not having legal status.

"**Plan of Arrangement**" means the plan of arrangement proposed under Section 192 of the CBCA substantially in the form and content of Appendix H to this Information Circular and any amendments or variations made in accordance with the terms of the Plan of Arrangement, the Arrangement Agreement or made at the direction of the Court in the Final Order.

"**Pre-Consolidation Shares**" means, when used in connection with the Plan of Arrangement, Common Shares outstanding prior to the Common Share Consolidation.

"**Preliminary Order**" means the preliminary order of the Court pursuant to Section 192(4) of the CBCA granted July 13, 2016, set forth in Appendix K to this Information Circular, in respect of Lightstream and ArrangeCo.

"**Pro Rata Portion**" means:

(a) with respect to each Secured Noteholder, the principal amount of Secured Notes held by such Secured Noteholder divided by the aggregate principal amount of all Secured Notes, in each case, immediately prior to the Implementation Date;

(b) with respect to each Unsecured Noteholder, the principal amount of Unsecured Notes held by such Unsecured Noteholder divided by the aggregate principal amount of all Unsecured Notes, in each case, immediately prior to the Implementation Date; and

(c) with respect to each Shareholder, the number of Common Shares, Lightstream Class A Shares or New Common Shares, as applicable, held by such Shareholder at the applicable time divided by the number of issued and outstanding Common Shares, Lightstream Class A Shares or New Common Shares, as applicable, at such time,

and "**Pro Rata Basis**" shall have a corresponding meaning.

"**PSU**" means a performance share unit issuable pursuant to the PSU Plan.

"**PSU Plan**" means the performance share unit plan of Lightstream.

"**RBC**" means RBC Dominion Securities Inc., a member company of RBC Capital Markets.

"**Recapitalization**" means, the Continuance and the transactions contemplated by the Plan of Arrangement.

"**Registered Secured Noteholder**" means a Secured Noteholder as shown on the registers maintained by or on behalf of Lightstream for the Secured Notes.

"**Registered Shareholder**" means a Shareholder as shown in the register maintained by or on behalf of Lightstream for the Common Shares.

"**Registered Unsecured Noteholder**" means an Unsecured Noteholder as shown on the registers maintained by or on behalf of Lightstream for the Unsecured Notes.

"**Registration Rights Agreement**" means the registration rights agreement to be entered into between the Company and any Significant Holder.

"**Regulation S**" means Regulation S adopted by the SEC under the 1933 Act.

"**Reorganization Time**" means the time on the Implementation Date at which the transactions described in Section 4.5(i) of the Plan of Arrangement occur.

"**Reorganization Time Notice**" means a Conversion Notice to be completed by a Secured Noteholder and delivered to Lightstream at least five Business Days prior to the Implementation Date in which a Secured Noteholder has elected to exercise the Secured Noteholder Conversion Right at the Reorganization Time pursuant to the Secured Note Indenture, in accordance with Section 2.1(c) of the Plan of Arrangement.

"**Representative**" means any of Lightstream's respective directors, trustees, executives, officers, auditors, and employees and financial and legal advisors or other agents.

"**RESP**" means a registered education savings plan.

"**Revolving Credit Facility**" means, collectively, two tranches of facilities provided for under the Credit Agreement; which rank *pari passu* to one another, including (i) a revolving term credit facility provided by the syndicate of lenders and (ii) a revolving operating term credit facility provided by The Toronto-Dominion Bank.

"**RRIF**" means a registered retirement income fund.

"**RRSP**" means a registered retirement savings plan.

"**SEC**" means the United States Securities and Exchange Commission.

"**Secured Note Claim**" means all outstanding obligations, liabilities and indebtedness owed to a Secured Noteholder in respect of the Secured Notes including, without limitation, the outstanding principal of the Secured Notes, all accrued and unpaid interest (if any), premium, fees, costs and expenses owing under the Secured Notes and the Secured Note Indenture.

"**Secured Note Conversion Transaction**" means the conversion of a Secured Note Claim into Secured Noteholder Consideration pursuant to the Secured Noteholder Conversion Right.

"**Secured Note Exchange Transaction**" means the exchange of the Secured Note Claims for the Secured Noteholder Consideration as contemplated by Section 2.1(d) of the Plan of Arrangement or any successor provision thereto, as described in more detail under the heading "*Business of the Special Meeting – Approval of the Plan of Arrangement – Amendment to Secured Note Indenture and Exchange or Conversion of Secured Notes*".

"**Secured Note Indenture**" means the indenture dated as of July 2, 2015, to be amended as contemplated in the Plan of Arrangement, among Lightstream as issuer, certain of its subsidiaries and partnerships, as guarantors, U.S. Bank, as U.S. trustee and Computershare, as Canadian trustee and collateral agent, pursuant to which Lightstream issued the Secured Notes.

"**Secured Noteholder Consideration**" means the New Common Shares to be issued to Secured Noteholders pursuant to a Secured Note Conversion Transaction or the Secured Note Exchange Transaction, as the case may be.

"**Secured Noteholder Conversion Right**" means the right of each Secured Noteholder to convert all or any portion of such holder's Secured Note Claim into New Common Shares at the option of the Secured Noteholder pursuant to the terms of the Secured Note Indenture, as amended pursuant to the Plan of Arrangement, on the basis set forth in Section 2.1(c) or 2.1(e) of the Plan of Arrangement, as applicable, by withdrawing their Secured Notes from DTC at least five Business Days prior to the Implementation Date and duly making an election in and executing the Conversion Notice in accordance with the terms thereof and submitting it to Lightstream at least five Business Days prior to the Implementation Date.

"**Secured Noteholders**" means the holders of Secured Notes.

"**Secured Noteholders' Arrangement Resolution**" means the resolution of the Secured Noteholders approving the Arrangement, to be passed by the requisite amount of affirmative votes of the Secured Noteholders, the full text of which is set forth in Appendix B to this Information Circular.

"**Secured Noteholders' Meeting**" means the meeting of the Secured Noteholders to be held on the Meeting Date in accordance with the Interim Order to consider and, if deemed advisable, approve the Secured Noteholders' Arrangement Resolution and to consider such other matters as may properly come before such meeting, and any adjournment(s) or postponement(s) thereof.

"**Secured Noteholders' Notice**" means the notice of the Secured Noteholders' Meeting.

"**Secured Notes**" means the U.S.$650 million aggregate principal amount of 9.875% second priority senior secured notes due June 15, 2019.

"**Secured Notes Credit Bid**" means, in connection with the CCAA Sale Transaction, a credit bid by the Ad Hoc Committee, through a newly formed entity, for the full amount of the claims outstanding in respect of the Secured Notes, which credit bid may serve as a stalking horse transaction in the SISP if the Ad Hoc Committee so elects.

"**Securities Laws**" means, collectively, Canadian Securities Laws and U.S. Securities Laws.

"**Securityholders**" means, collectively, the Shareholders, the Secured Noteholders and the Unsecured Noteholders.

"**Senior Lenders**" means the lenders under the Revolving Credit Facility.

"**Share Exchange**" means the series of transactions pursuant to which Common Shares are ultimately exchanged for New Common Shares pursuant to Section 4.5(h) of the Plan of Arrangement.

"**Shareholder Consideration**" means, in respect of each Shareholder at the applicable time, (i) one New Common Share for each Lightstream Class A Share held by such Shareholder at such time, and (ii) its Pro Rata Portion of 7,750,000 New Series 2 Warrants such that a Shareholder shall receive approximately 3.4444 Series 2 Warrants for each Lightstream Class A Share, subject to the treatment of fractional New Series 2 Warrants pursuant to the Plan of Arrangement.

"**Shareholder Rights Plan**" means the Shareholder Rights Plan Agreement dated effective January 1, 2013 between Lightstream and Computershare, as rights agent, as amended from time to time.

"**Shareholders**" means the holders of Common Shares, Lightstream Class A Shares or New Common Shares, as applicable, at the relevant time, and following completion of the Common Share Consolidation in Section 4.5(g) of the Plan of Arrangement shall mean only the holders of one or more whole Common Shares after giving effect to the treatment of fractional shares pursuant to the Plan of Arrangement.

"**Shareholders' Arrangement Resolution**" means the resolution of the Shareholders approving the Arrangement, to be passed by the requisite amount of affirmative votes of the Shareholders, the full text of which is set forth in Appendix A to this Information Circular.

"**Shareholders' Meeting**" means the meeting of Shareholders to be held on the Meeting Date pursuant to the Interim Order to consider the matters set out in the Shareholders' Notice.

"**Shareholders' Notice**" means the notice of the Shareholders' Meeting.

"**Significant Holder**" means an Initial Consenting Noteholder who (together with its affiliates and parties under the control of it or its affiliates) is expected to own 20% or more of the outstanding New Common Shares following the Implementation Date.

"**SISP**" means the sales and investment solicitation process in respect of the Lightstream Entities' business and assets commenced on July 13, 2016.

"**Stock Option Plan**" means the stock option plan of Lightstream.

"**Subscribed New Secured Notes**" means the number of New Secured Notes that will be acquired by a particular Participating Noteholder on the Implementation Date pursuant to the Subscription Privilege.

"**Subscription Amount**" means the amount of funds (reflecting the original cash issue discount on the New Secured Notes) required to be paid by such Participating Noteholder for its purchase of its Subscribed New Secured Notes prior to the Participating Noteholder Funding Deadline.

"**Subscription Privilege**" means the right of an Eligible Secured Noteholder to participate in the New Secured Notes Offering by electing, in accordance with the provisions of the Plan of Arrangement, to subscribe for and purchase from Lightstream its Subscription Share of New Secured Notes.

"**Subscription Share**" means, with respect to each Eligible Secured Noteholder, approximately U.S.$60.43 principal amount of New Secured Notes for each U.S.$1,000 principal amount of Secured Notes held by such Eligible Secured Noteholder.

"**Subsequent Time**" means the time on the Implementation Date at which the transactions described in Section 4.5(k) of the Plan of Arrangement occur.

"**Subsequent Time Notice**" means a Conversion Notice to be completed by a Secured Noteholder and delivered to Lightstream at least five Business Days prior to the Implementation Date in which a Secured Noteholder has elected to exercise the Secured Noteholder Conversion Right at the Subsequent Time pursuant to the Secured Note Indenture, in accordance with Section 2.1(e) of the Plan of Arrangement.

"**Subsidiaries**" means certain subsidiaries of Lightstream, including ArrangeCo, 1863359 Alberta Ltd. and 1863360 Alberta Ltd.

"**Support Agreement**" means the support agreement (and all schedules and exhibits thereto) among Lightstream and the Initial Consenting Noteholders dated July 12, 2016, as amended and restated effective August 26, 2016, as the same may be further amended or restated from time to time in accordance with its terms.

"**Swap Documents**" means all hedge agreements and related confirmations, amendments and supplements thereto between a Lightstream Entity and a Swap Lender.

"**Swap Lender**" means any Senior Lender or any affiliate thereof that is a hedge provider under a Swap Document entered into prior to such Swap Lender or relevant affiliate ceasing to be a Senior Lender.

"**Tax Act**" means the *Income Tax Act* (Canada), as amended.

"**TFSA**" means a tax-free savings account.

"**Transaction Outside Date**" means December 31, 2016.

"**Transactions**" means, collectively, the Recapitalization and the CCAA Sale Transaction.

"**Transfer Agent**" means Computershare, the registrar and transfer agent of the Common Shares and the proposed registrar and transfer agent of the New Common Shares.

"**TSX**" means the Toronto Stock Exchange.

"**TSX-V**" means the TSX Venture Exchange.

"**Unsecured Note Claim**" means all outstanding obligations, liabilities and indebtedness owed to an Unsecured Noteholder in respect of the Unsecured Notes including, without limitation, the outstanding principal of the Unsecured Notes and all accrued and unpaid interest (if any), premium, fees, costs and expenses owing under the Unsecured Notes and the Unsecured Note Indenture.

"**Unsecured Note Exchange Transaction**" means the exchange of Unsecured Note Claims into the Unsecured Noteholder Consideration as contemplated by Section 2.2(c) of the Plan of Arrangement or any successor provision thereto, as described in more detail under the heading "*Business of the Special Meeting – Approval of the Plan of Arrangement – Exchange of Unsecured Notes*".

"**Unsecured Noteholder Consideration**" means the New Common Shares and New Series 1 Warrants to be issued to Unsecured Noteholders pursuant to the Unsecured Note Exchange Transaction.

"**Unsecured Noteholders**" means the holders of the Unsecured Notes.

"**Unsecured Noteholders' Arrangement Resolution**" means the resolution of the Unsecured Noteholders approving the Arrangement, to be passed by the requisite amount of affirmative votes of the Unsecured Noteholders, the full text of which is set forth in Appendix B to this Information Circular.

"**Unsecured Noteholders' Meeting**" means the meeting of the Unsecured Noteholders to be held on the Meeting Date in accordance with the Interim Order to consider and, if deemed advisable, approve the Unsecured Noteholders' Arrangement Resolution and to consider such other matters as may properly come before such meeting, and any adjournment(s) or postponement(s) thereof.

"**Unsecured Noteholders' Notice**" means the notice of the Unsecured Noteholders' Meeting.

"**Unsecured Note Indenture**" means the indenture dated as of January 30, 2012, as supplemented February 25, 2015, among PetroBakken Energy Ltd. (a predecessor to Lightstream), as issuer, certain of its subsidiaries and partnerships, as guarantors, Wilmington Trust, National Association as successor to U.S. Bank, as U.S. trustee, and Computershare, as Canadian trustee, pursuant to which Lightstream issued the Unsecured Notes.

"**Unsecured Notes**" means the U.S.$253,946,000 aggregate principal amount of 8.625% senior notes due February 1, 2020.

"**U.S.$**" or "**U.S. dollars**" means United States dollars.

"**U.S.**" or "**United States**" means the United States of America, its territories and possessions, any state of the United States, and the District of Columbia.

"**U.S. Bank**" means U.S. Bank National Association.

"**U.S. GAAP**" means U.S. generally accepted accounting principles.

"**U.S. Person**" means a "U.S. person" as that term is defined in Regulation S.

"**U.S. Securities Laws**" means collectively, the 1933 Act, 1934 Act and the rules and regulations of the SEC.

"**Warrant Trustee**" means Computershare.

"**Warrants**" means, collectively, the New Series 1 Warrants and the New Series 2 Warrants.

SUMMARY

This summary highlights selected information from this Information Circular to help Securityholders understand the Recapitalization. Securityholders should read this Information Circular carefully in its entirety to understand the terms of the Recapitalization as well as tax and other considerations that may be important to them in deciding whether to approve the Recapitalization and certain related matters. Securityholders should pay special attention to the "*Risk Factors*" section of this Information Circular. The following summary is qualified in its entirety by reference to the detailed information contained or incorporated by reference in this Information Circular. Capitalized terms used herein, and not otherwise defined, have the meanings ascribed to them in the "*Glossary of Terms*".

LIGHTSTREAM RESOURCES LTD.

Lightstream is engaged in the exploration, development and production of oil and natural gas reserves in the provinces of Alberta, British Columbia and Saskatchewan with a focus on light oil. Our principal operating areas include southeast Saskatchewan in the Bakken and Mississippian formations, central Alberta in the Cardium formation and north-central Alberta in the Swan Hills area. Our properties and assets consist of proved producing crude oil and natural gas reserves, proved plus probable crude oil and natural gas reserves not yet on production and land.

The Company was incorporated as PetroBakken Energy Ltd. under the ABCA on July 30, 2009. The Company completed the Petrobank Reorganization (as defined in the AIF) on December 31, 2012, pursuant to which, among other things, it amalgamated with Old Petrobank (as defined in the AIF) under the ABCA with the resulting company continuing under the name PetroBakken Energy Ltd. The Company amended our articles to change our name to Lightstream Resources Ltd. on May 22, 2013.

The registered office of the Company is located at Suite 3300, 421 – 7th Avenue S.W., Calgary, Alberta T2P 4K9, and the head office is located at Suite 2800, 525 – 8th Avenue S.W., Calgary, Alberta T2P 1G1.

It is proposed as a special resolution to be considered by Shareholders at the Shareholders' Meeting that Lightstream continue under the CBCA for purposes of completing the Arrangement.

9817158 CANADA LTD.

ArrangeCo is a corporation incorporated under the Laws of Canada for the purposes of completing the Arrangement. ArrangeCo has no operations or liabilities. It is a wholly-owned subsidiary of Lightstream. ArrangeCo has its registered office located at Suite 3300, 421 – 7th Avenue S.W., Calgary, Alberta T2P 4K9, and the head office is located at Suite 2800, 525 – 8th Avenue S.W., Calgary, Alberta T2P 1G1.

THE MEETINGS

Pursuant to the Interim Order, Lightstream has called the Shareholders' Meeting, to among other things, consider and, if deemed advisable, to pass the Continuance Resolution and the Shareholders' Arrangement Resolution. Pursuant to the Interim Order, Lightstream has called the Secured Noteholders' Meeting and Unsecured Noteholders' Meeting to consider and, if deemed advisable, to pass the Secured Noteholders' Arrangement Resolution and the Unsecured Noteholders' Arrangement Resolution, respectively.

Meeting	Time and Date
Shareholders' Meeting	September 30, 2016 at 9:00 a.m. (Calgary time)
Secured Noteholders' Meeting	September 30, 2016 at 10:00 a.m. (Calgary time)
Unsecured Noteholders' Meeting	September 30, 2016 at 10:30 a.m. (Calgary time)

Pursuant to By-Law No. 1 and the Interim Order, the quorum for the Shareholders' Meeting is at least one Person present in person, being a Shareholder entitled to vote thereat or a duly appointed proxy or representative for an absent Shareholder so entitled, and representing in the aggregate not less than 25% of the outstanding Common Shares carrying voting rights at the meeting.

Subject to any further order of the Court, the Court has set the quorum for the Secured Noteholders' Meeting to be at least two Secured Noteholders present in person or represented by proxies. Subject to any further order of the Court,

the Court has set the quorum for the Unsecured Secured Noteholders' Meeting to be at least two Unsecured Noteholders present in person or represented by proxies.

Procedures for Voting at the Meetings

Those Persons who are Registered Secured Noteholders on September 6, 2016 are entitled to attend and vote at the Secured Noteholders' Meeting or to submit a proxy in respect thereof. Those Persons who are Registered Unsecured Noteholders on September 6, 2016 are entitled to attend and vote at the Unsecured Noteholders' Meeting or to submit a proxy in respect thereof. Those Persons who are Registered Shareholders on September 6, 2016 are entitled to attend and vote at the Shareholders' Meeting or to submit a proxy in respect thereof except to the extent that (a) the holder has transferred the ownership of any of the holder's Common Shares after that date, and (b) the transferee of those Common Shares produces properly endorsed common share certificates, or otherwise establishes to the satisfaction of Computershare and the Company that the transferee owns the Common Shares, and requests not later than ten days before the Shareholders' Meeting that the transferee's name be included in the list of Persons entitled to vote at the Shareholders' Meeting, in which case the transferee will be entitled to vote the Common Shares at the Shareholders' Meeting or any adjournment or postponement thereof.

Non-Registered Shareholders, Non-Registered Secured Noteholders and Non-Registered Unsecured Noteholders who hold their Common Shares, Secured Notes and/or Unsecured Notes, respectively, in the name of a bank, broker or intermediary or in the name of a depository such as DTC or CDS will receive a voting instruction form with this Information Circular. If no such voting information form is enclosed, Non-Registered Holders should promptly contact their bank, broker or other intermediary. Voting instruction forms must be completed and returned in accordance with the directions set out on such form, including the directions respecting the required timing for the deposit thereof. If a Non-Registered Holder desires to attend a Meeting in person, it must follow the procedures set out under the heading "*Information Concerning the Meetings – Non-Registered Holders*".

Shareholders, Secured Noteholders and Unsecured Noteholders who have questions or require further information on how to submit their vote at the Shareholders' Meeting, Secured Noteholders' Meeting and/or Unsecured Noteholders' Meeting, respectively, are encouraged to speak with their banks, brokers or intermediaries, if applicable.

Securityholder Approvals

The votes required to pass the Continuance Resolution and the Shareholders' Arrangement Resolution are, in each case, at least 66⅔% of the votes cast by the Shareholders present in person or represented by proxy at the Shareholders' Meeting. In addition, the Shareholders' Arrangement Resolution must also receive disinterested Shareholder approval in accordance with the requirements of the TSX and be approved by a simple majority of the votes cast by the Shareholders present in person or by proxy at the Shareholders' Meeting, voting together as a single class after excluding the Common Shares beneficially owned or over which control or direction is exercised by Persons whose votes may not be included in determining minority approval pursuant to MI 61-101. See "*Information Concerning the Meetings – Quorum and Voting Requirements – Shareholders' Meeting – Voting and Minority Approval*".

By voting in favour of the Arrangement, Shareholders will also be voting in favour of a transaction that, among other things, will result in the significant dilution of current Shareholders, "materially affect control" of the Company, involve the issuance of New Common Shares at a conversion or exchange price that is at a discount exceeding the maximum discount permitted by the TSX, and involve the issuance of New Series 1 Warrants and New Series 2 Warrants that, in each case, have an initial exercise price that is at a discount to the deemed market price of the Common Shares on July 12, 2016 (the date on which the exercise prices of such Warrants was agreed to). See "*Quorum and Voting Requirements – Shareholders' Meeting – TSX Requirements*".

If the Continuance is not approved, or the Board of Directors determines not to proceed with the Continuance for any reason (including as a result of the exercise of dissent rights in respect of more than 5% of the Common Shares), the Arrangement will not be completed and the Company will proceed with the CCAA Sale Transaction. See "*Background to and Reasons for the Transactions – Support Agreement*" and "*Other Information Regarding the Recapitalization – CCAA Sale Transaction*".

The vote required to pass all of the other matters of business set forth in the Shareholders' Notice is a simple majority of the votes cast by the Shareholders present in person or represented by proxy at the Shareholders' Meeting.

Subject to any further order of the Court, the vote required to pass the Secured Noteholders' Arrangement Resolution is at least 66⅔% of the votes cast by the Secured Noteholders present in person or represented by proxy at the

Secured Noteholders' Meeting. Similarly, subject to any further order of the Court, the vote required to pass the Unsecured Noteholders' Arrangement Resolution is at least 66⅔% of the votes cast by the Unsecured Noteholders present in person or represented by proxy at the Unsecured Noteholders' Meeting. See "*Information Concerning the Meetings – Quorum and Voting Requirements*".

If the Continuance is not approved by Shareholders or the Arrangement is not approved by the Shareholders, Secured Noteholders and Unsecured Noteholders, or the Company is otherwise unable to complete the Recapitalization, the Company will proceed with the CCAA Sale Transaction. See "*Background to and Reasons for the Transactions – Support Agreement*" and "*Other Information Regarding the Recapitalization – CCAA Sale Transaction*".

Court Approval of Plan of Arrangement

The implementation of the Plan of Arrangement is subject to, among other things, approval of the Court. On July 13, 2016, Lightstream initiated proceedings under the CBCA in respect of the Arrangement. The Preliminary Order included a stay prohibiting any Person, including Secured Noteholders and Unsecured Noteholders, other than the Senior Lenders under the Revolving Credit Facility, from terminating, making any demand, accelerating, amending or declaring in default or taking any enforcement steps under any contract or other agreement to which the Company is a party, by reason of the Company's commencement of proceedings under the CBCA, among other reasons, until August 12, 2016. A copy of the Preliminary Order is attached as Appendix K to this Information Circular.

Prior to the mailing of this Information Circular, Lightstream filed an Application for approval of the Arrangement and obtained the Interim Order. The Interim Order provides for the calling and holding of the Noteholders' Meetings and the Shareholders' Meeting and other procedural matters, and extended the stay obtained pursuant to the Preliminary Order until and including October 15, 2016. A copy of the Interim Order is attached as Appendix L to this Information Circular.

Following the Meetings, and subject to the approval of the Arrangement by the Securityholders, Lightstream intends to apply for the Final Order. A copy of the Notice of Application for the Final Order is attached as part of Appendix L to this Information Circular. The hearing in respect of the Final Order is scheduled to take place on October 5, 2016 at 10:00 a.m. (Calgary time), or such other time and/or date as the Court will advise, at the Calgary Courts Centre, 601 – 5th Street S.W., Calgary, Alberta. At the hearing and subject to further order of the Court, any Secured Noteholder, Unsecured Noteholder, Shareholder or other interested party, desiring to appear and make submissions at the application for the Final Order may do so, subject to filing with the Court and serving upon the solicitors for Lightstream, on or before 5:00 p.m. (Calgary time) on September 29, 2016, a Notice of Intention to Appear including such party's address for service in the Province of Alberta and indicating whether such Noteholder, Shareholder or other interested party intends to support or oppose the application or make submissions, together with a summary of the position such party intends to advocate before the Court and any evidence or materials which such party intends to present to the Court and satisfying any other requirements of the Court as provided in the Interim Order or otherwise. At the hearing for the Final Order, the Court will consider, among other things, the procedural and substantive fairness and reasonableness of the Arrangement, the approval of the Secured Noteholders' Arrangement Resolution by the Secured Noteholders at the Secured Noteholders' Meeting, the approval of the Unsecured Noteholders' Arrangement Resolution by the Unsecured Noteholders at the Unsecured Noteholders' Meeting and the approval of the Shareholders' Arrangement Resolution by the Shareholders at the Shareholders' Meeting. The Court may approve the Arrangement in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court deems fit.

See "*Other Information Regarding the Recapitalization – Required Approvals and Completion of the Arrangement*".

EFFECT OF THE RECAPITALIZATION ON SECURITYHOLDERS

Effect on Secured Noteholders

Under the Plan of Arrangement: (i) all accrued and unpaid interest on the Secured Notes will be forgiven, settled and extinguished for no consideration; (ii) the Secured Note Indenture will be amended to add the Secured Noteholder Conversion Right; and (iii) Secured Noteholders will receive, either through a Secured Note Conversion Transaction or a Secured Note Exchange Transaction, an aggregate of approximately 95,000,000 New Common Shares representing approximately 95% of the New Common Shares of the Company after giving effect to the Recapitalization, which New Common Shares shall be allocated *pro rata* to the Secured Noteholders based on each Secured Noteholder's Secured Note Claim, all in full and final settlement of the Secured Note Claims, Secured Notes and the Secured Note Indenture.

Additionally, Eligible Secured Noteholders will have the ability (or in the case of the Backstoppers, the obligation) to participate in the New Secured Notes Offering and acquire their *pro rata* share of the of approximately U.S.$39,285,000 New Secured Notes to be offered thereunder.

Effect on Unsecured Noteholders

Under the Plan of Arrangement: (i) all accrued and unpaid interest on the Unsecured Notes will be forgiven, settled and extinguished for no consideration; and (ii) Unsecured Noteholders will receive, through a series of transactions and pursuant to the Unsecured Note Exchange Transaction, an aggregate of approximately 2,750,000 New Common Shares representing approximately 2.75% of the New Common Shares of the Company after giving effect to the Recapitalization and 5,000,000 New Series 1 Warrants (which will ultimately result in such Unsecured Noteholders holding approximately 1.8182 New Series 1 Warrants for every New Common Share held following the Arrangement, subject to the treatment of fractional New Series 1 Warrants), in each case allocated *pro rata* to the Unsecured Noteholders based on each Unsecured Noteholder's Unsecured Note Claim, all in full and final settlement of the Unsecured Note Claims, Unsecured Notes and the Unsecured Note Indenture.

Effect on Shareholders

Following completion of the Plan of Arrangement, which includes the Common Share Consolidation on approximately an 88.29:1 basis (approximately 92:1 on a fully-diluted basis), Shareholders will hold an aggregate of approximately 2,250,000 New Common Shares representing approximately 2.25% of the New Common Shares of the Company. In addition, Shareholders will receive, in accordance with the terms of the Plan of Arrangement, an aggregate of 7,750,000 New Series 2 Warrants, which New Series 2 Warrants will be allocated *pro rata* to the Shareholders based on each Shareholder's Common Share holdings, which will ultimately result in such Shareholders holding approximately 3.4444 New Series 2 Warrants for every New Common Share held following the Arrangement, subject to the treatment of fractional Series 2 Warrants.

Effect on Holders of Incentive Awards and Convertible Securities

Under the Plan of Arrangement, each of the approximately 533,033 outstanding Options will be repurchased by Lightstream from the holders thereof for nominal consideration of $0.01 per Option, and cancelled and extinguished. All outstanding DCSs and Incentive Shares shall: (i) be adjusted to give economic effect to the Common Share Consolidation and the exchange of Common Shares for New Common Shares, which will include the adjustment of the exercise price and the number of New Common Shares issuable to participants under outstanding DCSs and Incentive Shares, (ii) be immediately and fully vested and exercisable, and (iii) be amended to provide that the expiry date of each such grant shall be the earlier of the existing expiry date of such grant and 180 days following the Implementation Date. All other options, warrants, rights or similar instruments derived form, relating to, or convertible or exchangeable for Common Shares, will be cancelled and extinguished.

See "*Business of the Special Meeting – Approval of the Plan of Arrangement – Treatment of Incentive Awards and Convertible Securities*".

DESCRIPTION OF THE RECAPITALIZATION

Prior to the Arrangement, it is intended that Lightstream will continue into the federal jurisdiction of Canada under the CBCA. Details of the Continuance are described below. Thereafter, the Arrangement will be affected pursuant to the steps contained in the Plan of Arrangement. See "*Business of the Special Meeting – Plan of Arrangement*".

Continuance

As the initial step in the Recapitalization, Lightstream intends to continue into the federal jurisdiction of Canada. The articles of Lightstream following the Continuance will be substantially the same as the form attached as Appendix C. These articles are substantially the same as Lightstream's current articles. The Board believes that it is in Lightstream's best interests to continue into the federal jurisdiction of Canada in order to be able to effect the Arrangement pursuant to the CBCA.

The Shareholders will be asked to consider, and if deemed advisable, to approve the Continuance Resolution to effect the Continuance. Accordingly, the Board unanimously recommends that the Shareholders vote in favour of the Continuance Resolution**. In the event that the Continuance Resolution is not approved at the Shareholders' Meeting, or the Company otherwise does not complete the Continuance, then the Arrangement will not**

proceed and the Company will proceed with the CCAA Sale Transaction. See Appendix A to this Information Circular for the full text of the Continuance Resolution.

The Board may determine not to proceed with the Continuance at any time before or after the holding of the Shareholders' Meeting but prior to the issuance of a Certificate of Continuance, without further action on the part of Shareholders.

As a result of the Continuance it will be necessary for Lightstream to adopt new by-laws to govern the administration of the Company. Subject to the completion of the Continuance, the Board intends to adopt a set of by-laws similar to those used by other public companies organized under the CBCA and intends that the CBCA By-Laws will include substantially similar content to By-Law No. 1 and By-Law No. 2. A copy of the CBCA By-Laws is attached as Appendix D. In addition, a comparison of the material differences between Lightstream's current By-Law No. 1 and By-Law No. 2 and the CBCA By-Laws and the treatment of Shareholders under the ABCA versus the CBCA is attached as Appendix E. As the final step of the Plan of Arrangement, Lightstream and ArrangeCo will be amalgamated and the CBCA By-Laws shall be deemed to be confirmed by Shareholders as the by-laws of Lightstream going forward.

See "*Business of the Special Meeting – Approval of the Continuance of Lightstream from Alberta to Canada*" and "*Business of the Special Meeting – Approval of the Plan of Arrangement – Amalgamation and Governance*".

Continuance Right of Dissent

Pursuant to Section 191 of the ABCA, Registered Shareholders will have the right to dissent in respect of the Continuance Resolution, and if the Continuance becomes effective, to be paid by Lightstream the fair value of the Common Shares held by the Continuance Dissenting Shareholders. If a Registered Shareholder wishes to dissent, they must send to the Company a written objection to the resolution at or before any meeting of Shareholders at which the Continuance Resolution is to be voted on.

Failure to comply strictly with the applicable provisions of the ABCA may prejudice the availability of the Continuance Dissent Right. Continuance Dissenting Shareholders should note that the exercise of the Continuance Dissent Right can be a complex, time-consuming and expensive process and it is suggested that any Shareholder wishing to exercise the Continuance Dissent Right seek his or her own legal advice. For details regarding the Continuance Dissent Right, see "*Business of the Special Meeting – Approval of the Continuance of Lightstream from Alberta to Canada – Continuance Right of Dissent*" and Section 191 of the ABCA (which Section is reproduced at Appendix F to this Information Circular).

It is a condition of the completion of the Arrangement that Shareholders holding no more than 5% of the Common Shares shall have exercised Continuance Dissent Rights that have not been withdrawn as at the Implementation Date. No dissent right exists in respect of the Arrangement. See "*Other Information Regarding the Recapitalization – Conditions Precedent to the Implementation of the Plan of Arrangement*".

Plan of Arrangement

The Plan of Arrangement will involve a number of steps (as more particularly described and in the sequence set forth in the Plan of Arrangement) including and resulting in, among other things, the following:

(a) the Shareholder Rights Plan and any rights issued pursuant thereto will be terminated and of no further force and effect;

(b) all outstanding Options will be repurchased for nominal consideration of $0.01 per stock option and thereafter cancelled and extinguished;

(c) the Common Shares will be consolidated on approximately an 88.29:1 basis (approximately 92:1 on a fully-diluted basis), such that the Shareholders will hold an aggregate of approximately 2,250,000 Common Shares, subject to the treatment of fractional Common Shares;

(d) through a series of transactions, the post-consolidation Common Shares will be exchanged for (i) one New Common Share for each Common Share, and (ii) each Shareholder's Pro Rata Portion of 7,750,000 New Series 2 Warrants;

(e) all accrued and unpaid interest on the Secured Notes and the Unsecured Notes will be forgiven, settled and extinguished for no consideration;

(f) the Secured Notes will be converted or exchanged into a number of New Common Shares equal to approximately 95% of the total issued and outstanding New Common Shares following the completion of the Arrangement, with each Secured Noteholder receiving its Pro Rata Portion of approximately 95,000,000 New Common Shares;

(g) the Unsecured Notes will be exchanged into a number of New Common Shares equal to approximately 2.75% of the total issued and outstanding New Common Shares following the completion of the Arrangement and a total of 5,000,000 New Series 1 Warrants, with each Unsecured Noteholder receiving its Pro Rata Portion of approximately 2,750,000 New Common Shares and 5,000,000 New Series 1 Warrants;

(h) an offering solely to Eligible Secured Noteholders of approximately U.S.$39,285,000 (issued with an original cash issue discount of 2%) principal amount of New Secured Notes, which is fully backstopped by certain Secured Noteholders;

(i) Lightstream and ArrangeCo (our wholly-owned subsidiary) shall amalgamate and continue as "Lightstream Resources Ltd."; and

(j) all outstanding DCSs and Incentive Shares will immediately vest and be adjusted to reflect the Common Share Consolidation and capital reorganization contemplated by the Plan of Arrangement and will have a maximum term to expiry of 180 days following the completion of the Arrangement, and all other options, warrants, rights or similar instruments derived from, relating to, or convertible or exchangeable for Common Shares, shall be cancelled and extinguished.

In addition, in connection with the completion of the Recapitalization, Lightstream has received commitment letters pursuant to which the lenders party thereto have agreed to provide a the New Revolving Facility to the Company with a commitment of $400 million, on terms and conditions consistent with such commitment letters or otherwise acceptable to such lenders, the Company and certain Secured Noteholders.

For further details respecting the Plan of Arrangement and the New Revolving Facility, see "*Business of the Special Meeting – Approval of the Plan of Arrangement*" and "*Other Information Regarding the Recapitalization – New Revolving Facility*", respectively.

Termination of Shareholder Rights Plan

The Plan of Arrangement provides that the Shareholder Rights Plan and any rights issued pursuant thereto will be terminated and of no further force and effect. The termination of the Shareholder Rights Plan Agreement is necessary as the Arrangement will result in both Apollo and GSO holding in excess of 20% of the issued and outstanding New Common Shares.

See "*Business of the Special Meeting – Approval of the Plan of Arrangement – Termination of Shareholder Rights Plan"* and "*Lightstream after the Recapitalization – Principal Shareholders*".

Treatment of Incentive Awards and Convertible Securities

Under the Plan of Arrangement, each of the approximately 533,033 outstanding Options will be repurchased by Lightstream from the holders thereof for nominal consideration of $0.01 per Option, and cancelled and extinguished. All outstanding DCSs and Incentive Shares shall: (i) be adjusted to give economic effect to the Common Share Consolidation and the exchange of Common Shares for New Common Shares, which will include the adjustment of the exercise price and the number of New Common Shares issuable to participants under outstanding DCSs and Incentive Shares, (ii) be immediately and fully vested and exercisable, and (iii) be amended to provide that the expiry date of each such grant shall be the earlier of the existing expiry date of such grant and 180 days following the Implementation Date. All other options, warrants, rights or similar instruments derived form, relating to, or convertible or exchangeable for Common Shares, will be cancelled and extinguished.

See "*Business of the Special Meeting – Approval of the Plan of Arrangement – Treatment of Incentive Awards and Convertible Securities*".

The Common Share Consolidation

The Plan of Arrangement provides for the Common Share Consolidation on approximately an 88.29:1 basis (approximately 92:1 on a fully-diluted basis), which will reduce the number of issued and outstanding Pre-Consolidation Shares to approximately 2,250,000 Common Shares (which will ultimately be exchanged for New Common Shares), prior to the issuance of the New Common Shares to the Secured Noteholders and Unsecured Noteholders pursuant to the Arrangement and prior to the issuance of any New Common Shares upon the exercise of the 5,000,000 New Series 1 Warrants and 7,750,000 New Series 2 Warrants issued pursuant to the Arrangement. Following the completion of the Arrangement, Secured Noteholders shall hold an aggregate of approximately 95,000,000 New Common Shares, Unsecured Noteholders will hold an aggregate of approximately 2,750,000 New Common Shares and 5,000,000 New Series 1 Warrants, and Shareholders will hold an aggregate of approximately 2,250,000 New Common Shares and 7,750,000 New Series 2 Warrants. No fractional New Common Shares will be issued in connection with the Common Share Consolidation and, in the event that a Shareholder would otherwise be entitled to receive a fractional Common Share upon the Common Share Consolidation, such fraction will be rounded down to the nearest whole number of Common Shares. No compensation will be issued to Shareholders as a result of rounding down. No cash shall be paid for fractional shares.

Any holders of less than 89 (92 on a fully-diluted basis) Common Shares prior to the date of the Common Share Consolidation will not receive any Common Shares following the Common Share Consolidation, and correspondingly will not receive any New Common Shares or New Series 2 Warrants.

The Common Share Consolidation will cause no change in the stated capital attributable to the Common Shares, but completion of the Arrangement will materially affect the aggregate percentage ownership in Lightstream by the Shareholders as such ownership will represent approximately 2.25% of the total issued and outstanding New Common Shares following the Implementation Date.

No assurances can be given as to the effect of the Common Share Consolidation or completion of the Recapitalization on the market price of the New Common Shares following the Implementation Date. Specifically, no assurance can be given that if the Recapitalization is effected, the market price of the New Common Shares will increase by the same multiple as the Common Share Consolidation ratio or result in a permanent increase in the market price, which possible results are dependent on various factors, many of which are beyond the control of Lightstream.

See "*Business of the Special Meeting – Approval of the Plan of Arrangement – The Common Share Consolidation*".

Reorganization of Capital and Exchange of Common Shares

The Plan of Arrangement provides that, following the Common Share Consolidation, the authorized share capital of Lightstream will be reorganized and altered by re-naming and re-designating all of the issued and unissued Common Shares as Lightstream Class A Shares, which shares shall, while outstanding, be entitled to two votes at any meeting of the Shareholders. In addition, the Plan of Arrangement provides for the creation of an unlimited number of New Common Shares. Upon the completion of the reorganization and alteration of the Lightstream share capital, the Lightstream Class A Shares will be exchanged such that each Shareholder (for greater certainty, being only those holders of one or more whole Common Shares following the Common Share Consolidation) will receive its Shareholder Consideration (being one New Common Share for each post-consolidation Common Share and its *pro rata* share of 7,750,000 New Series 2 Warrants) in exchange for its Lightstream Class A Shares, and the New Common Shares forming part of such Share Consideration shall be deemed to be issued and outstanding as fully-paid and non-assessable shares for all purposes of the CBCA. After the Class A Shares have been exchanged for the Share Consideration there will be no Lightstream Class A Shares allocated or issued. As a result, the authorized capital of Lightstream will be changed by removing the Lightstream Class A Shares as a class of shares of Lightstream.

See "– *Warrants*" below in this Summary and see "*Business of the Special Meeting – Approval of the Plan of Arrangement – Reorganization of Capital and Exchange of Common Shares*", "*Business of the Special Meeting – Approval of the Plan of Arrangement – Warrants*", "*Certain Canadian Federal Income Tax Considerations*" and "*Certain U.S. Federal Income Tax Considerations*".

Forgiveness, Settlement and Extinguishment of Interest

Under the Plan of Arrangement, all interest due in respect of the Notes (including, without limitation, the July 15, 2016 interest payment in respect of the Secured Notes and the August 2, 2016 interest payment in respect of the Unsecured Notes) will be forgiven, settled and extinguished for no consideration.

See "*Business of the Special Meeting – Approval of the Plan of Arrangement – Forgiveness, Settlement and Extinguishment of Interest*".

Amendment to Secured Note Indenture and Exchange or Conversion of Secured Note Claims

Pursuant to the terms of the Plan of Arrangement, the Secured Note Indenture will be amended, and be deemed to be amended, to add the Secured Noteholder Conversion Right under which a Secured Noteholder may elect to convert the principal amount of its Secured Note Claims into New Common Shares. The other terms and conditions of the Secured Notes will continue in full force and effect, and the Secured Notes will be considered to be the same debt obligation, in amended form, without novation.

Secured Noteholders will have the option to convert their Secured Note Claims pursuant to the Secured Noteholder Conversion Right or to have their Secured Note Claims exchanged for New Common Shares pursuant to the terms of the Plan of Arrangement. Secured Noteholders who do not exercise their right to convert their Secured Note Claims pursuant to the Secured Noteholder Conversion Right will have their Secured Note Claims exchanged pursuant to the terms of the Plan of Arrangement, if implemented, for consideration that is materially identical (subject to a difference in rounding) as would be received pursuant to the Secured Noteholder Conversion Right. Any such conversion or exchange will result in full settlement of all Secured Note Claims.

The conversion of Secured Note Claims pursuant to a Reorganization Time Notice and the exchange of Secured Note Claims in respect of which no Conversion Notice is delivered will occur prior to the conversion of Secured Note Claims pursuant to a Subsequent Time Notice**.** Converting Secured Notes pursuant to the Secured Noteholder Conversion Right, and the manner in which the Secured Noteholder Conversion Right is exercised, may have different Canadian tax consequences for different Secured Noteholders, and each Secured Noteholder should consider whether or not to convert their Secured Notes pursuant to the Secured Noteholder Conversion Right or be subject to the exchange provided for under the Plan of Arrangement. The decision of a Secured Noteholder in respect of the conversion, and the manner of conversion, or exchange of such holder's Secured Note Claim is very important. Secured Noteholders are urged to seek the advice of their financial, legal, tax and other professional advisors prior to completing and returning a Conversion Notice (or making the decision not to return or complete a Conversion Notice). **In order to be accepted by the Company, a Conversion Notice, along with a certificate representing a Secured Noteholder's Secured Notes, must be delivered to the Company, pursuant to the instructions set forth on the form of Conversion Notice, at least five Business Days prior to the Secured Noteholders' Meeting.**

Other than as described above with respect to the decision of whether or not to deliver a Conversion Notice, Secured Noteholders are not required to take any action in order to receive the New Common Shares to which they are entitled pursuant to the Plan of Arrangement.

See "*Business of the Special Meeting – Approval of the Plan of Arrangement – Amendment to Secured Note Indenture and Exchange or Conversion of Secured Notes*" and "*Certain Canadian Federal Income Tax Considerations*".

Exchange of Unsecured Note Claims

Under the Plan of Arrangement, all Unsecured Note Claims will, pursuant to a series of transactions, be exchanged into New Common Shares and New Series 1 Warrants for full settlement of all Unsecured Note Claims. Unsecured Noteholders are not required to take any action in order to receive the New Common Shares and New Series 1 Warrants to which they are entitled pursuant to the Plan of Arrangement.

See "*Business of the Special Meeting – Approval of the Plan of Arrangement – Exchange of Unsecured Note Claims*".

Warrants

The Plan of Arrangement provides for the issuance of 5,000,000 New Series 1 Warrants to the Unsecured Noteholders, to be distributed on a Pro Rata Basis among the Unsecured Noteholders and will ultimately result in a former Unsecured Noteholder holding approximately 1.8182 New Series 1 Warrants for every New Common Share held following the Arrangement (subject to rounding down for fractional warrants). Each New Series 1 Warrant will be exercisable into one New Common Share, at the then-applicable exercise price, for a period of five years from the Implementation Date, at which time the New Series 1 Warrants will become null and void.

The Plan of Arrangement also provides for the issuance of 7,750,000 New Series 2 Warrants to the Shareholders, to be distributed on a Pro Rata Basis among such Shareholders and ultimately will result in such Shareholders holding approximately 3.4444 New Series 2 Warrants for every New Common Share held following the Arrangement (subject to rounding down for fractional warrants). Each New Series 2 Warrant will be exercisable into one New Common Share, at the then-applicable exercise price, for a period of five years from the Implementation Date, at which time the New Series 2 Warrants will become null and void.

For additional information regarding the Warrants, including the exercise prices and the material attributes and characteristics of the New Series 1 Warrants and New Series 2 Warrants, respectively, see "*Business of the Special Meeting – Approval of the Plan of Arrangement – Warrants*".

Offering of New Secured Notes

As part of the Plan of Arrangement, Lightstream will complete the New Secured Notes Offering of approximately U.S.$39,285,000 principal amount of New Secured Notes (issued with an original cash issue discount of 2%). The Backstoppers have severally agreed to subscribe for and purchase their *pro rata* share of the New Secured Notes together with those New Secured Notes that are not otherwise subscribed for and taken up by the Eligible Secured Noteholders.

The New Secured Notes will be guaranteed by certain Subsidiaries and secured by second-priority liens on all of Lightstream's assets, which guarantees and liens will rank behind the security and guarantees provided to Lightstream's lenders under the New Revolving Facility. The New Secured Notes will be repayable in full on the date that is four years after the Implementation Date and bear interest at an annual rate of 12%, cash payable in U.S. dollars, quarterly on September 15, December 15, March 15 and June 15 of each year, and in arrears. Any amounts owing under the New Secured Notes may be prepaid by the Company at any time, in whole or in part on a *pro rata* basis, without prepayment, penalty or premium on three Business Days' notice.

The New Secured Notes Offering is open to Eligible Secured Noteholders on a *pro rata* basis (based on their holdings of Secured Notes as of the Participation Record Date), provided that, if such holder is in the United States, that it is, and it has certified that it is, an Accredited Investor. The New Secured Notes will be secured on a junior basis to the New Revolving Facility. Secured Noteholders that wish to participate in the New Secured Notes Offering are required to duly execute and submit a New Secured Notes Participation Form, ensure that their intermediary or registered nominee completes the required information on the New Secured Notes Participation Form and forward their properly completed and duly executed New Secured Notes Participation Form to Lightstream in accordance with the delivery instructions contained therein by the Participation Deadline. An Eligible Secured Noteholder will not be permitted to participate in the New Secured Notes Offering if Lightstream has not received its New Secured Notes Participation Form, properly completed and duly executed by the Participation Deadline.

The New Secured Notes will be issued pursuant to the New Secured Note Indenture. A copy of the New Secured Note Indenture in substantially final form will be made available for review on the Company's website at www.lightstreamresources.com. The Company will issue a press release once the document has been posted for viewing.

See "*Business of the Special Meeting – Approval of the Plan of Arrangement – Offering of New Secured Notes*". See Appendix M for the term sheet outlining the material terms of the New Secured Notes.

U.S. Eligible Purchasers and Transfer Restrictions

The New Secured Notes have not been and will not be registered under the 1933 Act, or the securities Laws of any state of the United States, and may not be offered or sold within the United States except pursuant to an exemption from the registration requirements of the 1933 Act. The New Secured Notes are being offered and sold only (a) in the

United States to Accredited Investors and (b) outside the United States in transactions in accordance with Rule 903 of Regulation S.

Each purchaser of New Secured Notes that is in the United States or was offered the New Secured Notes in the United States will be required to be an Accredited Investor and will, prior to the purchase, be required to sign and deliver a written document in which it will make certain representations and warranties and agree to certain restrictions on the transfer and conversion of the New Secured Notes (and shall acknowledge that the Company is relying upon such representations and warranties), including the following:

- it, and any account of funds managed by it, is an Accredited Investor and is authorized to consummate the purchase of the New Secured Notes;

- it understands that the New Secured Notes have not been and will not be registered under the 1933 Act, and that the sale of the New Secured Notes is being made to Accredited Investors in reliance on an exemption from the registration requirements of the 1933 Act. It understands and acknowledges that the Company is not obligated to file and has no present intention of filing with the SEC or with any state securities administrator any registration statement in respect of resales of the New Secured Notes;

- it is acquiring the New Secured Notes solely for investment for its own account or on account of funds managed by it, not as a nominee or agent, and not with the view to, or for resale in connection with, any distribution thereof in any transaction in violation of Canadian Securities Laws or U.S. federal and state securities Laws. It will hold the New Secured Notes for its own account for investment and not with a view to, or for sale or other disposition in connection with, any distribution of all or any part thereof within the meaning of the 1933 Act, except in compliance with applicable U.S. federal and state securities Laws;

- it acknowledges and understands that the New Secured Notes: (i) are being offered in a transaction not involving any public offering in the U.S. within the meaning of the 1933 Act and that the offer and sale of New Secured Notes is being made only to Accredited Investors in reliance on an exemption from the registration requirements of the 1933 Act; (ii) shall be "restricted securities" within the meaning of Rule 144 under the 1933 Act and have not been and will not be registered under the 1933 Act or any U.S. state securities Laws; and (iii) may not be reoffered, resold, pledged or otherwise transferred, directly or indirectly, except: (a) outside the United States in accordance with Regulation S under the 1933 Act; (b) pursuant to the exemptions from registration under the 1933 Act provided by Rule 144 or Rule 144A thereunder (if available) (and based upon an opinion of counsel or other evidence acceptable to Lightstream, if Lightstream so requests); (c) in accordance with another exemption from the registration requirements of the 1933 Act (and based upon an opinion of counsel acceptable to Lightstream, if Lightstream so requests); (d) to Lightstream; or (e) pursuant to an effective registration statement under the 1933 Act, and, in each case of clauses (a) through (e), in accordance with all applicable U.S. state securities Laws. If applicable, it agrees to notify any subsequent purchaser of the New Secured Notes from it of the resale restrictions set forth in the preceding sentence;

- it understands and acknowledges that upon the original issuance of the New Secured Notes, and until such time as the same is no longer required under applicable requirements of the 1933 Act or state securities Laws, the certificates representing the New Secured Notes, and all certificates issued in exchange therefor or in substitution thereof, shall bear a legend substantially to the following effect unless otherwise agreed by the Company and it:

> "THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"), OR ANY STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING THESE SECURITIES, AGREES FOR THE BENEFIT OF THE ISSUER THAT THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY: (A) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE 1933 ACT AND APPLICABLE LOCAL LAWS AND REGULATIONS; (B) PURSUANT TO THE EXEMPTION FROM REGISTRATION UNDER THE 1933 ACT PROVIDED BY RULE 144 OR RULE 144A THEREUNDER (IF AVAILABLE) (AND BASED UPON AN OPINION OF COUNSEL OR OTHER EVIDENCE ACCEPTABLE TO THE ISSUER HEREOF, IF THE ISSUER SO REQUESTS); (C) IN ACCORDANCE WITH ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE 1933 ACT (AND BASED UPON AN OPINION OF COUNSEL OR OTHER EVIDENCE ACCEPTABLE TO THE ISSUER, IF THE ISSUER SO REQUESTS); (D) TO THE ISSUER; OR (E) PURSUANT

TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE 1933 ACT, AND, IN EACH CASE OF CLAUSES (A) THROUGH (E), IN ACCORDANCE WITH ALL APPLICABLE U.S. STATE SECURITIES LAWS."

provided, that if such New Secured Notes are being sold outside the United States in compliance with the requirements of Rule 904 of Regulation S, the legend set forth above may be removed by providing an executed declaration to the Company and the registrar and transfer agent for the New Secured Notes, in the form the Company may reasonably prescribe from time to time to the effect that such sale is being made in compliance with Rule 904 of Regulation S (together with any other evidence, which may include, without limitation, an opinion of counsel of recognized standing reasonably satisfactory to the Company, as may be required by the registrar and transfer agent for the New Secured Notes); and provided, further, that, if such Securities are being sold pursuant to Rule 144 under the 1933 Act, if available, and in compliance with any applicable state securities Laws, the legend may be removed by delivery to the Company and the transfer agent of an opinion of counsel of recognized standing reasonably satisfactory to the Company and the transfer agent to the effect that such legend is no longer required under applicable requirements of the 1933 Act;

- it is not purchasing any of the New Secured Notes as a result of: (i) any "general solicitation" or "general advertising" (as such terms are defined in Regulation D under the 1933 Act), including, without limitation, advertisements, articles, notices or other communications published on the internet or in any newspaper, magazine or similar media, or broadcast over radio, television or the internet, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising or (ii) any "directed selling efforts" (as such term is defined in Regulation S);

- it has been afforded the opportunity: (i) to ask questions and to receive answers from, representatives of the Company concerning the terms and conditions of the New Secured Notes; and (ii) to obtain such additional information that it has considered necessary in connection with its decision to invest in the New Secured Notes;

- it consents to the Company making a notation on its records or giving instructions to the transfer agent for the New Secured Notes in order to implement the restrictions on transfer set forth and described herein; and

- it has such knowledge and experience in financial and business affairs as to be capable of evaluating the merits and risks of its investment in the New Secured Notes and is able to, and agrees to, bear the economic risk of loss of its investment.

Non-Canadian and Non U.S. Purchasers

Each Eligible Secured Noteholder that is resident outside of Canada or the United States and that wishes to participate in the New Secured Notes Offering must satisfy Lightstream that such Secured Noteholders in such jurisdiction is entitled to participate in the New Secured Note Offering in accordance with the Laws of such jurisdiction without obliging Lightstream to register the New Secured Notes or file a prospectus or other disclosure document or to make any other filings or become subject to any reporting or disclosure obligations that Lightstream is not already obligated to make, and Lightstream may require an opinion of counsel of recognized standing, to such effect.

Each Eligible Secured Noteholder that purchases Securities but does not sign and deliver a written document containing the representations and warranties set forth above will be required to sign and deliver a written document in which it will make certain representations and warranties (and shall acknowledge that the Company is relying upon such representations and warranties), including to the effect that the purchaser is not in the United States and did not place its purchase order from within the United States.

Amalgamation and Governance

As one of the steps in the Plan of Arrangement, Lightstream and ArrangeCo will be amalgamated and will continue as one corporation under the CBCA under the name "Lightstream Resources Ltd.". Pursuant to the Support Agreement, the composition and size of the Board on completion of the Recapitalization shall be acceptable to the Initial Consenting Noteholders, and it is anticipated that the Board will be reconstituted concurrently with or shortly after completion of the Arrangement to include (i) the Chief Executive Officer of the Company, (ii) one or more existing directors of the Company acceptable to the Ad Hoc Committee and (iii) other new individuals acceptable to the

Ad Hoc Committee. As noted above, pursuant to the Plan of Arrangement the CBCA By-Laws shall be deemed to be the by-laws of Lightstream going forward.

See "*Business of the Special Meeting – Approval of the Plan of Arrangement – Amalgamation and Governance*".

Potential Amendments to the Arrangement

Pursuant to the terms of the Interim Order, Lightstream and ArrangeCo are authorized to make such amendments, revisions or supplements to the Arrangement as they may determine necessary or desirable, provided that such amendments, revisions or supplements are made in writing, in the manner contemplated by the Arrangement and the Arrangement Agreement and in accordance with any order of the Court.

The Arrangement so amended, revised or supplemented shall be deemed to be the Arrangement submitted to the Securityholders at each of the Shareholders' Meeting, the Secured Noteholders' Meeting and the Unsecured Noteholders' Meeting, as applicable, and shall be deemed to be the subject of the respective resolutions in respect of the Arrangement.

In connection with such potential amendments, revisions or supplements, Lightstream is authorized to make such amendments, revisions or supplements ("**Additional Information**") to the Information Circular, forms of proxy, Notices of Meeting, as applicable, the form of Conversion Notice or the form of Letter of Transmittal, Lightstream may disclose such Additional Information, including material changes, by the method and in the time most reasonably practicable in the circumstances as determined by Lightstream. Without limiting the generality of the foregoing, Additional Information may be communicated by news release, newspaper advertisement or notice sent to Noteholders and Shareholders who are entitled to vote at the respective meetings.

Any such amendments, revisions or supplements made by Lightstream will be subject to the terms of the Support Agreement.

Shareholders, Secured Noteholders and Unsecured Noteholders are urged to monitor the public disclosure of, and correspondence received from, Lightstream for Additional Information. In addition, Additional Information may be provided at the Shareholders' Meeting, the Secured Noteholders' Meeting and the Unsecured Noteholders' Meeting. As a result, all Shareholders, Secured Noteholders and Unsecured Noteholders are also urged to attend the Shareholders' Meeting, the Secured Noteholders' Meeting and the Unsecured Noteholders' Meeting, respectively.

NEW REVOLVING FACILITY

In connection with the completion of the Recapitalization, Lightstream has received commitment letters pursuant to which the lenders party thereto have agreed to provide a credit facility to the Company with a commitment of $400 million, on terms and conditions consistent with such commitment letters or otherwise acceptable to the Company and the Initial Consenting Noteholders. For additional details, see "*Other Information Regarding the Recapitalization – New Revolving Facility*".

BACKSTOP AGREEMENT

The Company has entered into a Backstop Agreement with the Backstoppers in which they have agreed to acquire any of the New Secured Notes not otherwise purchased by Eligible Secured Noteholders pursuant to the New Secured Notes Offering. For a summary of the terms of the Backstop Agreement, see "*Other Information Regarding the Recapitalization – Backstop Agreement*".

CONDITIONS PRECEDENT TO THE IMPLEMENTATION OF THE PLAN OF ARRANGEMENT

The implementation of the Plan of Arrangement is conditional upon the fulfillment, satisfaction or waiver of a number of conditions precedent. See "*Other Information Regarding the Recapitalization – Conditions Precedent to the Implementation of the Plan of Arrangement*".

BACKGROUND TO AND REASONS FOR THE TRANSACTIONS

Background to the Recapitalization

The Information Circular contains a summary of the events leading up to the finalization of the Support Agreement between the Initial Consenting Noteholders and the Company. The Support Agreement provides the terms and conditions pursuant to which the Initial Consenting Noteholders have agreed to vote in favour of the Arrangement.

Management and the Board of Directors believe that the Recapitalization will have the following benefits to Lightstream and our Shareholders and Noteholders:

(a) improving financial strength and reducing financial risk by:

  (i) retiring approximately $1.175 billion of debt; and

  (ii) reducing annual interest expense by approximately $108 million;

(b) improving liquidity by virtue of the proceeds raised from the offering of the New Secured Notes and the establishment of the New Revolving Facility, and by relieving the Company from the obligation to pay cash interest in respect of the previously outstanding Notes, as unpaid interest, together with all principal amounts and other claims in respect of the Notes, will be settled and extinguished pursuant to the Plan of Arrangement;

(c) improving the Company's ability to manage the effects of the continuing low crude oil price environment;

(d) positioning the Company to:

  (i) pursue a modest capital expenditure program to preserve substantial value in the Company's resources and assets during the current period of depressed commodity prices;

  (ii) provide flexibility to raise additional capital in the future; and

  (iii) pursue a growth-focused capital plan in the event that WTI oil prices recover into a price range per barrel that justifies investment over the longer term; and

(e) providing Shareholders and Noteholders with an opportunity to continue to participate in the development of Lightstream's properties through their ongoing ownership of New Common Shares.

See "*Background to and Reasons for the Transactions" and "Risk Factors – Risks Relating to the Recapitalization*".

SUPPORT AGREEMENT

Initial Consenting Noteholders holding approximately 91.5% of the outstanding principal amount of the Secured Notes have entered into the Support Agreement in which they have agreed, among other things, to support the Recapitalization and vote their Secured Notes in favour of the Secured Noteholders' Arrangement Resolution, subject to the terms and conditions set forth in the Support Agreement. For a summary of the terms of the Support Agreement, see "*Background to and Reasons for the Transactions – Support Agreement*".

OPINIONS FROM FINANCIAL ADVISOR

In deciding to approve the Arrangement, the Board considered, among other things, the Fairness Opinion and CBCA Opinion. RBC, the financial advisor to the Board, has provided an opinion to the Board that, as of July 27, 2016 and subject to the scope of review, assumptions and limitations set forth in its opinion, the Recapitalization is fair from a financial point of view to the Company. RBC has also provided an opinion to the Board that, as of July 27, 2016 and subject to the scope of review, assumptions and limitations set forth in its opinion, the Secured Noteholders, Unsecured Noteholders and Shareholders would each be in a better position from a financial point of view under the Recapitalization than if the Company were liquidated. This summary of the Fairness Opinion and CBCA Opinion is

qualified in its entirety by reference to the full text of the Fairness Opinion and CBCA Opinion appended to this Information Circular as Appendices I and J, respectively.

RBC provided its Opinions for the information and assistance of the Board in connection with its consideration of the Recapitalization. Neither the Fairness Opinion nor the CBCA Opinion is a recommendation as to how any Secured Noteholder, Unsecured Noteholder or Shareholder should vote with respect to the Recapitalization or any other matter.

See "*Background to and Reasons for the Transactions – Opinions from Financial Advisor*".

RECOMMENDATION OF THE BOARD OF DIRECTORS

After careful consideration of, among other things, the Opinions, and upon consultation with its financial advisor and outside legal counsel, the Board of Directors has unanimously approved the Recapitalization and authorized our submission to the Securityholders and the Court for their respective approvals. The Board of Directors considered the likely value that would be received by Securityholders should Lightstream not pursue the Transactions and considered the outcomes under both an asset or corporate sale process, among other things. The Board of Directors also considered various factors discussed in the foregoing section entitled "*Background to and Reasons for the Transactions*", including challenges in servicing and repaying the existing debt and the necessity to rationalize the capital structure to be able to raise additional funds to maintain our business. Further, the Board of Directors took note of the fact that it had received a Support Agreement from Initial Consenting Noteholders holding approximately 91.5% of the outstanding principal amount of the Company's Secured Notes as of the date of their deliberations and the fact that Unsecured Noteholders and Shareholders would continue to have an opportunity to participate in the development of Lightstream's properties through their ongoing ownership of New Common Shares.

The Board of Directors unanimously recommends that all Shareholders, Secured Noteholders and Unsecured Noteholders support the Arrangement. Each of the directors and officers of the Company, holding on a combined basis, approximately 5.1% of the Common Shares, have executed a support agreement and agreed to vote their Common Shares and Notes in favour of the approval and adoption of the Arrangement.

See "*Background to and Reasons for the Transactions – Recommendation of the Board of Directors*".

INCOME TAX CONSIDERATIONS

Certain Canadian Federal Income Tax Considerations

For a detailed description of the Canadian income tax consequences resulting from the Recapitalization, please refer to "*Certain Canadian Federal Income Tax Considerations*".

Certain U.S. Federal Income Tax Considerations

For a detailed description of certain United States federal income tax consequences to U.S. Holders of Common Shares resulting from the Recapitalization, please refer to "*Certain U.S. Federal Income Tax Considerations*".

RISK FACTORS

Securityholders should carefully consider the risk factors concerning the Recapitalization and the business of Lightstream described under "*Risk Factors*".

CCAA SALE TRANSACTION

If the requisite approvals for the Continuance and Arrangement are not obtained, or the Company is otherwise unable to complete the Recapitalization (including, without limitation, because the Company is unable to complete the Oppression Litigation Settlement by September 16, 2016), the Company will, pursuant to the terms of the Support Agreement, commence proceedings under the CCAA. The Company, in consultation with our advisors, the Ad Hoc Committee and its advisors and the lenders under the Credit Agreement and their advisors, began a robust SISP on July 13, 2016 in respect of our business and assets in order to identify the best available alternatives under the CCAA and allow the Company to react in a timely fashion should the Continuance or Plan of Arrangement fail to receive the requisite approvals. In the event the Company moves to the CCAA Sale Transaction, the members of the Ad Hoc Committee will, subject to the terms and conditions of the Support Agreement, make (or direct) the Secured Notes

Credit Bid, or the Ad Hoc Committee may implement an alternative transaction structure within the CCAA Proceedings that is acceptable to the Ad Hoc Committee and Lightstream, each acting reasonably.

The members of the Ad Hoc Committee have agreed that, subject to the terms and conditions of the Support Agreement, in the event that the Secured Notes Credit Bid is the successful bid, they will replicate the consideration offered to Unsecured Noteholders or Shareholders in the Recapitalization as part of the Secured Notes Credit Bid, provided that, the Unsecured Noteholders or Shareholders, as the case may be, previously approved the Recapitalization at the requisite levels at their respective special meetings held to vote on the Recapitalization. Alternatively, if the Secured Notes Credit Bid is not the successful bid, the members of the Ad Hoc Committee have agreed that, in the event that they are repaid in full, then upon receipt of such repayment they will make $20,000,000 available to Shareholders provided that the Shareholders previously approved the Recapitalization at the requisite levels at the Shareholders' Meeting and that no other consideration was made available to the Shareholders from the Ad Hoc Committee or otherwise. However, the obligation to pay such consideration to the Shareholders or Unsecured Noteholders, as applicable, is not applicable if the plaintiffs in the Oppression Litigation are successful in obtaining any remedy in respect of the Oppression Litigation that would have a material adverse effect on the Company or would impact the priority or composition of the Secured Noteholders. See "*Background to and Reasons for the Transactions – Support Agreement*" and "*Other Information Regarding the Recapitalization – CCAA Sale Transaction*".

INFORMATION CONCERNING THE MEETINGS

General

This Information Circular is furnished in connection with the solicitation of proxies by and on behalf of management of Lightstream and the Board of Directors. No Person has been authorized to give any information or to make any representations in connection with the Recapitalization other than those contained in this Information Circular and, if given or made, any such other information or representation should be considered as not having been authorized.

Meetings

The Shareholders' Meeting will be held at Eighth Avenue Place, Fourth Floor, 525 – 8th Avenue S.W., Calgary, Alberta, at 9:00 a.m. (Calgary time) on September 30, 2016, as set forth in the Shareholders' Notice. The Secured Noteholders' Meeting will be held at Eighth Avenue Place, Fourth Floor, 525 – 8th Avenue S.W., Calgary, Alberta, at 10:00 a.m. (Calgary time) on September 30, 2016 as set forth in the Secured Noteholders' Notice. The Unsecured Noteholders' Meeting will be held at Eighth Avenue Place, Fourth Floor, 525 – 8th Avenue S.W., Calgary, Alberta at 10:30 a.m. (Calgary time) on September 30, 2016 as set forth in the Unsecured Noteholders' Notice.

Solicitation of Proxies

The management and Board of Directors of Lightstream are soliciting proxies for use at the Meetings. Proxies will be solicited by mail and may also be solicited personally or by telephone or e-mail by the directors, officers and/or employees of Lightstream. Directors, officers and/or employees of Lightstream involved in the solicitation of proxies will not be specifically remunerated therefor.

Lightstream has designated the individuals named on the enclosed forms of proxy as Persons whom Securityholders may appoint as their proxyholders. If a Securityholder wishes to appoint an individual not named on the enclosed form of proxy to represent him or her at a Meeting such Securityholder is entitled to attend, the Securityholder may do so either: (i) by crossing out the names on the enclosed form of proxy and inserting the name of that other individual in the blank space provided on the enclosed form of proxy or (ii) by completing another valid form of proxy. A proxyholder need not be a Securityholder. If the Securityholder is a corporation, its proxy must be executed by a duly authorized officer or properly appointed attorney.

The solicitation of proxies is intended to be made primarily by mail but may also be made by telephone, facsimile transmission or other electronic means of communication or in person by the directors, officers and employees of Lightstream.

Lightstream has requested banks, brokers and nominees who hold Common Shares, Secured Notes or Unsecured Notes in their names to furnish the Information Circular and accompanying materials to the beneficial holders of the Common Shares, Secured Notes and/or Unsecured Notes, as applicable, and to request authority to deliver a proxy.

Noteholder Proxies

Secured Noteholder Proxies

Whether or not Secured Noteholders are able to be present at the Secured Noteholders' Meeting they are requested to vote following the instructions provided on the appropriate voting instruction form or proxy using one of the available methods.

A Secured Noteholder may attend the Secured Noteholders' Meeting in person or may appoint another Person as proxyholder. The Secured Noteholder form of proxy nominates Brendan O'Neill (of Goodmans LLP, counsel to the Ad Hoc Committee), or any such other Person as he may appoint, with full power of substitution as proxyholder. A Secured Noteholder may appoint another Person as its proxyholder by inserting the name of such Person in the space provided in the applicable voting instruction form received from its bank, broker or other intermediary. Persons appointed as proxyholders need not be Secured Noteholders.

In order to be effective, proxies must be received by Computershare prior to 10:00 a.m. (Calgary time) on September 28, 2016, or if the Secured Noteholders' Meeting is adjourned or postponed, proxies must be received by the time that is not less than 48 hours (excluding weekends and holidays) before the time set for holding the adjourned or

postponed Secured Noteholders' Meeting. The deadline for the deposit of proxies may be waived by the Chairman of the Secured Noteholders' Meeting at his sole discretion without notice.

Non-Registered Secured Noteholders should follow the instructions on the forms they receive from their bank, broker or other intermediary with respect to the procedures to be followed at the Secured Noteholders' Meeting, including with respect to the time at which the Secured Noteholder's voting instructions must be received by such bank, broker or intermediary, and contact their bank, broker or intermediary promptly if they need assistance.

Unsecured Noteholder Proxies

An Unsecured Noteholder may attend the Unsecured Noteholders' Meeting in person or may appoint another Person as proxyholder. The Unsecured Noteholder form of proxy nominates John D. Wright, President and Chief Executive Officer of the Company, or failing him, Peter D. Scott, Senior Vice President and Chief Financial Officer of the Company, with full power of substitution as proxyholder. An Unsecured Noteholder may appoint another Person as its proxyholder by inserting the name of such Person in the space provided in the applicable voting instruction form received from its bank, broker or other intermediary. Persons appointed as proxyholders need not be Unsecured Noteholders.

Whether or not Unsecured Noteholders are able to be present at the Unsecured Noteholders' Meeting, they are requested to vote following the instructions provided on the appropriate voting instruction form or proxy using one of the available methods.

In order to be effective, proxies must be received by Computershare prior to 10:30 a.m. (Calgary time) on September 28, 2016, or if the Unsecured Noteholders' Meeting is adjourned or postponed, proxies must be received by the time that is not less than 48 hours (excluding weekends and holidays) before the time set for holding the adjourned or postponed Unsecured Noteholders' Meeting. The deadline for the deposit of proxies may be waived by the Chairman of the Unsecured Noteholders' Meeting at his sole discretion without notice.

Non-Registered Unsecured Noteholders should follow the instructions on the forms they receive from their bank, broker or other intermediary with respect to the procedures to be followed at the Unsecured Noteholders' Meeting, including with respect to the time at which the Unsecured Noteholder's voting instructions must be received by such bank, broker or intermediary, and contact their bank, broker or intermediary promptly if they need assistance.

Shareholder Proxies

Whether or not Shareholders are able to be present at the Shareholders' Meeting, they are requested to vote in accordance with the instructions provided on the appropriate voting instruction form or proxy using one of the available methods. The form of proxy in respect of the Shareholders' Meeting accompanying the Information Circular nominates John D. Wright, President and Chief Executive Officer of the Company, or failing him, Peter D. Scott, Senior Vice President and Chief Financial Officer of the Company, with full power of substitution as proxyholder. A Shareholder may appoint another Person as its proxyholder by inserting the name of such Person in the space provided in the form of proxy, or by completing another valid form of proxy. Persons appointed as proxyholders need not be Shareholders.

In order to be effective, proxies must be received by Computershare prior to 9:00 a.m. (Calgary time) on September 28, 2016, or if the Shareholders' Meeting is adjourned or postponed, proxies must be received by the time that is not less than 48 hours (excluding weekends and holidays) before the time set for holding the adjourned or postponed Shareholders' Meeting. The deadline for the deposit of proxies may be waived by the Chairman of the Shareholders' Meeting at his sole discretion without notice.

Registered Shareholders who are unable to attend the Shareholders' Meeting in person are requested to complete, date and sign the enclosed form of proxy and return it by mail, hand delivery or fax to our Transfer Agent, Computershare, as follows:

1. By mail to Computershare, Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 1Y1;

2. By hand delivery to Computershare, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1; or

3. By facsimile to (416) 263-9524 or 1-866-249-7775.

Alternatively, registered Shareholders may vote through the Internet at www.investorvote.com or by telephone at 1-866-732-8683 (toll free). Shareholders will require the 15 digit control number found on their proxy form to vote through the Internet or by telephone.

Non-Registered Shareholders should follow the instructions on the voting instruction form provided by their bank, broker or other intermediary with respect to the procedures to be followed for voting at the Shareholders' Meeting, including with respect to the time at which the Shareholder's voting instructions must be received by such bank, broker or intermediary.

Entitlement to Vote and Attend

Subject to any further order of the Court, pursuant to the Interim Order, those Persons who are Registered Secured Noteholders on September 6, 2016 or Registered Unsecured Noteholders on September 6, 2016 are entitled to attend and vote at the Secured Noteholders' Meeting and/or Unsecured Noteholders' Meeting, respectively. Secured Noteholders will be entitled to one vote for each U.S.$1.00 principal amount of Secured Notes held by them as of September 6, 2016 in respect of the Secured Noteholders' Arrangement Resolution and any other matters to be considered at the Secured Noteholders' Meeting. Unsecured Noteholders will be entitled to one vote for each U.S.$1.00 principal amount of Unsecured Notes held by them as of September 6, 2016 in respect of the Unsecured Noteholders' Arrangement Resolution and any other matters to be considered at the Unsecured Noteholders' Meeting

The Company has set the close of business on September 6, 2016 as the record date for the Shareholders' Meeting. Those Persons who are Registered Shareholders on such date are entitled to attend and vote at the Shareholders' Meeting. The Company will prepare a list of Shareholders of record at such time. Registered Shareholders named on that list will be entitled to vote the Common Shares then registered in their name at the Shareholders' Meeting, except to the extent that (a) the holder has transferred the ownership of any of the holder's Common Shares after that date, and (b) the transferee of those Common Shares produces properly endorsed common share certificates, or otherwise establishes to the satisfaction of Computershare and the Company that the transferee owns the Common Shares, and requests not later than ten days before the Shareholders' Meeting that the transferee's name be included in the list of Persons entitled to vote at the Shareholders' Meeting in which case the transferee will be entitled to vote the Common Shares at the Shareholders' Meeting or any adjournment or postponement thereof.

Shareholders will be entitled to one vote for each Common Share held.

Revocation of Proxies

Any Securityholder giving a proxy has the right to revoke it at any time before it is acted upon (a) by depositing an instrument in writing executed by such Securityholder or by an attorney authorized in writing, or, if the Securityholder is a corporation, by a duly authorized officer or properly appointed attorney thereof, (i) at Lightstream's principal executive office located at Suite 2800, 525 – 8th Avenue S.W., Calgary, Alberta, T2P 1G1, at any time up to and including the last Business Day preceding the meeting or (ii) in the case of Registered Shareholders, Registered Secured Noteholders and Registered Unsecured Noteholders with Computershare, or (iii) with the Secretary of the meeting on the day of such meeting; or (b) in any other manner permitted by Law.

Voting of Proxies and Potential Amendments to the Arrangement

On any matter, the individuals named as proxyholders in the enclosed forms of proxy will vote the securities represented by a proxy in accordance with the instructions of the Securityholder who appointed them. **If there are no instructions or the instructions are not certain on any poll, the individuals named as proxyholders will vote the Common Shares, Secured Notes or Unsecured Notes, as applicable, IN FAVOUR of each of the applicable resolutions. The enclosed forms of proxy, when properly completed and signed, confer discretionary authority on the appointed individuals to vote as they see fit on any amendment or variation to any of the matters identified in the Notices of Meetings and on any other matter that may properly be brought before the relevant meetings.**

At the date hereof, neither the Board of Directors nor management is aware of any variation, amendment or other matter to be presented for a vote at any Meeting. However, pursuant to the terms of the Interim Order, Lightstream and ArrangeCo are authorized to make such amendments, revisions or supplements to the Arrangement as they may determine necessary or desirable, provided that such amendments, revisions or supplements are made in writing, in the manner contemplated by the Arrangement and the Arrangement Agreement and in accordance with any order of the Court.

The Arrangement so amended, revised or supplemented shall be deemed to be the Arrangement submitted to the Securityholders at each of the Shareholders' Meeting, the Secured Noteholders' Meeting and the Unsecured Noteholders' Meeting, as applicable, and shall be deemed to be the subject of the respective resolutions in respect of the Arrangement.

Lightstream may disclose such Additional Information, including material changes, by the method and in the time most reasonably practicable in the circumstances as determined by Lightstream. Without limiting the generality of the foregoing, Additional Information may be communicated by news release, newspaper advertisement or notice sent to Noteholders and Shareholders who are entitled to vote at the respective meetings.

Any such amendments, revisions or supplements made by Lightstream will be subject to the terms of the Support Agreement.

Shareholders, Secured Noteholders and Unsecured Noteholders are urged to monitor the public disclosure of, and correspondence received from, Lightstream for Additional Information. In addition, Additional Information may be provided at the Shareholders' Meeting, the Secured Noteholders' Meeting and the Unsecured Noteholders' Meeting. As a result, all Shareholders, Secured Noteholders and Unsecured Noteholders are also urged to attend the Shareholders' Meeting, the Secured Noteholders' Meeting and the Unsecured Noteholders' Meeting, respectively.

Non-Registered Holders

Only Registered Shareholders, Registered Secured Noteholders, Registered Unsecured Noteholders, or the Persons they appoint as their proxies, are permitted to attend and vote at the Shareholders' Meeting, Secured Noteholders' Meeting and Unsecured Noteholders' Meeting, respectively. However, in many cases, Common Shares, Secured Notes and Unsecured Notes are beneficially owned by a Non-Registered Holder and are registered either:

(a) in the name of an intermediary that the Non-Registered Holder deals with in respect of the Common Shares or Notes, as applicable. Intermediaries include banks, trust companies, securities dealers or brokers, and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans; or

(b) in the name of a depository such as CDS or DTC.

In accordance with Canadian Securities Laws, Lightstream distributed copies of the Notices of Meeting, this Information Circular, the Shareholder Letter of Transmittal and the forms of proxy (collectively, the "**Meeting Materials**") to CDS, DTC and intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Typically, intermediaries will use a service company to forward such materials to Non-Registered Holders. The majority of intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge.

Additionally, there are two kinds of Non-Registered Shareholders: (i) those who object to their name being made known to the issuers of securities which they own, known as objecting beneficial owners or "OBOs"; and (ii) those who do not object to their name being made known to the issuers of securities which they own, known as non-objecting beneficial owners or "NOBOs". Lightstream may utilize the Broadridge QuickVote™ service to assist Non-Registered Shareholders that are NOBOs with voting their Common Shares.

Non-Registered Holders will, in each case, receive a voting instruction form with this Information Circular. The purpose of these forms is to permit Non-Registered Holders to direct the voting of the securities that they beneficially own. Non-Registered Holders should, in each case, follow the procedures set out below, depending on which type of form they receive.

(a) Voting Instruction Form. In most cases, a Non-Registered Holder will receive, as part of the Meeting Materials, a voting instruction form. If the Non-Registered Holder does not wish to attend and vote at the meeting in person (or have another Person attend and vote on the Non-Registered Holder's behalf), the voting instruction form must be completed, signed and returned in accordance with the directions on the form. If a Non-Registered Holder wishes to attend and vote at the meeting in person (or have another Person attend and vote on the Non-Registered Holder's

behalf), the Non-Registered Holder must complete, sign and return the voting instruction form in accordance with the directions provided for purposes of attending and voting at the meeting in person and a form of proxy, giving the right to attend and vote, will be forwarded to the Non-Registered Holder.

or

(b) Form of Proxy. Less frequently, a Non-Registered Holder will receive, as part of the Meeting Materials, a form of proxy that has already been signed by the intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of Common Shares or Notes beneficially owned by the Non-Registered Holder but which is otherwise uncompleted. If the Non-Registered Holder does not wish to attend and vote at the meeting in person (or have another Person attend and vote on the Non-Registered Holder's behalf), the Non-Registered Holder must complete the form of proxy and deposit it with the Transfer Agent in accordance with the directions on the proxy. If a Non-Registered Holder wishes to attend and vote at the meeting in person (or have another Person attend and vote on the Non-Registered Holder's behalf), the Non Registered Holder must strike out the names of the Persons named in the proxy and insert the Non-Registered Holder's (or such other Person's) name in the blank space provided.

Non-Registered Holders should follow the instructions on the forms they receive and contact their broker or intermediaries promptly if they need assistance.

Quorum and Voting Requirements

Noteholders' Meetings

As at August 29, 2016, the principal amounts outstanding of the Secured Notes and Unsecured Notes are as follows:

Notes	Outstanding Principal Amount
Secured Notes	U.S.$650,000,000
Unsecured Notes	U.S.$253,946,000

Subject to any further order of the Court, pursuant to the Interim Order, each Secured Noteholder entitled to vote at the Secured Noteholders' Meeting will be entitled to one vote for each U.S.$1.00 principal amount of Secured Notes held by them, as of September 6, 2016 in respect of the Secured Noteholders' Arrangement Resolution and any other matters to be considered at the Secured Noteholders' Meeting.

Subject to any further order of the Court, pursuant to the Interim Order, each Unsecured Noteholder entitled to vote at the Unsecured Noteholders' Meeting will be entitled to one vote for each U.S.$1.00 principal amount of Unsecured Notes held by them, as of September 6, 2016 in respect of the Unsecured Noteholders' Arrangement Resolution and any other matters to be considered at the Unsecured Noteholders' Meeting.

Subject to any further order of the Court, pursuant to the Interim Order, a quorum at the Secured Noteholders' Meeting shall be at least two Secured Noteholders present in person or represented by proxy.

Subject to any further order of the Court, pursuant to the Interim Order, a quorum at the Unsecured Noteholders' Meeting shall be at least two Unsecured Noteholders present in person or represented by proxy.

The Secured Noteholders' Arrangement Resolution must be passed by at least 66⅔% of the votes cast by the Secured Noteholders present in person or represented by proxy at the Secured Noteholders' Meeting and entitled to vote on the Secured Noteholders' Arrangement Resolution.

The Unsecured Noteholders' Arrangement Resolution must be passed by at least 66⅔% of the votes cast by the Unsecured Noteholders present in person or represented by proxy at the Unsecured Noteholders' Meeting and entitled to vote on the Unsecured Noteholders' Arrangement Resolution.

Shareholders' Meeting

Quorum

Pursuant to By-Law No. 1 and the Interim Order, the quorum for the Shareholders' Meeting is at least one Person present in person, being a Shareholder entitled to vote thereat or a duly appointed proxy or representative for an absent Shareholder so entitled, and representing in the aggregate not less than 25% of the outstanding Common Shares carrying voting rights at the meeting.

Voting and Minority Approval at the Special Meeting

The votes required to pass the Continuance Resolution and the Shareholders' Arrangement Resolution are, in each case, at least 66⅔% of the votes cast by the Shareholders present in person or represented by proxy at the Shareholders' Meeting. In addition, the Shareholders' Arrangement Resolution must also be approved by a simple majority of the votes cast by the Shareholders present in person or by proxy at the Shareholders' Meeting, voting together as a single class after excluding the Common Shares beneficially owned or over which control or direction is exercised by Persons whose votes may not be included in determining minority approval pursuant to MI 61-101.

Pursuant to the terms of the Plan of Arrangement, all DCSs, Incentive Shares and the terms of grants thereof currently outstanding will immediately vest on the Effective Time. Accordingly, the ability of an officer or director to immediately exercise all of his or her rights in respect of such DCSs and Incentive Shares may be considered a "collateral benefit" for the purposes of MI 61-101. As a result, the Arrangement may constitute a "business combination" for purposes of MI 61-101. Where a transaction constitutes a "business combination" under MI 61-101, "minority approval" of the shareholders must be obtained in addition to any other shareholder approvals required. In this case, if applicable, the "minority approval" requirement would require that the Shareholders' Arrangement Resolution be approved by a simple majority of the votes cast by the Shareholders, excluding those votes attaching to the Common Shares beneficially owned, or over which control or direction is exercised, by any "interested parties" (which would include the directors and officers of Lightstream) and their "related parties" and "joint actors", all as defined in MI 61-101, who may receive a "collateral benefit" in connection with the Arrangement. As noted above, this approval would be in addition to the requirement that the Shareholders' Arrangement Resolution must be approved by not less than 66⅔% of the votes cast by the Shareholders that vote in person or by proxy at the Shareholders' Meeting.

Mr. Wright, the President and Chief Executive Officer of the Company, who holds greater than 1% of the Common Shares, may receive a "collateral benefit", as the value of his accelerated DCSs and Incentive Shares may represent greater than 5% of the value of the consideration that he will receive in exchange for his Common Shares under the Arrangement.

In accordance with the foregoing, Lightstream will obtain "minority approval" of the Shareholders for the Arrangement and, in obtaining such approval, will exclude the votes attaching to the Common Shares beneficially owned or controlled by Mr. Wright. To the knowledge of Lightstream and our directors and senior officers, after reasonable inquiry, as at August 29, 2016, Mr. Wright holds, directly or indirectly, or exercises control or direction over, 7,012,879 Common Shares. As a result, a total of 7,012,879 Common Shares (approximately 3.5% of the issued and outstanding Common Shares as at August 29, 2016) will be excluded from the "minority approval" vote conducted pursuant to MI 61-101.

The TSX also requires Lightstream to obtain a disinterested vote count with respect to the Shareholders' Arrangement Resolution as a result of the consideration being exchanged pursuant to the Arrangement that is below TSX mandated discount levels. As at the date hereof, the disinterested parties that will be excluded from such vote count represent Insiders who are both Shareholders and Unsecured Noteholders. As at the date hereof, such Persons hold less than 1% of the issued and outstanding Common Shares and less than 1% of the principal amount of the Unsecured Notes.

The vote required to pass all of the other matters of business set forth in the Shareholders' Notice is a simple majority of the votes cast by the Shareholders present in person or represented by proxy at the Shareholders' Meeting.

TSX Requirements

The TSX regulates the issuance of listed securities, such as the issuance of the New Common Shares by the Company. The TSX requires securityholder approval in a number of instances including: (i) where an issuance of

listed securities will "materially affect control"; or (ii) where the issuance of listed securities would exceed 25% of the then issued and outstanding securities and the price (or any conversion or exercise price) at which listed securities are to be issued pursuant to any private placement is less than the market price of the listed securities; or (iii) where the price (or any conversion or exercise price) at which listed securities are to be issued pursuant to any private placement exceeds the maximum discount, if any, prescribed by the TSX.

In connection with the completion of the Arrangement, Apollo will convert or exchange Secured Notes for New Common Shares. Upon completion of a Secured Note Conversion Transaction or a Secured Note Exchange Transaction, Apollo will beneficially own or exercise control and direction over, directly or indirectly, approximately 54,475,423 New Common Shares (54.5% of the issued and outstanding New Common Shares as at the Implementation Date). As this level of control and direction exceeds 20% of the New Common Shares following the conversion or exchange of its Notes, Apollo will be considered to "materially affect control" of Lightstream.

In connection with the completion of the Arrangement, GSO will convert or exchange Secured Notes for New Common Shares. Upon completion of a Secured Note Conversion Transaction or a Secured Note Exchange Transaction, GSO will beneficially own or exercise control and direction over, directly or indirectly, approximately 20,205,514 New Common Shares (20.2% of the issued and outstanding New Common Shares as at the Implementation Date). As this level of control and direction exceeds 20% of the New Common Shares following the conversion or exchange of its Notes, GSO will be considered to "materially affect control" of Lightstream. Additionally, GSO serves as the investment sub-adviser to certain funds that will beneficially own approximately 12,853,032 New Common Shares (approximately 12.9% of the issued and outstanding New Common Shares as at the Implementation Date). However, the applicable non-GSO entities that act as investment advisers to such funds retain full investment discretion over such funds' investments and related investment decisions and GSO will not exercise control or direction over such New Common Shares.

By voting in favour of the Shareholders' Arrangement Resolution, Shareholders will also be voting in favour of:

(i) the issuance of New Common Shares to Apollo and GSO which will be considered to "materially affect control" of the Company by creating a holding of in excess of 20% of the voting securities by each of Apollo and GSO;

(ii) the issuance of up to 97,750,000 New Common Shares issuable upon the exchange or conversion, as applicable, of the Secured Notes and the exchange of the Unsecured Notes: (A) at a conversion or exercise price, as applicable, below market and which will result in dilution of in excess of 25% of the issued and outstanding New Common Shares following the Arrangement; (B) at a conversion or exchange price, as applicable, that exceeds the maximum discount permitted by the Toronto Stock Exchange; and (C) that could also materially affect control of the Company; and

(iii) the issuance of up to 5,000,000 New Common Shares issuable upon the exercise of the New Series 1 Warrants, which New Series 1 Warrants will have an initial exercise price (prior to giving effect to the Common Share Consolidation) that was at a significant discount to the market price of the Common Shares on July 12, 2016 (the date on which the exercise prices of such warrants were agreed to and announced pursuant to the terms of the Support Agreement) and the issuance of up to 7,750,000 New Common Shares issuable upon the exercise of the New Series 2 Warrants, which New Series 2 Warrants will have an initial exercise price (prior to giving effect to the Common Share Consolidation) that was at a significant discount to the market price of the Common Shares on July 12, 2016 (the date on which the exercise prices of such warrants were agreed to and announced pursuant to the terms of the Support Agreement).

For reference purposes, the five-day volume weighted average trading price of the Common Shares on July 12, 2016 (the date of the Support Agreement) was $0.192 (on a pre-Common Share Consolidation basis, or $16.95 assuming that the Common Share Consolidation had occurred on such date). Upon the completion of the Arrangement, a total of U.S.$650,000,000 aggregate amount of Secured Notes will be extinguished for approximately 95% of the total issued and outstanding New Common Shares.

Any holders of less than 89 (92 on a fully-diluted basis) Common Shares prior to the date of the Common Share Consolidation will not receive any Common Shares following the Common Share Consolidation, and correspondingly will not receive any New Common Shares or New Series 2 Warrants.

See "*Business of the Special Meeting – Approval of the Plan of Arrangement – Reorganization of Capital and Exchange of Common Shares*" and, for further information respecting the Warrants, see "*Business of the Special Meeting – Approval of the Plan of Arrangement – Warrants*".

Voting Shares and Principal Holders Thereof

As at August 29, 2016, the Company's issued and outstanding Common Shares consist of 198,804,867 Common Shares. Holders of Common Shares are entitled to one vote for each Common Share held on all matters to be considered and acted upon at the Shareholders' Meeting or any adjournments thereof.

As of the date of this Information Circular and to the best of the knowledge of the directors and executive officers of the Company, no Person or company beneficially owns, directly or indirectly, or exercises control or direction over voting securities carrying 10% or more of the voting rights attached to the voting securities of the Company.

It is anticipated that after giving effect to the Recapitalization there will be two Shareholders, Apollo and GSO, who beneficially own, directly or indirectly, or exercise control or direction over voting securities carrying 10% or more of the voting rights attached to the voting securities of the Company.

See "*Lightstream After the Recapitalization – Principal Shareholders*".

Interest of Management and Others

Other than disclosed elsewhere in this Information Circular, management of the Company is not aware of any material interest, direct or indirect, of any director or officer of the Company, any Person beneficially owning, directly or indirectly, more than 10% of the Company's voting securities, or any associate or affiliate of such Person in any transaction within the last financial year or in any proposed transaction or in connection with the Recapitalization (or, if pursued, the CCAA Sale Transaction) which in any case has materially affected or will materially affect the Lightstream Entities.

BUSINESS OF THE SPECIAL MEETING

Prior to the Arrangement, it is intended that Lightstream will continue into the federal jurisdiction of Canada under the CBCA. Details of the Continuance are described below. Thereafter, the Arrangement will be effected pursuant to the steps contained in the Plan of Arrangement. See "*Plan of Arrangement*" below.

Approval of the Continuance of Lightstream from Alberta to Canada

Subject to Shareholder approval, prior to the completion of the Arrangement, Lightstream will continue from the jurisdiction of Alberta into the jurisdiction of Canada and be registered as a Canadian corporation. The Board believes that it is in the best interests of Lightstream to continue into Canada to effect the Arrangement pursuant to the CBCA.

At the Shareholders' Meeting, Shareholders will be asked to consider and, if deemed advisable, approve the Continuance Resolution authorizing the Continuance. In order to become effective, the Continuance must be approved by at least 66⅔% of all votes cast with respect to the Continuance Resolution by Shareholders, present in person or by proxy at the Shareholders' Meeting. **In the event that the Continuance Resolution is not approved at the Shareholders' Meeting then the Arrangement will not proceed and the Company will proceed with the CCAA Sale Transaction.** See Appendix A to this Information Circular for the full text of the Continuance Resolution.

The ABCA and the CBCA permit Lightstream to continue under the CBCA with the authority of a special resolution, the consent of the Registrar of Corporations, Alberta and upon complying with certain procedures and filing certain forms. A Registered Shareholder has the right to dissent to the Continuance Resolution. See "*Continuance Right of Dissent*" below. Upon the completion of the Continuance, Lightstream will be treated as if it has been incorporated under the CBCA.

If the Shareholders approve the Continuance, the Articles of Continuance will be filed with the Director subsequent to the Shareholders' Meeting and prior to the filing of the Articles of Arrangement.

The Board may, in its sole discretion, determine not to proceed with the Continuance at any time before or after the holding of the Shareholders' Meeting but prior to the issuance of a Certificate of Continuance, without further action on the part of Shareholders. If the Continuance is not approved, or the Board determines not to proceed with the Continuance for any reason (including the exercise of dissent rights by Shareholders), the Arrangement will not be completed and the Company will proceed with the CCAA Sale Transaction.

Continuance under the CBCA will not affect the application to Lightstream of the Securities Laws, regulations, rules and policies that presently apply. There will, however, be some changes to the rights of Shareholders under corporate Law. These are summarized in Appendix E to this Information Circular.

Articles and By-Laws Following Continuance

The proposed Articles of Continuance to be filed under the CBCA to effect the Continuance out of the jurisdiction of Alberta and into the jurisdiction of Canada are attached as Appendix C to this Information Circular.

As a result of the Continuance it will be necessary for Lightstream to adopt new by-laws to govern the administration of the Company. Subject to the completion of the Continuance, the Board intends to adopt a set of by-laws similar to those used by other public companies organized under the CBCA and intends that the CBCA By-Laws will include substantially similar content to By-Law No. 1 and By-Law No. 2. A copy of the CBCA By-Laws is attached as Appendix D. In addition, a comparison of the material differences between Lightstream's current By-Law No. 1 and By-Law No. 2 and the CBCA By-Laws and the treatment of Shareholders under the ABCA versus the CBCA is attached as Appendix E. As part of the Plan of Arrangement, Lightstream and ArrangeCo will be amalgamated and the CBCA By-Laws shall be deemed to be confirmed by Shareholders as the by-laws of Lightstream going forward. See "*Business of the Special Meeting – Approval of the Plan of Arrangement – Amalgamation and Governance*" below.

As of the Implementation Date, Lightstream's legal domicile will be Canada, and Lightstream will no longer be subject to the provisions of the ABCA.

By operation of Law under the CBCA, as of the Implementation Date, all of the assets, property, rights, liabilities and obligations of Lightstream immediately prior to the Continuance will continue to be the assets, property, rights, liabilities and obligations of Lightstream after the Continuance.

Continuance Right of Dissent

The following description of the dissent right procedures are not a comprehensive statement of the procedures to be followed by a Continuance Dissenting Shareholder and are qualified in their entirely by reference to the ABCA.

In general, any Registered Shareholder who exercises the Continuance Dissent Right with respect to the Continuance Resolution in compliance with Section 191 of the ABCA as modified by the Interim Order will be entitled, in the event that the Continuance becomes effective, to be paid by Lightstream the fair value of the Common Shares held by the Continuance Dissenting Shareholder determined as of the close of business on the last Business Day before the day on which the Continuance Resolution is approved by the Shareholders.

A Continuance Dissenting Shareholder will, on the Implementation Date, be deemed to have transferred the Continuance Dissenting Shareholder's Common Shares to Lightstream for cancellation and will cease to have any rights as a holder of Common Shares except for the entitlement to be paid fair value for such Common Shares in accordance with the continuance dissent procedures. In no event will Lightstream or any other Person be required to recognize a Continuance Dissenting Shareholder as a Shareholder of Lightstream after the deemed transfer of the Common Shares of that holder. In addition, no Shareholder who has voted in favour of the Continuance Resolution will thereafter be entitled to exercise the Continuance Dissent Right with respect to the Continuance.

A Registered Shareholder wishing to exercise the Continuance Dissent Right who, for any reason, does not properly fulfil each of the continuance dissent procedures, acts inconsistently with such dissent or who for any other reason is not entitled to be paid the fair value of the holder's Common Shares will be treated as if the Shareholder had participated in the Continuance on the same basis as a non-dissenting Shareholder.

If a Registered Shareholder wishes to dissent, such Continuance Dissenting Shareholder must send to the Company a written objection to the Continuance Resolution at or before any meeting of Shareholders at which the resolution is to be voted on. For greater certainty, a vote against the Continuance Resolution or an abstention shall not constitute written objection. A Continuance Dissenting Shareholder must dissent with respect to all Common Shares in which the holder holds a beneficial interest. The written notice should set out the number of Common Shares in respect of which the notice of dissent is being sent and:

(a) if such number of Common Shares constitutes all of the Common Shares of which the Continuance Dissenting Shareholder is the registered and beneficial owner, a statement to that effect;

(b) if such number of Common Shares constitutes all of the Common Shares of which the Continuance Dissenting Shareholder is the registered and beneficial owner but if the Continuance Dissenting Shareholder owns additional Common Shares beneficially, a statement to that effect and the names of the Registered Shareholders who hold such additional Common Shares the number of Common Shares held by the Registered Shareholders and a statement that written notices of dissent have or will be sent with respect to such Common Shares; or

(c) if the Continuance Dissent Right is being exercised by a Registered Shareholder who is not the beneficial owner of the Common Shares, a statement to that effect and the name of the beneficial owner of such Common Shares and a statement that the Registered Shareholder is exercising the Continuance Dissent Right with respect to all Common Shares of the beneficial owner registered in such Registered Shareholder's name.

Lightstream is required promptly after the later of: (a) the date on which Lightstream forms the intention to proceed with the Continuance; and (b) the date on which the written notice of dissent was received, to notify each Continuance Dissenting Shareholder of our intention to proceed with the Continuance. Lightstream expects that it will be in a position to deliver such notification on or before the Implementation Date. Then, on the effective date of the Continuance, each Continuance Dissenting Shareholder is deemed to have transferred their Common Shares to Lightstream for cancellation and ceases to have any rights as a Shareholder except the right to be paid fair value for those Common Shares.

The fair value of a Continuance Dissenting Shareholder's Common Shares will be determined as follows:

(a) if Lightstream and the Continuance Dissenting Shareholder agree on the fair value of the Common Shares, then Lightstream must promptly pay that amount to the Continuance Dissenting Shareholder or promptly send notice to the Continuance Dissenting Shareholder that Lightstream is lawfully unable to pay the Continuance Dissenting Shareholder for its Common Shares; or

(b) if the Continuance Dissenting Shareholder and Lightstream are unable to agree on a fair value, the Continuance Dissenting Shareholder may apply to the Court to determine the fair value of the Common Shares, and Lightstream must pay to the Continuance Dissenting Shareholder the fair value determined by the Court or promptly send notice to the Continuance Dissenting Shareholder that Lightstream is lawfully unable to pay the Continuance Dissenting Shareholder for its Common Shares.

Lightstream will be lawfully unable to pay the Continuance Dissenting Shareholder the fair value of its Common Shares if Lightstream is insolvent or would be rendered insolvent by making the payment to the Continuance Dissenting Shareholder.

It is a condition to the completion of the Arrangement that Shareholders holding no more than 5% of the Common Shares shall have exercised Continuance Dissent Rights that have not been withdrawn as at the Implementation Date. No dissent right exists in respect of the Arrangement. See "*Other Information Regarding the Recapitalization – Conditions Precedent to the Implementation of the Plan of Arrangement*".

If the Continuance is not implemented for any reason, Continuance Dissenting Shareholders will not be entitled to be paid the fair value for their Common Shares, and their Common Shares will not be deemed to be transferred to Lightstream.

The discussion above is only a summary of the continuance dissent procedures which are technical procedures and complex. A Registered Shareholder who intends to exercise the Continuance Dissent Right should carefully consider and comply with the provisions of Section 191 of the ABCA as modified by the Interim Order. Persons who are beneficial owners of Common Shares registered in the name of an intermediary such as broker, custodian, nominee, other intermediary, or in some other name, who wish to exercise the Continuance Dissent Right should be aware that only the Registered Shareholder is entitled to exercise the Continuance Dissent Right. It is suggested that any Shareholder wishing to avail himself or herself of the Continuance Dissent Right seek his or her own legal advice as failure to comply strictly with the applicable provisions of the ABCA may prejudice its Continuance Dissent Right. Continuance Dissenting Shareholders should note that the exercise of the Continuance Dissent Right can be a complex, time-consuming, and expensive process.

Continuance Resolution and Approval Requirement

At the Shareholders' Meeting, Shareholders will be asked to consider and, if thought advisable, to vote on the special Continuance Resolution, the full text of which is set forth in Appendix A. The vote required to pass the Continuance Resolution is at least 66⅔% of the votes cast by the Shareholders present in person or represented by proxy at the Shareholders' Meeting. **The Board recommends that you vote FOR the special Continuance Resolution to continue Lightstream from the jurisdiction of Alberta to the jurisdiction of Canada. Unless otherwise instructed, the Persons named in the enclosed form of proxy or voting instruction form will vote FOR the Continuance Resolution**.

Approval of the Plan of Arrangement

Overview

The Plan of Arrangement will involve a number of steps (as more particularly described and in the sequence set forth in the Plan of Arrangement) including and resulting in, among other things, the following:

(a) the Shareholder Rights Plan and any rights issued pursuant thereto will be terminated and of further force and effect;

(b) all outstanding Options will be repurchased for nominal consideration of $0.01 per Option and thereafter cancelled and extinguished;

(c) the Common Shares will be consolidated on approximately an 88.29:1 basis (approximately 92:1 on a fully-diluted basis), such that the Shareholders will hold an aggregate of approximately 2,250,000 Common Shares, subject to the treatment of fractional Common Shares;

(d) through a series of transactions, the post-consolidation Common Shares will be exchanged for (i) one New Common Share for each Common Share, and (ii) each Shareholder's Pro Rata Portion of 7,750,000 New Series 2 Warrants;

(e) all accrued and unpaid interest on the Secured Notes and the Unsecured Notes will be forgiven, settled and extinguished for no consideration;

(f) the Secured Notes will be converted or exchanged into a number of New Common Shares equal to approximately 95% of the total issued and outstanding New Common Shares following the completion of the Arrangement, with each Secured Noteholder receiving its Pro Rata Portion of approximately 95,000,000 New Common Shares;

(g) the Unsecured Notes will be exchanged into a number of New Common Shares equal to approximately 2.75% of the total issued and outstanding New Common Shares following the completion of the Arrangement and a total of 5,000,000 New Series 1 Warrants, with each Unsecured Noteholder receiving its Pro Rata Portion of approximately 2,750,000 New Common Shares and 5,000,000 New Series 1 Warrants;

(h) an offering solely to Eligible Secured Noteholders of approximately U.S.$39,285,000 principal amount of New Secured Notes (issued with an original cash issue discount of 2%) due 2020, which is fully backstopped by certain Secured Noteholders;

(i) Lightstream and ArrangeCo (our wholly-owned subsidiary) shall amalgamate and continue as "Lightstream Resources Ltd."; and

(j) all outstanding DCSs and Incentive Shares will immediately vest and be adjusted to reflect the Common Share Consolidation and capital reorganization contemplated by the Plan of Arrangement and will have a maximum term to expiry of 180 days following the completion of the Arrangement, and all other options, warrants, rights or similar instruments derived from, relating to, or convertible or exchangeable for Common Shares, shall be cancelled and extinguished.

In addition, in connection with the completion of the Recapitalization, Lightstream has received commitment letters pursuant to which the lenders party thereto have agreed to provide a the New Revolving Facility to the Company with a commitment of $400 million, on terms and conditions consistent with such commitment letters or otherwise acceptable to such lenders, the Company and the Initial Consenting Noteholders. See "*Other Information Regarding the Recapitalization – New Revolving Facility*".

Set forth below is a more detailed summary of the material steps of the Plan of Arrangement, a complete copy of which is attached as Appendix H to this Information Circular:

Termination of Shareholder Rights Plan

The Plan of Arrangement provides that the Shareholder Rights Plan and any rights issued pursuant thereto will be terminated and cancelled. The termination of the Shareholder Rights Plan Agreement is necessary as the Arrangement will result in both Apollo and GSO holding in excess of 20% of the issued and outstanding New Common Shares. See "*Lightstream After the Recapitalization – Principal Shareholders*" and "*Risk Factors*" for additional details regarding ownership of New Common Shares and the risks associated therewith.

Treatment of Incentive Awards and Convertible Securities

Under the Plan of Arrangement, each of the approximately 533,033 outstanding Options will be repurchased by Lightstream from the holders thereof for nominal consideration of $0.01 per Option, and cancelled and extinguished. All outstanding DCSs and Incentive Shares shall: (i) be adjusted to give economic effect to the Common Share Consolidation and the exchange of Common Shares for New Common Shares, which will include the adjustment of the exercise price and the number of New Common Shares issuable to participants under outstanding DCSs and Incentive Shares, (ii) be immediately and fully vested and exercisable, and (iii) be amended to provide that the expiry date of each such grant shall be the earlier of the existing expiry date of such grant and 180 days following the Implementation Date. All other options, warrants, rights or similar instruments derived form, relating to, or convertible or exchangeable for Common Shares, will be cancelled and extinguished.

No changes to the Company's incentive plans, including the IS Plan, the DCS Plan or the Stock Option Plan, will be made as a result of the Plan of Arrangement. Following the Implementation Date, the Company's incentive plans will continue to have the same terms as those approved by the Shareholders at the Company's May 2015 Annual General Meeting, including that the aggregate number of New Common Shares available for issuance under the IS Plan, the DCS Plan and the Stock Option Plan at any one time will be limited to 8% of the issued and outstanding New Common Shares, less the number of New Common Shares issuable on exercise of outstanding incentives. Under the incentives plans, the Board has the discretion to grant incentives to such participants as it chooses in such numbers as it chooses, subject to applicable limitations under the plans, as more fully described under "*Share Base Compensation Plans*".

See "*Named Executive Compensation – Executive Share Based Compensation Awards*", "*Securities Authorized for Issuance Under Equity Compensation Plans*" and "*Share Based Compensation Plans*".

The Common Share Consolidation

The Plan of Arrangement provides for the Common Share Consolidation on approximately an 88.29:1 basis (approximately 92:1 on a fully diluted basis), which will reduce the number of issued and outstanding Pre-Consolidation Shares to approximately 2,250,000 Common Shares (which will ultimately be exchanged for New Common Shares), prior to the issuance of the New Common Shares to the Secured Noteholders and Unsecured Noteholders pursuant to the Arrangement and prior to the issuance of any New Common Shares upon the exercise of the 5,000,000 New Series 1 Warrants and 7,750,000 New Series 2 Warrants issued pursuant to the Arrangement. Following the completion of the Arrangement, Secured Noteholders shall hold an aggregate of approximately 95,000,000 New Common Shares, Unsecured Noteholders will hold an aggregate of approximately 2,750,000 New Common Shares and 5,000,000 New Series 1 Warrants, and Shareholders will hold an aggregate of approximately 2,250,000 New Common Shares and 7,750,000 New Series 2 Warrants. No fractional New Common Shares will be issued in connection with the Common Share Consolidation and, in the event that a Shareholder would otherwise be entitled to receive a fractional Common Share upon the Common Share Consolidation, such fraction will be rounded down to the nearest whole number of Common Shares. No compensation will be issued to Shareholders as a result of rounding down. No cash shall be paid for fractional shares.

Any holders of less than 89 (92 on a fully-diluted basis) Common Shares prior to the date of the Common Share Consolidation will not receive any Common Shares following the Common Share Consolidation, and correspondingly will not receive any New Common Shares or New Series 2 Warrants.

The Common Share Consolidation will cause no change in the stated capital attributable to the Common Shares, but completion of the Arrangement will materially affect the aggregate percentage ownership in Lightstream by the Shareholders as such ownership will represent an aggregate of approximately 2.25% of the total issued and outstanding New Common Shares following the Implementation Date.

No assurances can be given as to the effect of the Common Share Consolidation or completion of the Recapitalization on the market price of the New Common Shares following the Implementation Date. Specifically, no assurance can be given that if the Recapitalization is effected, the market price of the New Common Shares will increase by the same multiple as the Common Share Consolidation ratio or result in a permanent increase in the market price, which possible results are dependent on various factors, many of which are beyond the control of Lightstream.

Reorganization of Capital and Exchange of Common Shares

The Plan of Arrangement provides that following the Common Share Consolidation, the authorized share capital of Lightstream will be reorganized and altered by re-naming and re-designating all of the issued and unissued Common Shares as Lightstream Class A Shares, which shares shall, while outstanding, be entitled to two votes at any meeting of the Shareholders. In addition, the Plan of Arrangement provides for the creation of an unlimited number of New Common Shares. Upon the completion of the reorganization and alteration of the Lightstream share capital, the Lightstream Class A Shares will be exchanged such that each Shareholder (for greater certainty, being only those holders of one or more whole Common Shares following the Common Share Consolidation) will receive its Shareholder Consideration (being one New Common Share for each post-consolidation Common Share and its pro rata share of 7,750,000 New Series 2 Warrants) in exchange for its Lightstream Class A Shares, and the New Common Shares forming part of such Share Consideration shall be deemed to be issued and outstanding as fully-paid and non-assessable shares for all purposes of the CBCA. After the Class A Shares have been exchanged for the Share Consideration there will be no Lightstream Class A Shares allocated or issued. As a result, the authorized capital of Lightstream will be changed by removing the Lightstream Class A Shares as a class of shares of Lightstream. See "*Warrants*" below for further information respecting the New Series 2 Warrants forming part of the Share Consideration.

Registered Shareholders are required to complete, execute and return a Letter of Transmittal to the Depositary to receive their New Common Shares and New Series 2 Warrants. The Letter of Transmittal must be accompanied by the certificate representing your Pre-Consolidation Shares and all other required documents. Following the Implementation Date, the Depositary will issue and deliver New Common Shares and New Series 2 Warrants in accordance with your instructions in the Letter of Transmittal. A copy of the Letter of Transmittal is enclosed with a copy of the Information Circular or may be obtained upon request from the Depositary. See "*Other Information Regarding the Recapitalization – Procedures to Receive Consideration – Shareholders – Registered Shareholders*".

Subject to any requirements of their bank, broker or other intermediary, Non-Registered Shareholders do not have to take any action to receive their New Common Shares and New Series 2 Warrants.

Forgiveness, Settlement and Extinguishment of Interest

Under the Plan of Arrangement, all interest due in respect of the Notes (including, without limitation, the July 15, 2016 interest payment in respect of the Secured Notes and the August 2, 2016 interest payment in respect of the Unsecured Notes) will be forgiven, settled and extinguished for no consideration.

Amendment to Secured Note Indenture and Exchange or Conversion of Secured Notes

Pursuant to the terms of the Plan of Arrangement the Secured Note Indenture will be amended, and be deemed to be amended, to add the Secured Noteholder Conversion Right under which a Secured Noteholder may elect to convert, the principal amount of its Secured Note Claims into New Common Shares. The other terms and conditions of the Secured Notes will continue in full force and effect, and the Secured Notes will be considered to be the same debt obligation, in amended form, without novation.

Secured Noteholders will have the option to convert their Secured Note Claims pursuant to the Secured Noteholder Conversion Right or to have their Secured Notes exchanged for New Common Shares pursuant to the terms of the Plan of Arrangement. Secured Noteholders who do not exercise their right to convert their Secured Note Claims pursuant to the Secured Noteholder Conversion Right will have their Secured Notes exchanged pursuant to the terms of the Plan of Arrangement, if implemented, for consideration that is materially identical (subject to a difference in rounding) as would be received pursuant to the Secured Noteholder Conversion Right. Any such conversion or exchange will result in full settlement of all Secured Note Claims.

The conversion of Secured Note Claims pursuant to a Reorganization Time Notice and the exchange of Secured Note Claims in respect of which no Conversion Notice is delivered will occur prior to the conversion of Secured Note Claims pursuant to a Subsequent Time Notice. Converting Secured Notes pursuant to the Secured Noteholder Conversion Right, and the manner in which the Secured Noteholder Conversion Right is exercised, may have different Canadian tax consequences for different Secured Noteholders, and each Secured Noteholder should consider whether or not to convert their Secured Notes pursuant to the Secured Noteholder Conversion Right or be subject to the exchange provided for under the Plan of Arrangement. The decision of a Secured Noteholder in respect of the conversion, and the manner of conversion, or exchange of such holder's Secured Note Claim is very important. Secured Noteholders are urged to seek the advice of their financial, legal, tax and other professional

advisors prior to completing and returning a Conversion Notice (or making the decision not to return or complete a Conversion Notice). **In order to be accepted by the Company, a Conversion Notice, along with a certificate representing a Secured Noteholder's Secured Notes, must be delivered to the Company, pursuant to the instructions set forth on the form of Conversion Notice, at least five Business Days prior to the Secured Noteholders' Meeting.**

Other than as described above with respect to the decision of whether or not to deliver a Conversion Notice, Secured Noteholders are not required to take any action in order to receive the New Common Shares to which they are entitled pursuant to the Plan of Arrangement.

Following the Implementation Date, Secured Noteholders will hold approximately 95% of the issued and outstanding New Common Shares, with each Secured Noteholder holding their Pro Rata Portion thereof.

See "*Certain Canadian Federal Income Tax Considerations*".

Exchange of Unsecured Notes

Under the Plan of Arrangement, Unsecured Noteholders' Notes will, pursuant to a series of transactions, be exchanged into New Common Shares and New Series 1 Warrants for full settlement of all Unsecured Note Claims. Unsecured Noteholders are not required to take any action in order to receive the New Common Shares and New Series 1 Warrants to which they may be entitled.

Following the Implementation Date, Unsecured Noteholders will hold approximately 2.75% of the issued and outstanding New Common Shares and 5,000,000 New Series 1 Warrants, with each Unsecured Noteholder holding their Pro Rata Portion thereof.

Warrants

The Plan of Arrangement provides for the issuance of 5,000,000 New Series 1 Warrants to the Unsecured Noteholders, to be distributed on a Pro Rata Basis among the Unsecured Noteholders and will ultimately result in a former Unsecured Noteholder holding approximately 1.8182 New Series 1 Warrants for every New Common Share held following the Arrangement (subject to rounding down for fractional warrants). Each New Series 1 Warrant will be exercisable into one New Common Share, at the then-applicable exercise price, for a period of five years from the Implementation Date, at which time the New Series 1 Warrants will become null and void.

The Plan of Arrangement also provides for the issuance of 7,750,000 New Series 2 Warrants to the Shareholders, to be distributed on a Pro Rata Basis among such Shareholders and ultimately will result in such Shareholders holding approximately 3.4444 New Series 2 Warrants for every New Common Share held following the Arrangement (subject to rounding down for fractional warrants). Each New Series 2 Warrant will be exercisable into one New Common Share, at the then-applicable exercise price, for a period of five years from the Implementation Date, at which time the New Series 2 Warrants will become null and void.

The following summary of the material attributes and characteristics of the Warrants does not include a description of all of the terms of the Warrants and reference should be made to the New Series 1 Warrant Indenture and the New Series 2 Warrant Indenture, as applicable, for a complete description of the terms of the Warrants.

See "*Information Concerning the Meeting – Quorum and Voting Requirements – Shareholders' Meeting – TSX Requirements*" for the volume weighted average trading price of the Common Shares on July 12, 2016.

New Series 1 Warrants

The New Series 1 Warrants will be issued pursuant to, and will be governed by, the terms of the New Series 1 Warrant Indenture. The Company will designate the principal office of the Warrant Trustee in Calgary, Alberta as the location at which the New Series 1 Warrants may be surrendered for exercise, transfer or exchange.

Each whole Series 1 Warrant will entitle the holder thereof to purchase one New Common Share for a period of five years from the Implementation Date, after which time the New Series 1 Warrants will expire and become null and void. The exercise price (the "**New Series 1 Warrants Exercise Price**") in effect for the New Series 1 Warrants, payable in cash in Canadian dollars, is outlined in the following table:

Date	New Series 1 Warrants Exercise Price (C$)
Implementation Date – May 31, 2017	10.25
June 1, 2017 – November 30, 2017	10.69
December 1, 2017 – May 31, 2018	10.90
June 1, 2018 – May 31, 2019	11.34
June 1, 2019 – Expiry	11.77

The New Series 1 Warrant Indenture will provide for adjustments to the number of the New Common Shares purchasable upon the exercise of the New Series 1 Warrants and/or the exercise price per New Common Share upon the occurrence of certain events, including: (i) the issuance of New Common Shares or securities exchangeable for or convertible into New Common Shares to all or substantially all of the holders of New Common Shares as a stock dividend or other distribution (other than a "Dividend Paid in the Ordinary Course", as defined in the New Series 1 Warrant Indenture); (ii) the subdivision, redivision or change of New Common Shares into a greater number of New Common Shares; (iii) the consolidation, reduction or combination of New Common Shares into a lesser number of New Common Shares; (iv) the issuance to all or substantially all of the holders of New Common Shares of rights, options or warrants under which such holders are entitled, during a period expiring not more than 45 days after the record date for such issuance, to subscribe for or purchase New Common Shares, or securities exchangeable for or convertible into New Common Shares, at a price per New Common Share to the holder (or at an exchange or conversion price per New Common Share) of less than 95% of the "Current Market Price", as defined in the New Series 1 Warrant Indenture, for New Common Shares on such record date; and (v) the issuance or distribution to all or substantially all of the holders of New Common Shares or shares of any class other than New Common Shares, rights, options or warrants to acquire New Common Shares or securities exchangeable or convertible into New Common Shares (other than an issuance referred to in (iv) above), of evidences of indebtedness or cash, securities or any property or other assets (other than an issuance or distribution of a dividend paid in the ordinary course).

The New Series 1 Warrant Indenture will also provide for adjustment in the class and/or number of securities issuable upon the exercise of the New Series 1 Warrants and/or exercise price per security upon the occurrence of the following additional events: (i) the reclassification of the New Common Shares; (ii) the consolidation, amalgamation, arrangement pursuant to a plan of arrangement or merger of the Company with or into another entity (other than consolidations, amalgamations, plans of arrangement or mergers which do not result in any reclassification of the New Common Shares or a change of New Common Shares into other shares); or (iii) the transfer (other than to a subsidiary of the Company) of the Company's undertaking or assets as an entirety or substantially as an entirety to another corporation or other entity.

Any adjustment to the terms of the New Series 1 Warrants (including an adjustment to the exercise price or number of New Common Shares into which the New Series 1 Warrants can be exercised) will be made in accordance with the applicable rules of the TSX applying to the New Series 1 Warrants at the time of the relevant event. In the event of any reorganization of the issued capital of the Company, all rights of New Series 1 Warrant will be changed to the extent necessary to comply with the rules of the TSX at the time of the reorganization. No adjustment in the exercise price or the number of New Common Shares issuable upon the exercise of the New Series 1 Warrants will be required to be made unless the cumulative effect of such adjustment or adjustments would result in a change of the exercise price by at least 1%.

The Company will also covenant in the New Series 1 Warrant Indenture that, during the period in which the New Series 1 Warrants are exercisable, the Company will give notice to holders of New Series 1 Warrants of certain stated events, including events that would result in an adjustment to the exercise price for the New Series 1 Warrants or the number of New Common Shares issuable upon exercise of the New Series 1 Warrants, at least ten Business Days prior to the record date or effective date, as the case may be, of such event.

No fractional New Common Shares will be issuable upon the exercise of any New Series 1 Warrants, and no cash or other consideration will be paid in lieu of fractional New Common Shares. Any subscription for fractional New Common Shares will be deemed to be a subscription for the next smallest whole number of New Common Shares.

Holders of New Series 1 Warrants will not have any voting or pre-emptive rights or any other rights which a holder of New Common Shares would have.

Pursuant to the terms of the New Series 1 Warrant Indenture, the Company will be entitled to purchase in the market, by private agreement or otherwise, any of the New Series 1 Warrants then outstanding, and any New Series 1 Warrants so purchased will be cancelled.

The New Series 1 Warrants and the New Common Shares issuable upon exercise of the New Series 1 Warrants have not been and will not be registered under the 1933 Act, or any securities or "blue sky" Laws of any of the states of the United States. The New Series 1 Warrants may not be exercised in the United States or by or on behalf of a Person in the United States or a U.S. Person unless an exemption from the registration requirements of the 1933 Act and applicable state Securities Laws is available to the holder and, subject to certain exceptions, the holder has furnished an opinion of counsel of recognized standing, or other evidence, in form and substance reasonably satisfactory to the Company to such effect.

The New Series 1 Warrant Indenture will provide that the Company and the Warrant Trustee, without the consent of the holders of Warrants, may from time to time amend or supplement the New Series 1 Warrant Indenture for certain purposes, including curing defects or inconsistencies or making any change that does not adversely affect the rights of holders of New Series 1 Warrants. Any amendment or supplement to the New Series 1 Warrant Indenture that adversely affects the interests of holders of New Series 1 Warrants may only be made by "extraordinary resolution", which is defined in the New Series 1 Warrant Indenture as a resolution either: (1) passed at a meeting of the holders of New Series 1 Warrants at which there are holders of New Series 1 Warrants present in person or represented by proxy representing at least 10% of the aggregate number of the New Common Shares which may be purchased pursuant to all the then outstanding New Series 1 Warrants and passed by the affirmative vote of holders of New Series 1 Warrants representing not less than 66 ⅔% of the aggregate number of all the then outstanding New Series 1 Warrants represented at the meeting and voted on the poll upon such resolution; or (2) adopted by an instrument in writing signed by the holders of New Series 1 Warrants representing not less than 66 ⅔% of the aggregate number of all the then outstanding New Series 1 Warrants.

The Company has applied to list the New Series 1 Warrants and the New Common Shares issuable upon exercise of the New Series 1 Warrants on the TSX. The listing of the New Series 1 Warrants and New Common Shares will be subject to the Company fulfilling all of the requirements of the TSX. No assurance can be made that such listing will be achieved.

New Series 2 Warrants

The New Series 2 Warrants will be issued pursuant to, and will be governed by, the terms of the New Series 2 Warrant Indenture. The Company will designate the principal office of the Warrant Trustee in Calgary, Alberta as the location at which the New Series 2 Warrants may be surrendered for exercise, transfer or exchange.

Each whole Series 2 Warrant will entitle the holder thereof to purchase one New Common Share for a period of five years from the Implementation Date, after which time the New Series 2 Warrants will expire and become null and void. The exercise price (the "**New Series 2 Warrants Exercise Price**") in effect for the New Series 2 Warrants, payable in cash in Canadian dollars, is outlined in the following table:

Date	New Series 2 Warrants Exercise Price (C$)
Implementation Date – May 31, 2017	12.88
June 1, 2017 – November 30, 2017	13.41
December 1, 2017 – May 31, 2018	13.75
June 1, 2018 – November 30, 2018	14.29
December 1, 2018 – May 31, 2019	14.42
June 1, 2019 – Expiry	14.96

The New Series 2 Warrant Indenture will provide for adjustments to the number of the New Common Shares purchasable upon the exercise of the New Series 2 Warrants and/or the exercise price per New Common Share upon the occurrence of certain events, including: (i) the issuance of New Common Shares or securities exchangeable for or convertible into New Common Shares to all or substantially all of the holders of New Common Shares as a stock dividend or other distribution (other than a "Dividend Paid in the Ordinary Course", as defined in the New Series 2 Warrant Indenture); (ii) the subdivision, redivision or change of New Common Shares into a greater number of New Common Shares; (iii) the consolidation, reduction or combination of New Common Shares into a lesser number of New Common Shares; (iv) the issuance to all or substantially all of the holders of New Common Shares of rights, options or warrants under which such holders are entitled, during a period expiring not more than 45 days after the record date for such issuance, to subscribe for or purchase New Common Shares, or securities exchangeable for or convertible into New Common Shares, at a price per New Common Share to the holder (or at an exchange or conversion price per New Common Share) of less than 95% of the "Current Market Price", as defined in New Series 2 Warrant Indenture, for New Common Shares on such record date; and (v) the issuance or distribution to all or substantially all of the holders of New Common Shares or shares of any class other than New Common Shares, rights, options or warrants to acquire New Common Shares or securities exchangeable or convertible into New

Common Shares (other than an issuance referred to in (iv) above), of evidences of indebtedness or cash, securities or any property or other assets (other than an issuance or distribution of a dividend paid in the ordinary course).

The New Series 2 Warrant Indenture will also provide for adjustment in the class and/or number of securities issuable upon the exercise of the New Series 2 Warrants and/or exercise price per security upon the occurrence of the following additional events: (i) the reclassification of the New Common Shares; (ii) the consolidation, amalgamation, arrangement pursuant to a plan of arrangement or merger of the Company with or into another entity (other than consolidations, amalgamations, plans of arrangement or mergers which do not result in any reclassification of the New Common Shares or a change of New Common Shares into other shares); or (iii) the transfer (other than to a subsidiary of the Company) of the Company's undertaking or assets as an entirety or substantially as an entirety to another corporation or other entity.

Any adjustment to the terms of the New Series 2 Warrants (including an adjustment to the exercise price or number of New Common Shares over which the New Series 2 Warrants can be exercised) will be made in accordance with the applicable rules of the TSX applying to the New Series 2 Warrants at the time of the relevant event. In the event of any reorganization of the issued capital of the Company, all rights of holders of New Series 2 Warrants will be changed to the extent necessary to comply with the rules of the TSX at the time of the reorganization. No adjustment in the exercise price or the number of New Common Shares issuable upon the exercise of the New Series 2 Warrants will be required to be made unless the cumulative effect of such adjustment or adjustments would result in a change of the exercise price by at least 1%.

The Company will also covenant in the Warrant Indenture that, during the period in which the New Series 2 Warrants are exercisable, the Company will give notice to holders of New Series 2 Warrants of certain stated events, including events that would result in an adjustment to the exercise price for the New Series 2 Warrants or the number of New Common Shares issuable upon exercise of the New Series 2 Warrants, at least ten Business Days prior to the record date or effective date, as the case may be, of such event.

No fractional New Common Shares will be issuable upon the exercise of any New Series 2 Warrants, and no cash or other consideration will be paid in lieu of fractional New Common Shares. Any subscription for fractional New Common Shares will be deemed to be a subscription for the next smallest whole number of New Common Shares.

Holders of New Series 2 Warrants will not have any voting or pre-emptive rights or any other rights which a holder of New Common Shares would have.

Pursuant to the terms of the New Series 2 Warrant Indenture, the Company will be entitled to purchase in the market, by private agreement or otherwise, any of the New Series 2 Warrants then outstanding, and any New Series 2 Warrants so purchased will be cancelled.

The New Series 2 Warrants and the New Common Shares issuable upon exercise of the New Series 2 Warrants have not been and will not be registered under the 1933 Act, or any securities or "blue sky" Laws of any of the states of the United States. The New Series 2 Warrants may not be exercised in the United States or by or on behalf of a Person in the United States or a U.S. Person unless an exemption from the registration requirements of the 1933 Act and applicable state securities Laws is available to the holder and, subject to certain exceptions, the holder has furnished an opinion of counsel of recognized standing, or other evidence, in form and substance reasonably satisfactory to the Company to such effect.

The New Series 2 Warrant Indenture will provide that the Company and the Warrant Trustee, without the consent of the holders of New Series 2 Warrants, may from time to time amend or supplement the New Series 2 Warrant Indenture for certain purposes, including curing defects or inconsistencies or making any change that does not adversely affect the rights of holders of New Series 2 Warrants. Any amendment or supplement to the New Series 2 Warrant Indenture that adversely affects the interests of holders of New Series 2 Warrants may only be made by "extraordinary resolution", which is defined in the New Series 2 Warrant Indenture as a resolution either: (1) passed at a meeting of the holders of New Series 2 Warrants at which there are holders of New Series 2 Warrants present in person or represented by proxy representing at least 10% of the aggregate number of the New Common Shares which may be purchased pursuant to all the then outstanding New Series 2 Warrants and passed by the affirmative vote of holders of New Series 2 Warrants representing not less than 66⅔% of the aggregate number of all the then outstanding New Series 2 Warrants represented at the meeting and voted on the poll upon such resolution; or (2) adopted by an instrument in writing signed by the holders of New Series 2 Warrants representing not less than 66⅔% of the aggregate number of all the then outstanding New Series 2 Warrants.

The Company has applied to list the New Series 2 Warrants and the New Common Shares issuable upon exercise of the New Series 2 Warrants on the TSX. The listing of the New Series 2 Warrants and New Common Shares will be subject to the Company fulfilling all of the requirements of the TSX. No assurance can be made that such listing will be achieved.

Offering of New Secured Notes

As part of the Plan of Arrangement, Lightstream will complete the New Secured Notes Offering of approximately U.S.$39,285,000 principal amount of New Secured Notes (issued with an original cash issue discount of 2%). The Backstoppers have severally agreed to subscribe for and purchase their *pro rata* share of the New Secured Notes together with those New Secured Notes that are not otherwise subscribed for and taken up by the Eligible Secured Noteholders.

The New Secured Notes will be guaranteed by certain Subsidiaries and secured by second-priority liens on all of Lightstream's assets, which guarantees and liens will rank behind the security and guarantees provided to Lightstream's lenders under the New Revolving Facility. The New Secured Notes will be repayable in full on the date that is four years after the Implementation Date and bear interest at an annual rate of 12%, cash payable in U.S. dollars, quarterly on September 15, December 15, March 15 and June 15 of each year, and in arrears. Any amounts owing under the New Secured Notes may be prepaid by the Company at any time, in whole or in part on a *pro rata* basis, without prepayment, penalty or premium on three Business Days' notice.

The New Secured Notes Offering is open to Eligible Secured Noteholders on a *pro rata* basis (based on their holdings of Secured Notes as of the Participation Record Date), provided that, if such holder is in the United States, that it is, and it has certified that it is, an Accredited Investor. Secured Noteholders that wish to participate in the New Secured Notes Offering are required to duly execute and submit a New Secured Notes Participation Form, ensure that their intermediary or registered nominee completes the required information on the New Secured Notes Participation Form and forward their properly completed and duly executed New Secured Notes Participation Form to Lightstream in accordance with the delivery instructions contained therein by the Participation Deadline. An Eligible Secured Noteholder will not be permitted to participate in the New Secured Notes Offering if Lightstream has not received its New Secured Notes Participation Form, properly completed and duly executed by the Participation Deadline.

The New Secured Notes will be issued pursuant to the New Secured Note Indenture. Additional details regarding the material terms of the New Secured Notes are set forth in Appendix M. A copy of the New Secured Note Indenture in substantially final form will be made available for review on the Company's website at www.lightstreamresources.com. The Company will issue a press release once the document has been posted for viewing.

The New Secured Notes are subject to restrictions on transfer, resale and conversion. See "*U.S. Eligible Purchasers and Transfer Restrictions*" below.

Pursuant to the Plan of Arrangement, the New Secured Notes Offering is open to all Eligible Secured Noteholders. Each Eligible Secured Noteholder will have the right, but not the obligation, to participate in the New Secured Notes Offering by subscribing for and purchasing its *pro rata* share of the New Secured Notes (based on the principal amount of its Secured Notes held as at the Participation Record Date divided by the total principal amount of all Secured Notes outstanding as at the Participation Record Date). For each U.S.$1,000 principal amount of Secured Notes held on the Participation Record Date, an Eligible Secured Noteholder would be entitled to subscribe for approximately U.S.$60.43 of New Secured Notes. Pursuant to the Backstop Agreement, the Backstoppers have severally agreed to subscribe for and purchase their *pro rata* share of the New Secured Notes together with those New Secured Notes that are not otherwise subscribed for and taken up by other Eligible Secured Noteholders.

Each Eligible Secured Noteholder that desires to participate in the New Secured Notes Offering must properly complete and duly execute the New Secured Notes Participation Form (or other acceptable form of instruction), which form will include: (i) a confirmation by the Eligible Secured Noteholder of its interest in participating in the New Secured Notes Offering by subscribing for and purchasing its *pro rata* share of the New Secured Notes; (ii) representations and warranties, or other satisfactory evidence as determined by the Company and its Representatives in their sole discretion, that the Secured Noteholder meets the requirements of an Eligible Secured Noteholder for the purpose of such participation; and (iii) directions as to registration and delivery of the New Secured Notes to be received by the Eligible Secured Noteholder in connection with its participation in the New Secured Notes Offering.

On or prior to the date that is ten Business Days prior to the Anticipated Implementation Date, each Participating Noteholder that submitted a New Secured Notes Participation Form (or other acceptable form of instruction) will receive, directly or indirectly, a confirmation from the Company as to: (i) the Anticipated Implementation Date; (ii) the acceptance of the participation in the New Secured Notes Offering by such Participating Noteholder; (iii) the total amount of the New Secured Notes to which the Participating Noteholder has agreed to subscribe for and purchase and the Subscription Amount required to be paid in respect of such New Secured Notes; and (iv) instructions and directions regarding payment of the Subscription Amount. Participating Noteholders will be required to forward, in immediately available funds by wire transfer or certified cheque, an aggregate amount representing the Subscription Amount on or prior to 2:00 p.m. (Calgary time) on the day that is five Business Days prior to the Anticipated Implementation Date, failing which the participation of the Participating Noteholder in the New Secured Notes Offering will be deemed to be null and void.

U.S. Eligible Purchasers and Transfer Restrictions

The New Secured Notes have not been and will not be registered under the 1933 Act, or the securities Laws of any state of the United States, and may not be offered or sold within the United States except pursuant to an exemption from the registration requirements of the 1933 Act. The New Secured Notes are being offered and sold only (a) in the United States to Accredited Investors and (b) outside the United States in transactions in accordance with Rule 903 of Regulation S.

Each purchase of New Secured Notes that is in the United States or was offered the New Secured Notes in the United States will be required to be an Accredited Investor and will, prior to the purchase, be required to sign and deliver a written document in which it will make certain representations and warranties and agree to certain restrictions on the transfer and conversion of the New Secured Notes (and shall acknowledge that the Company is relying upon such representations and warranties), including the following:

- it, and any account of funds managed by it, is an Accredited Investor and is authorized to consummate the purchase of the New Secured Notes;

- it understands that the New Secured Notes have not been and will not be registered under the 1933 Act, and that the sale of the New Secured Notes is being made to Accredited Investors in reliance on an exemption from the registration requirements of the 1933 Act. It understands and acknowledges that the Company is not obligated to file and has no present intention of filing with the SEC or with any state securities administrator any registration statement in respect of resales of the New Secured Notes;

- it is acquiring the New Secured Notes solely for investment for its own account or on account of funds managed by it, not as a nominee or agent, and not with the view to, or for resale in connection with, any distribution thereof in any transaction in violation of Canadian Securities Laws or U.S. federal and state securities Laws. It will hold the New Secured Notes for its own account for investment and not with a view to, or for sale or other disposition in connection with, any distribution of all or any part thereof within the meaning of the 1933 Act, except in compliance with applicable U.S. federal and state securities Laws;

- it acknowledges and understands that the New Secured Notes: (i) are being offered in a transaction not involving any public offering in the U.S. within the meaning of the 1933 Act and that the offer and sale of New Secured Notes is being made only to Accredited Investors in reliance on an exemption from the registration requirements of the 1933 Act; (ii) shall be "restricted securities" within the meaning of Rule 144 under the 1933 Act and have not been and will not be registered under the 1933 Act or any U.S. state securities Laws; and (iii) may not be reoffered, resold, pledged or otherwise transferred, directly or indirectly, except: (a) outside the United States in accordance with Regulation S under the 1933 Act, (b) pursuant to the exemptions from registration under the 1933 Act provided by Rule 144 or Rule 144A thereunder (if available); (c) in accordance with another exemption from the registration requirements of the 1933 Act (and based upon an opinion of counsel acceptable to Lightstream, if Lightstream so requests); (d) to Lightstream; or (e) pursuant to an effective registration statement under the 1933 Act, and, in each case of clauses (a) through (e), in accordance with all applicable U.S. state securities Laws. If applicable, it agrees to notify any subsequent purchaser of the New Secured Notes from it of the resale restrictions set forth in the preceding sentence;

- it understands and acknowledges that upon the original issuance of the New Secured Notes, and until such time as the same is no longer required under applicable requirements of the 1933 Act or state securities Laws, the certificates representing the New Secured Notes, and all certificates issued in exchange therefor

or in substitution thereof, shall bear a legend substantially to the following effect unless otherwise agreed by the Company and it:

> "THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"), OR ANY STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING THESE SECURITIES, AGREES FOR THE BENEFIT OF THE ISSUER HEREOF THAT THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY: (A) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE 1933 ACT AND APPLICABLE LOCAL LAWS AND REGULATIONS; (B) PURSUANT TO THE EXEMPTION FROM REGISTRATION UNDER THE 1933 ACT PROVIDED BY RULE 144 OR RULE 144A THEREUNDER (IF AVAILABLE) (AND BASED UPON AN OPINION OF COUNSEL OR OTHER EVIDENCE ACCEPTABLE TO THE ISSUER HEREOF, IF THE ISSUER SO REQUESTS); (C) IN ACCORDANCE WITH ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE 1933 ACT (AND BASED UPON AN OPINION OF COUNSEL OR OTHER EVIDENCE ACCEPTABLE TO THE ISSUER, IF THE ISSUER SO REQUESTS); (D) TO THE ISSUER; OR (E) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE 1933 ACT, AND, IN EACH CASE OF CLAUSES (A) THROUGH (E), IN ACCORDANCE WITH ALL APPLICABLE U.S. STATE SECURITIES LAWS."

provided, that if such New Secured Notes are being sold outside the United States in compliance with the requirements of Rule 904 of Regulation S, the legend set forth above may be removed by providing an executed declaration to the Company and the registrar and transfer agent for the New Secured Notes, in the form the Company may reasonably prescribe from time to time to the effect that such sale is being made in compliance with Rule 904 of Regulation S (together with any other evidence, which may include, without limitation, an opinion of counsel of recognized standing reasonably satisfactory to the Company, as may be required by the registrar and transfer agent for the New Secured Notes); and provided, further, that, if such New Secured Notes are being sold pursuant to Rule 144 under the 1933 Act, if available, and in compliance with any applicable state securities Laws, the legend may be removed by delivery to the Company and the transfer agent of an opinion of counsel of recognized standing reasonably satisfactory to the Company and the transfer agent to the effect that such legend is no longer required under applicable requirements of the 1933 Act;

- it is not purchasing any of the New Secured Notes as a result of: (i) any "general solicitation" or "general advertising" (as such terms are defined in Regulation D under the 1933 Act), including, without limitation, advertisements, articles, notices or other communications published on the internet or in any newspaper, magazine or similar media, or broadcast over radio, television or the internet, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising or (ii) any "directed selling efforts" (as such term is defined in Regulation S);

- it has been afforded the opportunity: (i) to ask questions and to receive answers from, Representatives of the Company concerning the terms and conditions of the New Secured Notes; and (ii) to obtain such additional information that it has considered necessary in connection with its decision to invest in the New Secured Notes;

- it consents to the Company making a notation on its records or giving instructions to the transfer agent for the New Secured Notes in order to implement the restrictions on transfer set forth and described herein; and

- it has such knowledge and experience in financial and business affairs as to be capable of evaluating the merits and risks of its investment in the New Secured Notes and is able to, and agrees to, bear the economic risk of loss of its investment.

Non-Canadian and Non U.S. Purchasers

Each Eligible Secured Noteholder that is resident outside of Canada or the United States and that wishes to participate in the New Secured Notes Offering must satisfy Lightstream that such Secured Noteholder in such jurisdiction is entitled to participate in the New Secured Note Offering in accordance with the Laws of such jurisdiction without obliging Lightstream to register the New Secured Notes or file a prospectus or other disclosure document or

to make any other filings or become subject to any reporting or disclosure obligations that Lightstream is not already obligated to make, and Lightstream may require an opinion of counsel of recognized standing, to such effect.

Each Eligible Secured Noteholder that purchases New Secured Notes but does not sign and deliver a written document containing the representations and warranties set forth above, will be required to sign and deliver a written document in which it will make certain representations and warranties (and shall acknowledge that the Company is relying upon such representations and warranties), including to the effect that the purchaser is not in the United States and did not place its purchase order from within the United States.

Amalgamation and Governance

As one of the steps in the Plan of Arrangement, Lightstream and ArrangeCo will be amalgamated and will continue as one corporation under the CBCA under the name "Lightstream Resources Ltd.". Pursuant to the Support Agreement, the composition and size of the Board on completion of the Recapitalization shall be acceptable to the Initial Consenting Noteholders, and it is anticipated that the Board will be reconstituted concurrently with or shortly after completion of the Arrangement to include (i) the Chief Executive Officer of the Company, (ii) one or more existing directors of the Company acceptable to the Ad Hoc Committee and (iii) other new individuals acceptable to the Ad Hoc Committee. As noted above, pursuant to the Plan of Arrangement the CBCA By-Laws shall be deemed to be the by-laws of Lightstream going forward. A copy of the CBCA By-Laws is attached as Appendix D to this Information Circular.

Arrangement Resolutions and Approval Requirements

At the Shareholders' Meeting, Shareholders will be asked to consider and, if thought advisable, to vote on the special Shareholders' Arrangement Resolution, the full text of which is set forth in Appendix A. The vote required to pass the Shareholders' Arrangement Resolution is at least 66⅔% of the votes cast by the Shareholders present in person or represented by proxy at the Shareholders' Meeting. In addition, the Shareholders' Arrangement Resolution must also receive disinterested Shareholder approval in accordance with the requirements of the TSX and be approved by a simple majority of the votes cast by the Shareholders present in person or by proxy at the Shareholders' Meeting, voting together as a single class after excluding the Common Shares beneficially owned or over which control or direction is exercised by Persons whose votes may not be included in determining minority approval pursuant to MI 61-101.

At the Secured Noteholders' Meeting, Secured Noteholders will be asked to consider and, if thought advisable, to vote on the Secured Noteholders' Arrangement Resolution, the full text of which is set forth in Appendix B. The Secured Noteholders' Arrangement Resolution must be passed by at least 66⅔% of the votes cast by the Secured Noteholders present in person or represented by proxy at the Secured Noteholders' Meeting and entitled to vote on the Secured Noteholders' Arrangement Resolution.

At the Unsecured Noteholders' Meeting, Unsecured Noteholders will be asked to consider and, if thought advisable, to vote on the Unsecured Noteholders' Arrangement Resolution, the full text of which is set forth in Appendix B. The Unsecured Noteholders' Arrangement Resolution must be passed by at least 66⅔% of the votes cast by the Unsecured Noteholders present in person or represented by proxy at the Unsecured Noteholders' Meeting and entitled to vote on the Unsecured Noteholders' Arrangement Resolution.

The Board recommends the Shareholders, Secured Noteholders and Unsecured Noteholders vote FOR the Shareholders' Arrangement Resolution, Secured Noteholders' Arrangement Resolution and Unsecured Noteholders' Arrangement Resolution, respectively. Unless otherwise instructed, the Persons named in the enclosed form of proxy or voting instruction form will vote FOR each of the Shareholders' Arrangement Resolution, Secured Noteholders' Arrangement Resolution and Unsecured Noteholders' Arrangement Resolution.

OTHER INFORMATION REGARDING THE RECAPITALIZATION

The Arrangement Agreement

The Arrangement Agreement, among other things, contains covenants by Lightstream and ArrangeCo to make an application to the Court to effect the Arrangement pursuant to the form of Plan of Arrangement attached as Appendix H to this Information Circular. A complete copy of the Arrangement Agreement is attached as Appendix G to this Information Circular.

Arrangement Steps

Pursuant to the Arrangement, commencing at the Effective Time, the events set forth in Section 4.5 of the Plan of Arrangement will be deemed to occur in the order set forth therein without any further act or formality. A copy of the Plan of Arrangement is set forth in Appendix H to this Information Circular. For a summary of such steps, see "*Business of the Special Meeting – Approval of the Plan of Arrangement*".

Conditions Precedent to the Implementation of the Plan of Arrangement

The implementation of the Plan of Arrangement is conditional upon the fulfillment, satisfaction or waiver of the following conditions precedent, in each case in accordance with the terms thereof:

(a) the Continuance shall have been approved at the Shareholders' Meeting and been completed;

(b) the Shareholders' Arrangement Resolution and the Noteholders' Arrangement Resolutions shall have been approved at the Meetings in accordance with the provisions of the Interim Order;

(c) the Final Order shall have been granted and be in full force and effect;

(d) Lightstream and ArrangeCo shall have taken all necessary corporate actions and proceedings in connection with the Arrangement;

(e) there shall not be in effect any preliminary or final decision, order or decree by a Governmental Entity, and no action or investigation shall have been announced, threatened or commenced by any Governmental Entity, in consequence of or in connection with the Recapitalization that prohibits or materially restrains or impedes (or if granted could reasonably be expected to prohibit or materially restrain or impede) the Recapitalization or any material part thereof or requires or purports to require a material variation of the Recapitalization;

(f) the New Revolving Facility Commitment Letters shall have been executed by Lightstream and the providers of the New Revolving Facility on terms acceptable to the Initial Consenting Noteholders, acting reasonably;

(g) all indebtedness and amounts owing to the lenders under the Credit Agreement shall have been repaid in full or arrangements to make such repayment in full concurrently with or as soon as practicable following completion of the Arrangement shall be in place to the satisfaction of the administrative agent, on behalf of the other lenders under the Credit Agreement, acting reasonably;

(h) the New Secured Note Indenture shall have been executed by Lightstream and the New Indenture Trustee on terms acceptable to the Backstoppers, acting reasonably;

(i) the New Revolving Facility shall become effective on the Implementation Date and Lightstream shall be entitled, in accordance with the terms and conditions thereof, to borrow funds thereunder beginning on the Implementation Date;

(j) the Implementation Date shall occur on or before the Outside Date;

(k) all conditions set out in the Support Agreement, the Arrangement Agreement and the Backstop Agreement shall have been satisfied or waived by the applicable parties pursuant to the terms of the Support Agreement, the Arrangement Agreement and the Backstop Agreement, as applicable;

(l) Lightstream and the Initial Consenting Noteholders shall have complied with their respective obligations under the Support Agreement in all material respects;

(m) Lightstream and the Backstoppers shall have complied with their respective obligations under the Backstop Agreement in all material respects;

(n) the Support Agreement shall not have been terminated in accordance with its terms;

(o) the Arrangement Agreement shall not have been terminated in accordance with its terms;

(p) the Backstop Agreement shall not have been terminated in accordance with its terms;

(q) there shall have been no Material Adverse Change (as defined in the Support Agreement);

(r) all required stakeholder, regulatory, Court approvals, consents, waivers and filings including, if necessary, the Investment Canada Act Approval and any notifications and/or approvals required under the *Competition Act* (Canada), shall have been obtained or made, as applicable, on terms satisfactory to the Applicants and the Initial Consenting Noteholders, each acting reasonably;

(s) Continuance Dissent Rights shall not have been validly exercised and not withdrawn with respect to more than 5% of the Common Shares;

(t) all material filings under applicable Laws shall have been made and any material regulatory consents or approvals that are required in connection with the Recapitalization shall have been obtained and, in the case of waiting or suspensory periods, such waiting or suspensory periods shall have expired or been terminated;

(u) the Initial Consenting Noteholders shall be satisfied that the Common Shares, when issued and delivered, shall be duly authorized, validly issued and fully paid and non-assessable and the issuance thereof shall be in compliance with applicable Securities Laws;

(v) the issuance of the Common Shares upon the Common Share Consolidation, Lightstream Class A Shares, New Common Shares, New Series 1 Warrants and New Series 2 Warrants pursuant to the Plan of Arrangement shall be exempt from the prospectus requirements of Canadian Securities Laws and, except as otherwise contemplated in the Plan of Arrangement, no prospectus, registration statement or other document must be filed, proceedings taken or approval, permit, consent or authorization obtained by Lightstream under such Securities Laws to permit such issuance;

(w) the issuance and exchange of the New Common Shares, New Series 1 Warrants and New Series 2 Warrants pursuant to the Plan of Arrangement shall be exempt from the registration requirements of the 1933 Act pursuant to Section 3(a)(10) thereof;

(x) the Initial Consenting Noteholders shall be satisfied that, as of the Implementation Date, (i) the New Common Shares issued and distributed pursuant to the Plan of Arrangement shall be freely tradable in Canada (provided that the trade is not a "control distribution" as defined in Canadian Securities Laws, no unusual effort is made to prepare the market or to create a demand for the security that is the subject of the trade, no extraordinary commission or consideration is paid to a Person or company in respect of the trade, and if the selling security holder is an Insider or officer of the Issuer, the selling security holder has no reasonable grounds to believe that the Issuer is in default of Canadian Securities Laws), and (ii) the New Common Shares issued pursuant to the Plan of Arrangement (which, for the avoidance of doubt, does not include any New Common Shares that may in the future be issued pursuant to an exercise of any New Series 1 Warrants or New Series 2 Warrants) shall be freely transferable in the United States other than by "affiliates" as defined in Rule 144 under the 1933 Act (or Persons that have been "affiliates" (as so defined) within 90 days of the Implementation Date);

(y) the New Common Shares and the New Secured Notes shall be CDS eligible;

(z) the New Common Shares issued and distributed pursuant to the Plan of Arrangement shall be conditionally approved for listing on the TSX, subject only to receipt of customary final documentation;

(aa) the New Common Shares issuable on the exercise of the New Series 1 Warrants and the New Common Shares issuable on the exercise of the New Series 2 Warrants shall be conditionally approved for listing on the TSX, subject only to receipt of customary final documentation; and

(bb) Lightstream shall not have commenced or undergone a receivership, liquidation, bankruptcy, debt enforcement proceeding or a proceeding under the *Companies' Creditors Arrangement Act*, the *Bankruptcy and Insolvency Act*, or the *Winding-Up and Restructuring Act*.

The foregoing conditions are for the mutual benefit of the Company and ArrangeCo and may be asserted by each of them regardless of the circumstances and may be waived by each of them in their sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which either of them may have; provided that no condition may be waived by the Company or ArrangeCo without the prior written consent of the Initial Consenting Noteholders and the condition in paragraph (g) above may not be waived without the prior written consent of the administrative agent on behalf of the lenders under the Credit Agreement.

The Support Agreement also contains a number of conditions that must be satisfied prior to implementation of the Recapitalization. See "*Background to and Reasons for the Transactions – Support Agreement*".

Required Approvals and Completion of the Arrangement

The implementation of the Plan of Arrangement is subject to, among other things, approval by the Court. On July 13, 2016, Lightstream initiated proceedings under the CBCA in respect of the Arrangement. The Preliminary Order included a stay prohibiting any Person, including Secured Noteholders and Unsecured Noteholders, other than the lenders under the Revolving Credit Facility, from terminating, making any demand, accelerating, amending or declaring in default or taking any enforcement steps under any contract or other agreement to which the Company is a party, by reason of the Company's commencement of proceedings under the CBCA, among other reasons, until August 12, 2016. A copy of the Preliminary Order is attached as Appendix K to this Information Circular.

Prior to the mailing of this Information Circular, Lightstream filed an Application for approval of the Arrangement and obtained the Interim Order. The Interim Order provides for the calling and holding of the Noteholders' Meetings and the Shareholders' Meeting and other procedural matters, and extended the stay obtained pursuant to the Preliminary Order until and including October 15, 2016. A copy of the Interim Order is attached as part of Appendix L to this Information Circular.

Following the Meetings, and subject to the approval of the Arrangement by the Securityholders, Lightstream intends to apply for the Final Order. A copy of the Notice of Application for the Final Order is attached as part of Appendix L to this Information Circular. The hearing in respect of the Final Order is scheduled to take place on October 5, 2016 at 10:00 a.m. (Calgary time), or such other time and/or date as the Court will advise, at the Calgary Courts Centre, 601 – 5th Street S.W., Calgary, Alberta. At the hearing and subject to further order of the Court, any Secured Noteholder, Unsecured Noteholder, Shareholder or other interested party, desiring to appear and make submissions at the application for the Final Order may do so, subject to filing with the Court and serving upon the solicitors for Lightstream, on or before 5:00 p.m. (Calgary time) on September 29, 2016, a Notice of Intention to Appear including such party's address for service in the Province of Alberta and indicating whether such Noteholder, Shareholder or other interested party intends to support or oppose the application or make submissions, together with a summary of the position such party intends to advocate before the Court and any evidence or materials which such party intends to present to the Court and satisfying any other requirements of the Court as provided in the Interim Order or otherwise. At the hearing for the Final Order, the Court will consider, among other things, the procedural and substantive fairness and reasonableness of the Arrangement, the approval of the Secured Noteholders' Arrangement Resolution by the Secured Noteholders at the Secured Noteholders' Meeting, the approval of the Unsecured Noteholders' Arrangement Resolution by the Unsecured Noteholders at the Unsecured Noteholders' Meeting and the approval of the Shareholders' Arrangement Resolution by the Shareholders at the Shareholders' Meeting. The Court may approve the Arrangement in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court deems fit.

Lightstream has advised the Court that the Final Order, if granted, will constitute the basis for the exemption from the registration requirements of the 1933 Act pursuant to Section 3(a)(10) thereof, with respect to the issuance of the New Common Shares, New Series 1 Warrants and New Series 2 Warrants pursuant to the Exchanges. Therefore, if

the Final Order is granted, the issuance of such securities in the Exchanges will not be required to be registered under the 1933 Act. See "*Certain Regulatory and Other Matters Relating to the Arrangement – Issuance and Resale of Securities Received in the Recapitalization – United States*".

Assuming the Final Order is granted and the other conditions to closing contained in the Plan of Arrangement are satisfied or waived, it is anticipated that the following will occur sequentially: (i) the various documents necessary to consummate the Recapitalization will be executed and delivered; (ii) Articles of Continuance for Lightstream will be filed under the CBCA to give effect to the Continuance; (iii) Articles of Amendment and Articles of Arrangement will be filed with the Director under the CBCA to give effect to the Arrangement; and (iv) the transactions provided for in the Plan of Arrangement will occur in the order indicated. See "*Other Information Regarding the Recapitalization – Conditions Precedent to the Implementation of the Plan of Arrangement*". The Recapitalization is also subject to the approval of the TSX.

The Company has applied to list the New Common Shares issuable pursuant to the Arrangement, the New Series 1 Warrants and the New Common Shares issuable upon the exercise thereof and the New Series 2 Warrants and the New Common Shares issuable upon the exercise thereof on the TSX. Listing of the New Common Shares, New Series 1 Warrants and New Series 2 Warrants will be subject to the Company fulfilling all of the listing requirements of the TSX. No assurance can be provided that such listings will be achieved.

Completion of the Plan of Arrangement is also subject to Investment Canada Act Approval. See "*Certain Regulatory and Other Matters Relating to the Arrangement – Investment Canada Approval*".

Subject to the foregoing, it is expected that the Effective Time will occur as soon as practicable after the requisite approvals have been obtained, which is expected to occur in early October, 2016.

CCAA Sale Transaction

If the requisite approvals for the Continuance and Arrangement are not obtained, or the Company is otherwise unable to complete the Recapitalization (including, without limitation, because the Company is unable to complete the Oppression Litigation Settlement by September 16, 2016), the Company will, pursuant to the terms of the Support Agreement, commence proceedings under the CCAA. The Company, in consultation with our advisors, the Ad Hoc Committee and its advisors and the lenders under the Credit Agreement and their advisors, began a robust SISP on July 13, 2016 in respect of our business and assets in order to identify the best available alternatives under the CCAA and allow the Company to react in a timely fashion should the Continuance or Plan of Arrangement fail to receive the requisite approvals. In the event the Company moves to the CCAA process, the members of the Ad Hoc Committee will, subject to the terms and conditions of the Support Agreement, make (or direct) the Secured Notes Credit Bid, or the Ad Hoc Committee may implement an alternative transaction structure within the CCAA Proceedings that is acceptable to the Ad Hoc Committee and Lightstream, each acting reasonably.

The members of the Ad Hoc Committee have agreed that, subject to the terms and conditions of the Support Agreement, in the event that the Secured Notes Credit Bid is the successful bid, they will replicate the consideration offered to Unsecured Noteholders or Shareholders in the Recapitalization as part of the Secured Notes Credit Bid, provided that, the Unsecured Noteholders or Shareholders, as the case may be, previously approved the Recapitalization at the requisite levels at their respective special meetings held to vote on the Recapitalization. Alternatively, if the Secured Notes Credit Bid is not the successful bid, the members of the Ad Hoc Committee have agreed that, in the event that they are repaid in full, then upon receipt of such repayment they will make $20,000,000 available to Shareholders provided that the Shareholders previously approved the Recapitalization at the requisite levels at the special meeting held to vote on the Recapitalization and that no other consideration was made available to the Shareholders from the Ad Hoc Committee or otherwise. However, the obligation to pay such consideration to the Shareholders or Unsecured Noteholders, as applicable, is not applicable if the plaintiffs in the Oppression Litigation are successful in obtaining any remedy in respect of the Oppression Litigation that would have a material adverse effect on the Company or would impact the priority or composition of the Secured Noteholders. See "*Background to and Reason for the Arrangement – Support Agreement*".

New Revolving Facility

In connection with the completion of the Recapitalization, Lightstream has received the New Revolving Facility Commitment Letters pursuant to which the lenders party thereto have agreed to provide the New Revolving Facility to the Company with a commitment of $400 million, on terms and conditions consistent with such commitment letters and otherwise acceptable to the Company and the Initial Consenting Noteholders. The execution of the New Revolving Facility Commitment Letters by the Company and the providers of the New Revolving Facility is a condition

to closing of the Recapitalization. The New Revolving Facility will be used to repay all indebtedness and amounts owing to the lenders under the Credit Agreement in full and to provide working capital and finance permitted acquisitions after the Implementation Date.

The Company anticipates that it will enter into the New Revolving Facility concurrently with the completion of the Arrangement. Pursuant to the terms of the New Revolving Facility Commitment Letters, the New Revolving Facility will provide for a $370 million syndicated facility with a committed, secured, extendible, 364-day revolving period and a one year term-out and a $30 million operating facility with a committed, secured, extendible, 364-day revolving period with a one year term-out. The New Revolving Facility will be guaranteed by all material subsidiaries of Lightstream (together with Lightstream, the "**Loan Parties**"), and the aggregate amount of the syndicated and operating facilities will not exceed the lending value of the Loan Parties' existing oil and gas reserves as determined by the lenders from time to time. This borrowing base will initially be set at $400 million and reviewed semi-annually on May 31 and November 30 of each year, except that the first borrowing base determination is to be completed by December 15, 2016. Once per calendar year during the revolving period and once per calendar year during the term period, any two or more lenders will have the right to call for an interim redetermination of the borrowing base and the borrowing base will also be redetermined upon the disposition of assets (including hedge monetizations) in excess of 5% of the then current borrowing base.

The New Revolving Facility will be secured by all of the assets of the Loan Parties and will be subject to customary conditions precedent, reporting requirements and covenants. In particular, the covenants will include that the Company's total senior debt to EBITDA may not exceed 3:1 (measured as at the end of each fiscal quarter) and certain minimum commodity hedging requirements. Interest rates will be determined based upon the Company's total senior debt to EBITDA plus an interest rate margin. The New Revolving Facility will include an event of default on a change of control of Lightstream, which will be defined to include if (a) Apollo and GSO do not own, in aggregate, more than 50% of the issued and outstanding shares of Lightstream, or (b) individuals elected as directors as part of the Plan of Arrangement or any CCAA Proceedings, as applicable, shall no longer constitute the majority of the board of Lightstream, unless any such new individuals are (i) nominated by the incumbent board of Lightstream or by Apollo or GSO and (ii) otherwise acceptable to the providers of the New Revolving Facility, acting reasonably.

Backstop Agreement

The Company has entered into a Backstop Agreement with the Backstoppers in which they have agreed to acquire any of the New Secured Notes not otherwise purchased by Eligible Secured Noteholders pursuant to the New Secured Notes Offering.

The Backstop Agreement may be terminated with respect to the obligations of each Backstopper or Lightstream upon the occurrence and, as applicable, continuation of, among others, any of the following events: (i) the Support Agreement has been terminated; (ii) the New Secured Notes Offering is not completed on or before the Outside Date; or (iii) the mutual consent of all parties.

Forbearance

On July 12, 2016, the Lightstream Entities entered into the First Forbearance Agreement with the Senior Lenders. Pursuant to the First Forbearance Agreement, and subject to the terms and conditions thereof, the Senior Lenders agreed to forbear from exercising their rights and remedies under the Revolving Credit Facilities and/or applicable Laws arising solely from the events of default existing under the Revolving Credit Facility as at the date thereof, including a forbearance by the Swap Lenders from the right to terminate any of the Swap Documents or their obligations thereunder as a result of any cross-defaults as at the date thereof under any of the Swap Documents.

Under the First Forbearance Agreement, the Company agreed to conduct and advance the Arrangement in accordance with the First Forbearance Agreement and the Support Agreement within the timeline set forth therein. The Company also agreed to conduct and advance the SISP.

The First Forbearance Agreement expired on August 9, 2016 as the Company had not obtained the New Revolving Facility Commitment Letters on that date. The Company has requested a further forbearance through the anticipated completion of the Recapitalization and is in ongoing discussions with the Senior Lenders and the Swap Lenders with respect to such further forbearance. See "*Background to and Reasons for the Recapitalization – Background to the Recapitalization*" and "*Risk Factors – Risks Relating to the Recapitalization – There is No Forbearance Agreement Currently in Place*".

The Support Agreement contains certain conditions which, if not met, obligate the Company to, with the consent of the Initial Consenting Noteholders, take all necessary steps to commence the CCAA Proceedings and seek an initial order under the CCAA, in form and substance satisfactory to the Initial Consenting Noteholders, acting reasonably, all for the purposes of implementing the CCAA Sale Transaction. Certain aspects of such conditions relating to the First Forbearance Agreement, the receipt of a further forbearance and the receipt of the New Facility Commitment Letters by July 27, 2016 were not met. As a result, the Company requested waivers from the Ad Hoc Committee in respect thereof. Through the amendment and restatement of the Support Agreement effective August 26, 2016, in addition to certain other amendments, the requisite waivers were received.

Treatment of Securityholders

Effect on Secured Noteholders

Under the Plan of Arrangement: (i) all accrued and unpaid interest on the Secured Notes will be forgiven, settled and extinguished for no consideration; (ii) the Secured Note Indenture will be amended to add the Secured Noteholder Conversion Right; and (iii) Secured Noteholders will receive, either through a Secured Note Conversion Transaction or a Secured Note Exchange Transaction, an aggregate of approximately 95,000,000 New Common Shares representing approximately 95% of the New Common Shares of the Company after giving effect to the Recapitalization, which New Common Shares shall be allocated *pro rata* to the Secured Noteholders based on each Secured Noteholder's Secured Note Claim, all in full and final settlement of the Secured Note Claims, Secured Notes and the Secured Note Indenture.

Additionally, Eligible Secured Noteholders will have the ability (or in the case of the Backstoppers, the obligation) to participate in the New Secured Notes Offering and acquire their *pro rata* share of the approximately U.S.$39,285,000 principal amount of New Secured Notes (issued with an original cash issue discount of 2%) to be offered thereunder.

Effect on Unsecured Noteholders

Under the Plan of Arrangement: (i) all accrued and unpaid interest on the Unsecured Notes will be forgiven, settled and extinguished for no consideration; and (ii) Unsecured Noteholders will receive, through a series of transactions and pursuant to the Unsecured Note Exchange Transaction, an aggregate of approximately 2,750,000 New Common Shares representing approximately 2.75% of the New Common Shares of the Company after giving effect to the Recapitalization and 5,000,000 New Series 1 Warrants (which will ultimately result in such Unsecured Noteholders holding approximately 1.8182 New Series 1 Warrants for every New Common Share held following the Arrangement, subject to the treatment of fractional New Series 1 Warrants), in each case allocated *pro rata* to the Unsecured Noteholders based on each Unsecured Noteholder's Unsecured Note Claim, all in full and final settlement of the Unsecured Note Claims, Unsecured Notes and the Unsecured Note Indenture.

Effect on Shareholders

Following completion of the Plan of Arrangement, which includes the Common Share Consolidation on approximately an 88.29:1 basis (approximately 92:1 on a fully-diluted basis), Shareholders will hold an aggregate of approximately 2,250,000 New Common Shares representing approximately 2.25% of the New Common Shares of the Company. In addition, Shareholders will receive, in accordance with the terms of the Plan of Arrangement, an aggregate of 7,750,000 New Series 2 Warrants, which New Series 2 Warrants will be allocated *pro rata* to the Shareholders based on each Shareholder's Common Share holdings, which will ultimately result in such Shareholders holding approximately 3.4444 New Series 2 Warrants for every New Common Share held following the Arrangement, subject to the treatment of fractional Series 2 Warrants.

Registered Shareholders will be required to complete, execute and return a Letter of Transmittal to the Depositary to receive their New Common Shares and New Series 2 Warrants. The Letter of Transmittal must be accompanied by the certificate representing the Shareholder's Common Shares and all other required documents. Following the Implementation Date, the Depositary will issue and deliver New Common Shares and New Series 2 Warrants in accordance with a Shareholder's instructions in the Letter of Transmittal. A copy of the Letter of Transmittal is enclosed with a copy of the Information Circular or may be obtained upon request from the Depositary.

Subject to any requirements of their banks, brokers or other intermediaries, Non-Registered Shareholders do not have to take any action to receive their Common Shares and Series 2 Warrants.

Effect on Holders of Incentive Awards and Convertible Securities

Under the Plan of Arrangement, each of the approximately 533,033 outstanding Options will be repurchased by Lightstream from the holders thereof for nominal consideration of $0.01 per Option, and cancelled and extinguished. All outstanding DCSs and Incentive Shares shall: (i) be adjusted to give economic effect to the Common Share Consolidation and the exchange of Common Shares for New Common Shares, which will include the adjustment of the exercise price and the number of New Common Shares issuable to participants under outstanding DCSs and Incentive Shares, (ii) be immediately and fully vested and exercisable, and (iii) be amended to provide that the expiry date of each such grant shall be the earlier of the existing expiry date of such grant and 180 days following the Implementation Date. All other options, warrants, rights or similar instruments derived form, relating to, or convertible or exchangeable for Common Shares, will be cancelled and extinguished.

No changes to the Company's incentive plans, including the IS Plan, the DCS Plan or the Stock Option Plan, will be made as a result of the Plan of Arrangement. Following the Implementation Date, the Company's incentive plans will continue to have the same terms as those approved by the Shareholders at the Company's May 2015 Annual General Meeting, including that the aggregate number of New Common Shares available for issuance under the IS Plan, the DCS Plan and the Stock Option Plan at any one time will be limited to 8% of the issued and outstanding New Common Shares, less the number of New Common Shares issuable on exercise of outstanding incentives. Under the incentives plans, the Board has the discretion to grant incentives to such participants as it chooses in such numbers as it chooses, subject to applicable limitations under the plans, as more fully described under "*Share Base Compensation Plans*".

See "*Named Executive Compensation – Executive Share Based Compensation Awards*", "*Securities Authorized for Issuance Under Equity Compensation Plans*" and "*Share Based Compensation Plans*".

Shareholder Rights Plan

The Plan of Arrangement provides that the Shareholder Rights Plan and any rights issued pursuant thereto will be terminated and cancelled.

Executive Employment Arrangements

The Support Agreement provides that all officer employment agreements shall have been modified to provide that the Recapitalization does not constitute a change of control under such employment agreements, and to agree that no change of control payments shall be owing or payable to the Company's officers in connection with the Recapitalization.

Three of the executive officers have employment contracts containing change of control provisions and such executive officers intend to enter into amending agreements that provide that no change of control payments shall be owing or payable to them in connection with the Recapitalization.

Unaffected Obligations

Other than the Obligations and indebtedness under the Notes and the indentures governing the Notes, the obligations and indebtedness of Lightstream are not affected by or involved in the Recapitalization. Trade debts and obligations to employees generally will all continue to be paid or satisfied by Lightstream in the ordinary course. As the First Forbearance Agreement has expired, the Company has requested a further forbearance through the anticipated completion of the Recapitalization and is in ongoing discussions with the Senior Lenders and the Swap Lenders with respect to such further forbearance. See "*Other Information Regarding the Recapitalization – Forbearance*".

In connection with the completion of the Recapitalization, Lightstream has received the New Revolving Facility Commitment Letters pursuant to which the lenders party thereto have agreed to provide the New Revolving Facility to the Company with a commitment of $400 million, on terms and conditions consistent with such commitment letters or otherwise acceptable to the Company and the Initial Consenting Noteholders. The execution of the New Revolving Facility Commitment Letters by the Company and the providers of the New Revolving Facility is a condition to closing of the Recapitalization. The New Revolving Facility will be used to repay all indebtedness and amounts owing to the lenders under the Credit Agreement in full and to provide working capital and finance permitted acquisitions after the Implementation Date. See "*Other Information Regarding the Recapitalization – New Revolving Facility*".

Fractional Interests

No fractional Common Shares, New Common Shares, New Series 1 Warrants or New Series 2 Warrants will be issued in connection with the Recapitalization. Other than as noted below, with respect to fractional Common Shares and New Common Shares that would otherwise be issuable pursuant to the Recapitalization, such fraction will be rounded down to the nearest whole number of Common Shares or New Common Shares, as applicable. With respect to fractional New Common Shares that would otherwise be issuable to Secured Noteholders on the Secured Note Conversion Transaction, the entitlement of such Secured Noteholder will be reduced to the next lowest whole number of New Common Shares if it is entitled to less than 0.5 of a New Common Share, or increased to the next highest whole number of New Common Shares if it is otherwise entitled to 0.5 or more of a New Common Share. With respect to fractional New Common Shares that would otherwise be issuable to a Secured Noteholder on a Secured Note Exchange Transaction, the entitlement of such Secured Noteholder will be reduced to the next lowest whole number of New Common Shares. With respect to fractional New Series 1 Warrants or New Series 2 Warrants that would otherwise be issuable to an Unsecured Noteholder or a Shareholder, as applicable, the entitlement of such Unsecured Noteholder or Shareholder, as applicable, will be reduced to the next lowest whole number of New Series 1 Warrants or New Series 2 Warrants, as applicable. No compensation will be issued to Secured Noteholders, Unsecured Noteholders or Shareholders as a result of rounding down.

Board of Directors

Pursuant to the Support Agreement, the composition and size of the Board on completion of the Recapitalization shall be acceptable to the Initial Consenting Noteholders, and it is anticipated that the Board will be reconstituted concurrently with or shortly after completion of the Arrangement to include (i) the Chief Executive Officer of the Company, (ii) one or more existing directors of the Company acceptable to the Ad Hoc Committee and (iii) other new individuals acceptable to the Ad Hoc Committee. The Company will announce by way of press release any changes to the Board prior to the Implementation Date.

Procedures to Receive Consideration

Shareholders – Registered Shareholders

A Letter of Transmittal accompanies this Information Circular. If the Recapitalization is approved, Registered Shareholders must properly complete, execute and return the Letter of Transmittal, together with the certificate(s) representing their Common Shares and any other relevant documents required by the instructions set out in the Letter of Transmittal, to the Depositary at one of the offices specified in the Letter of Transmittal, which documents must actually be received by the Depositary in order to issue the New Common Shares and New Series 2 Warrants to current Shareholders. Except as otherwise provided by the instructions in the Letter of Transmittal, the signature on the Letter of Transmittal must be guaranteed by an eligible institution as defined and set out in the Letter of Transmittal that will be sent to Registered Shareholders. If a Letter of Transmittal is executed by a Person other than the registered holder of the certificate(s) deposited therewith, the certificate(s) must be endorsed or be accompanied by an appropriate securities transfer power of attorney duly and properly completed by the registered holder, with the signature on the endorsement panel or securities transfer power of attorney guaranteed by the eligible institution. All questions as to form, validity and acceptance of any Common Shares deposited pursuant to the Letter of Transmittal will be determined by Lightstream in our sole discretion. Registered Shareholders depositing Common Shares agree that such determination shall be final and binding.

Lightstream reserves the absolute right to reject any and all deposits which Lightstream determines not to be in proper form or which may be unlawful for it to accept under the Laws of any jurisdiction. Lightstream reserves the absolute right to waive any defect or irregularity in the deposit of any Common Shares. There shall be no duty or obligation on Lightstream, the Depositary or any other Person to give notice of any defect or irregularity in any deposit of Common Shares and no liability shall be incurred by any of them for failure to give such notice. Lightstream reserves the right to permit the procedure for the exchange of Common Shares pursuant to the Recapitalization to be completed other than that as set out above. Unless otherwise directed in the Letter of Transmittal, the certificates representing the New Common Shares and New Series 2 Warrants to be issued in exchange for the certificate representing the Common Shares will be issued in the name of the registered holder of the Common Shares so deposited. Unless the Person who deposits Common Shares instructs the Depositary to hold the share and warrant certificates to be issued in exchange for the Common Shares for pick-up by checking the appropriate box in the Letter of Transmittal, certificates representing the New Common Shares and New Series 2 Warrants to be issued in exchange for the certificates representing Common Shares will be forwarded by first class insured mail to the address supplied in the Letter of Transmittal. If no address is provided, certificates will be forwarded to the address of the Person as shown on the applicable register of Lightstream.

If the Recapitalization is approved, certificates formerly representing Common Shares will represent New Common Shares and New Series 2 Warrants on a post-Recapitalization basis prior to the exchange of such certificates in accordance with a duly completed Letter of Transmittal.

Registered Shareholders who do not forward to the Depositary properly completed Letters of Transmittal (together with a certificate or certificates representing their Common Shares and all other required documents) will not receive the certificates representing the New Common Shares and New Series 2 Warrants which they are otherwise entitled and also will not be recorded on the registers of New Common Shares and New Series 2 Warrants until proper delivery is made.

Where a certificate representing Common Shares has been destroyed, lost or mislaid, the registered holder of that certificate should immediately complete the Letter of Transmittal as fully as possible and deliver it together with a letter describing the loss to the Depositary in accordance with instructions in the Letter of Transmittal.

Shareholders – Beneficial Shareholders

Shareholders who currently hold their interests in Common Shares through CDS will have such Common Shares adjusted to account for the Recapitalization (including the Common Share Consolidation) and receive their New Series 2 Warrants through the facilities of CDS. Adjustment of the Common Shares and delivery of the New Series 2 Warrants will be made through the facilities of CDS to CDS participants who in turn will deliver the Common Shares and New Series 2 Warrants to the beneficial holders of such Common Shares pursuant to standing instructions and customary practices.

Secured Noteholders

DTC is currently the sole registered holder of the Secured Notes on behalf of the Secured Noteholders. In respect of all Secured Notes held, DTC will surrender for cancellation certificates representing the Secured Notes held by DTC to the U.S. trustee designated under the Secured Note Indenture. Delivery of the New Common Shares issuable to the Secured Noteholders who continue to hold their Secured Notes in DTC as consideration for the exchange and cancellation of the Secured Note Claims will be made through the facilities of DTC to DTC participants who in turn will deliver the New Common Shares to the Secured Noteholders pursuant to standing directions and customary practices.

The forms of Conversion Notice for use by Secured Noteholders in connection with the Arrangement may be obtained by contacting Lightstream at (403) 268-7800 or ir@lightstreamres.com. Secured Noteholders wishing to submit a Reorganization Time Notice or a Subsequent Time Notice to convert their Secured Note Claims pursuant to the Plan of Arrangement must take the steps necessary to become Registered Noteholders. In order to be accepted by the Company, a Conversion Notice, along with a certificate representing a Secured Noteholder's Secured Notes, must be delivered to the Company, pursuant to the instructions set forth on the form of Conversion Notice, at least five Business Days prior to the Secured Noteholders' Meeting.

Secured Noteholders that have withdrawn their Secured Notes from DTC in connection with the submission of a Conversion Notice will have their New Common Shares registered and delivered in accordance with the instructions set forth in such holder's Conversion Notice.

Unsecured Noteholders

DTC, as sole registered holder of the Unsecured Notes on behalf of the Unsecured Noteholders, will surrender for cancellation certificates representing the Unsecured Notes to the trustee designated under the Unsecured Note Indenture. Delivery of the New Common Shares and New Series 1 Warrants issuable to the Unsecured Noteholders as consideration for the exchange and cancellation of the Unsecured Notes will be made through the facilities of DTC to DTC participants who in turn will deliver the New Common Shares and New Series 1 Warrants to the Unsecured Noteholders pursuant to standing directions and customary practices.

General

Any use of the mail to transmit a certificate representing Common Shares and a related Letter of Transmittal is at the risk of the Shareholder. Similarly, any use of the mail to transmit a certificate representing Secured Notes and a related Conversion Notice is at the risk of the Secured Noteholder. If these documents are mailed, it is recommended that registered mail, with (if applicable) return receipt requested, properly insured, be used. If the Shareholders'

Arrangement Resolution, the Secured Noteholders' Arrangement Resolution and the Unsecured Noteholders' Arrangement Resolution are not adopted at the Meetings by the Shareholders, Secured Noteholders and Unsecured Noteholders, respectively, or if the Recapitalization is not otherwise completed, the certificates representing Common Shares or Secured Notes will be returned to the appropriate Shareholders and/or Secured Noteholders, as applicable, and the Company will proceed with the CCAA Sale Transaction.

Shareholders whose Common Shares registered in the name of a broker, investment dealer, bank, trust company or other intermediary should contact that intermediary for instructions and assistance in providing details of registration and delivery of their Common Shares. Secured Noteholders should contact DTC and the U.S. trustee for instructions and assistance with extracting their Secured Notes from DTC and becoming Registered Secured Noteholders.

Strict compliance with the requirements set forth above concerning deposit and delivery of securities and related required documents will be necessary.

BACKGROUND TO AND REASONS FOR THE TRANSACTIONS

Background to the Recapitalization

Lightstream is engaged in the exploration, development and production of oil and natural gas reserves in Alberta, British Columbia and Saskatchewan with a focus on light oil. Our principal operating areas include southeast Saskatchewan in the Bakken and Mississippian formations, central Alberta in the Cardium formation and north-central Alberta in the Swan Hills formation. Our properties and assets consist of proved producing crude oil and natural gas reserves and proved plus probable crude oil and natural gas reserves not yet in production, and assets related thereto.

The Company's strategy entering 2014 was to strengthen our balance sheet and reduce our overall debt through an asset divestiture program of non-core assets, principally from our southeast Saskatchewan conventional business unit. During that year, the Company completed $729 million of non-core asset dispositions representing approximately 6,315 boepd of production (79% liquids) and 20.9 million boe of proved plus probable reserves. The proceeds from these dispositions were used to reduce overall corporate debt. In addition, the Company remained focused on our operational goals of spending within cash flow and replacing produced reserves under a conservative capital budget.

During the second quarter of 2014, WTI was trading in the U.S.$90.00 to U.S.$100.00 per barrel range; however, commodity prices began to deteriorate towards the end of the third quarter of 2014 and continued to decline further during 2015 and into 2016 with WTI trading below U.S.$30.00 per barrel at certain points in January and February 2016.

The global decline of oil and gas prices, as well as fluctuations in foreign exchange rates, among other things, have constrained Lightstream's liquidity and significantly reduced the current value of Lightstream's reserves. These challenging industry conditions have caused the continued servicing of Lightstream's debt obligations to have a significant negative impact on the Company's financial position and our operations.

In response to these difficulties, Lightstream adopted a conservative capital program for 2015 with the objective of ensuring that expenditures would be funded through cash flow, without an increase in debt levels. The Company continued to take proactive measures to restrict spending, including reducing and ultimately suspending our dividend program, making significant reductions in the Company's permanent employee count and trimming variable operating costs. In addition, the Company adopted a strategy to monetize, at an appropriate valuation, all or part of our assets in the Bakken business unit, a strategy which ultimately wasn't realized due to challenging market conditions.

During the third quarter of 2015, Lightstream issued a total of U.S.$650 million of Secured Notes. U.S.$450 million of the Secured Notes were issued in exchange for U.S.$546 million of outstanding Unsecured Notes, which were cancelled, and the remaining U.S.$200 million of the Secured Notes were issued for cash proceeds that were used to reduce outstanding borrowing under the Revolving Credit Facility. The exchange transaction reduced the Company's overall debt by approximately $90 million.

On November 13, 2015, as a result of a semi-annual borrowing base re-determination, the borrowing base under the Revolving Credit Facility was reduced to $550 million from $750 million.

Commencing in February 2016, Lightstream's executives began meeting internally and with a variety of financial advisory service providers to discuss possible strategic routes for the Company to pursue in light of continued weak oil prices and lack of capital availability in the energy sector. The Board of Directors was also involved in various strategic discussions to determine the best course forward for the Company. On or around the week of March 27, 2016, management, and later our advisors, began to engage with the Ad Hoc Committee to explore various strategic alternatives, including a potential debt-for-equity transaction as well as other restructuring and recapitalization alternatives. During this period, Lightstream also engaged advisors to pursue alternative first lien financing and to market certain assets of the Company. During April 2016, Lightstream and our advisors began to engage with the Senior Lenders with respect to various strategic alternatives, including refinancing alternatives with the Senior Lenders and other third party financing sources. Lightstream also approached certain of our Unsecured Noteholders in an effort to engage them in the Company's exploration of strategic alternatives; however, the parties were unable to come to an agreement with respect to non-disclosure commitments thereby limiting the extent of any discussions.

On April 29, 2016, the borrowing base of the Revolving Credit Facility was reduced from $550 million to $250 million which resulted in a borrowing base shortfall of approximately $121 million including issued letters of credit. As a result, Lightstream was unable to obtain any further advances or issue any letters of credit under the Revolving Credit Facility, the interest rates and fees under the Revolving Credit Facility increased and Lightstream had 90 days (until July 28, 2016) to eliminate the borrowing base shortfall before defaulting under the Revolving Credit Facility, at which time all obligations owing under the Revolving Credit Facility, including unpaid interest and fees, would be immediately due and payable.

On May 2, 2016, following the notice of the reduction of the borrowing base, Lightstream announced its decision to initiate a process to explore a range of strategic alternatives (the "**Strategic Review Process**"), which was commenced with the assistance of our financial and sale advisors, Evercore Capital L.L.C. and TD Securities Inc.

As part of the Strategic Review Process, Lightstream considered and pursued a number of alternatives, including: (i) alternative first lien financing to replace the Revolving Credit Facility; (ii) the sale of certain assets; and (iii) negotiated restructuring and/or recapitalization alternatives. In addition to the Strategic Review Process, Lightstream worked to implement various cost-saving initiatives including further reducing our permanent employee count, capital expenditures and operating costs.

On June 14, 2016, Lightstream determined to not make the interest payment in the amount of U.S.$32.1 million to the Secured Noteholders due on June 15, 2016. Under the Secured Notes Indenture, the Company had a 30 day grace period before triggering an event of default.

As a result of the work conducted under the Strategic Review Process, and following extensive negotiations with the Ad Hoc Committee and the Senior Lenders, the Company determined that the Recapitalization had the best chance to restore the long term profitability of Lightstream for the benefit of all of our stakeholders. Consequently, on July 12, 2016, following extensive deliberation by the Board and receipt of legal and financial advice relating to the Company's alternatives, the Company entered into the initial Support Agreement and the First Forbearance Agreement and, in connection with the proposed Arrangement, obtained the Preliminary Order on July 13, 2016.

Effective July 25, 2016, the Company and its lenders amended the First Forbearance Agreement to extend the relief period under the First Forbearance Agreement until 2:00 p.m. (Calgary time) on August 5, 2016. On July 27**,** 2016, the Board met with its financial advisor and legal counsel to review and consider, among other things, the proposed terms of the Arrangement Agreement and Plan of Arrangement and the contents of this Information Circular. After receiving legal and financial advice, including the receipt of the Fairness Opinion and the CBCA Opinion from RBC, the Board determined that it was in the best interests of the Company to enter into the Arrangement Agreement providing for the implementation of the Plan of Arrangement, and approved the calling of the Meetings, and the Arrangement Agreement was announced by Lightstream. On August 5, 2016, an initial interim order of the Court was granted providing for, among other things, the calling and holding of the Meetings on September 13, 2016 and the extension of the stay of proceedings granted under the Preliminary Order until September 30, 2016. This initial interim order was subsequently replaced and superseded by the Interim Order granted on August 29, 2016, as described below.

On August 5, 2016, the Company and its lenders further amended the First Forbearance Agreement to extend the relief period under the First Forbearance Agreement until 2:00 p.m. (Calgary time) on August 12, 2016, provided that the Company received the New Revolving Facility Commitment Letters by August 9, 2016. The New Revolving Facility Commitment Letters were not obtained by August 9, 2016 and, as a result, the First Forbearance Agreement expired on that date. The Company has requested a further forbearance through the anticipated completion of the Recapitalization; however we have not yet reached an agreement with the Senior Lenders and Swap Lenders for

such additional forbearance. The Company is in ongoing discussions with its lenders with respect to such further forbearance. See "*Risk Factors – Risks Relating to the Recapitalization – There is No Forbearance Agreement Currently in Place*".

On August 26, 2016, the Company announced the amendment and restatement of the Support Agreement (as described under " – *Support Agreement*" below), the receipt of the Revolving Facility Commitment Letters and, in connection with the timing required to resolve such matters, a postponement of the Meetings to the Meeting Date.

On August 29, 2016, the Interim Order was granted providing for, among other things, the calling and holding of the Meetings on September 30, 2016 and the extension of the stay of proceedings initially granted under the Preliminary Order, and extended under the initial interim order granted on August 5, 2016, until October 15, 2016.

Management and the Board of Directors believe that the Recapitalization will have the following benefits to Lightstream and our Shareholders and Noteholders:

(a) improve financial strength and reduce financial risk by:

  (i) retiring approximately $1.175 billion of debt; and

  (ii) reducing the annual interest expense by approximately $108 million per year;

(b) improving liquidity by virtue of the proceeds raised from the offering of the New Secured Notes and the establishment of the New Revolving Facility, and by relieving the Company from the obligation to pay cash interest in respect of the outstanding Notes, as unpaid interest, together with all principal amounts and other claims in respect of the Notes, will be settled and extinguished pursuant to the Plan of Arrangement;

(c) improve the Company's ability to manage the effects of the continuing low crude oil price environment;

(d) position the Company to:

  (i) pursue a modest capital expenditure program to preserve substantial value in the Company's resources and assets during the current period of depressed commodity prices;

  (ii) provide flexibility to raise additional capital in the future; and,

  (iii) pursue a growth-focused capital plan in the event that WTI oil prices recovered into a price range per barrel that justifies investment over the longer term; and

(e) provide Shareholders and Noteholders with an opportunity to continue to participate in the development of Lightstream's properties through their ongoing ownership of New Common Shares.

In the event that: (i) the Recapitalization is not implemented for any reason, or (ii) the requisite votes or approvals for the Recapitalization are not obtained, Lightstream, with the consent of the Initial Consenting Noteholders, shall take all necessary steps to commence the CCAA Proceedings and seek an initial order under the CCAA, for the purposes of implementing the CCAA Sale Transaction. See "*Other Information Regarding the Recapitalization – CCAA Sale Transaction*" and "*Risk Factors – Risks Relating to the Recapitalization*".

Support Agreement

On July 12, 2016, Lightstream entered into the initial Support Agreement with the Initial Consenting Noteholders, who currently hold approximately 91.5% of the outstanding principal amount of the Secured Notes. The Support Agreement contains certain conditions which, if not met, obligate the Company to, with the consent of the Initial Consenting Noteholders, take all necessary steps to commence the CCAA Proceedings and seek an initial order under the CCAA, in form and substance satisfactory to the Initial Consenting Noteholders, acting reasonably, all for the purposes of implementing the CCAA Sale Transaction. Certain aspects of such conditions relating to the First Forbearance Agreement, the receipt of a further forbearance and the receipt of the New Facility Commitment Letters by July 27, 2016 were not met. As a result, the Company requested waivers from the Ad Hoc Committee in respect

thereof. Through the amendment and restatement of the Support Agreement effective August 26, 2016 in addition to certain other amendments, the requisite waivers were received.

Pursuant to the Support Agreement, and subject to the terms and conditions thereof, the Initial Consenting Noteholders agreed to tender their respective proxies for the Noteholders' Meetings and the Shareholders' Meeting, as applicable, in a timely manner, voting all of their respective Notes and Common Shares in favour of the Recapitalization, as applicable. Each Initial Consenting Noteholder agreed not to, directly or indirectly, sell, assign, lend, pledge, hypothecate or otherwise transfer any of its respective Common Shares (the "**Relevant Shares**") or Notes or other debt or any interest related thereto (the "**Relevant Debt**") in each case as set forth by the Consenting Noteholder on its signature page to the Support Agreement (or permit any of the foregoing with respect to such Relevant Shares or Relevant Debt), or relinquish or restrict the Initial Consenting Noteholder's right to vote any such Relevant Shares or Relevant Debt (including by way of a voting trust or grant of proxy or power of attorney or other appointment of an attorney or attorney-in-fact), or enter into any agreement, arrangement or understanding in connection therewith, except that the Initial Consenting Noteholder may transfer some or all of its Relevant Shares or Relevant Debt to (i) any other fund managed, advised or sub-advised by the Initial Consenting Noteholder or any investment manager, adviser or sub-adviser (or their affiliate) of the Initial Consenting Noteholder for which the Initial Consenting Noteholder has sole voting and investment discretion, including sole discretionary authority to manage or administer funds and continues to exercise sole investment and voting authority with respect to the transferred debt, (ii) any other Consenting Noteholder, or (iii) any other Person provided such Person agrees to be bound by the terms of the Support Agreement with respect to the transferred Relevant Shares or Relevant Debt that are subject to such transfer and, contemporaneously with the transfer, delivers an executed consent agreement in the form appended to the Support Agreement.

Pursuant to the terms of the Support Agreement, Lightstream may solicit, assist, initiate, encourage and facilitate inquiries or proposals regarding a transaction that is an alternative to the Transactions including pursuant to the SISP (an "**Other Transaction**") (including by way of furnishing information pursuant to the provisions of any confidentiality agreement), provided Lightstream shall not, without the knowledge (but not consent) of and consultation with the Initial Consenting Noteholders, participate in any substantive discussions or negotiations with any Person regarding any Other Transaction. Lightstream shall not, directly or indirectly through any Representative, (i) accept, approve, endorse or recommend or propose publicly to accept, approve, endorse or recommend any Other Transaction; or (ii) enter into, or publicly propose to enter into, any binding agreement in respect of any Other Transaction. Notwithstanding the foregoing, Lightstream may accept, approve, endorse or recommend or propose publicly to accept, approve, endorse or recommend any Other Transaction; or enter into, or publicly propose to enter into, any binding agreement in respect of any Other Transaction if, (A) after receiving advice from its legal and financial advisors, the Board of Directors determines that such action is necessary for such Board of Directors to discharge its fiduciary duties under applicable Law, (B) such Other Transaction, if implemented, would result in the payment of all amounts due in respect of the Secured Notes, including all fees, premiums, make-whole, costs and expenses, accrued interest, and any other amounts owing, in cash on or in connection with implementation of such Other Transaction, and (C) such Other Transaction (I) is reasonably capable of being completed, taking into account the financial, legal, regulatory and other aspects of such Other Transaction and the Person proposing such Other Transaction (y) if the Company has not commenced CCAA Proceedings, on or before the Outside Date, and (z) if the Company has commenced CCAA Proceedings, on or before the Transaction Outside Date, (II) is not subject to a financing condition and in respect of which it has been demonstrated to the satisfaction of the Board of Directors, acting in good faith (and after receipt of advice from its financial advisors and its outside legal counsel) that adequate arrangements have been made in respect of any financing required to complete such Other Transaction, and (III) is not subject to any due diligence and/or access condition.

The Support Agreement contains certain conditions which, if not met, require Lightstream, with the consent of the Initial Consenting Noteholders, to take all necessary steps to commence the CCAA Proceedings and seek an initial order under the CCAA, in form and substance satisfactory to the Initial Consenting Noteholders, acting reasonably, all for the purposes of implementing the CCAA Sale Transaction. These conditions are that (i) the Plan of Arrangement is not implemented on or before the Outside Date, (ii) the New Revolving Facility Commitment Letters are not executed, the Interim Order is not granted, the Company has not entered into the Oppression Litigation Settlement or the Court has not approved the Plan of Arrangement, in each case on or before the applicable milestone date set forth in the Support Agreement, (iii) the requisite votes or approvals are not obtained at the Meetings, or (iv) there shall have occurred a breach in any material respect by Consenting Noteholders (if any) holding, in the aggregate, not less than 50% of the total outstanding principal amount of the Unsecured Notes, of their covenants in the Support Agreement that are to be performed on or before the Implementation Date.

Simultaneously with the commencement of the CCAA Proceedings, the Initial Consenting Noteholders shall direct the trustee for the Secured Notes to make, through a newly formed corporation ("**Creditbidco**"), the Secured Notes Credit Bid of the full amount of the obligations owed under the Secured Notes, including all outstanding principal,

accrued and unpaid interest, premium, make-whole, fees, costs and expenses, for all of the business and assets of the Company. See "*Other Information Regarding the Recapitalization – CCAA Sale Transaction*". In the event that it is determined that a CCAA Sale Transaction shall be pursued in accordance with the Support Agreement, (i) Lightstream and our advisors shall work with the Initial Consenting Noteholders and its advisors in good faith to negotiate all definitive documents and to take all steps implementing, achieving and relating to the CCAA Sale Transaction and the Secured Notes Credit Bid, and (ii) the terms of the Support Agreement shall apply to the CCAA Sale Transaction with any necessary amendments as to the structure and implementation of the CCAA Sale Transaction as may be reasonably required. Notwithstanding the foregoing, following the commencement of the CCAA proceedings, the Secured Notes Credit Bid may be replaced with an alternative transaction structure acceptable to the Initial Consenting Noteholders and Lightstream, each acting reasonably.

The Support Agreement stipulates that the following conditions, among others, must be satisfied prior to the implementation of the Recapitalization:

(a) the Company shall have entered into the Oppression Litigation Settlement on or before September 16, 2016;

(b) the Plan of Arrangement shall have been approved by the Noteholders and the Shareholders as and to the extent required by the Court or otherwise on or before September 30, 2016 or such later date as the Company and the Initial Consenting Noteholders may agree;

(c) the Plan of Arrangement shall have been approved by the Court on or before October 7, 2016 or such later date as the Company and the Initial Consenting Noteholders may agree;

(d) all required stakeholder, regulatory, Court approvals, consents, waivers and filings, including, if necessary, the Investment Canada Act Approval and any notifications and/or approvals required under the *Competition Act* (Canada), shall have been obtained or made, as applicable, on terms satisfactory to the Initial Consenting Noteholders and Lightstream, each acting reasonably;

(e) there shall not be in effect any preliminary or final decision, order or decree by a Governmental Entity and no action shall have been announced, threatened or commenced by any Governmental Entity, in consequence of or in connection with the Recapitalization that prohibits or materially restrains or impedes (or if granted could reasonably be expected to prohibit or materially restrain or impede) the Recapitalization or any material part thereof or requires or purports to require a material variation of the Recapitalization;

(f) the New Common Shares issued pursuant to the Recapitalization shall be: (i) freely tradable in Canada and freely transferable in the United States other than by "affiliates" of the Company as defined in Rule 144 under the 1933 Act (or Persons that have been "affiliates" of the Company (as so defined) within 90 days of the Implementation Date); and (ii) conditionally approved for listing on the TSX;

(g) Lightstream and any Significant Holder shall have entered into a Registration Rights Agreement providing for a minimum of two Canadian demand registration prospectus qualification rights in aggregate and piggy-back Canadian registration rights;

(h) the New Revolving Facility Commitment Letters shall have been executed by Lightstream and the providers of the New Revolving Facility on terms acceptable to the Initial Consenting Noteholders;

(i) the composition and size of the Board effective as of the Implementation Date shall be satisfactory to the Initial Consenting Noteholders, acting in a manner consistent with the Support Agreement and provided that such composition complies with applicable Laws;

(j) (i) all Options will be repurchased for nominal consideration and cancelled, (ii) all DCSs and Incentive Shares shall be adjusted to give effect to the Recapitalization and will vest and be exercisable for the earlier of their expiry and 180 days following the Implementation Date, and (iii) all other options, warrants, rights, shareholder rights plans or similar instruments derived from, relating to or convertible or exchangeable therefor, will be extinguished and cancelled for no consideration pursuant to the terms of the Plan of Arrangement or otherwise; and

(k) the Plan of Arrangement shall contemplate that the Shareholder Rights Plan and any rights issued pursuant thereto shall be terminated and cancelled and be void and of no further force or effect without any consideration therefor.

The Support Agreement may be terminated with respect to the obligations of each Initial Consenting Noteholder upon the occurrence and, if applicable, the continuation of, among others, any of the following events:

(a) if the Implementation Date has not occurred on or before the Transaction Outside Date, unless the failure to meet such timelines is caused solely by the action or omission to take any action by such Initial Consenting Noteholder;

(b) the Company enters into an Oppression Litigation Settlement without the consent of the Initial Consenting Noteholders;

(c) the Company enters into a further forbearance agreement with its lenders without the consent of the Initial Consenting Noteholders;

(d) if any of the conditions precedent to the Recapitalization have not been satisfied or waived by the Transaction Outside Date;

(e) the CCAA Proceedings are dismissed or a receiver, interim receiver, receiver and manager, trustee in bankruptcy, liquidator or administrator is appointed in respect of Lightstream, unless such event occurs with the prior written consent of the Initial Consenting Noteholders;

(f) the occurrence of a Material Adverse Change (as such term is defined in the Support Agreement); or

(g) Lightstream enters into an Other Transaction.

The Support Agreement may be terminated by Lightstream upon the occurrence and, if applicable, the continuation of, among others, any of the following events:

(a) if the Implementation Date has not occurred prior to the Transaction Outside Date, unless the failure to make the foregoing timelines is caused solely by the action or omission to take any action by the Company;

(b) if the successful bid chosen in the SISP is a Person other than the Secured Notes Credit Bid;

(c) if at any given time the Consenting Noteholders party to the Support Agreement (including by way of consent agreements) represent less than 66⅔% of the aggregate principal amount of outstanding Secured Notes; or

(d) Lightstream enters into a binding definitive agreement with respect to an Other Transaction.

In addition the Support Agreement may be terminated by mutual consent of Lightstream and the Initial Consenting Noteholders.

Upon termination, the Support Agreement shall be of no further force and effect and each party is automatically and simultaneously released from its commitments, undertakings, and agreements under or related to the Support Agreement, except for the rights, agreements, commitments and obligations under certain specified sections.

A complete copy of the Support Agreement is available on the Company's SEDAR profile and can be accessed at www.sedar.com.

Opinions from Financial Advisor

The Board retained RBC as financial advisor in connection with the Board's consideration of the Recapitalization.

Fairness Opinion

The Board received the Fairness Opinion from RBC that, as of July 27, 2016 and subject to the scope of review, assumptions and limitations set forth therein, the Recapitalization is fair from a financial point of view to the Company. RBC has not prepared a valuation of the Company or any of our securities or assets and the Fairness Opinion should not be considered as such.

The full text of the Fairness Opinion, the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with such Fairness Opinion is attached in Appendix I. This summary is qualified in its entirety by reference to the full text of such Fairness Opinion. RBC provided the Fairness Opinion for the information and assistance of the Board in connection with its consideration of the Recapitalization. The Fairness Opinion is not a recommendation as to how any Secured Noteholder, Unsecured Noteholder or Shareholder should vote with respect to the Recapitalization or any other matter.

CBCA Opinion

The Board received the CBCA Opinion from RBC in the form described in paragraph 4.04 of Policy Statement 15.1 – *Policy of the Director concerning Arrangements under Section 192 of the Canada Business Corporations Act* that, as of July 27, 2016 and subject to the scope of review, assumptions and limitations set forth therein, the Secured Noteholders, Unsecured Noteholders and Shareholders would each be in a better position from a financial point of view under the Recapitalization than if the Company were liquidated. RBC has not prepared a valuation of the Company or any of our securities or assets and the CBCA Opinion should not be considered as such.

The full text of the CBCA Opinion, the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with such CBCA Opinion is attached in Appendix J. This summary is qualified in its entirety by reference to the full text of such CBCA Opinion. RBC provided the CBCA Opinion for the information and assistance of the Board in connection with its consideration of the Recapitalization. The CBCA Opinion is not a recommendation as to how any Secured Noteholder, Unsecured Noteholder or Shareholder should vote with respect to the Recapitalization or any other matter.

Information Respecting RBC

Under our engagement with RBC, the Company has agreed to pay RBC a cash fee for its services as financial advisor, including fees that are contingent on the completion of the Recapitalization or certain other events. No portion of the fees were conditional upon the Fairness Opinion or CBCA Opinion being favourable. The Company also agreed to reimburse RBC for all reasonable out-of-pocket expenses and to indemnify RBC in relation to certain claims or liabilities that could arise in connection with the services performed under RBC's engagement.

RBC is one of Canada's largest investment banking firms, with operations in all facets of corporate and government finance, corporate banking, mergers and acquisitions, equity and fixed income sales and trading and investment research. RBC Capital Markets also has significant operations in the United States and internationally. The Fairness Opinion and CBCA Opinion expressed herein represent the opinions of RBC 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 and fairness opinion matters.

Recommendation of the Board of Directors

After careful consideration of, among other things, the Fairness Opinion and the CBCA Opinion, and upon consultation with its financial advisor and outside legal counsel, the Board of Directors has unanimously approved the Recapitalization and authorized its submission to the Securityholders and the Court for their respective approvals. The Board of Directors considered the likely value that would be received by Securityholders should Lightstream not pursue the Transactions and considered the outcomes under both an independent CCAA process, among other alternatives. The Board of Directors also considered various factors discussed in the foregoing section entitled "*Background To and Reasons For the Transactions*", including challenges in servicing and repaying the existing debt and the necessity to rationalize the capital structure to be able to raise additional funds to maintain our business. Further, the Board of Directors took note of the fact that Initial Consenting Noteholders holding approximately 91.5% of the outstanding principal amount of the Secured Notes executed the Support Agreement and the fact that Unsecured Noteholders and Shareholders will continue to have an opportunity to participate in the development of Lightstream's properties through their ownership of New Common Shares.

The Board of Directors unanimously recommends that all Noteholders and Shareholders support the Recapitalization and vote in favour of the Arrangement. Each of the directors and officers of the Company, holding on a combined basis, approximately 5.1% of the Common Shares, have executed a support agreement and agreed to vote their Common Shares and Notes in favour of the approval and adoption of the Recapitalization.

CERTAIN REGULATORY AND OTHER MATTERS RELATING TO THE ARRANGEMENT

Issuance and Resale of Securities Received in the Recapitalization

United States

Status under U.S. Securities Laws

At the time of the Recapitalization, Lightstream will be a "foreign private issuer" as defined in Rule 3b-4 under the 1934 Act. Lightstream intends to apply to the TSX for the listing of the New Common Shares, New Series 1 Warrants and New Series 2 Warrants in advance of the Meetings. Lightstream does not currently intend to seek a listing for the New Common Shares or any other securities on a stock exchange in the United States.

Issuance, Resale and Exercise of Securities Received under the Arrangement

The following discussion is a general overview of certain requirements of U.S. federal Securities Laws that may be applicable to Securityholders in the United States in respect of New Common Shares, New Series 1 Warrants and New Series 2 Warrants received in the Arrangement. The following discussion does not relate to the New Secured Notes, in respect of which readers should see "*Business of the Special Meeting – Approval of the Plan of Arrangement – Offering of New Secured Notes*." **All Securityholders are urged to consult with their own legal counsel to ensure that any subsequent resale of securities issued to them in connection with the Arrangement complies with applicable securities legislation.**

The following discussion does not address the Canadian Securities Laws that will apply to the issuance to or the resale by Securityholders within Canada of securities of Lightstream. Securityholders reselling their securities in Canada must comply with Canadian Securities Laws, as outlined below under "*Canada*".

Exemption from the registration requirements of the 1933 Act

The issuance pursuant to the Arrangement of the New Common Shares, New Series 1 Warrants and New Series 2 Warrants to the applicable Securityholders pursuant to the Exchanges has not been and will not be registered under the 1933 Act and such securities will be issued in reliance on the exemption from the registration requirements of the 1933 Act set forth in Section 3(a)(10) thereof (and similar exemptions under applicable state Securities Laws), on the basis of the approval of the Court, which will consider, among other things, the fairness of the Arrangement to the Persons affected.

Resales of New Common Shares after the Completion of the Arrangement

Persons who are not affiliates of Lightstream after the Arrangement and were not affiliates of Lightstream within 90 days prior to completion of the Arrangement may resell the New Common Shares, New Series 1 Warrants and New Series 2 Warrants that they receive in connection with the Arrangement without restriction under the 1933 Act. A Person who will be an "affiliate" of Lightstream after the Recapitalization will be subject to certain restrictions on resale imposed by the 1933 Act. As defined in Rule 144 under the 1933 Act, an "affiliate" of an issuer is a Person that, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the issuer and generally includes executive officers and directors of such issuer as well as principal shareholders of such issuer.

Persons who are affiliates of Lightstream after the Arrangement or were affiliates of Lightstream within 90 days prior to completion of the Arrangement may not resell the New Common Shares, New Series 1 Warrants or New Series 2 Warrants that they receive in connection with the Arrangement in the absence of registration under the 1933 Act, unless an exemption from registration is available, such as the exemptions contained in Rule 144 under the 1933 Act or Rule 904 of Regulation S under the 1933 Act.

Exercise of Series 1 Warrants and Series 2 Warrants under the Completion of the Arrangement

Section 3(a)(10) of the 1933 Act does not exempt the issuance of securities upon the subsequent exercise or conversion of securities issued pursuant to Section 3(a)(10) of the 1933 Act. Consequently, Section 3(a)(10) of the 1933 Act will not exempt the issuance of New Common Shares upon the exercise of New Series 1 Warrants or New Series 2 Warrants. Consequently, the New Series 1 Warrants and New Series 2 Warrants may be exercised only in transactions exempt from, or not subject to, the registration requirements of the 1933 Act and applicable state securities Laws. Prior to any such exercise, the Company may require the delivery of reasonably satisfactory evidence to the effect that the issuance of New Common Shares upon such exercise is not required to be registered under the 1933 Act or applicable state securities Laws.

Canada

The issuance of the New Common Shares (including the transitory step of issuing Lightstream Class A Shares), Warrants and New Secured Notes pursuant to the Recapitalization will be exempt from the prospectus requirements under Canadian Securities Laws. As a consequence of the exemption, certain protections, rights and remedies provided by Canadian Securities Laws, including statutory rights of rescission or damages, will not be available in respect of such new securities to be issued pursuant to the Recapitalization. The New Common Shares, Warrants and New Secured Notes issued pursuant to the Recapitalization will generally be "freely tradeable" under Canadian Securities Laws in force in Canada if the following conditions (as specified in National Instrument 45-102 – *Resale of Securities*) ("**NI 45-102**") are satisfied: (i) the trade is not a control distribution (as defined in NI 45-102); (ii) no unusual effort is made to prepare the market or to create a demand for the shares that are the subject of the trade; (iii) no extraordinary commission or consideration is paid to a Person or company in respect of the trade; and (iv) if the selling shareholder is an Insider or officer of the issuer, the selling shareholder has no reasonable grounds to believe that the issuer is in default of securities legislation.

Stock Exchange Listings

The Common Shares are currently listed on the TSX. Lightstream has made an application to the TSX for the listing of the New Common Shares to be issued to pursuant to the Arrangement. Listing will be subject to Lightstream fulfilling all of the requirements of the TSX.

Lightstream has made an application to the TSX for the listing of the New Series 1 Warrants and the underlying New Common Shares issuable upon the exercise of such New Series 1 Warrants. Listing will be subject to Lightstream fulfilling all of the requirements of the TSX.

Lightstream has made an application to the TSX for the listing of the New Series 2 Warrants and the underlying New Common Shares issuable upon the exercise of such New Series 2 Warrants. Listing will be subject to Lightstream fulfilling all of the requirements of the TSX.

Investment Canada Approval

Under the Investment Canada Act, a transaction exceeding certain financial thresholds, and which involves the direct acquisition of control of a Canadian business by a non-Canadian, may be subject to review (a "**Reviewable Transaction**"), and in such a case the transaction generally cannot be implemented unless the Minister of Innovation, Science, and Economic Development is satisfied that the transaction is "likely to be of net benefit to Canada". An application for review must be filed by the non-Canadian applicant with the Director of Investments appointed under Section 6 of the Investment Canada Act prior to the implementation of the Reviewable Transaction. The Minister is then required to determine whether the Reviewable Transaction is likely to be of net benefit to Canada taking into account, among other things, certain factors specified in the Investment Canada Act and any written undertakings that may have been given by the non-Canadian applicant. The Investment Canada Act contemplates an initial review period of up to 45 days after the date an application for review has been certified complete; however, if the Minister has not completed the review by that date, the Minister may unilaterally extend the review period by up to 30 days, or any longer period agreed to by the Minister and the non-Canadian applicant, to permit completion of the review. Investment Canada Act Approval is required as each of Apollo and GSO is a non-Canadian that is acquiring a control position in Lightstream.

UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEET

Lightstream Resources Ltd.
Unaudited Pro Forma Balance Sheet
As at June 30, 2016
(in thousands of dollars)[1][2]

	Actual as at June 30, 2016	Adjustments for Recapitalization	Pro forma as at June 30, 2016
ASSETS			
Current assets			
Cash and cash equivalents[7]	31,235	(31,235)	-
Accounts receivable	39,451	-	39,451
Prepaid expenses	6,211	-	6,211
Risk management assets	517	-	517
	77,414	**(31,235)**	**46,179**
Long-term investments	446	-	446
Exploration and evaluation	168,553	-	168,553
Property, plant and equipment	1,433,137	-	1,433,137
	1,602,136	**-**	**1,602,136**
TOTAL ASSETS	**1,679,550**	**(31,235)**	**1,648,315**
LIABILITIES AND EQUITY			
Current liabilities			
Current portion of Revolving Credit Facility	121,000	(121,000)	-
Accounts payable and accrued liabilities[8]	116,976	(40,016)	76,960
Current portion of onerous contracts	4,370	-	4,370
Risk management liabilities	452	-	452
	242,798	**(161,016)**	**81,782**
New Revolving Facility[3]	-	277,765	277,765
Revolving Credit Facility	234,429	(234,429)	-
New Secured Notes[4]	-	50,000	50,000
Secured Notes	845,585	(845,585)	-
Unsecured Notes	325,390	(325,390)	-
Long-term portion of onerous contracts	10,752	-	10,752
Other long-term liabilities	5,721	-	5,721
Decommissioning liabilities	247,350	-	247,350
	1,912,025	**(1,238,655)**	**673,370**
Shareholders' Equity			
Shareholders' capital[6]	2,371,313	863,001	3,234,314
Contributed surplus	159,792	19,109	178,901
Deficit	(2,763,580)	325,310	(2,438,270)
Total Shareholders' equity (deficit)	**(232,475)**	**1,207,420**	**974,945**
Total liabilities and equity	**1,679,550**	**(31,235)**	**1,648,315**

Notes to the Unaudited Pro Forma Balance Sheet as at June 30, 2016:

1. Basis of presentation

The unaudited *pro forma* balance sheet of Lightstream is derived from the unaudited condensed interim balance sheet of Lightstream as at June 30, 2016. The unaudited *pro forma* balance sheet is intended to represent the financial position of the Company at June 30, 2016 as if the Plan of Arrangement, including the corporate and capital reorganization and distributions under the Plan of Arrangement as discussed below under "*The Plan of Arrangement*", had occurred.

Other than the aforementioned transactions, the unaudited *pro forma* balance sheet does not give effect to transactions occurring after June 30, 2016.

All references to U.S. dollar equivalents of Canadian dollar amounts are based on a June 30, 2016 exchange rate of U.S.$1.00 = CDN1.3009.

The Plan of Arrangement is subject to Shareholder, Secured Noteholder and Unsecured Noteholder approval. If the Plan of Arrangement is approved and all the various conditions required to implement the other agreements are met, the events and transaction will be accounted for on the basis of events and circumstances at the Implementation Date. The unaudited *pro forma*

balance sheet is based on currently available information and on certain assumptions management of the Company believes are reasonable under the circumstances. Some assumptions may not materialize and events and circumstances occurring subsequent to June 30, 2016 may be different from those assumed or anticipated, which may materially affect amounts disclosed in the unaudited *pro forma* balance sheet. Additionally, the unaudited *pro forma* balance sheet does not purport to represent what the Company's actual financial position will be upon completion of the Plan of Arrangement or represent the fair value of the Company's assets or liabilities at the actual Implementation Date.

2. The Plan of Arrangement

In conjunction with the filing of the Plan of Arrangement as outlined under the CBCA, the Notes classified as 'long-term debt' are subject to Recapitalization. At June 30, 2016, the book value of the Secured Notes was $845,585,000. The unaudited *pro forma* balance sheet reflects the Recapitalization of the Secured Notes to reflect the extinguishment of the Secured Note Claims in exchange for, or converted into, New Common Shares in the capital of reorganized Lightstream. At June 30, 2016, the book value of the Unsecured Notes was $325,390,000. The unaudited *pro forma* balance sheet reflects the Recapitalization of the Unsecured Notes to reflect the extinguishment of the Unsecured Note Claims in exchange for New Common Shares and New Series 1 Warrants in the capital of reorganized Lightstream.

3. The New Revolving Facility

In connection with the receipt by the Company of the New Revolving Facility Commitment Letters, the unaudited *pro forma* balance sheet assumes that the Company received the New Revolving Facility and drew down $277.8 million principal amount of the $400 million New Revolving Facility. The unaudited *pro forma* balance sheet also reflects the recognition of the New Revolving Facility at fair value. The Company expects that the New Revolving Facility will subsequently be measured at amortized cost and will be used to provide incremental liquidity and for general corporate purposes.

The Company anticipates that it will enter into the New Revolving Facility concurrently with the completion of the Arrangement. Pursuant to the terms of the New Revolving Facility Commitment Letters, the New Revolving Facility will provide for a $370 million syndicated facility with a committed, secured, extendible, 364-day revolving period with a one year term-out, and a $30 million operating facility with a committed, secured, extendible, 364-day revolving period with a one year term-out. The New Revolving Facility will be guaranteed by all material subsidiaries of Lightstream and the amount of the syndicated and operating facilities will not exceed the lending value of the Loan Parties' existing oil and gas reserves as determined by the lenders from time to time. This borrowing base will initially be set at $400 million and reviewed semi-annually on May 31 and November 30 of each year, except that the first borrowing base determination is to be completed by December 15, 2016. Once per calendar year during the revolving period and once per calendar year during the term period, any two or more lenders will have the right to call for an interim redetermination of the borrowing base and the borrowing base will also be redetermined upon the disposition of assets (including hedge monetizations) in excess of 5% of the then current borrowing base. The New Revolving Facility will be secured by all of the assets of the Loan Parties and will be subject to customary conditions precedent, reporting requirements and covenants. In particular, the covenants will include that the Company's total senior debt to EBITDA may not exceed 3:1 (measured as at the end of each fiscal quarter) and certain commodity hedging requirements. Interest rates will be determined based upon the Company's total senior debt to EBITDA plus an interest rate margin.

4. The New Secured Notes

Pursuant to the Plan of Arrangement, the New Secured Notes will be offered to Eligible Secured Noteholders.

Interest is payable quarterly on March 15, June 15, September 15, and December 15. The New Secured Notes will bear interest at an annual rate of 12%, cash payable quarterly in arrears. The New Secured Notes mature in 2020.

The New Secured Notes will be secured subordinate to the New Revolving Facility.

The Company is not required to make mandatory redemption payments; however, the Company may be required to offer to purchase the New Secured Notes in accordance with provisions related to asset sales and change of control events.

The New Secured Notes will be subject to the covenants and the events of default. The unaudited *pro forma* balance sheet reflects the issuance of the approximately U.S.$39,285,000 principal amount of New Secured Notes (issued with an original cash issue discount of 2%), net of transaction costs of approximately $0.5 million.

The Backstoppers have entered into commitment agreements with the Company to fund, or backstop, their *pro rata* share portions of the New Secured Notes that are not taken up by the other Eligible Secured Noteholders. The transaction costs reflected in the unaudited *pro forma* balance sheet include the fees related to the Backstop Agreement.

5. Treatment of Options, DCSs and Incentive Shares

The Support Agreement stipulates that all DCSs and Incentive Shares will vest and be modified to reflect the treatment of the New Common Shares and will be exercisable only until the earlier of their existing expiry date and 180 days from the Implementation Date. All outstanding Options will be repurchased for nominal consideration of $0.01 per Option and thereafter cancelled and

extinguished. In the unaudited *pro forma* balance sheet, contributed surplus increased $2.4 million to reflect total unrecognized share-based compensation expense remaining on Options, DCSs and Incentive Shares as at June 30, 2016.

6. Gain on the Extinguishment of the Notes

In the unaudited *pro forma* balance sheet, shareholders' capital increased $863.0 million and contributed surplus increased $16.7 million, which is the estimated fair value of the shares and Warrants issued at June 30, 2016, with the $349.9 million difference between the book value and fair value of both the Secured Notes and Unsecured Notes being credited to retained earnings (deficit). The fair value was estimated by the Company taking into account the Company's share price on the date of the unaudited *pro forma* balance sheet was prepared and includes $16.7 million ascribed to the Warrants. A 10% change in the Common Share price would represent a change in the fair value of $86.3 million. The actual New Common Share price used to account for the Recapitalization will be determined using a New Common Share price valuation at the Implementation Date. The gain on extinguishment of the Notes is net of an estimated $20 million of costs associated with the Recapitalization, $2.4 million of unrecognized share based compensation expense on unvested Options, DCSs and Incentive Shares and $2.2 million of previously deferred financing costs related to the Revolving Credit Facility.

7. Cash and Cash Equivalents

In the unaudited *pro forma* balance sheet, Cash and cash equivalents are offset against the New Revolving Facility.

8. Accounts Payable and Accrued Liabilities

In the unaudited *pro forma* balance sheet, Accounts payable and accrued liabilities was reduced by $58.6 million of accrued interest on the Secured Notes and the Unsecured Notes, which has been forgiven. Accounts payable and accrued liabilities increased by $18.6 million to reflect accrued costs of the Recapitalization.

LIGHTSTREAM AFTER THE RECAPITALIZATION

Effect of the Recapitalization on Capital Structure

The Recapitalization is expected to substantially improve the capital structure of Lightstream by reducing the amount of outstanding total debt by approximately $1.175 billion. With a rationalized capital structure, Lightstream will benefit from a reduction in the annual interest cost related to the Notes of approximately $108 million. Management of Lightstream believes that the Recapitalization will enable Lightstream to continue to pursue our business plan.

The following table shows the effect of the Recapitalization on Lightstream's consolidated capital structure:

	As at June 30, 2016	Pro Forma[(1)(2)] as at June 30, 2016 Giving Effect to the Recapitalization
	($ in thousands of dollars, except share numbers)	
Total long-term debt[(3)], including current portion	1,529,975	327,765
Shareholders' equity (deficit)	(232,475)	974,945
	(198,644,607 Common Shares)[(4)]	(100,000,000 New Common Shares)[(5)]
Total capitalization	1,297,500	1,302,710
Ratio – long-term debt/equity	-	34%
Long-term debt as a percentage of total capitalization	118%	25%

Notes:

(1) See "*Unaudited Pro Forma Consolidated Balance Sheet*".

(2) The above amounts, where applicable, have been translated from U.S. dollars to Canadian dollars at the June 30, 2016 Bank of Canada closing rate of US$1.00=CDN$1.3009.

(3) Long-term debt includes the Revolving Credit Facility (including the current portion of long-term debt) as at June 30, 2016 on an actual basis and, on a *pro forma* basis, the New Revolving Facility and the New Secured Notes to be issued pursuant to the New Secured Notes Offering and the Plan of Arrangement.

(4) Reflects Common Shares outstanding prior to the Common Share Consolidation of approximately 88.29:1. In addition, 5,000,000 New Series 1 Warrants and 7,750,000 New Series 2 Warrants, each exercisable into one New Common Share, will be outstanding, and 95,755 DCSs and Incentive Shares, each exercisable into one New Common Share, will be outstanding for a maximum of 180 days following the Implementation Date.

(5) Reflects the New Common Shares outstanding after the Arrangement (subject to treatment of fractional interests).

Share Capital

After the Recapitalization is implemented, the authorized capital of Lightstream will consist of an unlimited number of New Common Shares and an unlimited number of Preferred Shares. On the Implementation Date, approximately 100,000,000 New Common Shares and no Preferred Shares will be outstanding. Further, Lightstream's Shareholder Rights Plan and any rights issued pursuant thereto shall be terminated and cancelled and be void and of no further force or effect.

Principal Shareholders

To the knowledge of the management of the Company, after giving effect to the Recapitalization there will be two Shareholders who beneficially own or exercise control or direction over, directly or indirectly, voting shares of the Company carrying more than 10% of the voting rights attached to all outstanding New Common Shares of the Company as indicated in the table below.

Name of Shareholder	Number and Percentage of New Common Shares as at August 29, 2016	Number and Percentage of New Common Shares as at the Implementation Date upon Completion of the Arrangement
Apollo	-	54,475,423
	(0%)	(54.5%)
GSO	-	20,205,514
	(0%)	(20.2%)[(1)]

Note:

(1) Additionally, GSO serves as the investment sub-adviser to certain funds that will beneficially own approximately 12,853,032 New Common Shares (approximately 12.9% of the issued and outstanding New Common Shares as at the Implementation Date). However, the applicable non-GSO entities that act as investment advisers to such funds retain full investment discretion over such funds' investments and related investment decisions and GSO will not exercise control or direction over such New Common Shares.

Registration Rights Agreement

The Registration Rights Agreement will provide that a Significant Holder – initially anticipated to be each of Apollo and GSO – may, at any time and from time to time, make a written request to the Company to facilitate a secondary offering in any jurisdiction or jurisdictions of Canada in which the Company is, at the relevant time, a reporting issuer (a "**Demand Registration**") in respect of the New Common Shares then held by the Significant Holder ("**Registrable Securities**"), subject to certain restrictions. Upon receipt by the Company of a request for a Demand Registration from any Significant Holder, the Company will be required, subject to applicable Canadian Securities Laws, to use our commercially reasonable efforts to file a prospectus and take such other steps as may be necessary in order to facilitate the secondary offering and permit the offer and sale or other disposition or distribution in Canada of the Significant Holder's Registrable Securities. In all cases, the Company will not be obligated to effect more than an aggregate of four Demand Registrations in any 12-month period or more than an aggregate of 15 Demand Registrations in total.

In addition to limits on the number of Demand Registration requests that may be made, the Demand Registration rights of the Significant Holders are subject to certain limitations, including that: (i) the Company shall not be obligated to file a prospectus in respect of a Demand Registration within 90 days after the date of completion of an offering by the Company pursuant to a prospectus; and (ii) the Company shall not be obligated to file a prospectus in respect of a Demand Registration unless the request is for a number of Registrable Securities with a market value that is equal to at least $20 million as of the date of such request for Demand Registration. Further, in the event that the Board determines in its good faith judgment that (a) the effect of the filing of a prospectus would impede the ability of the Company to consummate a financing, acquisition, corporate reorganization, merger or other material transaction involving the Company; (b) there exists at the time material non-public information relating to the Company the disclosure of which the Company believes would be detrimental to the Company; (c) any offering document requires amendment, supplement or translation to comply with Canadian Securities Laws, provided that such postponement shall be limited to the period of time reasonably required for the Company to make such amendment or supplement or complete such translation; or (d) the Company has contractually agreed to a blackout in connection with a primary distribution (a "**Demand Suspension**"), in which case the Company's obligations with respect to Demand Registrations will be deferred for a period of not more than 90 days from the date of receipt of the request of any Significant Holder (the "**Suspension Period**"). In the event of a Demand Suspension, a Significant Holder has the right to withdraw the request for a Demand Registration by giving written notice to the Company not less than 20 days prior to the anticipated termination date of the Suspension Period and, in the event of such withdrawal, such

withdrawn Demand Registration will not be counted as a Demand Registration with respect to the limited number of Demand Registration requests available to the Significant Holders.

If at any time the Company proposes to qualify the distribution of any New Common Shares, then the Company will, at that time, give prompt notice of the proposed distribution to each Significant Holder. Upon the written request of any Significant Holder (that is given within the requisite time period after receipt by the Significant Holders of the Company's notice) that such Significant Holder wishes to include a specified number of Registrable Securities (which shall, at minimum, be such number of Registrable Securities having a market value equivalent to $1 million) in the distribution (a "**Piggy-Back Registration**"), then the Company will use commercially reasonable efforts to cause all of the Registrable Securities that such Significant Holder requested be included, to be included in such distribution. However, the Company will not be obligated to include in a distribution all of the Registrable Securities subject to a Piggy-Back Registration request in the event that the managing underwriter or underwriters in respect of such distribution determine that the inclusion of all such Registrable Securities exceeds the number of securities and Registrable Securities that can be sold in an orderly manner in such distribution within a price range acceptable to the Company. Rather, in these circumstances, the Company will include in such distribution, to the extent of the amount that the managing underwriter or underwriters believe may be sold in an orderly manner and within a price range acceptable to the Company, first, the securities of the Company requested to be included in the distribution for its own account, and second, the number of Registrable Securities requested to be included in the distribution by such Significant Holder and the number of securities requested to be included in the distribution by any other securityholder of the Company, if any, on a *pro rata* basis.

Notwithstanding the Piggy-Back Registration obligations set out in the Registration Rights Agreement, the Company is not obligated to provide notice to the Significant Holders or to include any of the Significant Holder's Registrable Securities in a short form prospectus filed pursuant to National Instrument 44-101 – *Short Form Prospectus Distributions* that is filed in connection with an unsolicited "bought deal" proposal from an underwriter that is authorized by the Board and thereafter accepted by the Company.

In the case of a prospectus filed in connection with a Demand Registration or a Piggy-Back Registration, the Company will pay all reasonable fees and expenses incidental to the Company's performance of, or compliance with, the terms of the Demand Registration or Piggy-Back Registration, as applicable, customarily paid by issuers or sellers of securities. All underwriting discounts and commissions, selling group commissions, share transfer taxes and expense reimbursements attributable to the Registrable Securities, or, if applicable, securities, to be sold by a Significant Holder or any other participating seller, respectively, in a Demand Registration or Piggy-Back Registration, other than the fees and expenses described in the preceding sentence, will be borne by the Significant Holder(s), as applicable, and any other participating sellers (including the Company, if applicable) in proportion to the number of New Common Shares sold by each, relative to the total number of New Common Shares sold.

The Registration Rights Agreement will continue in force until the date that the Significant Holders collectively hold, in the aggregate, less than 10% of the issued and outstanding New Common Shares (on a non-fully-diluted basis).

THE NOTES

Secured Notes

At August 29, 2016, Lightstream had Secured Notes outstanding having an aggregate principal amount of U.S.$650 million. The Secured Notes have a 9.875% coupon rate, paid semi-annually, and mature in June 2019. The Secured Notes are issued pursuant to the Secured Note Indenture, which contains restrictive covenants regarding distributions, dividends, share repurchases, asset sales and incurrence of debt, as well as customary provisions with respect to change-of-control, redemption and events of default. After giving effect to the Recapitalization all outstanding Secured Note Claims will be deemed to be paid in full and will be cancelled and of no further force and effect.

Unsecured Notes

At August 29, 2016, Lightstream had Unsecured Notes outstanding having an aggregate principal amount of U.S.$253,946,000. The Unsecured Notes have an 8.625% coupon rate, paid semi-annually, and mature in February 2020. The Unsecured Notes are issued pursuant to the Unsecured Note Indenture, which contains restrictive covenants regarding distributions, dividends, share repurchases, asset sales and incurrence of debt, as well as customary provisions with respect to change of control, redemption and events of default. After giving effect to the Recapitalization all outstanding Unsecured Note Claims will be deemed to be paid in full and will be cancelled and of no further force and effect.

PRICE RANGE AND TRADING VOLUME FOR THE COMMON SHARES

The following table shows the high and low sale prices of, and trading volumes for, the Common Shares as reported on the TSX for the periods indicated:

2015	High ($)	Low ($)	Volume
August	0.69	0.30	19,730,236
September	0.54	0.35	18,449,560
October	0.53	0.36	19,916,903
November	0.44	0.33	13,238,720
December	0.35	0.22	9,795,120
2016			
January	0.38	0.19	13,102,919
February	0.38	0.27	10,228,331
March	0.48	0.33	19,030,029
April	0.39	0.29	15,222,802
May	0.29	0.16	19,037,932
June	0.23	0.16	11,010,341
July	0.20	0.09	17,202,507
August 1 – 26	0.16	0.10	11,613,508

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Blake, Cassels & Graydon LLP, Canadian counsel to the Company, the following summary describes, as of the date hereof, the principal Canadian federal income tax considerations arising in connection with the Recapitalization (other than with respect to acquiring the New Secured Notes) generally applicable to Noteholders and Shareholders who, at all relevant times, for purposes of the Tax Act (1) hold any Common Shares and/or Notes as capital property; (2) will hold any New Common Shares, New Series 1 Warrants and New Series 2 Warrants as capital property; and (3) deal at arm's length and are not affiliated with the Company (each a "**Holder**"). Generally, the Common Shares, New Common Shares, Notes, New Series 1 Warrants and New Series 2 Warrants will be considered capital property to a Holder provided the Holder does not hold such securities in the course of carrying on a business of buying and selling securities or as part of an adventure or concern in the nature of trade. This summary assumes that the Common Shares and New Common Shares will be listed on a "designated stock exchange" within the meaning of the Tax Act (which currently includes the TSX) at all relevant times.

This summary is based on the current provisions of the Tax Act in force as of the date hereof and counsel's understanding of the current administrative policies and assessing practices of the CRA published in writing prior to the date hereof. This summary takes into account all specific proposals to amend the Tax Act that have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**") and assumes that the Tax Proposals will be enacted in the form proposed. No assurance can be given that the Tax Proposals will be enacted in the form proposed, or at all. This summary does not otherwise take into account or anticipate any other changes in Law, whether by judicial, governmental or legislative decision or action or changes in the administrative policies or assessing practices of the CRA, nor does it take into account provincial, territorial or foreign income tax legislation or considerations, which may differ materially from those described in this summary.

This summary does not address Holders who acquire New Common Shares, New Series 1 Warrants or New Series 2 Warrants otherwise than under the Recapitalization. In addition, this summary does not apply to a Holder (i) who has acquired Common Shares on the exercise of an employee stock option received in respect of, in the course of, or by virtue of, employment with the Company; (ii) that is a "financial institution" for purposes of certain rules (referred to as the mark-to-market rules applicable to securities held by financial institutions), (iii) an interest in which is a "tax shelter investment", (iv) that is a "specified financial institution", (v) that reports its "Canadian tax results" in a currency other than Canadian currency, (vi) that has entered, or will enter, into, with respect to the Common Shares, Notes, New Common Shares, New Series 1 Warrants and/or New Series 2 Warrants, a "derivative forward agreement", each as defined in the Tax Act. Such Holders should consult their own tax advisors.

For the purposes of the Tax Act, amounts relating to or in respect of Common Shares, Notes, New Common Shares, New Series 1 Warrants and/or New Series 2 Warrants, including the adjusted cost base thereof and any proceeds of disposition, must be reported in Canadian dollars. Any amount denominated in U.S. dollars must be converted into Canadian dollars, generally at the exchange rate quoted by the Bank of Canada as its noon rate on the date the amount first arose. The amount of any capital gain or capital loss of an Unsecured Noteholder or Secured Noteholder may be affected by fluctuations in Canadian dollar exchange rates.

This summary is of a general nature only and is not, and is not intended to be, nor should it be construed to be, legal or tax advice or representations to any particular Holder. This summary is not exhaustive of all Canadian federal income tax considerations. Accordingly, Holders are urged to consult their own legal and tax advisors with respect to the tax consequences to them having regard to their particular circumstances, including the application and effect of the income and other tax Laws of any country, province or other jurisdiction that may be applicable to the Holder.

Holders Resident in Canada

This part of the summary is applicable to a Holder who, at all relevant times, for purposes of the Tax Act 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 Tax Act, the effect of which may be to deem to be capital property of any Common Shares, Notes and/or New Common Shares (and all other "Canadian securities", as defined in the Tax Act) owned by such Resident Holder in the taxation year in which the election is made and in all subsequent taxation years. Resident Holders whose Common Shares, Notes and/or New Common Shares might not otherwise be considered to be capital property should consult their own tax advisors concerning this election.

Continuance of the Company

As part of the Recapitalization, the Company will continue from the ABCA to the CBCA. This Continuance will not give rise to a disposition of Common Shares or Notes for purposes of the Tax Act and no tax will be payable by a Resident Holder on the Continuance.

Continuance Dissent Rights

A Resident Holder Shareholder that exercises its Continuance Dissent Right (a "**Dissenting Resident Holder**") will be deemed to have transferred such Dissenting Resident Holder's Common Shares to the Company, and will be entitled to receive a payment from the Company equal to the fair value of the Dissenting Resident Holder's Common Shares.

A Dissenting Resident Holder will generally be deemed to have received a taxable dividend from the Company equal to the amount, if any, by which the payment received by the Dissenting Resident Holder from the Company for the Common Shares (other than any amount in respect of interest awarded by the Court) exceeds the paid-up capital of such Common Shares as computed for the purposes of the Tax Act. The Canadian federal income tax treatment of any such deemed dividend is discussed below under "*Holding and Disposing of New Common Shares, New Series 1 Warrants and New Series 2 Warrants – Dividends*".

In certain cases all or part of a deemed dividend received by a Dissenting Resident Holder that is a corporation may be treated as proceeds of disposition, and not as a deemed dividend, in respect of the Common Shares. Corporate Resident Holders should consult their own tax advisors for advice with respect to the potential application of these provisions.

A Dissenting Resident Holder will also generally be considered to have disposed of its Common Shares for proceeds of disposition equal to the amount received by the Dissenting Resident Holder less the amount of any deemed dividend referred to above (other than any deemed dividends which are treated as proceeds of disposition) and any interest awarded by a Court. As a result, Dissenting Resident Holders will also generally realize a capital gain (or a capital loss) to the extent such proceeds of disposition exceed (or are exceeded by) the aggregate of the adjusted cost base of the Common Shares to the Dissenting Resident Holder and any reasonable costs of disposition. The Canadian federal income tax treatment of capital gains and capital losses is discussed below under "- *Taxation of Capital Gains and Losses".*

Any interest awarded by a Court to a Dissenting Resident Holder will be included in such Dissenting Resident Holder's income for the purposes of the Tax Act.

Consolidation of Common Shares

As a step in the Recapitalization, all issued and outstanding Common Shares will be consolidated on the basis of one post-consolidation Common Share for approximately every 88.29 (approximately 92 on a fully-diluted basis) Pre-

Consolidation Shares. This consolidation will not give rise to a disposition of Common Shares for purposes of the Tax Act and no tax will be payable by a Resident Holder on the Consolidation.

Share Exchange

Re-designation of Common Shares into Lightstream Class A Shares

The re-designation of the Common Shares as Lightstream Class A Shares pursuant to the Recapitalization should not cause a Resident Holder to recognize a capital gain or capital loss. The adjusted cost base to a Resident Holder of the Lightstream Class A Shares will be equal to the adjusted cost base that the Resident Holder had in their Common Shares.

Exchange of Lightstream Class A Shares for New Common Shares and Pro Rata Portion of 7,750,000 New Series 2 Warrants

Deemed Dividend

A Resident Holder will, on the exchange of his Lightstream Class A Shares for New Common Shares and Pro Rata Portion of 7,750,000 New Series 2 Warrants, be considered to have received a dividend to the extent, if any, that the fair market value of the Resident Holder's Pro Rata Portion of the 7,750,000 New Series 2 Warrants and the paid-up capital of the New Common Shares received on the exchange exceeds the paid-up capital of such Resident Holder's Lightstream Class A Shares (see "*Holding and Disposing of New Common Shares, New Series 1 Warrants and New Series 2 Warrants – Dividends*" below).

Provided that the fair market value of the 7,750,000 New Series 2 Warrants is less than the paid-up capital of the Lightstream Class A Shares, the Company will not be deemed to have paid a dividend to Resident Holders under subsection 84(3) of the Tax Act. The Company estimates that the fair market value of the New Series 2 Warrants to be distributed to Shareholders on the Share Exchange will be less than the paid-up capital of the Lightstream Class A Shares at such time and, as a result, no deemed dividend should arise.

Subsection 84(4.1) of the Tax Act deems an amount paid on a reduction of capital by a public corporation to be a dividend paid to its shareholders, other than in certain circumstances. The Company is a public corporation for the purposes of the Tax Act. However, subsection 84(4.1) does not apply where a transaction is effected under section 86 of the Tax Act. The Share Exchange will occur under section 86 of the Tax Act and current subsection 84(4.1) of the Tax Act will not apply to deem the distribution of the New Series 2 Warrants to the Resident Holders to be a dividend.

Capital Gain

A Resident Holder will only recognize a capital gain on the Share Exchange to the extent that the fair market value of the Resident Holder's Pro Rata Portion of 7,750,000 New Series 2 Warrants and the adjusted cost base of the New Common Shares received on the Share Exchange, less the amount of any dividend deemed to be received (as noted above), exceeds the adjusted cost base of the Resident Holder's Lightstream Class A Shares determined immediately before the Share Exchange.

The adjusted cost base to a Resident Holder of the New Common Shares received on the Share Exchange will be equal to the amount, if any, by which such Resident Holder's adjusted cost base of the Lightstream Class A Shares exceeds the fair market value of the Resident Holder's Pro Rata Portion of 7,750,000 New Series 2 Warrants. The adjusted cost base to a Resident Holder of the Pro Rata Portion of 7,750,000 New Series 2 Warrants that is granted to the Resident Holder will be equal to the fair market value of the New Series 2 Warrants granted to such Resident Holder.

Settled and Extinguished Interest

As a step in the Recapitalization, all accrued and unpaid interest on the Unsecured Notes and the Secured Notes will be forgiven, settled and extinguished for no consideration. A Resident Holder that is a corporation, partnership, unit trust or any trust of which a corporation or partnership is a beneficiary will generally be required to include in income the amount of interest accrued or deemed to accrue on the Notes up to the Effective Date or that became receivable or was received on or before the Effective Date, to the extent that such amounts have not otherwise been included in the Resident Holder's income for the year or a preceding taxation year. Any other Resident Holder, including an

individual, will be required to include in income for a taxation year any interest on the Notes received or receivable by such Resident Holder in the year (depending upon the method regularly followed by the Resident Holder in computing income), except to the extent that such amount was otherwise included in the Resident Holder's income for the year or a preceding taxation year. A Resident Holder may be entitled to deduct from its income for the year an amount equal to any accrued and unpaid interest in respect of the Unsecured Notes and Secured Notes that was previously included in the Resident Holder's income and is settled and extinguished for no consideration as part of the Recapitalization.

Amendment of Secured Notes

As a step in the Recapitalization, the terms and conditions attaching to the Secured Notes will be amended to add the Secured Noteholder Conversion Right. In accordance with CRA administrative policy, this amendment should not give rise to a disposition of Secured Notes for purposes of the Tax Act, in which case no tax will be payable by a Resident Holder of Secured Notes as a result of such amendment.

Exchange of Unsecured Notes

On the exchange of Unsecured Notes for New Common Shares, a Resident Holder will be considered to have disposed of its Unsecured Notes for proceeds of disposition equal to the fair market value of the New Common Shares and the fair market value of the Unsecured Noteholder's Pro Rata Portion of New Series 1 Warrants received in exchange for such Unsecured Notes. In such circumstances, the Resident Holder will recognize a capital gain (or a capital loss) equal to the amount, if any, by which the fair market value of the New Common Shares and New Series 1 Warrants received, net of any reasonable costs associated with the exchange, exceeds (or is less than) the adjusted cost base of the Unsecured Notes 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 Capital Losses*" below.

The cost to a Resident Holder of New Common Shares acquired on the exchange of Unsecured Notes will generally equal the fair market value of the New Common Shares received and adjusted cost base to a Resident Holder of New Common Shares at any time will be determined by averaging the cost of such New Common Shares with the adjusted cost base of any other Common Shares (including other New Common Shares) owned by the Resident Holder as capital property at the time. The adjusted cost base to a Resident Holder of the New Series 1 Warrants will be equal to the fair market value of the New Series 2 Warrants granted to such Resident Holder.

Exchange or Conversion of Secured Notes

A Resident Holder may choose to convert any Secured Notes held by such Resident Holder into New Common Shares by exercising its Secured Noteholder Conversion Right. Any Secured Notes held by a Resident Holder that does not exercise its Secured Noteholder Conversion Right will be exchanged for New Common Shares.

Conversion of Secured Notes pursuant to Secured Noteholder Conversion Right

A Resident Holder that exercises the Secured Noteholder Conversion Right and converts Secured Notes into New Common Shares will, provided that Section 51 of the Tax Act applies to such conversion, be deemed not to have disposed of its Secured Notes and, accordingly, will not be considered to realize a capital gain (or a capital loss) on such conversion.

The aggregate cost to a Resident Holder of New Common Shares acquired on the conversion of Secured Notes by exercise of the Secured Noteholder Conversion Right will, provided that Section 51 of the Tax Act applies to such conversion, generally be equal to the aggregate of the Resident Holder's adjusted cost base of the Secured Notes converted into such New Common Shares immediately prior to the conversion and the adjusted cost base to a Resident Holder of New Common Shares at any time will be determined by averaging the cost of such New Common Shares with the adjusted cost base of any other Common Shares (including other New Common Shares) owned by the Resident Holder as capital property at the time.

Exchange of Notes

A Resident Holder that does not exercise the Secured Noteholder Conversion Right and exchanges Secured Notes for New Common Shares pursuant to the Plan of Arrangement will be considered to have disposed of its Secured Notes for proceeds of disposition that equal the fair market value of the New Common Shares received in exchange

for such Secured Notes. In such circumstances, the Resident Holder will recognize a capital gain (or a capital loss) equal to the amount, if any, by which the fair market value of the New Common Shares received, net of any reasonable costs associated with the exchange, exceeds (or is less than) the adjusted cost base of the Secured Notes 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 Capital Losses*" below.

The cost to a Resident Holder of New Common Shares acquired on the exchange of Secured Notes will generally equal the fair market value of the New Common Shares received and adjusted cost base to a Resident Holder of New Common Shares at any time will be determined by averaging the cost of such New Common Shares with the adjusted cost base of any other Common Shares (including other New Common Shares) owned by the Resident Holder as capital property at the time.

Holding and Disposing of New Common Shares, New Series 1 Warrants and New Series 2 Warrants

Exercise or Sale of New Series 1 Warrants and New Series 2 Warrants

No gain or loss will be realized by a Resident Holder upon the exercise of a New Series 1 Warrant or a New Series 2 Warrant. The cost to the Resident Holder of each New Common Share acquired upon the exercise of a New Series 1 Warrant or a New Series 2 Warrant, as applicable, will be equal to the holder's adjusted cost base of such warrant immediately before the exercise thereof. The cost to the holder of each New Common Share acquired upon the exercise of a New Series 1 Warrant or a New Series 2 Warrant must then be averaged with the adjusted cost base of all other New Common Shares held by the Resident Holder as capital property at the time of the exercise of the warrant for purposes of subsequently computing the adjusted cost base of each New Common Share held by the Resident Holder.

A Resident Holder will realize a capital gain (or capital loss) on the disposition or deemed disposition of a New Series 1 Warrant or a New Series 2 Warrant (other than by exercise) equal to the amount by which the proceeds of disposition exceed (or are exceeded by) the adjusted cost base to the Resident Holder of such warrant, plus any reasonable costs of disposition. The tax treatment of any capital gain (or capital loss) is the same as described below under "*Taxation of Capital Gains and Capital Losses*."

Dividends

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 the New Common 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 the Company as eligible dividends in accordance with the provisions of the Tax Act.

A dividend received (or deemed to be received) by a Resident Holder that is a corporation will generally be deductible in computing the corporation's taxable income. In certain circumstances, subsection 55(2) of the Tax Act (as proposed to be amended by Tax Proposals dated April 18, 2016) will treat a taxable dividend received by a Resident Holder that is a corporation as proceeds of disposition or a capital gain. Resident Holders that are corporations are urged to consult their own tax advisors having regard to their particular circumstances.

A Resident Holder that is a "private corporation", as defined in the Tax Act, 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 of 38⅓% under Part IV of the Tax Act on dividends received (or deemed to be received) on the New Common Shares to the extent such dividends are deductible in computing the Resident Holder's taxable income for the taxation year. A Resident Holder that, throughout the relevant taxation year, is a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay an additional refundable tax on its "aggregate investment income" (as defined in the Tax Act), including any dividends or deemed dividends that are not deductible in computing taxable income.

Taxable dividends received by an individual (including certain trusts) may give rise to a liability for alternative minimum tax as calculated under the detailed rules set out in the Tax Act.

Dispositions

Generally, on a disposition or deemed disposition of a New Common Share (other than in a tax deferred transaction or a disposition to the Company that is not a sale in the open market in the manner in which shares would normally be purchased by any member of the public in an open market), a Resident Holder will realize a capital gain (or a capital loss) equal to the amount, if any, by which the proceeds of disposition exceed (or are less than) the aggregate of the adjusted cost base to the Resident Holder of the New Common Share immediately before the disposition or deemed disposition and any reasonable costs of disposition.

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 by a Resident Holder in the year. A Resident Holder is required to deduct one-half of the amount of any capital loss (an "**allowable capital loss**") realized by a Resident Holder in a taxation year from taxable capital gains realized by the Resident Holder in that year (subject to and in accordance with rules contained in the Tax Act). Allowable capital losses for a taxation year in excess of taxable capital gains for that year generally 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, to the extent and under the circumstances described in the Tax Act.

The amount of any capital loss realized by a Resident Holder that is a corporation on the disposition of a New Common Share may be reduced by the amount of certain dividends received (or deemed to be received) by the Resident Holder on such share (or on a share for which such share is substituted or exchanged) to the extent and under circumstances prescribed by the Tax Act. Similar rules may apply where shares are owned by a partnership or a trust of which a corporation, trust or partnership is a beneficiary or a member. Resident Holders to whom these rules may be relevant should consult their own tax advisors.

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

Eligibility for Investment

Provided that the New Common Shares, New Series 1 Warrants and New Series 2 Warrants, as applicable, are listed on a designated stock exchange as defined in the Tax Act (which currently includes the TSX), the New Common Shares, New Series 1 Warrants and New Series 2 Warrants, as applicable, will be qualified investments under the Tax Act for a trust governed by a RRSP, a RRIF, a RESP, a deferred profit sharing plan, a TFSA or a registered disability savings plan (collectively, "**Deferred Plans**").

If the New Series 1 Warrants or New Series 2 Warrants are not listed on a designated stock exchange, the New Series 1 Warrants or New Series 2 Warrants, as applicable, would, if issued on the date hereof, be a qualified investment for Deferred Plans provided that the New Common Shares issuable on the exercise of such Warrants are listed on a designated stock exchange and Lightstream is not, and deals at arm's length with each Person who is, an annuitant, a beneficiary, an employer or a subscriber under, or a holder of, the relevant Deferred Plans.

Notwithstanding the foregoing, if the New Common Shares, New Series 1 Warrants or New Series 2 Warrants are a "prohibited investment" for the purposes of a TFSA, a RRSP or a RRIF, the holder of such TFSA or the annuitant of such RRSP or RRIF, as the case may be, will be subject to a penalty tax as set out in the Tax Act. In the case of an RRSP, RRIF or TFSA, provided the holder of the TFSA or the annuitant of the RRSP or RRIF, as the case may be, deals at arm's length with and does not have a "significant interest" (within the meaning of the Tax Act) in the Company, the New Common Shares New Series 1 Warrants and New Series 2 Warrants will not be a prohibited investment under the Tax Act for such RRSP, RRIF or TFSA. Prospective investors who will hold the New Common Shares, New Series 1 Warrants or New Series 2 Warrants in Deferred Plans should consult their own tax advisors regarding their particular circumstances.

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 Tax Act, 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 Common Shares, Notes, New Common Shares, New Series 1 Warrants and/or New Series 2 Warrants in a business

carried on in Canada (a "**Non-Resident Holder**"). This part of the summary is not applicable to Non-Resident Holders that are insurers carrying on an insurance business in Canada and elsewhere.

Continuance of the Company

As part of the Recapitalization, the Company will continue from the ABCA to the CBCA. This Continuance will not give rise to a disposition of Common Shares or Notes for purposes of the Tax Act and no tax will be payable by a Non-Resident Holder on the Continuance.

Continuance Dissent Rights

A Non-Resident Holder Shareholder that exercises its Continuance Dissent Right (a "**Dissenting Non-Resident Holder**") will be deemed to have transferred such Dissenting Non-Resident Holder's Common Shares to the Company, and will be entitled to receive a payment from the Company of an amount equal to the fair value of the Dissenting Non-Resident Holder's Common Shares.

A Dissenting Non-Resident Holder will generally be deemed to have received a taxable dividend from the Company equal to the amount, if any, by which the payment received by the Dissenting Non-Resident Holder from the Company for the Common Shares (other than any amount in respect of interest awarded by the Court) exceeds the paid-up capital of such Common Shares as computed for the purposes of the Tax Act and to realize a capital loss (or a capital gain) as described above under the heading "*Holders Resident in Canada – Continuance Dissent Rights*". The Canadian federal income tax treatment of any such deemed dividend is discussed below under "*Holding and Disposing of New Common Shares, New Series 1 Warrants and New Series 2 Warrants – Dividends*" and, if the Common Shares are "taxable Canadian property" within the meaning of the Tax Act, the Canadian federal income tax treatment of a capital gain, if any, is discussed below under "*Holding and Disposing of New Common Shares, New Series 1 Warrants and New Series 2 Warrants – Dispositions*". Non-Resident Holders who are considering exercising their Continuance Dissent Rights or whose Common Shares constitute taxable Canadian property should consult their own tax advisors.

A Dissenting Non-Resident Holder will generally not be subject to Canadian withholding tax on any amount of interest that is awarded by the Court.

Consolidation of Common Shares

As a step in the Recapitalization, all issued and outstanding Common Shares will be consolidated on the basis of one post-consolidation Common Share for approximately every 88.29 (approximately 92 on a fully-diluted basis) Pre-Consolidation Shares. This consolidation will not give rise to a disposition of Common Shares for purposes of the Tax Act and no tax will be payable by a Non-Resident Holder on the Consolidation.

Share Exchange

Generally, the tax treatment to a Non-Resident Holder of the Share Exchange will be the same as that described in more detail under the heading "*Canadian Federal Income Tax Considerations – Shareholders Resident in Canada*", subject to the comments in the next paragraph.

A Non-Resident Holder will not be subject to tax under the Tax Act in respect of any capital gain realized by such Non-Resident Holder on the Share Exchange unless that Shareholder's Lightstream Class A Common Shares constitute taxable Canadian property of the Non-Resident Holder for purposes of the Tax Act and the Non-Resident Holder is not entitled to relief under an applicable tax convention. See below under "Taxable Canadian Property" for a discussion of whether the Lightstream Class A Common Shares may constitute taxable Canadian property to a particular Non-Resident Holder. Non-Resident Holders should consult their tax advisors where their Lightstream Class A Common Shares may constitute taxable Canadian property.

Settled and Extinguished Interest

As a step in the Recapitalization, all accrued and unpaid interest on the Unsecured Notes and the Secured Notes will be forgiven, settled and extinguished for no consideration. There should be no Canadian tax consequences to a Non-Resident Holder as a result of the forgiveness of interest on the Unsecured Notes or the Secured Notes.

Amendment of Secured Notes

As a step in the Recapitalization, the terms and conditions attaching to the Secured Notes will be amended to add the Secured Noteholder Conversion Right. In accordance with CRA administrative policy, this amendment should not give rise to a disposition of Secured Notes for purposes of the Tax Act, in which case no tax will be payable by a Non-Resident Holder of Secured Notes as a result of such amendment.

Exchange of Unsecured Notes

On the exchange of Unsecured Notes for New Common Shares, a Non-Resident Holder will be considered to have disposed of its Unsecured Notes for proceeds of disposition equal to the fair market value of the New Common Shares and the fair market value of the Unsecured Noteholder's Pro Rata Portion of New Series 1 Warrants received in exchange for such Unsecured Notes. In such circumstances, the Non-Resident Holder will recognize a capital gain (or a capital loss) equal to the amount, if any, by which the fair market value of the New Common Shares and New Series 1 Warrants received, net of any reasonable costs associated with the exchange, exceeds (or is less than) the adjusted cost base of the Unsecured Notes to the Non-Resident Holder, determined immediately before the exchange. A Non-Resident Holder will not be subject to tax under the Tax Act in respect of any capital gain and will not be able to deduct the allowable portion of any capital loss realized on a disposition of Unsecured Notes.

The cost to a Non-Resident Holder of New Common Shares acquired on the exchange of Unsecured Notes will generally equal the fair market value of the New Common Shares received and adjusted cost base to a Non-Resident Holder of New Common Shares at any time will be determined by averaging the cost of such New Common Shares with the adjusted cost base of any other Common Shares (including other New Common Shares) owned by the Non-Resident Holder as capital property at the time. The adjusted cost base to a Non-Resident Holder of the New Series 1 Warrants will be equal to the fair market value of the New Series 2 Warrants granted to such Non-Resident Holder.

Exchange or Conversion of Secured Notes

A Non-Resident Holder may choose to convert any Secured Notes held by such Non-Resident Holder into New Common Shares by exercising its Secured Noteholder Conversion Right. Any Secured Notes held by a Non-Resident Holder that does not exercise its Secured Noteholder Conversion Right will be exchanged for New Common Shares.

Conversion of Secured Notes pursuant to Secured Noteholder Conversion Right

A Non-Resident Holder that exercises the Secured Noteholder Conversion Right and converts Secured Notes into New Common Shares will, provided that Section 51 of the Tax Act applies to such conversion, be deemed not to have disposed of its Secured Notes and, accordingly, will not be considered to realize a capital gain (or a capital loss) on such conversion.

The aggregate cost to a Non-Resident Holder of New Common Shares acquired on the conversion of Secured Notes by exercise of the Secured Noteholder Conversion Right will, provided that Section 51 of the Tax Act applies to such conversion, generally be equal to the aggregate of the Non-Resident Holder's adjusted cost base of the Secured Notes converted into such New Common Shares immediately prior to the conversion and the adjusted cost base to a Non-Resident Holder of New Common Shares at any time will be determined by averaging the cost of such New Common Shares with the adjusted cost base of any other Common Shares (including other New Common Shares) owned by the Resident Holder as capital property at the time.

Exchange of Notes

A Non-Resident Holder that does not exercise the Secured Noteholder Conversion Right and exchanges Secured Notes for New Common Shares pursuant to the Plan of Arrangement will be considered to have disposed of its Secured Notes for proceeds of disposition that equal the fair market value of the New Common Shares received in exchange for such Secured Notes. In such circumstances, the Non-Resident Holder will recognize a capital gain (or a capital loss) equal to the amount, if any, by which the fair market value of the New Common Shares received, net of any reasonable costs associated with the exchange, exceeds (or is less than) the adjusted cost base of the Secured Notes to the Resident Holder, determined immediately before the exchange.

A Non-Resident Holder will not be subject to tax under the Tax Act in respect of any capital gain and will not be able to deduct the allowable portion of any capital loss realized on a disposition of Secured Notes unless the Secured

Notes constitute taxable Canadian property of the Non-Resident Holder at the time of the exchange and the Non-Resident Holder is not entitled to relief under an applicable income tax convention. See below under "*Taxable Canadian Property*" for a discussion of whether the Secured Notes may constitute taxable Canadian property to a particular Non-Resident Holder. Non-Resident Holders should consult their tax advisors where their Secured Notes may constitute taxable Canadian property.

If the fair market value of the New Common Shares received on the exchange of the Secured Notes exceeds the price for which the Secured Notes were issued, the excess will be deemed to be interest paid by the Company to the Non-Resident Holder for purposes of the withholding tax rules in the Tax Act. A Non-Resident Holder will generally not be subject to Canadian withholding tax on such deemed interest. However, Canadian withholding tax at a rate of 25%, subject to any reduction in the rate of withholding to which a non-resident is entitled under an applicable income tax convention, will apply to a payment of interest (or deemed payment of interest) to a non-resident that does not deal at arm's length with the Company at the time of the payment (or deemed payment).

The cost to a Non-Resident Holder of New Common Shares acquired on the exchange of Secured Notes will generally equal the fair market value of the New Common Shares received and adjusted cost base to a Non-Resident Holder of New Common Shares at any time will be determined by averaging the cost of such New Common Shares with the adjusted cost base of any other Common Shares (including other New Common Shares) owned by the Non-Resident Holder as capital property at the time.

Holding and Disposing of New Common Shares, New Series 1 Warrants and New Series 2 Warrants

Exercise or Sale of New Series 1 Warrants and New Series 2 Warrants

No gain or loss will be realized by a Non-Resident Holder upon the exercise of a New Series 1 Warrant or a New Series 2 Warrant. The cost to the Non-Resident Holder of each New Common Share acquired upon the exercise of a New Series 1 Warrant or a New Series 2 Warrant, as applicable, will be equal to the holder's adjusted cost base of such warrant immediately before the exercise thereof. The cost to the holder of each New Common Share acquired upon the exercise of a New Series 1 Warrant or a New Series 2 Warrant must then be averaged with the adjusted cost base of all other New Common Shares held by the Non-Resident Holder as capital property at the time of the exercise of the warrant for purposes of subsequently computing the adjusted cost base of each New Common Share held by the Non-Resident Holder.

A Non-Resident Holder will not be subject to Canadian tax on the disposition or deemed disposition of a New Series 1 Warrant or a New Series 2 Warrant (other than by exercise) unless such warrant constitutes taxable Canadian property to the Non-Resident Holder at the time of the disposition and the Non-Resident Holder is not entitled to an exemption under an applicable income tax convention. See below under "Taxable Canadian Property" for a discussion of whether the New Series 1 Warrants or New Series 2 Warrants may constitute taxable Canadian property to a particular Non-Resident Holder. Non-Resident Holders should consult their tax advisors where their New Series 1 Warrants or New Series 2 Warrants may constitute taxable Canadian property.

Dividends

Dividends paid or credited, or deemed to be paid or credited, on the New Common 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 an applicable income tax convention. For example, where the Non-Resident Holder is a United States resident entitled to benefits under the *Canada-United States Tax Convention (1980)* and is the beneficial owner of the dividends, the rate of Canadian withholding tax applicable to dividends is generally reduced to 15%. Non-Resident Holders who may be eligible for a reduced rate of withholding tax on dividends pursuant to any applicable income tax convention should consult with their own tax advisors with respect to taking all appropriate steps in this regard.

Dispositions

A Non-Resident Holder will not be subject to tax under the Tax Act on any capital gain realized on a disposition or deemed disposition of a New Common Share, unless the New Common Share is "taxable Canadian property" to the Non-Resident Holder for purposes of the Tax Act and the Non-Resident Holder is not entitled to an exemption under an applicable income tax convention between Canada and the country in which the Non-Resident Holder is resident.

Taxable Canadian Property

Provided that the New Common Shares are listed on a designated stock exchange as defined in the Tax Act (which currently includes the TSX) at the time of disposition, the New Common Shares will generally not constitute "taxable Canadian property" to a Non-Resident Holder, unless at any time during the 60 month period immediately preceding the disposition of the New Common Shares one or any combination of (i) the Non-Resident Holder, (ii) Persons with whom the Non-Resident Holder does not deal at arm's length, and (iii) partnerships in which the Non-Resident Holder or a Person described in (ii) holds a membership interest directly or indirectly through one or more partnerships (collectively, "connected Persons"), has owned 25% or more of the issued shares of any class or series of shares of the Company.

Provided that the New Common Shares are listed on a designated stock exchange as defined in the Tax Act (which currently includes the TSX) at the time of disposition, the New Series 1 Warrants or the New Series 2 Warrants, as applicable, will generally not constitute "taxable Canadian property" to a Non-Resident Holder, unless at any time during the 60 month period immediately preceding the disposition of the Secured Notes, the Non-Resident Holder alone or together with connected Persons has owned 25% or more of the issued shares of any class or series of shares of the Company.

Provided that the New Common Shares are listed on a designated stock exchange as defined in the Tax Act (which currently includes the TSX) at the time of disposition, the Secured Notes will generally not constitute "taxable Canadian property" to a Non-Resident Holder, unless at any time during the 60 month period immediately preceding the disposition of the Secured Notes, the Non-Resident Holder alone or together with connected Persons has owned 25% or more of the issued shares of any class or series of shares of the Company.

Non-Resident Holders whose New Common Shares, New Series 1 Warrants, New Series 2 Warrants and/or Secured Notes may constitute taxable Canadian property should consult their own tax advisors with respect to the Canadian income tax consequences of a disposition and the potential requirement to file a Canadian income tax return in respect of a disposition depending on their particular circumstances.

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following is a general summary of certain U.S. federal income tax considerations applicable to a U.S. Holder (as defined below) of Common Shares with respect to the Recapitalization and with respect to the acquisition, ownership and disposition of New Common Shares, New Series 2 Warrants and New Common Shares issuable upon exercise of the New Series 2 warrants (the "**Warrant Shares**"). This summary does not discuss U.S. federal income tax consequences to Secured Noteholders with respect to their Secured Notes or to Unsecured Noteholders with respect to their Unsecured Notes. This summary is for general information purposes only and does not purport to be a complete analysis or listing of all potential U.S. federal income tax considerations that may apply to a U.S. Holder as a result of the Arrangement or the acquisition, ownership and disposition of New Common Shares, New Series 2 Warrants and Warrant Shares. In addition, this summary does not take into account the individual facts and circumstances of any particular U.S. Holder that may affect the U.S. federal income tax consequences to such U.S. Holder, including specific tax consequences to a U.S. Holder under an applicable tax treaty. Accordingly, this summary is not intended to be, and should not be construed as, legal or U.S. federal income tax advice with respect to any U.S. Holder. Except as specifically set forth below, this summary does not discuss applicable tax reporting requirements. This summary does not address the U.S. federal alternative minimum, U.S. federal estate and gift, U.S. state and local, U.S. net investment income, and non-U.S. tax consequences to U.S. Holders of the Arrangement and with respect to the acquisition, acquisition, ownership and disposition of New Common Shares, New Series 2 Warrants and Warrant Shares. Each U.S. Holder should consult its own tax advisor regarding the tax consequences of the Arrangement, including the U.S. federal alternative minimum, U.S. federal estate and gift, U.S. state and local, U.S. net investment income, and non-U.S. tax consequences of the Arrangement and with respect to the acquisition, ownership and disposition of New Common Shares, New Series 2 Warrants and Warrant Shares. This summary does not discuss the U.S. federal income tax consequences to holders of Options, DCSs, or PSUs with respect to such securities.

No legal opinion from U.S. legal counsel or ruling from the IRS has been requested, or will be obtained, regarding the U.S. federal income tax consequences of the Arrangement and the acquisition, ownership and disposition of New Common Shares, New Series 2 Warrants and Warrant Shares. This summary is not binding on the IRS, and the IRS is not precluded from taking a position that is different from, and contrary to, the positions taken in this summary. In addition, because the authorities on which this summary is based are subject to various interpretations, the IRS and the U.S. courts could disagree with one or more of the positions taken in this summary.

Scope of This Disclosure

Authorities

This summary is based on the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), U.S. Treasury Regulations (whether final, temporary, or proposed), published rulings of the IRS, published administrative positions of the IRS, the Convention Between Canada and the United States of America with Respect to Taxes on Income and on Capital, signed September 26, 1980, as amended (the "**Canada-U.S. Tax Convention**"), and U.S. court decisions and, in each case, as in effect and available, as of the date of this Information Circular. Any of the authorities on which this summary is based could be changed in a material and adverse manner at any time, and any such change could be applied on a retroactive or prospective basis which could affect the U.S. federal income tax considerations described in this summary. This summary does not discuss the potential effects, whether adverse or beneficial, of any proposed legislation that, if enacted, could be applied on a retroactive or prospective basis.

U.S. Holders

For purposes of this summary, the term "**U.S. Holder**" means a beneficial owner of Common Shares (or after the Arrangement, New Common Shares, New Series 2 Warrants and Warrant Shares), including holders who acquire Common Shares upon exercise of an Option prior to the Effective Time, participating in the Arrangement or exercising Continuance Dissent Rights pursuant to the Arrangement that is for U.S. federal income tax purposes:

- a citizen or individual resident of the U.S.;
- a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) organized under the Laws of the U.S., any state thereof or the District of Columbia;
- an estate whose income is subject to U.S. federal income taxation regardless of its source; or
- a trust that (a) is subject to the primary supervision of a court within the U.S. and the control of one or more U.S. Persons for all substantial decisions or (b) has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. Person.

U.S. Holders Subject to Special U.S. Federal Income Tax Rules Not Addressed

This summary does not address the U.S. federal income tax considerations of the Arrangement to U.S. Holders that are subject to special provisions under the Code, including U.S. Holders that: (a) are tax-exempt organizations, qualified retirement plans, individual retirement accounts, or other tax-deferred accounts; (b) are financial institutions, underwriters, insurance companies, real estate investment trusts, or regulated investment companies; (c) are broker-dealers, dealers, or traders in securities or currencies that elect to apply a mark-to-market accounting method; (d) have a "functional currency" other than the U.S. dollar; (e) own Common Shares (or after the Arrangement, New Common Shares, New Series 2 Warrants and Warrant Shares) as part of a straddle, hedging transaction, conversion transaction, constructive sale, or other arrangement involving more than one position; (f) acquired Common Shares (or after the Arrangement, New Common Shares, New Series 2 Warrants and Warrant Shares) in connection with the exercise of employee stock options or otherwise as compensation for services; (g) hold Common Shares (or after the Arrangement, New Common Shares, New Series 2 Warrants and Warrant Shares) other than as a capital asset within the meaning of Section 1221 of the Code (generally, property held for investment purposes); and, (h) own, directly, indirectly, or by attribution, 5% or more, by voting power or value, of the outstanding Common Shares (or after the Arrangement, New Common Shares). This summary also does not address the U.S. federal income tax considerations applicable to U.S. Holders who are: (a) U.S. expatriates or former long-term residents of the U.S.; (b) Persons that have been, are, or will be a resident or deemed to be a resident in Canada for purposes of the Tax Act; (c) Persons that use or hold, will use or hold, or that are or will be deemed to use or hold Common Shares (or after the Arrangement, New Common Shares, New Series 2 Warrants and Warrant Shares) in connection with carrying on a business in Canada; (d) Persons whose Common Shares (or after the Arrangement, New Common Shares, New Series 2 Warrants and Warrant Shares) constitute "taxable Canadian property" under the Tax Act; or (e) Persons that have a permanent establishment in Canada for the purposes of the Canada-U.S. Tax Convention. U.S. Holders that are subject to special provisions under the Code, including U.S. Holders described immediately above, should consult their own tax advisors regarding the U.S. federal, U.S. federal alternative minimum, U.S. federal estate and gift, U.S. state and local, U.S. net investment income and non-U.S. tax consequences relating to the Arrangement and the acquisition, ownership and disposition of New Common Shares, New Series 2 Warrants and Warrant Shares received pursuant to the Arrangement.

If an entity that is classified as a partnership (or "pass-through" entity) for U.S. federal income tax purposes holds Common Shares (or after the Arrangement, New Common Shares, New Series 2 Warrants and Warrant Shares), the U.S. federal income tax consequences to such partnership and the partners (or owners) of such partnership (or entity) of participating in the Arrangement and the acquisition, ownership and disposition of New Common Shares, New Series 2 Warrants and Warrant Shares received pursuant to the Arrangement generally will depend in part on the activities of the partnership (or entity) and the status of such partners (or owners). Partners (or owners) of entities that are classified as partnerships for U.S. federal income tax purposes should consult their own tax advisors regarding the U.S. federal income tax consequences of the Arrangement and the acquisition, ownership and disposition of New Common Shares, New Series 2 Warrants and Warrant Shares received pursuant to the Arrangement.

PFIC Considerations Regarding the Continuance and the Arrangement

If the Company were to constitute a "passive foreign investment company" under the meaning of Section 1297 of the Code (a "**PFIC**", as defined below) for any year during a U.S. Holder's holding period, then certain potentially adverse rules may affect the U.S. federal income tax consequences to a U.S. Holder as a result of the Continuance and the Arrangement. The Company believes that it has not been a PFIC during any prior tax year and based on current business plans and financial expectations, the Company expects that it should not be a PFIC for the current tax year ending December 31, 2016. No opinion of legal counsel or ruling from the IRS concerning the status of the Company as a PFIC has been obtained or is currently planned to be requested. The determination of whether any corporation was, or will be, a PFIC for a tax year depends, in part, on the application of complex U.S. federal income tax rules, which are subject to differing interpretations. In addition, whether any corporation will be a PFIC for any tax year depends on the assets and income of such corporation over the course of each such tax year and, as a result, cannot be predicted with certainty as of the date of this document. Accordingly, there can be no assurance that the IRS will not challenge any determination made by the Company concerning its PFIC status.

Based on the foregoing, for purposes of the discussion of the U.S. federal income tax consequences of the Continuance and the Arrangement, this summary assumes that the Company has never been a PFIC and will not be a PFIC for the current tax year ending December 31, 2016. Each U.S. Holder should consult its own tax advisors regarding the PFIC status of the Company.

Certain U.S. Federal Income Tax Consequences of the Continuance

In General

The Continuance should qualify as a "reorganization" within the meaning of Section 368(a)(1) of the Code. For U.S. federal income tax purposes, the Continuance will result in each U.S. Holder of Common Shares being treated as exchanging common shares of an Alberta corporation ("**Lightstream-Alberta**") for common shares of a Canadian corporation ("**Lightstream-Canada**"). Assuming the Continuance qualifies as a "reorganization" within the meaning of Section 368(a)(1) of the Code, the following are the material U.S. federal income tax consequences of the Continuance to U.S. Holders that own Common Shares:

(i) A U.S. Holder will not recognize a gain or loss on the deemed exchange of Lightstream-Alberta Common Shares for Lightstream-Canada Common Shares pursuant to the Continuance.

(ii) The aggregate tax basis of the Lightstream-Canada Common Shares deemed to be received by a U.S. Holder pursuant to the Continuance will equal the aggregate tax basis in the Lightstream-Alberta Common Shares deemed to be surrendered in exchange for the Lightstream-Canada Common Shares.

(iii) The holding period of the Lightstream-Canada Common Shares deemed to be received by a U.S. Holder pursuant to the Continuance will include the holding period of the Lightstream-Alberta Common Shares deemed to be surrendered in exchange for the Lightstream-Canada Common Shares.

(iv) U.S. Holders generally will be required to report certain information to the IRS on their U.S. federal income tax returns for the tax year in which the Continuance occurs, and to retain certain records related to the Continuance.

Payment for Continuance Dissent Rights

A U.S. Holder that exercises Continuance Dissent Rights in the Arrangement and is paid cash in exchange for all of such U.S. Holder's Common Shares generally will recognize gain or loss in an amount equal to the difference, if any, between (a) the U.S. dollar amount of Canadian dollars received by such U.S. Holder in exchange for Common Shares and (b) the tax basis of such U.S. Holder in such Common Shares surrendered. Such gain or loss generally will be capital gain or loss, which will be long-term capital gain or loss if such Common Shares have been held for more than one year. Preferential tax rates apply to long-term capital gains of a U.S. Holder that is an individual, estate, or trust. There are no preferential tax rates for long-term capital gains of a U.S. Holder that is a corporation. Deductions for capital losses are subject to complex limitations under the Code.

Certain U.S. Federal Income Tax Consequences of the Arrangement

Characterization of the Arrangement

Pursuant to the Plan of Arrangement the following transaction will occur (the "**Arrangement Transactions**"): (a) the Existing Shareholders will ultimately exchange their Common Shares for New Common Shares such that the Shareholders hold, in the aggregate, approximately 2,250,000 New Common Shares; (b) the Common Shares shall be re-designated as Lightstream Class A Shares; and (c) the Shareholders will exchange each Lightstream Class A Share for the Shareholder Consideration consisting of one New Common Share and approximately 3.4444 New Series 2 Warrants (the "**Class A Exchange**"). Although there are no authorities addressing facts identical to the Arrangement and therefore the matter is not free from doubt, the Common Share Consolidation and the Class A Exchange should be treated as separate transactions for U.S. federal income tax purposes. This summary assumes that the Common Share Consolidation and the Class A Exchange will be treated as separate transactions for U.S. federal income tax purposes.

The Common Share Consolidation and the Class A Exchange should each qualify as a tax-deferred "recapitalization" within the meaning of Section 368(a)(1)(E) of the Code (for the purposes of this section, each, a "**Recapitalization**").

The Company has not sought or obtained either a ruling from the IRS or an opinion of counsel regarding any of the tax consequences of the Arrangement. Accordingly, there can be no assurance that the IRS will not challenge the status of each of the Common Share Consolidation and the Class A Exchange as a Recapitalization or that the U.S. courts will uphold the status of each of the Common Share Consolidation and the Class A Exchange as a Recapitalization in the event of an IRS challenge. U.S. Holders should consult their own U.S. tax advisors regarding the proper tax reporting of the Arrangement.

Tax Consequences if the Common Share Consolidation Qualifies as a Recapitalization

If the Common Share Consolidation qualifies as a Recapitalization, then the following U.S. federal income tax consequences will result for U.S. Holders:

(i) the Common Share Consolidation should not result in the recognition of gain or loss by U.S. Holders for U.S. federal income tax purposes;

(ii) the U.S. Holder's aggregate adjusted tax bases of the post-Common Share Consolidation Common Shares will be the same as such U.S. Holder's aggregate adjusted tax bases of the pre-Common Share Consolidation Common Shares;

(iii) the holding period of the post-Common Share Consolidation Common Shares will include a U.S. Holder's holding periods for the pre-Common Share Consolidation Common Shares; and

(iv) U.S. Holders generally will be required to report certain information to the IRS on their U.S. federal income tax returns for the tax year in which the Arrangement occurs, and to retain certain records related to the Arrangement.

U.S. Holders that hold less than 89 (92 on a fully-diluted basis) Common Shares will not receive any Common Shares following the Common Share Consolidation. Such a U.S. Holder should recognize a taxable loss equal to the tax basis in its Common Shares. U.S. Holders will not receive a fractional Common Share in the Common Share Consolidation and will instead receive a number of Common Shares that is rounded down to a whole number. Such a U.S. Holder should consult its own tax advisors on whether to allocate its aggregate tax basis in its pre-Common

Share Consolidation Common Shares entirely to its post-Common Share Consolidation Common Shares or, alternatively, whether it should allocate a portion of such tax basis to the fractional Common Share which it would have received had its post-Common Share Consolidation Common Shares not been rounded down to a whole number and recognize a loss on such fractional Common Share equal to the tax basis so allocated. Other than a possible loss with respect to the fractional Common Share not received, no gain or loss should be recognized by such a U.S. Holder upon such U.S. Holder's exchange of pre-Common Share Consolidation Common Shares for post-Common Share Consolidation Common Shares and such U.S. Holder's holding period for the post-Common Share Consolidation Common Shares will include the period during which such U.S. Holder held the pre-Common Share Consolidation Common Shares surrendered in the Common Share Consolidation.

Tax Consequences if the Class A Exchange Qualifies as a Recapitalization

If the Class A Exchange qualifies as a Recapitalization, then the following U.S. federal income tax consequences will result for U.S. Holders:

(i) the Class A Exchange should not result in the recognition of gain or loss by U.S. Holders for U.S. federal income tax purposes;

(ii) the aggregate tax basis of a U.S. Holder in the New Common Shares and the New Series 2 Warrants acquired in the Arrangement will be equal to such U.S. Holder's aggregate tax basis in the Common Shares surrendered in exchange therefor, with the allocation of such aggregate tax basis between the New Common Shares and the New Series 2 Warrants being equal to the proportion that the fair market value of each bears to the total fair market value of the Common Shares surrendered in exchange therefor;

(iii) the holding period of a U.S. Holder for the New Common Shares and the New Series 2 Warrants acquired in the Class A Exchange will include such U.S. Holder's holding period for the Common Shares surrendered in exchange therefor and

(iv) U.S. Holders generally will be required to report certain information to the IRS on their U.S. federal income tax returns for the tax year in which the Arrangement occurs, and to retain certain records related to the Arrangement.

Certain U.S. Federal Income Tax Consequences of the Exercise, Disposition, Expiration or Adjustment of the New Series 2 Warrants

Exercise of New Series 2 Warrants

A U.S. Holder should not recognize gain or loss on the exercise of a Series 2 Warrant and related receipt of a Warrant Share. A U.S. Holder's initial tax basis in the Warrant Share received on the exercise of a Series 2 Warrant should be equal to the sum of (a) such U.S. Holder's tax basis in such Series 2 Warrant plus (b) the exercise price paid by such U.S. Holder on the exercise of such Series 2 Warrant. A U.S. Holder's holding period for the Warrant Share received on the exercise of a Series 2 Warrant should begin on the date that such Series 2 Warrant is exercised by such U.S. Holder.

Disposition of New Series 2 Warrants

A U.S. Holder will recognize gain or loss on the sale or other taxable disposition of a Series 2 Warrant in an amount equal to the difference, if any, between (a) the amount of cash plus the fair market value of any property received and (b) such U.S. Holder's tax basis in the Series 2 Warrant sold or otherwise disposed of. Any such gain or loss generally will be a capital gain or loss, which will be long-term capital gain or loss if the Series 2 Warrant is held for more than one year. Deductions for capital losses are subject to complex limitations under the Code.

Expiration of New Series 2 Warrants without Exercise

Upon the lapse or expiration of a Series 2 Warrant, a U.S. Holder will recognize a loss in an amount equal to such U.S. Holder's tax basis in the Series 2 Warrant. Any such loss generally will be a capital loss and will be long-term capital loss if the New Series 2 Warrants are held for more than one year. Deductions for capital losses are subject to complex limitations under the Code.

Certain Adjustments to the New Series 2 Warrants

Under Section 305 of the Code, an adjustment to the number of Warrant Shares that will be issued on the exercise of the New Series 2 Warrants, or an adjustment to the exercise price of the New Series 2 Warrants, may be treated as a constructive distribution to a U.S. Holder of the New Series 2 Warrants if, and to the extent that, such adjustment has the effect of increasing such U.S. Holder's proportionate interest in the "earnings and profits" or the Company's assets, depending on the circumstances of such adjustment (for example, if such adjustment is to compensate for a distribution of cash or other property to the shareholders). Adjustments to the exercise price of New Series 2 Warrants made pursuant to a bona fide reasonable adjustment formula that has the effect of preventing dilution of the interest of the holders of the New Series 2 Warrants should generally not be considered to result in a constructive distribution. Any such constructive distribution would be taxable whether or not there is an actual distribution of cash or other property. (See more detailed discussion of the rules applicable to distributions made by the Company at "Distributions on Common Shares and Warrant Shares" below).

U.S. Federal Income Tax Consequences of the Acquisition, Ownership, and Disposition of New Common Shares and Warrant Shares

The following discussion is subject in its entirety to the rules described below under the heading "Passive Foreign Investment Company Rules."

Distributions on New Common Shares and Warrant Shares

A U.S. Holder that receives a distribution, including a constructive distribution, with respect to a New Common Share or Warrant Share will be required to include the amount of such distribution in gross income as a dividend (without reduction for any Canadian income tax withheld from such distribution) to the extent of the Company's current or accumulated "earnings and profits", as computed for U.S. federal income tax purposes. A dividend generally will be taxed to a U.S. Holder at ordinary income tax rates. To the extent that a distribution exceeds the current and accumulated "earnings and profits" of the Company, such distribution will be treated first as a tax-free return of capital to the extent of a U.S. Holder's tax basis in the New Common Shares or Warrant Shares and thereafter as gain from the sale or exchange of such New Common Shares or Warrant Shares (see "*Sale or Other Taxable Disposition of New Common Shares and Warrant Shares*" below). However, the Company may not maintain the calculations of earnings and profits in accordance with U.S. federal income tax principles, and each U.S. Holder may be required to assume that any distribution by the Company with respect to the New Common Shares or Warrant Shares will constitute ordinary dividend income. Dividends received on New Common Shares or Warrant Shares generally will not be eligible for the "dividends received deduction." Subject to applicable limitations and provided the Company is eligible for the benefits of the Canada-U.S. Tax Convention or the New Common Shares are readily tradable on a United States securities market, dividends paid by the Company to non-corporate U.S. Holders, including individuals, generally will be eligible for the preferential tax rates applicable to long-term capital gains for dividends, provided certain holding period and other conditions are satisfied, including that the Company not be classified as a PFIC in the tax year of distribution or in the preceding tax year. The dividend rules are complex, and each U.S. Holder should consult its own tax advisor regarding the application of such rules.

Sale or Other Taxable Disposition of New Common Shares and Warrant Shares

Upon the sale or other taxable disposition of New Common Shares or Warrant Shares, a U.S. Holder generally will recognize capital gain or loss in an amount equal to the difference between (a) the amount of cash plus the fair market value of any property received and (b) such U.S. Holder's tax basis in such New Common Shares or Warrant Shares sold or otherwise disposed of. Gain or loss recognized on such sale or other disposition generally will be long-term capital gain or loss if, at the time of the sale or other disposition, the New Common Shares or Warrant Shares have been held for more than one year.

Preferential tax rates may apply to long-term capital gain of a U.S. Holder that is an individual, estate, or trust. There are no preferential tax rates for long-term capital gain of a U.S. Holder that is a corporation. Deductions for capital losses are subject to significant limitations under the Code.

Passive Foreign Investment Company Rules

If the Company were deemed to be a PFIC for any year during a U.S. Holder's holding period, then certain potentially adverse rules would affect the U.S. federal income tax consequences to a U.S. Holder resulting from the acquisition, ownership and disposition of New Common Shares, New Series 2 Warrants and Warrant Shares. The Company believes that it has not been a PFIC during any prior tax year and based on current business plans and financial

expectations, the Company expects that it should not be a PFIC for the current tax year ending December 31, 2016. No opinion of legal counsel or ruling from the IRS concerning the status of the Company as a PFIC has been obtained or is currently planned to be requested. PFIC classification is fundamentally factual in nature, generally cannot be determined until the close of the tax year in question, and is determined annually. Additionally, the analysis depends, in part, on the application of complex U.S. federal income tax rules, which are subject to differing interpretations. Consequently, there can be no assurance that the Company is not, and will not become a PFIC for any tax year during which U.S. Holders hold New Common Shares, New Series 2 Warrants or Warrant Shares.

In any year in which the Company is classified as a PFIC, U.S. Holders will be required to file an annual report with the IRS containing such information as Treasury Regulations and/or other IRS guidance may require. In addition to penalties, a failure to satisfy such reporting requirements may result in an extension of the time period during which the IRS can assess a tax. U.S. Holders should consult their own tax advisors regarding the requirements of filing such information returns under these rules, including the requirement to file an IRS Form 8621 annually.

The Company will be a PFIC if, for a tax year, (a) 75% or more of the gross income of the Company for such tax year is passive income (the "income test") or (b) 50% or more of the value of the Company's assets either produce passive income or are held for the production of passive income (the "asset test"), based on the quarterly average of the fair market value of such assets. "Gross income" generally includes all sales revenues less the cost of goods sold, plus income from investments and from incidental or outside operations or sources, and "passive income" generally includes, for example, dividends, interest, certain rents and royalties, certain gains from the sale of stock and securities, and certain gains from commodities transactions. In addition, for purposes of the PFIC income test and asset test described above, if the Company owns, directly or indirectly, 25% or more of the total value of the outstanding shares of another corporation, the Company will be treated as if it (a) held a proportionate share of the assets of such other corporation and (b) received directly a proportionate share of the income of such other corporation.

Under certain attribution rules, if the Company is a PFIC, U.S. Holders will be deemed to own their proportionate share of any subsidiary of the Company which is also a PFIC (a "**Subsidiary PFIC**"), and will be subject to U.S. federal income tax on (i) a distribution on the shares of a Subsidiary PFIC or (ii) a disposition of shares of a Subsidiary PFIC, both as if the holder directly held the shares of such Subsidiary PFIC.

If the Company were a PFIC in any tax year and a U.S. Holder held New Common Shares, New Series 2 Warrants or Warrant Shares, such holder generally would be subject to special rules under Section 1291 of the Code with respect to "excess distributions" made by the Company on the New Common Shares, New Series 2 Warrants or Warrant Shares and with respect to gain from the disposition of New Common Shares, New Series 2 Warrants or Warrant Shares. An "excess distribution" generally is defined as the excess of distributions with respect to the New Common Shares, New Series 2 Warrants or Warrant Shares received by a U.S. Holder in any tax year over 125% of the average annual distributions such U.S. Holder has received from the Company during the shorter of the three preceding tax years, or such U.S. Holder's holding period for the New Common Shares, New Series 2 Warrants or Warrant Shares, as applicable. Generally, a U.S. Holder would be required to allocate any excess distribution or gain from the disposition of the New Common Shares, New Series 2 Warrants or Warrant Shares ratably over its holding period for the New Common Shares, New Series 2 Warrants or Warrant Shares. Such amounts allocated to the year of the disposition or excess distribution would be taxed as ordinary income, and amounts allocated to prior tax years would be taxed as ordinary income at the highest tax rate in effect for each such year and an interest charge at a rate applicable to underpayments of tax would apply.

While there are U.S. federal income tax elections that sometimes can be made to mitigate these adverse tax consequences (including, without limitation, the "QEF Election" under Section 1295 of the Code and the "Mark-to-Market Election" under Section 1296 of the Code), such elections are available in limited circumstances and must be made in a timely manner. Under proposed Treasury Regulations, if a U.S. Holder has an option, warrant, or other right to acquire stock of a PFIC (such as the New Series 2 Warrants), such option, warrant or right is considered to be PFIC stock subject to the default rules of Section 1291 of the Code that apply to "excess distributions" and dispositions described above. However, under the proposed Treasury Regulations, for the purposes of the PFIC rules, the holding period for any Warrant Shares acquired upon the exercise of a Series 2 Warrant will begin on the date a U.S. Holder acquires the New Series 2 Warrants (and not the date the New Series 2 Warrants are exercised). This will impact the availability, and consequences, of the QEF Election and Mark-to-Market Election with respect to the Warrant Shares. Thus, a U.S. Holder will have to account for Warrant Shares and New Common Shares under the PFIC rules and the applicable elections differently. In addition, a QEF Election may not be made with respect to the New Series 2 Warrants and it is unclear whether the Mark-to-Market Election may be made with respect to the New Series 2 Warrants. U.S. Holders should consult their own tax advisors regarding the potential application of the PFIC rules to the acquisition, ownership and disposition of New Common Shares, New Series 2 Warrants, and

Warrant Shares, and the availability of certain U.S. tax elections under the PFIC rules. U.S. Holders should consult with their own tax advisors regarding the potential application of the PFIC rules to the acquisition, ownership and disposition of New Common Shares, New Series 2 Warrants and Warrant Shares, and the availability of certain U.S. tax elections under the PFIC rules.

Additional Considerations

Receipt of Foreign Currency

The amount of any distribution paid to a U.S. Holder in foreign currency or on the sale, exchange or other taxable disposition of New Common Shares, New Series 2 Warrants or Warrant Shares generally will be equal to the U.S. dollar value of such foreign currency based on the exchange rate applicable on the date of receipt (regardless of whether such foreign currency is converted into U.S. dollars at that time). If the foreign currency received is not converted into U.S. dollars on the date of receipt, a U.S. Holder will have a tax basis in the foreign currency equal to its U.S. dollar value on the date of receipt. Any U.S. Holder who receives payment in foreign currency and engages in a subsequent conversion or other disposition of the foreign currency may have a foreign currency exchange gain or loss that would be treated as ordinary income or loss, and generally will be U.S. source income or loss for foreign tax credit purposes. Different rules apply to U.S. Holders who use the accrual method of tax accounting. Each U.S. Holder should consult its own U.S. tax advisor regarding the U.S. federal income tax consequences of receiving, owning, and disposing of foreign currency.

Foreign Tax Credit

Subject to the PFIC rules discussed above, a U.S. Holder that pays (whether directly or through withholding) Canadian income tax with respect to dividends paid on the New Common Shares or Warrant Shares (or with respect to any deemed dividend on the New Series 2 Warrants) generally will be entitled, at the election of such U.S. Holder, to receive either a deduction or a credit for such Canadian income tax paid. Generally, a credit will reduce a U.S. Holder's U.S. federal income tax liability on a dollar-for-dollar basis, whereas a deduction will reduce a U.S. Holder's income subject to U.S. federal income tax. This election is made on a year-by-year basis and applies to all foreign taxes paid (whether directly or through withholding) by a U.S. Holder during a year.

Complex limitations apply to the foreign tax credit, including the general limitation that the credit cannot exceed the proportionate share of a U.S. Holder's U.S. federal income tax liability that such U.S. Holder's "foreign source" taxable income bears to such U.S. Holder's worldwide taxable income. In applying this limitation, a U.S. Holder's various items of income and deduction must be classified, under complex rules, as either "foreign source" or "U.S. source." Generally, dividends paid by a foreign corporation (including constructive dividends) should be treated as foreign source for this purpose, and gains recognized on the sale of stock of a foreign corporation by a U.S. Holder should be treated as U.S. source for this purpose, except as otherwise provided in an applicable income tax treaty, and if an election is properly made under the Code. However, the amount of a distribution with respect to the New Common Shares, New Series 2 Warrants or Warrant Shares that is treated as a "dividend" may be lower for U.S. federal income tax purposes than it is for Canadian federal income tax purposes, resulting in a reduced foreign tax credit allowance to a U.S. Holder. In addition, this limitation is calculated separately with respect to specific categories of income. The foreign tax credit rules are complex, and each U.S. Holder should consult its own tax advisor regarding the foreign tax credit rules.

Additional Tax on Passive Income

Certain U.S. Holders that are individuals, estates or trusts (other than trusts that are exempt from tax) will be subject to a 3.8% tax on all or a portion of their "net investment income," which includes dividends on the New Common Shares and Warrant Shares, and net gains from the disposition of the New Common Shares, New Series 2 Warrants and Warrant Shares. Special rules apply to PFICs. U.S. Holders that are individuals, estates or such trusts should consult their own tax advisors regarding the applicability of this tax to any of their income or gains in respect of the New Common Shares, New Series 2 Warrants and Warrant Shares.

Information Reporting; Backup Withholding Tax

Under U.S. federal income tax Law certain categories of U.S. Holders must file information returns with respect to their investment in, or involvement in, a foreign corporation. For example, U.S. return disclosure obligations (and related penalties) are imposed on U.S. Holders that hold certain specified foreign financial assets in excess of certain threshold amounts. The definition of specified foreign financial assets includes not only financial accounts maintained in foreign financial institutions, but also, unless held in accounts maintained by a financial institution, any stock or

security issued by a non-U.S. Person. U. S. Holders may be subject to these reporting requirements unless their New Common Shares, New Series 2 Warrants, and Warrant Shares are held in an account at certain financial institutions. Penalties for failure to file certain of these information returns are substantial. U.S. Holders should consult their own tax advisors regarding the requirements of filing information returns, including the requirement to file IRS Form 8938.

Payments made within the United States, or by a U.S. payor or U.S. middleman, of dividends on, and proceeds arising from the sale or other taxable disposition of the New Common Shares, New Series 2 Warrants and Warrant Shares generally may be subject to information reporting and backup withholding tax, at the rate of 28%, if a U.S. Holder (a) fails to furnish its correct U.S. taxpayer identification number (generally on Form W-9), (b) furnishes an incorrect U.S. taxpayer identification number, (c) is notified by the IRS that such U.S. Holder has previously failed to properly report items subject to backup withholding tax, or (d) fails to certify, under penalty of perjury, that it has furnished its correct U.S. taxpayer identification number and that the IRS has not notified such U.S. Holder that it is subject to backup withholding tax. However, certain exempt Persons, such as U.S. Holders that are corporations, generally are excluded from these information reporting and backup withholding tax rules. Any amounts withheld under the U.S. backup withholding tax rules will be allowed as a credit against a U.S. Holder's U.S. federal income tax liability, if any, or will be refunded, if such U.S. Holder furnishes required information to the IRS in a timely manner.

The discussion of reporting requirements set forth above is not intended to constitute a complete description of all reporting requirements that may apply to a U.S. Holder. A failure to satisfy certain reporting requirements may result in an extension of the time period during which the IRS can assess a tax, and under certain circumstances, such an extension may apply to assessments of amounts unrelated to any unsatisfied reporting requirement. Each U.S. Holder should consult its own tax advisors regarding the information reporting and backup withholding rules.

THE ABOVE SUMMARY IS NOT INTENDED TO CONSTITUTE A COMPLETE ANALYSIS OF ALL TAX CONSIDERATIONS APPLICABLE TO U.S. HOLDERS WITH RESPECT TO THE CONTINUANCE, THE ARRANGEMENT AND THE ACQUISITION, OWNERSHIP, AND DISPOSITION OF NEW COMMON SHARES, NEW SERIES 2 WARRANTS AND WARRANT SHARES. U.S. HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX CONSIDERATIONS APPLICABLE TO THEM IN THEIR OWN PARTICULAR CIRCUMSTANCES.

RISK FACTORS

In addition to the other information set forth and incorporated by reference in this Information Circular, Securityholders should carefully review the following factors before deciding whether to approve the Recapitalization. Risk factors applicable to the Company and our business, operations and securities are included under "*Risk Factors*" in the AIF, "*Risks and Uncertainties*" in the Company's Management's Discussion and Analysis for each of the year ended December 31, 2015 and for the three and six months ended June 30, 2016, each of which is incorporated by reference herein.

Risks Relating to the Recapitalization

The Completion of the Recapitalization May Not Occur, Including Pursuant to a Termination of the Support Agreement

The Company will not complete the Recapitalization unless and until all conditions precedent to the Arrangement are satisfied or waived, including that the Continuance be approved by the Shareholders and completed. See "*Other Information Regarding the Recapitalization – Conditions Precedent to the Implementation of the Plan of Arrangement*" and "*Background to and Reasons for the Transactions – Support Agreement*".. Even if the Recapitalization is completed, it may not be completed on the schedule or in the manner described in this Information Circular. See "*Information Concerning the Meetings – Voting of Proxies and Potential Amendments to the Arrangement*". Accordingly, Securityholders participating in the Recapitalization may receive different treatment under the Recapitalization from that contemplated herein and/or have to wait longer than expected to receive their New Common Shares, New Series 1 Warrants and/or New Series 2 Warrants, as applicable. If the Recapitalization is not completed on the timeline anticipated or on the terms described in this Information Circular, the Company may incur additional expenses.

As noted above, in the event that the Recapitalization does not occur, pursuant to the terms of the Support Agreement, the Company will proceed with the CCAA Sale Transaction. Under the CCAA Sale Transaction, many stakeholders including the Shareholders and the Unsecured Noteholders, may not receive the same level or kind of, or any, consideration as being provided for or resulting from, the Recapitalization.

The Support Agreement may be terminated by Lightstream or the Initial Consenting Noteholders in certain circumstances. Accordingly, there is no certainty, nor can Lightstream provide any assurance, that the Support Agreement will not be terminated by either Lightstream or the Initial Consenting Noteholders before the completion of the Recapitalization, which may result in the Noteholders' Arrangement Resolution not being approved and the Recapitalization or the CCAA Sale Transaction contemplated under the Support Agreement not proceeding.

In the event that the Company does not complete the Recapitalization or CCAA Sale Transaction, the inability of the Company to secure the additional capital required to service our financial obligations and maintain our resource and asset value will likely have a material adverse effect on the Company. As a result, if the Transactions are not implemented, the Company's secured creditors may take steps to exercise remedies available to them under their security and to enforce against the Company's assets, including the potential for the appointment of a receiver under the *Bankruptcy and Insolvency Act*.

Potential Effect of the Recapitalization

There can be no assurance as to the effect of the Recapitalization on Lightstream's relationships with our suppliers, customers, purchasers or contractors or lenders, nor can there be any assurance as to the effect on such relationships of any delay in the completion of the Recapitalization, or the effect of whether the Recapitalization is completed under the CBCA or the Company is required to proceed with the CCAA Sale Transaction or another statutory procedure. To the extent that any of these events result in the tightening of payment or credit terms, increases in the price of supplied goods, or the loss of a major supplier, customer, purchaser or contractor, or of multiple other suppliers, customers, purchasers or contractors, this could have a material adverse effect on Lightstream's business, financial condition, liquidity and results of operations.

The Recapitalization May Not Improve Lightstream's Financial Condition

Management believes that the Recapitalization will enhance Lightstream's liquidity and provide it with continued operating flexibility. However, such belief is based on certain assumptions, including, without limitation, that Lightstream's product sales and relationships with suppliers, customers and competitors will not be materially adversely affected while the Recapitalization is underway and that they will be stable or will improve following the completion of the Recapitalization in the increasingly competitive marketplace in which Lightstream operates, that general economic conditions and the markets for Lightstream's products will remain stable or improve, as well as Lightstream's continued ability to manage costs. Should any of those assumptions prove false, the financial position of Lightstream may be materially adversely affected and Lightstream may not be able to pay our debts as they become due.

In addition, the New Revolving Facility will contain a number of conditions precedent to its availability, provisions for borrowing base redeterminations and ongoing positive and negative covenants that Lightstream must comply with, including that Lightstream's total senior debt to EBITDA may not exceed 3:1, measured as at the end of each fiscal quarter. In addition, the New Revolving Facility will include a number of events that constitute an event of default under the facilities, including relating to the ownership of Apollo and GSO falling below 50% or certain changes in the composition of the board of directors of the Company. There can be no assurance that Lightstream will satisfy such conditions, comply with such covenants or not incur an event of default, or that any borrowing base redetermination will not have an adverse effect on Lightstream, all of which could negatively impact the Company and its financial condition. See "*Other Information Regarding the Recapitalization - New Revolving Facility*".

After the Recapitalization, each of Apollo and GSO will own a significant number of the New Common Shares and their interests may conflict with the interests of other Shareholders and reduce liquidity

Following the completion of the Recapitalization, each of Apollo and GSO will hold a minimum of approximately 54.5% and 20.2% of the New Common Shares, respectively. Additionally, GSO serves as the investment sub-adviser to certain funds that will beneficially own approximately 12.9% of the issued and outstanding New Common Shares as at the Implementation Date. However, the applicable non-GSO entities that act as investment advisers to such funds retain full investment discretion over such funds' investments and related investment decisions and GSO will not exercise control or direction over such New Common Shares. See "*Lightstream After the Recapitalization – Principal* Shareholders". Accordingly, each of Apollo and GSO would have a significant vote in any matter coming before a vote of Shareholders. The interests of Apollo and GSO in Lightstream's business, operations and financial condition from time to time may not be aligned with, or may conflict with, the interests of other holders of New Common Shares. In addition, the significant holdings of Apollo and GSO may reduce the liquidity of the New Common Shares and, potentially, the New Series 1 Warrants and/or the New Series 2 Warrants.

The Recapitalization will Result in Substantial Dilution to Shareholders and Certain Existing Shareholders will No Longer Hold Securities of Lightstream Following the Recapitalization

The Recapitalization will result in the current holders of Common Shares holding approximately 2.25% of the estimated 100,000,000 New Common Shares of the Company anticipated to be outstanding after giving effect to the Recapitalization, plus approximately 7,750,000 Series 2 Warrants. Additionally, as a result of the approximately 88.29:1 (approximately 92:1 on a fully-diluted basis) Common Share Consolidation forming part of the Arrangement and the rounding down of fractional Common Shares and New Common Shares pursuant to the Arrangement, an existing holder of 89 (92 on a fully-diluted basis) or fewer Common Shares will no longer hold Common Shares, or any New Common Shares or New Series 2 Warrants, following completion of the Recapitalization and will not receive any consideration therefor.

Stakeholders Might Have Difficulty Enforcing Civil Liabilities Against the Company in the United States

The enforcement by investors of civil liabilities under the United States federal Securities Laws may be affected adversely by the fact that Lightstream is incorporated outside the United States, that some or all of the officers and directors of such Persons and the experts named herein are residents of a foreign country, and that all or a substantial portion of the assets of the Company and said Persons are located outside the United States. As a result, it may be difficult or impossible for holders of Lightstream's securities in the United States to effect service of process within the United States upon Lightstream, most of our Subsidiaries and their officers and directors and the experts named herein, or to realize, against them, upon judgments of courts of the United States predicated upon civil liabilities under the federal Securities Laws of the United States or "blue sky" Laws of any state within the United States. In addition, holders of Lightstream's securities in the United States should not assume that the courts of Canada: (i) would enforce judgments of United States courts obtained in actions against such Persons predicated upon civil liabilities under the federal Securities Laws of the United States or "blue sky" Laws of any state within the United States; or (ii) would enforce, in original actions, liabilities against such Persons predicated upon civil liabilities under the federal Securities Laws of the United States or "blue sky" Laws of any state within the United States.

The New Secured Notes will be Denominated in U.S. Dollars

The U.S.$39,285,000 principal amount of New Secured Notes (issued with an original cash issue discount of 2%) to be issued pursuant to the Recapitalization will be denominated in U.S. dollars. Fluctuations in exchange rates may significantly increase or decrease the amount of debt recorded on the Company's financial statements. The Company may employ derivative structures to hedge foreign exchange risk, however, no derivative structure will protect against all fluctuations.

There is No Forbearance Agreement Currently in Place

The Company is currently in default under the Credit Agreement. The First Forbearance Agreement expired on August 9, 2016 and has not, as at the date hereof, been replaced by a further forbearance agreement. As a result, the Senior Lenders and Swap Lenders are entitled, at any time, to exercise their enforcement rights and remedies on account of such existing defaults under the Revolving Credit Facility, and there can be no guarantee that they will not do so. In the event that the Senior Lenders and Swap Lenders exercise their enforcement rights and remedies, the Company will be unable to complete the Recapitalization. The Company is in ongoing discussions with the Senior Lenders and the Swap Lenders in respect of a further forbearance; however, there can be no guarantee that such will be obtained on terms acceptable to the Company or at all.

Risks Relating to the Company's Equity Securities

Sales of a Significant Number of Equity Securities in the Public Markets, or the Perception of Such Sales, and the Holding of a Significant Number of Common Shares by Apollo and GSO, Could Depress the Market Price of the New Common Shares

Sales of a significant number of New Common Shares or other equity-related securities in the public markets by Lightstream or by Lightstream's significant Shareholders could depress the market price of the New Common Shares. Additionally, the presence of large "control block" shareholdings by each of Apollo and GSO could create an overhang in the market and adversely affect the market price of the New Common Shares. In addition, with any sale or issuance of equity securities by Lightstream, investors will suffer dilution of their voting power and Lightstream may experience dilution in our earnings per share. Lightstream cannot predict the effect that future sales of the New Common Shares or other equity-related securities would have on the market price of the New Common Shares. The

price of the New Common Shares could be affected by possible sales of New Common Shares or by hedging or arbitrage trading activity.

The Trading Price for the New Common Shares, the New Series 1 Warrants and the New Series 2 Warrants May be Volatile

The trading price of the New Common Shares and, if listing approval is obtained from the TSX, the New Series 1 Warrants and New Series 2 Warrants may be subject to large fluctuations, which may result in losses to investors. The trading price of the New Common Shares and, if listing approval is obtained from the TSX, the New Series 1 Warrants and New Series 2 Warrants may increase or decrease in response to a number of events and factors, many of which are outside Lightstream's control, including: (i) the price of oil and gas; (ii) Lightstream's financial condition, financial performance and future prospects; (iii) the public's reaction to Lightstream's news releases, other public announcements and Lightstream's filings with the various securities regulatory authorities; (iv) changes in earnings estimates or recommendations by research analysts who track Lightstream's equity securities or the securities of other companies in the oil and gas sector; (v) changes in general economic conditions and the overall condition of the financial markets; (vi) the number of New Common Shares and, if listing approval is obtained from the TSX, the New Series 1 Warrants and New Series 2 Warrants to be publicly traded; (vii) the arrival or departure of key personnel; (viii) acquisitions, strategic alliances or joint ventures involving Lightstream or our competitors; and (ix) the factors listed under the heading "*Important Information – Forward Looking Information and Statements*" in this Information Circular and the other risk factors herein and in the documents incorporated by reference.

Shareholders are Subject to Potential Dilution

Management continually evaluates acquisition opportunities and recapitalization transactions, and although Lightstream is not currently party to any definitive agreements in respect of such transactions, it may engage in transactions that result in the issuance of additional New Common Shares which issuances may be dilutive. Other issuances of additional New Common Shares may also result in dilution to the holders of the New Common Shares.

Exchange of Debt for Equity

By exchanging or converting the Notes for New Common Shares and New Series 1 Warrants, as applicable, pursuant to the Recapitalization, Noteholders will be changing the nature of their investment from debt to equity. Equity carries certain risks that are not applicable to debt. The Secured Note Indenture governing the Secured Notes and the Unsecured Notes Indenture governing the Unsecured Notes provide a variety of contractual rights and remedies to holders of the Secured Notes and Unsecured Notes, respectively, including the right to receive interest and repayment of the Notes upon maturity. These rights will not be available to Noteholders that become holders of New Common Shares and New Series 1 Warrants, as applicable, on the Implementation Date. Claims of Shareholders will be subordinated in priority to the claims of creditors in the event of an insolvency, winding up, or other distribution of the assets of Lightstream.

Risks Related to the New Series 1 Warrants and New Series 2 Warrants

No Market for the New Series 1 Warrants and New Series 2 Warrants

There is currently no market through which the New Series 1 Warrants and New Series 2 Warrants may be sold and purchasers may not be able to resell New Series 1 Warrants and New Series 2 Warrants obtained pursuant to the Recapitalization. The Company has applied to list the New Series 1 Warrants and New Series 2 Warrants distributed under the Recapitalization. Listing will be subject to the Company fulfilling all of the applicable listing requirements of the TSX. There can be no assurance that such listings will be obtained or that an active or liquid public market for trading in the New Series 1 Warrants and New Series 2 Warrants will develop or be sustained. If an active or liquid market for the New Series 1 Warrants and New Series 2 Warrants fails to develop or be sustained, the liquidity and prices of the New Series 1 Warrants and New Series 2 Warrants may be adversely affected. Whether or not the New Series 1 Warrants and New Series 2 Warrants will trade at lower prices depends on many factors, including liquidity, general economic conditions and Lightstream's financial condition and future prospects.

Risks Relating to the New Secured Notes

The Company May Not Generate Cash Flow Sufficient To Service All of Our Obligations

The Company's ability to make payments on our indebtedness, including our debt securities, and to fund our operations, working capital and capital expenditures, depends on our ability to generate cash in the future. The Company's cash flow is subject to general economic, industry, financial, competitive, operating, regulatory and other factors that are beyond our control. The Company's business may not generate cash flow in an amount sufficient to enable it to repay our indebtedness, including our debt securities, make the requisite interest payments on our indebtedness or to fund our other liquidity needs. The Company may need to refinance all or a portion of our indebtedness, including our debt securities, on or before maturity. The Company's ability to refinance our indebtedness or obtain additional financing will depend on, among other things:

- our financial condition at the time;
- restrictions under any of the Company's indentures or credit agreements; and
- other factors, including the condition of the financial markets or the oil and gas industry.

As a result, the Company may not be able to refinance any of our indebtedness, including our debt securities, on commercially reasonable terms, or at all. If the Company does not generate sufficient cash flow from operations, and additional borrowings or refinancing or proceeds of asset sales are not available to Lightstream, the Company may not have sufficient cash to enable Lightstream to meet all of our obligations, including payments on the Company's debt securities.

The Instruments Governing the Company's Indebtedness Contain Significant Restrictions that Limit Operating and Financial Flexibility

The instruments governing the Company's indebtedness contain covenants that, among other things, limit our ability to:

- incur additional indebtedness;
- pay dividends and make distributions;
- repurchase shares;
- make certain investments;
- transfer or sell assets;
- create liens;
- enter into transactions with affiliates; and
- merge, consolidate, amalgamate or sell all or substantially all of our assets.

All of these restrictions may limit the Company's ability to execute our business strategy. These limitations and the corresponding risks will also apply to the instruments that will govern the Company's indebtedness following the completion of the Recapitalization.

Certain Bankruptcy and Insolvency Laws May Impair the Trustee's Ability to Enforce Remedies Under the New Secured Notes

The Company is currently organized under the Laws of the Province of Alberta (and after the Continuance will be continued under the federal Laws of Canada), and all of the Company's assets are currently located in Canada. Under bankruptcy Laws in the United States, courts typically have jurisdiction over a debtor's property, wherever located, including property situated in other countries. Courts outside of the United States may not, however,

recognize the U.S. bankruptcy court's jurisdiction. Accordingly, difficulties may arise in administering a U.S. bankruptcy case involving a Canadian debtor like Lightstream with property located in Canada or otherwise outside of the United States, and any orders or judgments of a bankruptcy court in the United States may not be enforceable in Canada against the Company without concurrent Canadian proceedings.

The rights of the New Indenture Trustee to enforce remedies may be significantly impaired by the restructuring provisions of applicable Canadian federal bankruptcy, insolvency and other restructuring legislation if the benefit of such legislation is sought with respect to the Company. For example, both the *Bankruptcy and Insolvency Act* (Canada) and the CCAA contain provisions enabling an "insolvent person" to obtain a stay of proceedings against its creditors and others and to prepare and file a proposal or plan for consideration by all or some of its creditors to be voted on by the various classes of its creditors. Such a restructuring proposal or plan, if accepted by the requisite majorities of creditors and approved by the court, may be binding on Persons, such as holders of the New Secured Notes, who may not otherwise be willing to accept it.

The powers of the court under the *Bankruptcy and Insolvency Act* (Canada) and particularly under the CCAA have been exercised broadly to protect a restructuring entity from actions taken by creditors and other parties. Accordingly, if the Company were to seek protection under such Canadian insolvency legislation following commencement of or during such a proceeding, payments under the New Secured Notes may be discontinued, the New Indenture Trustee may be unable to exercise its rights under the indenture governing the New Secured Notes and holders of the New Secured Notes may not be compensated for any delays in payments, if any, of principal and interest. Further, the holders of the New Secured Notes may receive in exchange for their claims a recovery that could be substantially less than the amounts of their claims (potentially there could be no recovery at all) and any such recovery could be in the form of cash, new debt instruments or some other security.

There are Restrictions on the Resale of the New Secured Notes

The distribution of the New Secured Notes has not been registered under the 1933 Act, any state securities Laws or any Canadian Securities Laws. The Company does not intend to file a registration statement with the SEC or any Canadian Securities Commission relating to the New Secured Notes. Accordingly, the New Secured Notes may not be reoffered, resold, pledged or otherwise transferred except pursuant to an exemption from the registration requirements of the 1933 Act. See "*Certain Regulatory and Other Matters Relating to the Arrangement – Issuance and Resale of Securities Received in the Recapitalization*".

Other Secured Indebtedness, Including Indebtedness Under the Company's Credit Facilities (Including the New Revolving Facility), Will Be Effectively Senior to the New Secured Notes to the Extent of the Value of the Collateral Securing Such Indebtedness on a First-Priority Basis

Lightstream's credit facilities are and will be collateralized by a first-priority lien, subject to permitted liens, in, all of the Company's assets. The first-priority liens in the collateral securing indebtedness under Lightstream's credit facilities will rank in priority as to such collateral over the security interests securing the New Secured Notes and related guarantees. The New Secured Notes and the guarantees (now or in the future) will be secured, subject to permitted liens, by a second-priority lien in the collateral. Lenders under Lightstream's credit facilities will be entitled to receive proceeds from the realization of such collateral to repay such indebtedness in full before the holders of the New Secured Notes will be entitled to any recovery from the collateral. As a result, holders of the New Secured Notes will only be entitled to receive proceeds from the realization of the collateral after all indebtedness and other obligations under Lightstream's credit facilities are repaid in full. As a result, the New Secured Notes will be junior in right of payment to indebtedness under the Company's credit facilities to the extent of the realizable value of the collateral.

The Lien Ranking Provisions of the New Secured Note Indenture Will Limit the Rights of Holders of the New Secured Notes With Respect to the Collateral, Even During an Event of Default

The rights of the holders of the New Secured Notes with respect to the collateral will be substantially limited by the terms of the lien ranking provisions set forth in the New Secured Note Indenture and in the collateral trust and intercreditor agreement governing the rights of the holders of lien claims over the collateral, even during an event of default. Under the New Secured Note Indenture and under such collateral trust and intercreditor agreement, at any time that obligations that have the benefit of the higher-priority liens are outstanding, any actions that may be taken with respect to or in respect of the collateral, including the ability to cause the commencement of enforcement proceedings against the collateral and to control the conduct of such proceedings and the approval of amendments to, releases of the collateral from the lien of and waivers of past defaults under such documents relating to the collateral, will be at the direction of the holders of the obligations secured by the first-priority liens and the holders of the New Secured Notes, secured by lower-priority liens, may be adversely affected.

In addition, the New Secured Note Indenture and/or the collateral trust and intercreditor agreement will contain certain provisions benefiting lenders under credit facilities including provisions requiring the trustee not to object following the filing of a bankruptcy petition to a number of important matters regarding the collateral. After such filing, the value of the collateral could materially deteriorate and holders of the New Secured Notes would be unable to raise an objection. In addition, the right of holders of obligations secured by priority liens to foreclose upon and sell such collateral upon the occurrence of an event of default also would be subject to limitations under applicable bankruptcy Laws if the Company or any of our Subsidiaries become subject to a bankruptcy proceeding.

The collateral will also be subject to any and all exceptions, defects, encumbrances, liens and other imperfections as may be accepted by the lenders under our credit facilities and other creditors that have the benefit of first-priority liens on the collateral from time to time, whether on or after the date the New Secured Notes and guarantees are issued. The existence of any such exceptions, defects, encumbrances, liens and other imperfections could adversely affect the value of the collateral as well as the ability of the collateral agent to realize or foreclose on the collateral. The existence thereof could adversely affect the value of the collateral as well as the ability of the holders of the New Secured Notes to direct the collateral agent to realize or foreclose on the collateral.

The Value of the Collateral May Not Be Sufficient to Satisfy the Company's Obligations Under the New Secured Notes

No appraisal of the value of the collateral has been made and the fair market value of the collateral is subject to fluctuations based on factors that include, among others, general economic conditions and similar factors including the price of crude oil. There can be no assurance that the crude oil and gas prices will increase in the future. If crude oil prices were to significantly decline, the value of the collateral may not be sufficient to repay all of the Company's indebtedness, including the New Secured Notes. The amount to be received upon a sale of the collateral would be dependent on numerous factors, including, but not limited to, the actual fair market value of the collateral at such time, the timing and the manner of the sale and the availability of buyers. By its nature, portions of the collateral may be illiquid and may have no readily ascertainable market value. In the event of a foreclosure, liquidation, bankruptcy or similar proceeding, the collateral may not be sold in a timely or orderly manner and the proceeds from any sale or liquidation of the collateral may not be sufficient to pay the Company's obligations under the New Secured Notes.

The New Secured Note Indenture will Permit Lightstream to Incur Additional Indebtedness

To the extent the collateral is encumbered by pre-existing liens, liens permitted under the New Secured Note Indenture and other rights, including liens on excluded assets, such as those securing hedges, purchase money obligations and capital lease obligations granted to other parties (in addition to the holders of obligations secured by first-priority liens), those parties have or may exercise rights and remedies with respect to the collateral that could adversely affect the value of the collateral and the ability of the collateral agent, the trustee under the New Secured Note Indenture or the holders of the New Secured Notes to realize or foreclose on the collateral. Consequently, liquidating the collateral may not result in proceeds in an amount sufficient to pay amounts due under the New Secured Notes after satisfying the obligations. If the proceeds of any sale of the collateral are not sufficient to repay all amounts due on the New Secured Notes, the holders of the New Secured Notes (to the extent not repaid from the proceeds of the sale of the collateral) would have only an unsecured claim against the Company's remaining assets which were not part of the collateral.

Despite the Company's Current Level of Indebtedness, the Company May Still Be Able to Incur Substantially More Debt

Lightstream may be able to incur substantial additional indebtedness in the future, including additional secured indebtedness. The terms of the New Secured Note Indenture, the Company's other credit facilities and any future credit facilities would restrict, but will not prevent, the Company from doing so. If new debt is added to the Company's current level of indebtedness, the risks associated with the indebtedness discussed above will be increased.

BUSINESS OF THE ANNUAL MEETING

Election of Directors

The Articles of the Company require the Company to have not less than three and not more than 12 directors, with the actual number of directors holding office from time to time to be determined by the Board of Directors. The Board has resolved that the number of directors be set at six. Accordingly, it is proposed that six directors be elected at the Meeting to serve until the next annual meeting or until their successors are duly elected or appointed.

The Persons named below are nominees of management for election as directors of the Company. Additional information with respect to each of the six proposed nominees for election as director can be found under the heading "*Nominees for Election to the Board of Directors*", which sets forth each proposed director's place of residence; position held; present principal occupation; and prior occupations within the last five years.

Management does not contemplate that any of the nominees will be unable to serve as a director. However, if that does occur for any reason prior to the Meeting, the Persons designated in the enclosed form of proxy reserve the right to vote for other nominees in their discretion. Each of these nominees has indicated an intention to stand for re-election to complete the proposed Recapitalization. Each elected director will hold office until the close of the next annual meeting of Shareholders, or until his or her successor is duly elected or appointed, unless his or her office is earlier vacated under any of the relevant provisions of the articles of the Company, the CBCA By-Laws or the CBCA.

Pursuant to the Support Agreement, the composition and size of the Board effective as of the Implementation Date shall be satisfactory to the Initial Consenting Noteholders, acting in a manner consistent with the Support Agreement and provided that such composition complies with applicable Laws. The Ad Hoc Committee will work with the Chairman of the existing Board to establish the membership of the post-Recapitalization Board based on the following: the Board will consist of (i) the Chief Executive Officer of the Company, (ii) one or more existing directors of the Company acceptable to the Ad Hoc Committee, and (iii) other new individuals acceptable to the Ad Hoc Committee.

Our Board has also adopted a majority voting policy, which provides that, unless there is a contested election, a director who receives more "withhold" votes than "for" votes must tender his or her resignation as a director promptly after the meeting. The Governance and Nomination Committee of the Board will then consider such resignation and make a recommendation to the Board as to whether or not it should be accepted. The decision of the Board will be made within 90 days of the Meeting and announced in a press release. The director who tendered such resignation will not be part of any deliberations of the Board or any committee thereof pertaining to the resignation. For more information see "*Governance – Majority Voting Policy*".

Unless otherwise directed, the Persons designated in the enclosed proxy form intend to vote FOR the election of the following nominees for director at the Meeting.

Ian S. Brown
Martin Hislop
Kenneth R. McKinnon
Corey C. Ruttan
W. Brett Wilson
John D. Wright

Appointment of Auditors

Management is soliciting proxies, in the accompanying form of proxy, in favour of the appointment of the firm of Deloitte LLP, Chartered Professional Accountants, Chartered Accountants, as our independent auditors, to hold office until the next annual meeting of the Shareholders and to authorize the directors to fix their remuneration for the ensuing year. Deloitte LLP was first appointed on August 1, 2009.

The audit fees paid to Deloitte LLP for the years ended December 31, 2015 and 2014, respectively, are set forth on page C-2 of our Annual Information Form filed on SEDAR on March 30, 2016 under our Company profile at www.sedar.com, and can also be found on our website at www.lightstreamresources.com.

Unless otherwise directed, the Persons designated in the enclosed form of proxy intend to vote at the Meeting FOR the reappointment of Deloitte LLP as the Company's auditors and authorizing the Board to fix the auditors' remuneration.

NOMINEES FOR ELECTION TO THE BOARD OF DIRECTORS

The following table sets out the name of each of the Persons proposed to be nominated for election as a director; the principal occupations and offices of the Company presently held by him and for the previous five years; the period during which he has served as a director of the Company; and the number of voting Shares of the Company that he has advised are beneficially owned by him, directly or indirectly, or over which control or direction is exercised by him.

Name of Nominee, Location of Residence and Position	Number of Shares Beneficially Owned or Controlled	Director Since	Present and Principal Occupation For Previous Five Years
Ian S. Brown[(1)(4)] Alberta, Canada Director	122,288	October 1, 2009	Independent businessman and corporate director.
Martin Hislop[(1)(3)] Alberta, Canada Director	116,336	October 1, 2009	Independent businessman and corporate director.
Kenneth R. McKinnon[(1)(3)(4)] Alberta, Canada Chairman of the Board and Director	358,395	October 1, 2009	Partner at Citrus Capital Partners Ltd. (investment firm) since January 2014. Vice President Legal and General Counsel of Critical Mass Inc. (website design company) from March 2000 to December 2014.
Corey C. Ruttan[(1)(2)(4)] Alberta, Canada Director	664,348	July 30, 2009	President and Chief Executive Officer of Alvopetro Energy Ltd. (energy company) since November 2013**.** Prior thereto, President and Chief Executive Officer of Petrominerales Ltd. (energy company) from May 2010 to November 2013.
W. Brett Wilson[(2)(3)] Alberta, Canada Director	674,743	December 13, 2011	Chairman of Canoe 'GO CANADA' Fund Corp. (mutual fund corporation) since July 2013 and Chairman of Prairie Merchant Corporation (private investment management company) since 1991.
John D. Wright[(2)] Alberta, Canada President and Chief Executive Officer and Director	7,012,879	July 30, 2009	President and Chief Executive Officer of Lightstream since May 2011. Prior thereto, President and Chief Executive Officer, Chairman, and director of Petrobank Energy and Resources Ltd. (energy company) from March 2000 to May 2014.

Notes:
(1) Member of the Audit Committee.
(2) Member of the Reserves Committee.
(3) Member of the Compensation Committee.
(4) Member of the Governance and Nomination Committee.

The information as to voting securities beneficially owned, directly or indirectly, is based upon information furnished to the Company by the nominees.

Cease Trade Orders

Except as disclosed below, to the knowledge of management of the Company, no proposed director of the Company is, or within the ten years before the date of this Information Circular has been, a director, chief executive officer ("**CEO**") or chief financial officer ("**CFO**") of any other issuer that:

(a) was the subject of a cease trade or similar order or an order that denied the other issuer access to any exemptions under Canadian securities legislation that lasted for a period of more than 30 consecutive days that was issued while the director or executive officer was acting in the capacity as director, CEO or CFO; or

(b) was subject to a cease trade order or an order that denied the relevant issuer access to any exemption under securities legislation that lasted for a period of more than 30 consecutive days that was issued after the director or executive officer ceased to be a director, chief executive officer or CFO and which resulted from an event that occurred while the director or executive officer was acting in the capacity as director, CEO or CFO.

Mr. John D. Wright was a director of Canadian Energy Exploration Inc. ("**CEE**") (formerly TALON International Energy, Ltd.), a reporting issuer listed on the TSX-V, until September 15, 2011. A cease trade order (the "**ASC Order**") was issued on May 7, 2008 against CEE by the ASC for the delayed filing of CEE's audited annual financial statements and management's discussion and analysis for the year ended December 31, 2007 ("**2007 Annual Filings**"). The 2007 Annual Filings were filed by CEE on SEDAR on May 8, 2008. As a result of the ASC Order, the TSX-V suspended trading in CEE's shares on May 7, 2008. In addition, on June 4, 2009 the British Columbia Securities Commission ("**BCSC**") issued a cease trade order (the "**BCSC Order**") against CEE for the failure of CEE to file its audited annual financial statements and management's discussion and analysis for the year ended December 31, 2008 (the "**2008 Annual Filings**") and its unaudited interim financial statements and management's discussion and analysis for the three months ended March 31, 2009 (the "**2009 Interim Filings**"). The 2008 Annual Filings and the 2009 Interim Filings were filed by CEE on SEDAR on October 9, 2009.

CEE made applications to the ASC and BCSC for revocation of the ASC Order and BCSC Order. The ASC and BCSC issued revocation orders dated October 14, 2009 and November 30, 2009, respectively, granting full revocation of compliance-related cease trade orders issued by the ASC and the BCSC in respect of CEE.

Bankruptcies and Insolvencies

Except as disclosed below, to the knowledge of management of the Company, no proposed director of the Company:

(a) is, at the date of this Information Circular or has been within the ten years before the date of this Information Circular, a director or executive officer of any company that, while that Person was acting in that capacity or within a year of that Person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within the ten years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director.

Mr. John D. Wright was a director of Spyglass Resources Corp. ("**Spyglass**"), a reporting issuer listed on the Toronto Stock Exchange, until November 26, 2015, when Spyglass was placed into receivership by the Court following an application by its creditors.

Penalties and Sanctions

Except as disclosed below, to the knowledge of management of the Company, no proposed director of the Company has:

(a) been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with the Canadian securities regulatory authority; or

(b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Mr. Corey C. Ruttan entered into a settlement agreement with the Alberta Securities Commission ("**ASC**") on May 3, 2002 in respect of an Insider trading violation relating to a May 17, 2000 trade. Mr. Ruttan cooperated completely in resolving the matter with the regulators. The settlement resulted in Mr. Ruttan paying an administrative penalty of $10,000, representing a return of profits, and the costs of the proceeding in the amount of $3,925. For a period of one year, Mr. Ruttan agreed to cease trading in securities and to not act as a director or officer of a public company. These restrictions expired on May 3, 2003. Mr. Ruttan is a Chartered Accountant in good standing.

COMPENSATION DISCUSSION AND ANALYSIS

Introduction

This compensation discussion and analysis describes:

(i) our overall pay for performance philosophy and objectives of our compensation program;

(ii) the elements of our executive compensation programs;

(iii) the relationship between our executive compensation program and our overall strategy;

(iv) the processes the Compensation Committee of the Board follows in deciding how to compensate executive officers;

(v) analysis of the specific compensation decisions made by Compensation Committee for the financial year ended December 31, 2015.

Named Executive Officers ("named executives")

The following is a discussion of the compensation arrangements with our President and CEO, Senior Vice President and CFO and the three other most highly compensated executive officers of Lightstream for the year ended December 31, 2015. For the year ended December 31, 2015, the named executives are:

John W. Wright, President and CEO

Peter D. Scott, Senior Vice President and CFO

Rene LaPrade, Senior Vice President and Chief Operating Officer

Mary Bulmer, Vice-President, Corporate Services

Peter Hawkes, Vice President, Geosciences

Compensation Committee and Compensation Governance

The Compensation Committee is charged with assisting the Board in overseeing the design and administration of compensation and human resources philosophy and policies. The members of the Compensation Committee of the Board are Kenneth R. McKinnon (Chairman), Martin Hislop and W. Brett Wilson. All members of the Compensation Committee are independent directors of Lightstream (within the meaning of National Instrument 52-110) and none of the members of the Compensation Committee is currently the CEO of any publicly traded entity.

The Board believes the Compensation Committee collectively has the knowledge, experience and background required to fulfill its mandate. All of the members of the Compensation Committee possess human resources literacy, meaning an understanding of compensation theory and practice, personnel management and development, succession planning and executive development. Such knowledge and capability include both current and prior experience working as a chief executive or senior officer of small to intermediate sized organizations, which provide significant financial and human resources experience and involvement on board compensation committees of other entities.

The mandate of the Compensation Committee requires that the majority of the members of the Compensation Committee be comprised of independent directors, that the Chairman be an independent director, and that less than one third of the members of the Compensation Committee are serving CEOs of any reporting issuer. The Compensation Committee complies with the mandate.

Role of Compensation Consultant and Executive Compensation Related Fees

The Compensation Committee has the authority to and periodically retains the services of an independent compensation consultant to provide information and recommendations on market conditions and appropriate

competitive practices. In 2014, the Compensation Committee retained the services of Hugessen Consulting Inc. ("**Hugessen**"), an independent compensation consultant, to provide information and recommendations on executive compensation, compensation governance and director compensation. Hugessen was not retained in 2015 for any services and therefore no fees were paid to Hugessen in that year (2014 – $87,905).

Lightstream also participates in and uses Mercer (Canada) Limited's compensation survey data for the energy sector, which enables us to do comparative compensation analysis for executive and non-executive employee positions at Lightstream. Lightstream has been using Mercer's services in relation to its compensation matters since 2009. In 2015, Lightstream paid Mercer a total of $9,177 for its survey data (2014 – $12,033).

Compensation Philosophy, Objectives and Discussion

Lightstream's executive compensation philosophy and program objectives are intended to provide competitive levels of compensation in order to attract, motivate and retain talented executives, which is critical to our success. Our share price and dividend policy are driven by financial results which are in turn driven by key operating measures, including oil and natural gas production, capital and operating costs, recycle ratios, finding and development of oil and gas reserves and the accumulation of new prospect inventories. Our compensation program is intended to create an alignment of interest between our executive officers and Shareholders so that a significant portion of each executive's compensation is linked to achieving these key performance measures. We also have a strong commitment to ethical business practices, timely and accurate public disclosure of information, the protection of the environment and the health and safety of our employees, partners and the public. Therefore, measures such as environmental protection, our health and safety record, regulatory compliance and the integrity and accuracy of our internal systems and external reporting are also assessed.

Compensation Components

Lightstream's executive compensation program is structured into three main components: base salary, annual bonus and long term incentives (Incentive Shares and PSUs). The following chart describes the elements of current compensation and their objectives as well as previously granted incentives which do not currently form part of our executive compensation program.

Element	Description	Objective
Base Salary	Fixed level of cash compensation targeted at the market 50th percentile	• Market competitive compensation • Attraction and retention
Bonus	Compensation that rewards employees for their contribution and achievement of short-term business results. This element is variable and "at-risk".	• Pay-for-performance • Alignment with Lightstream's business strategy • Encourage superior performance • Attraction and retention

Long-Term Incentives		
Element	**Description**	**Objective**
Incentive Shares	Incentive Shares vest over time and, upon vesting, each one Incentive Share is redeemable for one share for an exercise price of $0.05 per share. Incentive Shares typically expire in year four.	• Alignment with the interests of Lightstream's Shareholders • Pay-for-performance • Alignment with Lightstream's medium and long-term business strategy • Encourage superior medium and long-term performance • Attraction and retention
PSUs	A notional share based award that rewards executives for creating total shareholder return value relative to a peer group over a three year period. PSUs cliff vest after three years and based on Lightstream's relative performance rank, a multiplier (range from zero to two) is applied to the underlying value to determine payout.	• Alignment with the interests of Lightstream's Shareholders • Pay-for-performance • Encourage superior medium and long-term performance • Includes relative performance component • Attraction and retention
Inactive Long-Term Incentives (No Longer Granted)		
DCSs	DCSs vest the earlier of three years from the grant date or until cessation of employment or tenure on the Board. Each one DCS is redeemable for one share at an exercise price of $0.05 per share.	• Alignment with the interests of Lightstream's Shareholders • Pay-for-performance • Alignment with Lightstream's long-term business strategy • Encourage superior long-term performance • Attraction and retention
Options	Options vest over time and, upon vesting, each one Option is exercisable for one share at the previously determined exercise price. Options typically expire in year five.	• Alignment with the interests of Lightstream's Shareholders • Pay-for-performance • Alignment with Lightstream's long-term business strategy • Encourage superior long-term performance • Attraction and retention

Lightstream believes that each component provides a valuable contribution to our overall compensation objectives, as described below.

Base Salary

Base salaries provide an immediate cash incentive and should be at levels comparable with peer companies that compete with us for business opportunities and executive talent. The base salaries of our executives are reviewed annually to ensure they reflect a balance of market conditions, the levels of responsibility and accountability of each role, the skill and competencies of the individual, retention considerations as well as the level of demonstrated performance. Executive base salaries have not increased since 2013, and in early 2016, all employees including executives received a temporary 5% reduction to base salary in response to the financial constraints faced by the Company resulting from the low commodity price environment.

Short-Term Incentive Awards – Bonuses

Annual bonuses encourage and reward performance over the financial year and reflect progress toward corporate performance objectives and individual executive accomplishments. Bonuses are based on certain corporate performance measures and objectives established and approved by the Board at the beginning of each fiscal year. Bonus amounts are typically evaluated and paid in the first quarter of each financial year in relation to performance for the prior year. For 2015, bonuses were determined by the Compensation Committee and the Board on the basis of corporate and individual performance and were paid in cash in the fourth quarter of 2015. Prior to 2015, bonus payments to executives were typically paid in the form of cash and DCSs under our DCS Plan.

Lightstream's goals and objectives for 2015 focused on enhancing corporate and operational performance, which are considered key drivers of shareholder value and confidence. Quantitative measures included, but were not limited to: reducing finding and development costs of reserves, capital spending and production targets, reducing controllable operating costs, improving our financial flexibility, and improving our environmental and safety record. The assessment of performance against these goals and objectives sets the framework for determining compensation. Each factor has a threshold level of performance and if not achieved, no credit will be granted for that factor in the calculation of corporate performance. Bonuses paid to executives in respect of their contributions in 2015 reflect the achievement of certain of these corporate performance measures during the year and the failure to meet target thresholds for other measures. Notwithstanding that short-term incentive plan bonuses are based on achievement of corporate performance measures, the Compensation Committee used its discretion to substantially reduce the available bonus pool in recognition of the Company's poor share price performance during the year, the erosion of investment value experienced by Shareholders and to reflect the existing low oil price operating environment.

Long-Term Incentive Plans

In 2015, long-term incentives included Incentive Shares granted pursuant to our IS Plan and PSUs granted pursuant to our PSU Plan with 50% of the value allocated each to Incentive Share and PSUs.

Following a review of our long-term incentive program in 2014, including a review of the programs used by our industry peers and a review of the analysis of our program provided by Hugessen, the Compensation Committee and the Board determined that it would be beneficial to introduce another performance-based element into Lightstream's long-term incentive program. As a result, on the Compensation Committee's recommendation, the Board approved the adoption of the PSU Plan in 2014 and approved grants of PSUs to executives in lieu of grants of Options under our Stock Option Plan. Lightstream's PSUs cliff vest after three years, and upon vesting the executive receives a cash payment based on the fair value of the underlying shares plus accrued dividends, if any, subject to a performance multiplier. The multiplier ranges on a sliding scale from zero to two based on Lightstream's total shareholder return ("**TSR**") as compared to the twelve companies in Lightstream's Compensation Peer Group. The multiplier consists of relative TSR calculated for each year of the three year term with each result given a 20% weighting and relative TSR calculated again over the entire three year period which is given a 40% weighting.

By introducing the PSU Plan to long-term incentives, the Compensation Committee and the Board believe that PSUs will enhance the alignment of the interests of executives and Shareholders. PSUs, through the use of a payout multiplier, provide a direct link between relative corporate performance and the level of payout received. If the minimum threshold performance level is not met, the payout multiplier would be zero and consequently no payouts would be made under the PSUs. In addition, as a cash-settled award, PSUs do not have the potentially dilutive effect of treasury-settled long-term incentives.

As an additional measure to reduce the potentially dilutive impact of our long-term compensation plans, in 2015, the Compensation Committee and the Board approved an amendment to the Stock Option Plan to reduce the maximum number of Shares reserved for issuance under the Stock Option Plan (less the number of shares issuable pursuant to all other security based compensation arrangements of Lightstream, including the IS Plan and the DCS Plan) from 10% to 8% of the issued and outstanding Shares at any one time. In conjunction with the amendments to the Stock Option Plan, the Compensation Committee and the Board also approved and recommended to Shareholders for approval the conversion of the IS Plan from a fixed plan to a rolling plan, providing that the maximum number of Shares reserved for issuance under the IS Plan (less the number of shares issuable pursuant to all other security based compensation arrangements of Lightstream, including the Stock Option Plan and the DCS Plan) is 8% of the issued and outstanding shares at any one time. These amendments, along with changes to the amending provisions of the Stock Option Plan and the IS Plan to conform with TSX requirements, were approved by the Company's Shareholders at our 2015 annual general meeting.

In addition, in 2014, the Compensation Committee and the Board decided to eliminate grants of DCSs to executives and directors pursuant to our DCS Plan.

Lightstream uses its IS Plan and PSU Plan as a part of our long-term compensation strategy for executives. Incentive Shares and PSUs are intended to align executive and Shareholder interests by attempting to create a direct link between compensation and TSR. As a result of the use of share based compensation arrangements, a part of executive compensation is "at-risk" in order to reinforce behaviours that are aligned with the long-term interests of Lightstream and our Shareholders. If Lightstream does not perform within expected parameters in the short or long-term, executives may receive only a fraction of their total possible amount of remuneration. The at-risk nature of long-term incentives is illustrated in the tabular disclosure under "*Named Executive Compensation – Executive Share Based Compensation Awards*".

An annual grant of long-term incentives is typically made to our executives in the third quarter, taking into consideration the responsibilities of the executive, comparative market data and previous grants. Additional long-term incentives may be made periodically to recognize the exemplary performance of certain executives.

Lightstream's IS Plan, PSU Plan, Stock Option Plan and DCS Plan, are described in detail in this Information Circular under the heading "*Share Based Compensation Plans*".

Group Benefits/Perquisites

The Compensation Committee believes that the perquisites for executives should be limited in scope and value and be commensurate with perquisites offered by the Compensation Peer Group. Lightstream provides each of our executives a Company-paid parking stall or allowance with an estimated annual value per executive of $8,190 in 2015. Lightstream also provides our executives with additional insurance programs, the cost of which with respect to the named executive is disclosed under the heading "*Named Executive Compensation – Summary Executive Compensation Table*" under the column titled "*All Other Compensation*".

Employee Share Ownership Plan

Lightstream has an employee share ownership plan ("**ESOP**") pursuant to which all permanent full-time and part-time employees may contribute up to 5% of their gross annual salary to the ESOP, with Lightstream matching the contribution initially on a 100% basis, and thereafter on a pre-defined basis. Lightstream's matching contribution increases after 24 months of the employee's participation to 125%; after 60 months of participation to 150%; and after 96 months of participation to 200%. Through our appointed independent firm, we use the contributions to acquire Shares on behalf of the employees through open market purchases at the current market price on the TSX. The executives are eligible to participate in the ESOP on the same basis as all other employees. For the year ended December 31, 2015, $125,117 was contributed by Lightstream in relation to the contributions of the named executives. As a cost-saving measure Lightstream suspended the ESOP program on February 1, 2016.

Pay for Performance

Lightstream's underlying principle for executive pay is pay for performance. We believe that this philosophy achieves the goal of attracting and retaining excellent employees and executive officers, while rewarding the demonstrated behaviors that reinforce our values and help to deliver on our corporate goals.

The Compensation Committee and the Board have adopted a non-formulaic approach to executive compensation which they believe provides the necessary flexibility to appropriately motivate Lightstream's executive team in changing market and industry conditions. The methodology is routinely evaluated to ensure executive compensation is linked appropriately with both Lightstream's performance and the performance of the individual executive. Following its review of executive compensation in 2014, the Compensation Committee and the Board approved the PSU Plan in order to further link pay for performance.

On an annual basis, Lightstream's overall performance against pre-established goals and objectives is evaluated which, in conjunction with the evaluation of each executive's individual performance, is used to calculate the bonus, if any, awarded to each executive. Because the impact on corporate performance increases as job responsibilities grow, the determination of executive compensation is largely weighted towards corporate performance measures over individual performance.

Compensation Process

Lightstream's compensation program is administered by the Compensation Committee. The President and CEO of Lightstream typically attends meetings of the Compensation Committee, but does not have the right to vote on any matter before the Compensation Committee. In addition, all Compensation Committee meetings have an in camera session where the President and CEO and any other members of management in attendance at the Compensation Committee meeting are excused for the duration of the in camera session.

During 2015, the Compensation Committee held six meetings, and in August 2015, the Compensation Committee approved the long-term incentive grants to executives and approved for recommendation to the Board the long-term incentive grants to the named executive officers of the Company. In December 2015, the Compensation Committee held two meetings with respect to 2016 salaries and bonus amounts for executives relating to 2015 performance which were subsequently approved by the Board.

The Compensation Committee recommends base salaries, bonuses, long-term incentives and benefits for the named executives, including for the President and CEO, which are then approved by the Board. Each component of compensation is determined on an individual basis based on a review of compensation survey data, an assessment of the overall performance of Lightstream, relative performance of Lightstream compared to the Compensation Peer Group and the achievements and overall contribution of each individual named executive. While the Compensation Committee may rely on external information and advice, decisions with respect to named executive compensation may reflect factors and considerations other than, or that may differ from, the information and recommendations provided by independent third party surveys and compensation consultants.

Management's primary role in executive compensation decisions is to gather data and prepare analysis to make preliminary recommendations to the Compensation Committee and the Board. The Compensation Committee also reports to the Board on the major items covered at each Compensation Committee meeting

Compensation Peer Group

Compensation levels are determined in relation to those of a specific group of Canadian domestic oil and gas producers with which we compete for talent. Compensation data is available through a combination of public disclosure and compensation surveys prepared by independent consulting firms. Each year the composition of the Compensation Peer Group is reviewed by the Compensation Committee for its ongoing business relevance to Lightstream. For 2015 executive compensation purposes, the Compensation Committee and the Board approved a peer group of mid-cap exploration and production companies that were considered to be the closest match for comparing executive compensation data.

For the year ended December 31, 2015, the Compensation Peer Group included: Baytex Energy Corp., Bellatrix Exploration Ltd., Bonavista Energy Corporation, Crew Energy Inc., Enerplus Corporation, Pengrowth Energy Corporation, Penn West Petroleum Ltd., Surge Energy Inc., TORC Oil & Gas Ltd., Trilogy Energy Corp., Vermilion Energy Inc. and Whitecap Resources Inc.

The factors assessed by the Compensation Committee in determining the Compensation Peer Group included operational focus, total revenue, total assets, cash flow, total level of capital expenditures, number of employees and daily production levels.

The compensation data from the Compensation Peer Group provides a reference point in the determination of base salaries, levels of share based compensation and the evaluation of corporate performance as a whole. The Compensation Peer Group is also used for assessing the relative TSR performance of 2014 and 2015 PSUs. In addition, board of director compensation data from the Compensation Peer Group has been utilized in connection with the review of the compensation of our directors.

Risk Assessment and Oversight

The Compensation Committee considers the risks associated with Lightstream's compensation policies and practices as part of its broader mandate of understanding the principal risks associated with Lightstream's business. To that end, the Compensation Committee considers whether compensation elements are rewarding appropriate behaviours to ensure that business outcomes are in line with the long-term strategy of Lightstream and the interests of our Shareholders. The Compensation Committee assesses whether compensation policies and practices could encourage an executive to: (i) take inappropriate or excessive risks; (ii) focus on achieving short-term goals at the expense of long-term return to Shareholders; or (iii) excessive focus on financial and operational goals at the expense of environmental responsibility and health and safety objectives. Based on the experience of the Compensation Committee in compensation matters, the Compensation Committee did not identify any risks arising from our compensation policies and practices that would reasonably be likely to have a material adverse effect on Lightstream. This assessment was based on a number of considerations, including the following:

- All executives are expected to own stock representing a multiple of their annual salary.
- Base salaries provide a steady income regardless of share price performance, allowing executives and employees to focus on both near term and long-term goals and objectives without undue reliance on short-term share price performance or market fluctuations.
- Cash bonuses are based on performance measures designed to contribute to short and long-term value creation.

- Incentive Shares and PSUs typically vest over a number of years, motivating the achievement of long-term sustainable objectives and aligning executives with the interests of Shareholders.

- A portion of executive compensation is made up of long-term incentives which are at-risk. PSUs have a minimum threshold performance which if not achieved, results in zero payment. See "Named Executive Compensation – Executive Share Based Compensation Awards".

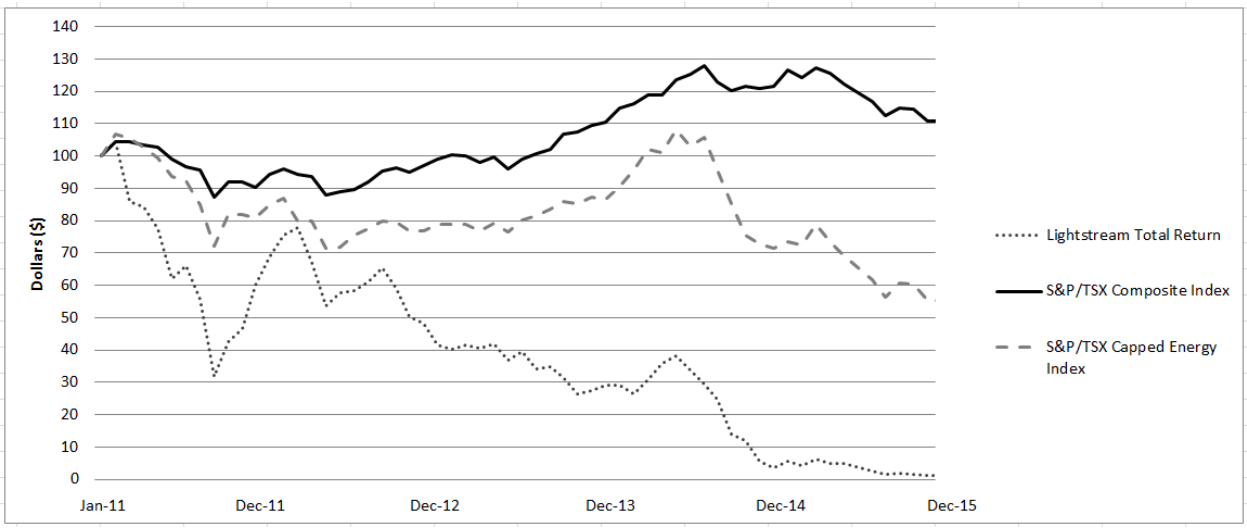
- Although annual performance goals are established, the Compensation Committee does not solely focus on achievement of narrowly focused performance goals and retains adequate discretion to apply business judgment to assess the overall execution of the long-term business plan and adherence to our corporate vision and values.

Hedging Activities

Lightstream's Disclosure, Confidentiality and Trading Policy includes a provision that prohibits directors, officers and employees from purchasing or selling certain derivatives in respect of any security of Lightstream. This includes purchasing "puts" and selling "calls" on Lightstream's securities, as well as a prohibition on short selling our securities. In addition, our Disclosure, Confidentiality and Trading Policy includes a provision that prohibits directors, officers and employees from trading in any derivative securities that are designed to monetize or offset any decrease in the market value of Lightstream's securities.

Performance Graph

The following graph illustrates the Company's cumulative shareholder return over the five most recently completed financial years, assuming an initial investment of $100 on January 1, 2011 and that dividends are reinvested as at the date received, compared to the S&P/TSX Composite Index and S&P/TSX Capped Energy Index during the same period.



Compensation of our executives is based on the achievement of certain pre-determined performance measures that we view as correlating to long-term shareholder value. The achievement of these performance measures are assessed against corporate and individual targets and do not necessarily track the market value of our Shares, which are impacted by commodity prices, economic conditions and other market factors that are outside the control of the Company. The realizable value of the long-term incentive components of our compensation will, however, correlate to the market value of our Shares over time as a result of the vesting provisions attaching to such incentives.

NAMED EXECUTIVE COMPENSATION

Summary Executive Compensation Table

The following table sets forth all annual and long-term compensation paid in respect of the named executives for the financial years ended December 31, 2015, 2014 and 2013.

Name and Principal Position	Year	Salary[1] ($)	Share Based Awards[2] ($)	Option Based Awards[3] ($)	Non-Equity Incentive Plan Compensation: Annual Incentive Plans[4] ($)	All other Compensation[5] ($)	Total Compensation ($)
JOHN D. WRIGHT	2015	470,400	884,456	nil	186,200	74,107	1,615,163
President and CEO	2014	480,000	1,353,966	nil	200,000	80,002	2,113,968
	2013	478,542	562,066	546,546	50,000	82,425	1,719,579
PETER D. SCOTT	2015	340,000	455,629	nil	200,000	49,030	1,044,659
Senior Vice President and CFO	2014	340,000	641,788	nil	180,000	40,852	1,202,640
	2013	344,783	411,825	131,386	50,000	43,112	981,106
RENE LAPRADE	2015	340,000	455,629	nil	200,000	39,892	1,035,521
Senior Vice President and Chief Operating Officer	2014	340,000	667,594	nil	180,000	56,205	1,243,799
	2013	335,625	424,203	82,656	50,000	51,784	944,268
MARY BULMER	2015	263,369	229,162	nil	133,837	44,659	671,027
Vice President, Corporate Services	2014	285,000	327,774	nil	150,000	46,205	808,979
	2013	280,625	297,700	63,123	50,000	38,839	730,287
PETER HAWKES	2015	263,542	225,056	nil	119,763	51,340	659,701
Vice President, Geosciences	2014	275,000	316,272	nil	90,000	58,000	739,272
	2013	272,083	287,159	58,087	50,000	49,435	716,764

Notes:

(1) Salary includes base salary paid during the reporting year and payment for vacation days earned but not taken.

(2) Share Based Awards for 2015 and 2014 consist of Incentive Shares and PSUs granted during the year. The fair value of PSUs is based on the awarded dollar value approved by the Board. For 2015, the weighted average trading price used in determining Incentive Shares and PSU awards ranged from $0.652 to 1.092. For 2014, the weighted average trading price used in determining Incentive Shares and PSU awards ranged from $5.91 to $7.00. Share Based Awards for 2013 consist of Incentive Shares granted during the year and DCSs in respect of individual and corporate performance during the year, which were granted in the following year. The fair value of Incentive Shares and DCSs granted is estimated based on the grant date using the Black-Scholes option-pricing model. For a complete description of the terms of the IS Plan, PSU Plan and DCS Plan, see the disclosure under the heading "*Share Based Compensation Plans*".

(3) Option Based Awards consist of Options granted pursuant to the Stock Option Plan. The fair value of Options granted is estimated based on the grant date using the Black-Scholes option-pricing model. For a description of the terms of the Stock Option Plan, see details provided herein under the heading "*Share Based Compensation Plans*".

(4) The amount shown in the column titled "*Annual Incentive Plan*" is the cash bonus award to each of the named executives for individual and corporate performance during the year, which amount was paid in the following year, except the amount in respect of the 2015 financial year which was paid in December 2015.

(5) The value in the column titled "All Other Compensation" includes all other compensation not reported in any other column of the table for each of the named executives and includes certain taxable benefits including but not limited to parking, contributions to the ESOP, life insurance premiums, flexible spending dollars, and private health insurance premiums.

Executive Share Based Compensation Awards

Outstanding share based awards and option based awards as at December 31, 2015

The following table sets forth, with respect to each of the named executives, details regarding option based and share based awards outstanding as at December 31, 2015.

	Option Based Awards				Share Based Awards		
Name	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price ($)	Option Expiration Date	Value of Unexercised In-the-Money Options ($)	Number of Share Based Awards that have not vested[(1)] (#)	Market or Payout Value of Share Based Awards that have not vested[(2)] ($)	Market or Payout Value of Vested Share Based Awards not paid out or distributed[(3)] ($)
John D. Wright	nil	nil	nil	nil	1,883,198	450,552	nil
Peter D. Scott	nil	nil	nil	nil	980,846	234,352	24,156
Rene LaPrade	nil	nil	nil	nil	980,846	234,352	29,683
Mary Bulmer	nil	nil	nil	nil	509,531	121,293	12,808
Peter Hawkes	nil	nil	nil	nil	492,933	117,530	18,575

Notes:

(1) The number of share based awards that have not vested includes outstanding restricted DCSs and unvested Incentive Shares and PSUs.

(2) The market value of share based awards that have not vested is calculated for restricted DCSs and unvested Incentive Shares based on the difference between $0.05 and the closing price of the Shares on the TSX on December 31, 2015, being $0.26. The market or payout value of PSUs is calculated by multiplying the total number of PSUs by the year-end closing price of our Shares, being $0.26. No performance multiplier has been applied to the PSU value calculation. The ultimate PSU payout amount will depend on Lightstream's relative TSR compared to our Compensation Peer Group, which could be zero. Dividend accruals on the Incentive Shares, DCSs and PSUs were not factored into the calculation.

(3) The value of share based awards that have vested, but have not been paid out or distributed, is calculated for unrestricted DCSs and vested Incentive Shares based on the difference between $0.05 and the closing price of the Company's Shares on December 31, 2015, being $0.26. Dividend accruals on the Incentive Shares and DCSs were not factored into the calculation.

Incentive Plan Awards – Value Vested or Earned During the Year Ended December 31, 2015

Name	Option Based Awards – Value Vested During the Year ($)	Share Based Awards – Value Vested During the Year[(1)] ($)	Non-Equity Incentive Plan Compensation – Value Earned During the Year[(2)] ($)
John D. Wright	nil	90,062	186,200
Peter D. Scott	nil	49,774	200,000
Rene LaPrade	nil	46,436	200,000
Mary Bulmer	nil	28,015	133,837
Peter Hawkes	nil	21,994	119,763

Notes:

(1) This column represents the aggregate net benefit the named executive would have received had the named executive elected to receive the Shares underlying their vested Incentive Shares and non-restricted DCSs on the date of vesting or removal of restriction.

(2) The amount shown as "*Non-Equity Incentive Plan Compensation*" is the cash bonus award to each of the named executives for individual and corporate performance during the year, which was paid in December 2015.

Incentive Plan Awards – Value at December 31, 2015

The following table sets forth the fair value of option based and share based awards granted to the President and CEO for the respective years as reported in the "*Summary Executive Compensation Table*" and the value of such awards, both realized and unrealized, as at December 31, 2015 based on the closing price of the Shares on the TSX of $0.26.

Name	Year	Share Based Awards[1] (As Reported) ($)	Market Value of Vested and Unvested Share Based Awards and/or Underlying Shares (percentage of grant date value)[2] ($)	Option Based Awards[3] ($)	Market Value of Option Based Awards[3] ($)
John D. Wright	2015	884,456	390,113 (44%)	nil	nil
	2014	1,353,966	62,914 (5%)	nil	nil
	2013	562,066	16,152 (3%)	546,546	nil

Notes:
(1) Value as at date of grant.
(2) Value as at December 31, 2015.
(3) All options have been cancelled.

Pension and Retirement Plans

The Company does not have any pension or retirement plan for employees or executives.

Termination and Change of Control

Employment Agreements

The named executives are parties to employment agreements with the Company, which outline the terms and conditions of their employment. The employment agreements provide for confidentiality requirements, base salary amounts, vacation entitlements, equity ownership guidelines, change of control provisions, constructive dismissal and termination payments. Each employment agreement is for an indefinite term, but may be terminated earlier by the Company. The named executives may terminate their employment agreement at any time by providing the Company with 90 days' notice. The Compensation Committee annually reviews termination payment amounts for each of the executives as calculated under the employment agreements. Additional details with respect to compensation paid to the named executives pursuant to these employment agreements is set forth under the heading "*Named Executive Compensation – Summary Executive Compensation Table*".

A change of control for the purposes of the Company's employment agreements generally means: (i) any change in the holding of the Shares of the Company as a result of which a Person, or group of Persons acting jointly are in a position to exercise effective control of the Company; (ii) any transaction that the majority of the Board deems to be a change of control with respect to the Company; (iii) if the Company ceases to be a publicly traded entity; (iv) approval by the Shareholders of the Company of an amalgamation, arrangement, merger or other consolidation or combination of the Company with another entity or entities pursuant to which the Shareholders of the Company immediately thereafter do not own Shares of the successor corporation which would entitle them to cast more than 50% of the votes attaching to all of the Shares in the capital of the successor corporation; (v) a liquidation, dissolution or winding-up of the Company; or (vi) the sale, lease or other disposition of all or substantially all of the assets of the Company.

President and CEO

The President and CEO entered into an employment agreement with the Company effective January 1, 2013, upon completion of the reorganization with Petrobank. Prior thereto, the President and CEO was employed by Petrobank and the Company reimbursed Petrobank for services provided to the Company by the President and CEO. Pursuant to the employment agreement between the Company and the President and CEO, if his employment is terminated without cause or if a change of control occurs, then he is entitled to a payment of an amount equal to the cash equivalent of his base salary and benefits for a period of 24 months, as well as the cash equivalent of the average of his prior two years' annual bonus (both cash and share based compensation components) multiplied by two.

Senior Vice President and CFO and Senior Vice President and Chief Operating Officer

Pursuant to the employment agreements between the Company and the Senior Vice President and CFO and the Senior Vice President and Chief Operating Officer, if either of such executive's employment agreement is terminated without cause or if a change of control occurs, then such executive is entitled to a payment of an amount equal to the cash equivalent of his base salary and benefits for a period of 18 months, as well as the cash equivalent of the average of the relevant executive's prior two years' annual bonus (both cash and share based compensation components) multiplied by 1.5.

Vice President, Corporate Services and Vice President, Geosciences

Pursuant to the employment agreements between the Company and the Vice President, Corporate Services and Vice President, Geosciences, if either of such executive's employment agreement is terminated without cause or for good reason as defined therein, or upon a change of control (provided such executive is constructively dismissed), then such executive is entitled to payment of an amount equal to the cash equivalent of his or her base salary and benefits for one year, as well as the cash equivalent of the average of his or her prior two year's annual bonus (both cash and share based compensation components).

Summary Impact of Termination

Depending on the conditions of termination, a summary of the impact of such termination event on the executive's salary, short-term and long-term incentives is summarized below.

Termination Event	Description of treatment of Base Salary, Bonus, Options, Incentive Shares and PSUs
Resignation	Base salary payment ends and cash bonus or other short-term incentive is not paid. Incentive Shares and PSUs that are unvested and outstanding on the effective date of resignation are cancelled. Vested Incentive Shares outstanding as at effective date of resignation must be exercised within ten days from effective date of resignation. Vested PSUs are paid out.
Retirement	Base salary payment ends and cash bonus or other short-term incentive is not paid. Incentive Shares and PSUs that are unvested and outstanding on the effective date of retirement are cancelled. Vested Incentive Shares outstanding as at effective date of retirement must be exercised within ten days from effective date of retirement. Vested PSUs are paid out.
Death	Base salary payment ends and cash bonus or other short-term incentive is not paid. All Incentive Shares that are unvested immediately vest. All vested Incentive Shares outstanding as at date of death must be exercised within six months from the date of death. PSU grant payout value is pro-rated based on period of employment during grant term.
Termination without cause and not on a change of control	Severance payment is provided on an individual basis in accordance with the individual's employment agreement. Incentive Shares and PSUs that are unvested and outstanding on the effective date of termination are cancelled. Incentive Shares that are vested and outstanding on the effective date of termination must be exercised within the time provided in the individual's employment agreement.
Termination for cause	Base salary payment ends and cash bonus or other short-term incentive is not paid. Incentive Shares and PSUs that are unvested and outstanding on the effective date of termination are cancelled. Incentive Shares that are vested and outstanding as at the effective date of termination are effectively forfeited. Vested PSUs are paid out.

Deferred Common Shares

With respect to the DCS Plan, in all termination events, upon an executive ceasing their employment with the Company, the executive is required to exercise all DCSs, within ten days following the last day of employment.

Additional details can be found under the heading "*Share Based Compensation Plans*".

Separation and Other Payments

The table below sets forth the incremental payments that would be made by the Company to each named executive officer under the different separation events, with and without a deemed change of control. All payments have been calculated using December 31, 2015 as the separation date, and if applicable, the date of a change of control.

In all cases and pursuant to any termination event, other than such payments described herein, all salary, bonuses, perquisites, insurance premiums, share based compensation grants and benefit programs cease as at the effective date of termination, provided that the named executive is able to exercise vested share based compensation for a pre-defined period of time following termination.

	Without a Change of Control				With a Change of Control	
Name	Termination With Cause[1] ($)	Termination Without Cause[2] ($)	Retirement[1] ($)	Death[3] ($)	Without Termination[4] ($)	Termination Without Cause[5] ($)
John D. Wright	16,193	1,420,903	16,193	195,744	450,552[6]	1,855,262
Peter D. Scott	10,592	874,224	10,592	103,088	234,352[6]	1,097,985
Rene LaPrade	10,592	842,833	10,592	103,088	234,352[6]	1,066,593
Mary Bulmer	8,214	477,962	8,214	55,259	121,293	591,042[7]
Peter Hawkes	6,680	435,735	6,680	52,745	117,530	546,585[7]

Notes:

(1) This column represents the value of all restricted DCSs, which become unrestricted upon departure from the Company. Value is based on the year-end closing price of the Shares on the TSX, being $0.26.

(2) This column represents the value of the severance in each executive's employment agreement, in addition to the value of all restricted DCSs, which become unrestricted upon departure from the Company. Value is based on the year-end closing price of the Shares on the TSX, being $0.26.

(3) This column represents the value of all restricted DCSs, which become unrestricted upon death, all unvested Incentive Shares, which vest upon death, and the prorated value of PSUs. Value is based on the year-end closing price of the Shares on the TSX, being $0.26.

(4) This column represents the value of all share based compensation which vests upon change of control, including Incentive Shares, DCSs, and PSUs. Value is based on the year-end closing price of the Shares on the TSX, being $0.26.

(5) This column represents the value of the severance in each executive's employment agreement, in addition to the value of all share based compensation which vests upon change of control, including Incentive Shares, DCSs and PSUs. Value is based on the year-end closing price of the Shares on the TSX, being $0.26.

(6) Executive can elect termination upon a change of control under his employment agreement. Amount reflects payment that would be made if the election to terminate is not made and employment continues.

(7) Reflects payment upon a change of control where the executive is constructively dismissed.

COMPENSATION OF DIRECTORS

General

The Governance and Nomination Committee is responsible to recommend for consideration and approval by the Board as a whole the compensation program for our directors. The main objectives of our compensation program for our directors is to attract and retain the services of the most qualified directors, compensate our directors in a manner that is commensurate with the risks and responsibilities assumed in Board membership and is competitive with our peers and align the interests of our directors with Shareholders. Based upon the recommendations from Hugessen, Lightstream revised our compensation program for directors in 2014 as follows:

Position	Annual Retainer (Cash)	Annual Retainer (Equity)
Chairman of the Board	$60,000	$160,000
Committee Chair – Audit	$10,000	$10,000
Committee Chair – Compensation	$10,000	$10,000
Committee Chair – Reserves	$5,000	$5,000
Board Member	$25,000	$125,000
Audit Committee Member	$5,000	$5,000
Compensation Committee Member	$3,750	$3,750
Reserves Committee Member	$2,500	$2,500

Directors' Compensation Table

The Board approved the following compensation to non-management directors in 2015.

Name	Cash Fees Earned[1] ($)	Share Based Awards[2] ($)	Option Based Awards ($)	Non-Equity Incentive Plan Compensation ($)	All Other Compensation ($)	Total ($)
Ian S. Brown	35,000	120,832	nil	nil	-	155,832
Martin Hislop	33,750	119,920	nil	nil	-	153,670
E. Craig Lothian[3]	29,375	116,728	nil	nil	-	146,103
Kenneth R. McKinnon	76,250	157,181	nil	nil	-	233,431
Corey Ruttan	31,250	118,096	nil	nil	-	149,346
Dan Themig[4]	15,000	nil	nil	nil	-	15,000
W. Brett Wilson	30,625	117,640	nil	nil	-	148,265

Notes:
(1) Only non-management directors receive compensation from the Company in respect of their services as directors. At the discretion of Lightstream, certain of the retainer compensation for our directors may be made by the grant of Incentive Shares in accordance with our IS Plan.
(2) Share based awards consist of DCSs and Incentive Shares granted pursuant to the DCS Plan and the IS Plan. The fair value of DCSs and Incentive Shares has been calculated based on the grant date using the Black-Scholes option-pricing model.
(3) Mr. Lothian resigned as a director on December 21, 2015.
(4) Mr. Themig did not stand for re-election as a director at the May 14, 2015 annual meeting of Shareholders of Lightstream.

Directors' Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth for each non-management director of the Company the value of option based awards and share based awards which vested during the year ended December 31, 2015 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2015.

Name	Option Based Awards – Value Vested During the Year ($)	Share Based Awards – Value Vested During the Year[1] ($)	Non-Equity Incentive Plan Compensation – Value Earned During the Year ($)
Ian S. Brown	nil	12,677	nil
Martin Hislop	nil	12,366	nil
Kenneth R. McKinnon	nil	15,020	nil
Corey Ruttan	nil	11,740	nil
W. Brett Wilson	nil	3,362	nil

Note:
(1) This column represents the aggregate net benefit the director would have received had the director elected to receive those Shares underlying their vested Incentive Shares and unrestricted DCSs on the date of vesting.

Directors' Outstanding Share Based Awards and Option Based Awards

The following table sets forth for each of the directors of the Company, other than directors who are also named executives, all option based and share based awards outstanding at the end of the year ended December 31, 2015.

	Option Based Awards				Share Based Awards		
Name	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price ($)	Option Expiration Date	Value of Unexercised In-the-Money Options ($)	Number of Incentives that have not Vested (#)	Market or Payout Value of Incentives that have not Vested[(1)] ($)	Market or Payout Value of Vested Share Based Awards not paid out or distributed[(2)] ($)
Ian S. Brown	nil	nil	nil	nil	136,375	28,639	5,745
Martin Hislop	nil	nil	nil	nil	134,659	28,278	1,968
Kenneth R. McKinnon	nil	nil	nil	nil	172,029	36,126	6,596
Corey Ruttan	nil	nil	nil	nil	131,225	27,557	7,131
W. Brett Wilson	nil	nil	nil	nil	131,191	27,550	1,830

Notes:

(1) The market value of incentives that have not yet vested is calculated for unvested DCSs and Incentive Shares based on the difference between $0.05 and the closing price of the Company's Shares on the TSX on December 31, 2015, being $0.26.

(2) The value of share based awards that have vested, but have not been paid out or distributed, is calculated for unrestricted DCSs and vested Incentive Shares based on the difference between $0.05 and the closing price of the Company's Shares on December 31, 2015, being $0.26.

EXECUTIVE AND DIRECTOR EQUITY OWNERSHIP GUIDELINES

Lightstream has in place equity ownership guidelines ("**Ownership Guidelines**") that require our executives and directors to achieve and maintain an ownership level in Lightstream that the Board views as significant in relation to the executive's annual salary and position, or the director's annual base cash retainer, as applicable.

The Ownership Guidelines require the President and CEO to maintain an equity ownership in Lightstream of five times his annual salary. Depending on level of seniority, Ownership Guidelines for the remainder of the executives range from 1.5 to three times their annual salary. The Ownership Guidelines require our directors to achieve and maintain an equity ownership in Lightstream of three times the base cash retainer paid to the director for the prior annual period. The base cash retainer does not include fees paid to a director in connection with their services on any committee of the Board.

For executives and directors, the level of ownership required by the Ownership Guidelines can be achieved through the ownership of Shares and Shares held notionally in vested Incentive Shares, DCSs and in-the-money-value of vested options. All executives and directors have the greater of: (i) four years from their date of appointment as an executive or director, or (ii) two years from January 1, 2013, to comply with the Ownership Guidelines. The following table sets out the share ownership levels of each of our directors and the named executives, calculated in accordance with the Ownership Guidelines, as of August 15, 2016.

Share Ownership Guideline				
	Guideline multiple of Annual Salary or Base Retainer	Common Share Value[(1)] ($)	Total Equity Value[(1)] ($)	Guideline Met
Directors				
Ian S. Brown	3	1,201,649	2,019,745	Yes
Martin Hislop	3	1,683,082	2,062,668	Yes
Kenneth R. McKinnon	3	2,538,839	3,494,571	Yes
Corey C. Ruttan	3	4,208,195	5,239,494	Yes
W. Brett Wilson	3	4,370,894	4,699,424	Yes
Executives				
John D. Wright	5	52,897,391	53,998,963	Yes
Mary Bulmer	1.5	352,343	1,465,958	Yes
Peter Hawkes	1.5	305,517	2,220,046	Yes
Rene LaPrade	3	361,482	3,372,099	Yes
Peter Scott	3	797,789	3,177,732	Yes

Note:

(1) For purposes of calculating the value of equity held by the director or executive, the amount shall be considered to be the greater of: (a) that number of Shares, vested Incentive Shares and DCSs held by such director or executive, calculated using the five day weighted average trading price of the Shares on the TSX for the five trading days immediately prior to the date of calculation; or (b) the dollar amount that the director or executive paid to acquire his or her Shares, in other words, the aggregate amount of the investment in the Shares as of the date of calculation, plus the value of DCSs and vested Incentive Shares held by such director or executive using the valuation assigned at the time of issuance.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

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 Shareholders.

Plan Category	Number of securities to be issued upon exercise of options, Incentive Shares and DCSs	Weighted average exercise price of outstanding options, Incentive Shares and DCSs	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by Shareholders:			
• Stock Option Plan	797,151	$10.27/share	½ REMAINING AMT[(1)]
• DCS Plan	560,150	$0.05/share	FIXED AMT
• IS Plan	8,650,410	$0.05/share	½ REMAINING AMT[(1)]
Equity compensation plans not approved by Shareholders	Not applicable	Not applicable	Not applicable

Note:

(1) The Stock Option Plan and the IS Plan are rolling plans. The aggregate number of Shares available for issuance under the Stock Option Plan and the IS Plan at any one time is limited to 8% on an aggregate basis of the issued and outstanding Shares less the number of Shares issuable pursuant to the DCS Plan.

SHARE BASED COMPENSATION PLANS

IS Plan

At Lightstream's 2015 annual meeting of Shareholders, Shareholders approved the amendment to the IS Plan to convert it from a fixed plan to a rolling 8% plan and certain other amendments to the amending provisions of the IS Plan to conform to current requirements of the TSX. Lightstream will be required to seek approval from Shareholders for unallocated options, rights and other entitlements under the IS Plan no later than May 14, 2018.

Purpose: Lightstream adopted the IS Plan effective August 31, 2009, for the purpose of providing effective incentives for the directors, officers, service providers and employees (collectively, the "**participants**") of Lightstream and our affiliates, to promote the success and business of Lightstream and to reward such participants in relation to the long-term performance and growth of Lightstream by encouraging ownership of Shares.

Grants: Compensation is payable pursuant to the IS Plan in the form of Incentive Shares. Under the IS Plan, the Board may grant Incentive Shares to such participants as it chooses in such numbers as it chooses. The Incentive Shares vest over time and, upon vesting, each one Incentive Share is entitled to be redeemed for one Share for an exercise price of $0.05 per Share.

Vesting, Exercise and Term: Incentive Shares granted under the IS Plan will vest as determined by the Board and will be exercisable for a period generally not exceeding four years, as determined by the Board, but in any event the period cannot exceed seven years from the date of grant. Typically Incentive Share grants vest as to one-third on the first, second and third anniversaries of the grant date and expire on the fourth anniversary of the grant date.

Shares which a participant is entitled to receive pursuant to the IS Plan will not be issued until such Incentive Shares have vested and a participant has delivered to Lightstream an election that the Shares underlying the Incentive Shares be issued together with payment to Lightstream in the amount of $0.05 for each Share issued.

The IS Plan provides that, in the event the expiry or termination of an Incentive Share occurs during or within ten Business Days of a Blackout Period, the Incentive Shares shall be exercisable for a period of ten Business Days from the end of the Blackout Period, which extends the term of an Incentive Share to accommodate the Blackout Period. A "**Blackout Period**" means, pursuant to the policies of the Company, routinely scheduled periods of time and non-routinely scheduled periods of time as notified by the Company, during which participants of the IS Plan may not trade in the securities of the Company.

Dividends: With respect to dividends paid on the Shares, the Company may either: (a) adjust the number of Shares which are issuable to a participant pursuant to vested Incentive Shares such that the number shall be increased on the second Business Day following each date on which cash dividends are paid to holders of Shares of the Company by an amount equal to the product of the number of the Incentive Shares held by the participant that are eligible for such adjustment in accordance with the IS Plan and the fraction which has as its numerator the cash dividend paid, expressed as an amount per Share and which has as its denominator the weighted average trading price of Shares on the TSX for the five consecutive trading days preceding the record date for such dividend. This adjustment shall only apply to Incentive Shares vested in accordance with the applicable Incentive Agreement and the adjustment shall only begin to apply upon the first dividend declared after the date on which vesting of the participant's Incentive Shares has occurred, or (b) the Company may instead make a payment to the participant of the cash value in respect of dividends paid on the Shares underlying such participant's Incentive Shares, the amount of such payment to be equal to the cash dividend amount attributable to the underlying Shares from the period commencing after either the date of grant or the date of vesting of such Incentive Shares (depending on the grant date of such Incentive Shares) to the date of payment, on a non-cumulative basis. Such cash payments are to be made on the vesting date (for payments accruing from the date of grant) and each anniversary thereof. To date, the Company has only made cash payments in accordance with option (b).

Restrictions on Number of Shares Issuable: The IS Plan is administered by the Compensation Committee. The Compensation Committee may designate eligible participants to whom Incentive Shares may be granted and the number of Incentive Shares to be granted, provided that no issuances under the IS Plan may be made if such issuance could result in:

(a) the aggregate number of Shares available for issuance under the IS Plan and any other security based compensation arrangement at any time to any one Person (including Insiders) exceeding 5% of the issued and outstanding Shares;

(b) the aggregate number of Shares issued under the IS Plan and any other security based compensation arrangement to any one Insider and such Insider's associates (as such term is defined in the Securities Act (Alberta)), within a one year period, exceeding 5% of the issued and outstanding Shares;

(c) the aggregate number of Shares reserved for issuance under the IS Plan and any other security based compensation arrangement to Insiders exceeding 8% of the issued and outstanding Shares; and

(d) the aggregate number of Shares issued under the IS Plan and any other security based compensation arrangement to Insiders, within a one year period, exceeding 8% of the issued and outstanding Shares.

For purposes of the IS Plan, security based compensation arrangement has the meaning ascribed thereto in the TSX Manual, as amended from time to time.

Assignment: All benefits, rights and Incentive Shares accruing to any participant of the IS Plan in accordance with the terms and conditions of the IS Plan shall not be transferable or assignable. During the lifetime of a participant, all benefits, rights and Incentive Shares may only be exercised by the participant. A participant may offer to dispose of his or her vested Incentive Shares to Lightstream for cash in an amount not to exceed the fair market value and Lightstream has the right, but not the obligation, to accept the participant's offer. Fair market value is to be determined by the Board in such case, but cannot exceed the five day weighted average trading price of the Shares on the TSX.

Change of Control: In the event a change of control of the Company is contemplated or has occurred, all Incentive Shares which have not otherwise vested in accordance with their terms shall vest and be exercisable at such time as is determined by the Board, notwithstanding the other terms of the Incentive Shares. Further, the Board may, in its sole discretion at any time, accelerate or provide for the acceleration of, the vesting of Incentive Shares previously granted. Examples of when the Board may, in its sole discretion at any time, accelerate or provide for the acceleration of, the vesting of Incentive Shares previously granted include, but are not limited to, in contemplation of a change or control of the Company, upon death of a participant or in the case of a participant becoming permanently disabled.

Termination or Death: In the event of the death of a participant, all vested and unvested Incentive Shares held by such participant at the date of death shall be exercisable for six months after the date of death or prior to the expiration of the period during which the option may be exercised, whichever is sooner. If a participant ceases to be employed by (or to be a director or officer of) the Company for cause, no Incentive Shares may be exercised following the date on which such participant ceases to be so employed or ceases to be a director or officer, as the case may be. If a participant voluntarily ceases employment with the Company or voluntarily ceases to be a director or officer of the Company, then any vested Incentive Shares held by such participant at the effective date thereof shall be exercisable only for ten days after such date, or prior to the expiration of the period during which the Incentive Shares may be exercised, whichever is sooner. If a participant ceases to be employed by or to be a director or officer of the Company by way of termination without cause, then any vested Incentive Shares held by such participant at the effective date thereof shall be exercisable for three months after such date or prior to the expiration of the period during which the Incentive Shares may be exercised, whichever is sooner.

Amendment: The IS Plan and any Incentive Share granted pursuant to the IS Plan may, subject to any required approval of the TSX, be amended, modified or terminated by the Board without the approval of Shareholders, provided that the IS Plan or any outstanding Incentive Share may not be amended without Shareholder approval to (a) reduce the exercise price of any outstanding Incentive Shares; (b) increase the percentage of Shares reserved for issuance under the IS Plan; (c) extend the term of any outstanding Incentive Share beyond the original expiry date of the Incentive Share (other than as permitted by the terms and conditions of the IS Plan); (d) permit a participant to transfer Incentive Shares to a new beneficial holder other than for estate settlement purposes; (e) remove or exceed the Insider participation limit; (f) amend the definition of participant to expand the categories of individuals eligible for participation in the IS Plan; and (g) change the amendment provision to modify or delete any of (a) through (f) above. In addition, no amendment to the IS Plan or any Incentive Share granted pursuant to the IS Plan may be made without the consent of a participant if it adversely alters or impairs the rights of such participant in respect of any Incentive Share previously granted to such participant under the IS Plan.

PSU Plan

Following a review of our long-term incentive program in 2014, including a review of the programs used by our industry peers and a review of the analysis of our program provided by Hugessen, the Compensation Committee and the Board determined that it would be beneficial to introduce another performance-based element into Lightstream's long-term incentive program to complement the treasury-based compensation plans. As a result, on the Compensation Committee's recommendation, the Board approved the adoption of the PSU Plan in 2014 and approved grants of PSUs to executives in lieu of grants of Options pursuant to our Stock Option Plan. By introducing another long-term incentive plan, the Compensation Committee and the Board intend to achieve a more balanced approach in our long-term incentive program. While the granting of Incentive Shares continues to align the interests of our executives with the interests of Shareholders by providing compensation linked to Share price appreciation, the Compensation Committee and the Board believe that PSUs will enhance the alignment of the interests of our executives and Shareholders and focus our executives on specified performance goals. PSUs, through the use of a payout multiplier based on TSR, provide a direct link between corporate performance and the level of payout received. If certain threshold performance levels are not met, the payout multiplier could be zero and consequently no payouts would be made under the PSUs.

All employees of Lightstream are eligible to receive PSU awards, however, to date, only executives have been granted PSUs.

Each PSU entitles the holder to receive a cash payment equal to: (a) the aggregate of (i) the value of a Share at the end of the applicable performance period (calculated using the volume weighted average trading prices of the Shares on the TSX during the last 20 trading days of the performance period), plus (ii) the cumulative dividends per Share declared payable and having a record date during the performance period; multiplied by (b) a performance multiplier for the performance period. The performance multiplier is dependent on the performance of Lightstream relative to pre-defined corporate performance measures for the performance period and can range between zero and two. Payments with respect to PSUs are made within 60 days following the vesting date of such PSUs, during which time the Board must assesses the performance of Lightstream relative to the pre-defined corporate performance measures for the applicable performance period in order to determine the performance multiplier for the performance period.

For PSUs granted in 2014 and 2015, the applicable multiplier ranges on a sliding scale from zero to two based on Lightstream's TSR as compared to the twelve companies in Lightstream's Compensation Peer Group.

TSR Ranking	1	2	3	4	5	6	7	8	9	10	11	12	13
Multiplier	2 times	1.8 times	1.6 times	1.4 times	1.2 times	1 times	1 times	1 times	0.8 times	0.6 times	0.4 times	0.2 times	0 times

The multiplier consists of relative TSR calculated for each year of the three year term with each result given a 20% weighting and relative TSR calculated again over the entire three year period which is given a 40% weighting. PSUs granted in 2014 cliff vest after three years, and upon vesting, the executive receives a cash payment based on the fair value of the underlying shares plus accrued dividends, if any, subject to a performance multiplier.

For a description of the treatment of PSUs in the event of change of control of the Company or the termination of a named executive's employment in certain circumstances, see "*Termination and Change of Control*" above.

Stock Option Plan

On March 23, 2015, the Stock Option Plan was amended by the Board to reduce the maximum number of Shares reserved for issuance under the plan (and any other long-term incentive plans) to 8% of the outstanding Shares at the relevant time from 10%. In addition, at Lightstream's 2015 annual meeting of Shareholders, Shareholders approved amendment provisions to the Stock Option Plan to conform to current requirements of the TSX. Lightstream will be required to seek approval from Shareholders for unallocated Options, rights and other entitlements under the Stock Option Plan no later than May 14, 2018. No grants were made under the Stock Option Plan in 2015.

Purpose: The purpose of the Stock Option Plan is to secure for the Company and our Shareholders the benefit of incentives inherent in share ownership by participants who, in the judgment of the Board, will be largely responsible for our future growth and success.

Grants: The Company may grant Options to employees or Insiders of the Company or to any other Person or company engaged to provide ongoing management or consulting services for the Company or for any entity controlled by the Company (collectively, "participants").

Restrictions on Number of Shares Issuable: The Stock Option Plan is administered by the Compensation Committee. The Compensation Committee may authorize the granting of Options to such participants as it may select and the number of Shares to be optioned, provided that the number of Shares to be optioned will not exceed the limitations set out below:

(a) the maximum number of Shares that may be reserved for issuance pursuant to Options granted under the Stock Option Plan is 8% of the aggregate number of Shares of the Company issued and outstanding, less Shares reserved under any other share compensation arrangement of the Company;

(b) the aggregate number of Shares available for issuance under the Stock Option Plan and any other share based compensation arrangement at any time to any one Person (including Insiders) shall not exceed 5% of the issued and outstanding Shares;

(c) the aggregate number of Shares issued under the Stock Option Plan and any other share based compensation arrangement to any one Insider and such Insider's associates (as such term is defined in the Securities Act (Alberta)), within a one year period, shall not exceed 5% of the issued and outstanding Shares;

(d) the aggregate number of Shares reserved for issuance under the Stock Option Plan and any other share compensation arrangement to Insiders shall not exceed 8% of the issued and outstanding Shares; and

(e) the aggregate number of Shares issued under the Stock Option Plan and any other share compensation arrangement to Insiders, within a one year period, shall not exceed eight percent (8%) of the issued and outstanding Shares.

For the purposes of the Stock Option Plan, a "share compensation arrangement" means any Option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares, including a share purchase from treasury which is financially assisted by the Company by way of a loan, guarantee or otherwise.

Exercise price: The exercise price of Options granted under the Stock Option Plan will be fixed by the Board at the time of grant, provided that, such exercise price may not be less than the market price of the Shares on the date of the grant. For the purposes of the Stock Option Plan, the market price means the volume weighted average trading price of the Shares on the TSX for the 5 trading days prior to the date of the grant (or such other stock exchange in Canada if not then listed and posted for trading on the TSX) and if the Shares are not listed and posted for trading on any stock exchange in Canada, the Board will determine the market price. No Shares will be issued upon the exercise of Options until the full purchase price is received.

Vesting, Exercise and Term: Options granted under the Stock Option Plan will vest as determined by the Board and will be exercisable for a period generally not exceeding five years, as determined by the Board, but in any event the Option period shall not exceed ten years from the date of grant. Typically, Options vest between one and four years from grant date. The Stock Option Plan provides that subject to the rules and regulations of the TSX and any other applicable Laws, the Board may at any time authorize the Company to loan money to a participant on such terms and conditions as the Board in its sole discretion may determine, to assist such participant to exercise an Option held. However, the Company has never loaned money to a participant under the Stock Option Plan and there are no loans outstanding under the Stock Option Plan.

The Stock Option Plan also includes provision for a cashless exercise Option (the "**Put Option**"). Under the Put Option, Option holders can request that the Company purchase for cash all or any part of their options at a price being the difference between the current market price of the Shares, or a lower price as the Board may determine, and the exercise price of each Option and the Company can elect whether to accept such request.

The Stock Option Plan provides that, in the event the expiry or termination of an Option occurs during or within ten Business Days of a Blackout Period, the Option shall be exercisable for a period of ten Business Days from the end

of the Blackout Period, which allows for the term of an Option to be extended, if applicable, to include a Blackout Expiration Period. A Blackout Period means, pursuant to the policies of the Company, routinely scheduled periods of time and non-routinely scheduled periods of time as notified by the Company, during which participants of the Stock Option Plan may not trade in the securities of the Company.

Assignment: All benefits, rights and Options accruing to any participant of the Stock Option Plan in accordance with the terms and conditions of the Stock Option Plan shall not be transferable or assignable. During the lifetime of a participant, all benefits, rights and Options may only be exercised by the participant.

Change of Control: In the event a change of control of the Company is contemplated or has occurred, all Options which have not otherwise vested in accordance with their terms shall vest and be exercisable at such time as is determined by the Board, notwithstanding the other terms of the Options. Further, the Board may, in its sole discretion at any time, accelerate or provide for the acceleration of, the vesting of Options previously granted. Examples of when the Board may, in its sole discretion at any time, accelerate or provide for the acceleration of, the vesting of Options previously granted include, but are not limited to, in contemplation of a change or control of the Company, upon death of a participant or in the case of a participant becoming permanently disabled.

Termination or Death: In the event of the death of a participant, all vested and unvested Options held by such participant at the date of death shall be exercisable for six months after the date of death or prior to the expiration of the period during which the Option may be exercised, whichever is sooner. If a participant ceases to be employed by (or to be a director or officer of) the Company for cause, no Options may be exercised following the date on which such participant ceases to be so employed or ceases to be a director or officer, as the case may be. If a participant voluntarily ceases employment with the Company or voluntarily ceases to be a director or officer of the Company, then any vested Option held by such participant at the effective date thereof shall be exercisable only for ten business days after such date, or prior to the expiration of the period during which the Option may be exercised, whichever is sooner. If a participant ceases to be employed by or to be a director or officer of the Company by way of termination without cause, then any vested Option held by such participant at the effective date thereof shall be exercisable for three months after such date or prior to the expiration of the period during which the Option may be exercised, whichever is sooner.

Amendment: The Stock Option Plan and any Option granted pursuant to the Stock Option Plan may, subject to any required approval of the TSX, be amended, modified or terminated by the Board without the approval of Shareholders, provided that the Stock Option Plan or any outstanding Option may not be amended without Shareholder approval to (a) reduce the exercise price of any outstanding Options; (b) increase the percentage of Shares reserved for issuance under the Stock Option Plan; (c) extend the term of any outstanding Options beyond the original expiry date of the Options (other than as permitted by the terms and conditions of the Stock Option Plan); (d) permit a participant to transfer Options to a new beneficial holder other than for estate settlement purposes; (e) remove or exceed the Insider participation limit; (f) amend the definition of participant to expand the categories of individuals eligible for participation in Stock Option Plan; and (g) change the amendment provision to modify or delete any of (a) through (f) above. In addition, no amendment to the Stock Option Plan or any Option granted pursuant to the Stock Option Plan may be made without the consent of a participant if it adversely alters or impairs the rights of such participant in respect of any Option previously granted to such participant under the Stock Option Plan.

DCS Plan

Purpose: The DCS Plan was designed to provide incentives for the directors, officers and employees of the Company to promote the success and business of the Company and to reward such directors, officers and employees in relation to the long-term performance and growth of the Company by encouraging ownership of Shares. In 2014, the Compensation Committee and the Board decided to eliminate grants of DCSs to executives and directors pursuant to our DCS Plan.

The total number of Shares issuable pursuant to the DCS Plan, subject to adjustment in accordance with the DCS Plan, including adjustments for cash dividends paid on the Shares, may not exceed 1,000,000 Shares. As of August 15, 2016, 521,162 DCSs are outstanding under the DCS Plan and 712,126 Shares have been issued under the DCS Plan, such that approximately 521,162 Shares (approximately 0.10% of issued and outstanding Shares) remain available for grant under the DCS Plan.

Grants: Compensation is payable pursuant to the DCS Plan in the form of a deferred grant of Shares called a DCS. A recipient of DCSs will not be entitled to elect to be issued any of the Shares pursuant to the DCSs which he or she has been granted until a period of three 3 years has passed since the date of grant of such DCSs or until the director, officer or employee ceases to be a director, officer or employee of the Company, whichever is earlier.

Vesting and Exercise: Shares which a participant is entitled to receive pursuant to the DCS Plan will not be issued until the participant has delivered to the Company an election that the Shares be issued together with payment to the Company in the amount of $0.05 for each share issued. A participant will not be entitled to make such an election until a period of three years has passed since the grant date or until the participant ceases to be a director, officer, employee or service provider of the Company or an affiliate.

The DCS Plan provides that, in the event the expiry or termination of a DCS occurs during or within ten Business Days of a Blackout Period, the DCS shall be exercisable for a period of ten Business Days from the end of the Blackout Period, which extends the term of a DCS to accommodate the Blackout Period. A "**Blackout Period**" means, pursuant to the policies of the Company, routinely scheduled periods of time and non-routinely scheduled periods of time as notified by the Company, during which participants of the DCS Plan may not trade in the securities of the Company.

Dividends: With respect to dividends paid on the Shares of Lightstream, the Company may either: (a) adjust the number of Shares which are issuable to a participant pursuant to a grant of DCSs such that the number shall be increased on the second Business Day following each date on which cash dividends are paid to holders of Shares by an amount equal to the product of the number of the Shares which remain issuable and the fraction which has as its numerator the cash distribution paid, expressed as an amount per Share and which has as its denominator the weighted average trading price of Shares on the TSX for the five consecutive trading days preceding the record date for such distribution; or (b) annually make a payment to the participant of the cash value of the cash dividends that were paid on the DCSs granted, the amount of such payment to be equal to the cash dividend amount attributable to the Shares granted from the date of grant to the date of payment, on a non-cumulative basis. To date, the Company has only made cash payments in accordance with option (b).

Assignment: DCSs granted to participants under the DCS Plan are non-assignable unless the prior written consent of the Company has been obtained. The Board reserves the right to amend, modify or terminate the DCS Plan and to amend or modify the DCS Agreement at any time if and when it is advisable in the absolute discretion of the Board, any such amendment shall be subject to the approval, if required, of the TSX or any regulatory body having jurisdiction over the securities of the Company.

GOVERNANCE

General

While the Board has delegated the responsibility for day-to-day management of the Company to management, the Board has implicitly and explicitly acknowledged its responsibility for the stewardship of the Company, including the responsibility for:

(a) approving and monitoring the Company's strategic planning through a regular reporting and review process;

(b) the identification of the principal risks of the Company's business and ensuring the implementation of appropriate systems to manage these risks;

(c) the appointment of the senior executive officers and succession planning; and

(d) ensuring timely and accurate communications to Shareholders of financial and other matters in accordance with applicable Laws.

At the Company's expense, individual directors may engage outside advisors on any matter, when it considers it necessary or desirable. The Board or any committee of the Board has the sole authority to retain and terminate any such advisors, including sole authority to review an advisor's fees and other retention terms.

Majority Voting Policy

Shareholders should note that the form of proxy or voting instruction form allows for voting for individual directors rather than for directors as a slate. In addition, the Board adopted a Majority Voting Policy effective March 11, 2013, pursuant to which, in an uncontested election of directors, a director who receives more "withhold" votes than "for" votes at the annual meeting of Shareholders will tender his or her resignation to the Chair of the Board, to be effective upon acceptance by the Board. The Governance and Nomination Committee will expeditiously consider the director's

resignation and make a recommendation to the Board whether or not to accept the resignation. The Board will make its decision and announce it in a news release within 90 days following the annual meeting, including the reasons for its decision. A director who tenders a resignation pursuant to this policy will not participate in any meeting of the Board or the Governance and Nomination Committee at which the resignation is considered. Any such resignation will be accepted by the Board unless exceptional circumstances exist that warrant the resigning director continuing to serve on the Board. For this reason, unless such exceptional circumstances exist, a withhold vote in respect of a director is equivalent to voting against the election of such director.

Mandate of the Board

The responsibilities and obligations of the Board are set forth in a written mandate of the Board, a copy of which is attached as Appendix N.

Composition of the Board

National Policy 58-201 recommends that the majority of the Board be comprised of independent directors. Our Board is currently comprised of six members, five of whom are considered independent, being Messrs. Brown, Hislop, McKinnon (Chair), Ruttan and Wilson. One director, Mr. Wright, is not considered independent as he is the current President and CEO of Lightstream.

Board Meetings

The Board meets quarterly, with additional meetings held as appropriate or required. The Board also meets as necessary to consider specific developments or opportunities as they arise. Where appropriate, key management personnel and professional advisors are invited to attend meetings to speak to these issues.

Our independent directors meet at each regularly scheduled Board meeting without any members of management present and it is the practice of our Board committees to meet in camera with only the independent Board members present at each committee meeting held.

In addition, the Board holds a full day session dedicated to strategy planning each year to ensure alignment and to facilitate clear communication between the Board and senior management with respect to our corporate strategy. The general objectives of the annual strategy session include the clear articulation of the Company's current position in our markets, tracking the Company's execution of our strategic planning initiatives and identifying and considering strategic growth opportunities and risks. Discussions also occur at our regularly scheduled Board meetings throughout the year to update the corporate strategy and to address and prioritize developments, opportunities, and issues that arise during the year.

Board Meeting Attendance

During 2015, the Board held 12 meetings, the Audit Committee held four meetings, the Compensation Committee held six meetings, the Reserves Committee held two meetings and the Governance and Nomination Committee held one meeting. The following table sets forth the attendance for the directors of the Company.

Director	Board Meetings Attended	Audit Committee Meetings Attended	Compensation Committee Meetings Attended	Reserves Committee Meetings Attended	Governance and Nomination Meetings Attended	Overall Meeting Attendance
Ian S. Brown	11 of 12 (92%)	4 of 4 (100%)	-	-	1 of 1 (100%)	16 of 17 (94%)
Martin Hislop	12 of 12 (100%)	4 of 4 (100%)	6 of 6 (100%)	-	-	22 of 22 (100%)
E. Craig Lothian[(2)]	10 of 12 (83%)	-	3 of 3[(1b)] (100%)	1 of 1[(1a)] (100%)	1 of 1 (100%)	15 of 17 (88%)
Kenneth R. McKinnon	12 of 12 (100%)	4 of 4 (100%)	6 of 6 (100%)	-	1 of 1 (100%)	23 of 23 (100%)
Corey C. Ruttan	12 of 12 (100%)	2 of 2[(1c)] (100%)	-	-	1 of 1 (100%)	15 of 15 (100%)

Director	Board Meetings Attended	Audit Committee Meetings Attended	Compensation Committee Meetings Attended	Reserves Committee Meetings Attended	Governance and Nomination Meetings Attended	Overall Meeting Attendance
Dan Themig	3 of 4[(1)] (75%)	-	-	1 of 1[(1b)] (100%)	-	4 of 5 (80%)
John D. Wright[(3)]	12 of 12 (100%)	-	-	2 of 2 (100%)	-	14 of 14 (100%)
W. Brett Wilson	11 of 12 (92%)	-	3 of 3[(1b)] (100%)	2 of 2 (100%)	-	16 of 17 (94%)

Notes:

(1) On May 14, 2015, Mr. Themig did not stand for re-election as a director of the Company, resulting in the following changes to Lightstream's committees:
   (a) Mr. Lothian replaced Mr. Themig on the Reserves Committee;
   (b) Mr. Wilson replaced Mr. Lothian on the Compensation Committee;
   (c) Mr. Ruttan became a member of the Audit Committee; and
   (d) Messrs. Lothian, McKinnon and Ruttan replaced Messrs. Hislop and Themig on the Governance and Nomination Committee (formerly the Nominating Committee).

(2) On December 21, 2015 Mr. Lothian resigned as a director of Lightstream.

(3) In addition, on a non-voting basis, in 2015, Mr. Wright attended six Compensation Committee meetings, four Audit Committee meetings and one Governance and Nomination Committee meeting.

Members of the Lightstream Board who are Directors of Other Reporting Issuers

The following table sets forth the members of the Board that currently serve on the board of directors of issuers that are reporting issuers (or the equivalent):

Director	Other Public Company Directorships
Ian S. Brown	Bonavista Energy Corporation Cathedral Energy Services Ltd.
Martin Hislop	Forent Energy Ltd. Toscana Energy Income Corporation
Kenneth R. McKinnon	Alvopetro Energy Ltd. Touchstone Exploration Inc.
Corey C. Ruttan	Alvopetro Energy Ltd. Touchstone Exploration Inc.
John D. Wright	Alvopetro Energy Ltd. Touchstone Exploration Inc.
W. Brett Wilson	Canoe EIT Income Fund Forent Energy Ltd. Maxim Power Corp.

Committees of the Board

The Board has four committees: the Audit Committee, the Reserves Committee, the Compensation Committee and the Governance and Nomination Committee all of which operate under its own written mandate. Except for the Reserves Committee, all of the committees of the Board are comprised entirely of independent directors, within the meaning of National Instrument 52-110. The Board may also form independent or special committees from time to time to evaluate certain transactions.

The primary function of the Audit Committee is to assist the Board in fulfilling its responsibilities by reviewing: the financial reports and other financial information provided by Lightstream to any regulatory body or the public; the Company's systems of internal controls regarding preparation of those financial statements and related disclosures that management and the Board have established; and the Company's auditing, accounting and financial reporting processes generally.

The purpose of the Compensation Committee is to assist the Board in fulfilling its responsibility by reviewing and evaluating matters relating to compensation of the officers and employees of the Company.

The primary function of the Reserves Committee is to assist the Board in the selection, engagement and instruction of an independent reserves evaluator for the Company, ensuring there is a process in place to provide all relevant reserves data to the independent reserves evaluator, and monitoring the preparation of the independent reserves evaluation of the Company.

The Governance and Nomination Committee is responsible for performing the duties delegated to it by the Board to enable the Board to fulfill its responsibilities in relation to maintaining and enhancing Lightstream's corporate governance practices identifying and recommending to the Board selection criteria and qualified individuals in respect of the composition of the Board and its committees and director compensation.

Position Descriptions

The Board has adopted formal written position descriptions for each of the President and CEO and the Chairman of the Board, which sets out the duties and responsibilities of such positions. The Chair of each Committee of the Board is charged with leading and assessing each committee to ensure it fulfills its mandate.

Orientation and Continuing Education

The Board provides an informal orientation program for all new directors. New members of the Board are provided with background information about the Company's business, current issues and corporate strategy. New members of the Board also receive a copy of the Company's Vision and Values statement. In addition, all directors, both current and new, are encouraged to attend, at the expense of the Company, applicable educational programs so as to ensure that they are familiar with aspects of the Company's operations and assets. Educational programs are also provided for directors on an 'as requested' basis. As well, Board members have unrestricted direct access to members of senior management and their staff at any time.

The Board believes that these procedures are practical and effective in light of the Company's particular circumstances, including the size of the Board, the size of the Company, the nature and scope of the Company's business and operations and the experience and expertise of Board members.

Directors Skills Assessment

The Governance and Nomination Committee acknowledges that our Board's membership should represent a diversity of backgrounds, experience and skills. Directors are selected for their integrity and character, sound and independent judgement, breadth of experience, open-mindedness, insight into and knowledge of our business and industry and overall business acumen. Each of our directors is expected to have these personal qualities and to apply sound and reasonable business judgment in aiding our Board to make the most thoughtful and informed decisions possible and to provide the best counsel to our executives. Each year, our Board conducts an assessment of the skills represented by our directors individually and as a group in order to assess whether there are any gaps that should be filled with the addition of a new board member(s). Our Board has determined that the required skills are well represented by the current slate of director nominees for election at the Meeting. The specific skills used by our Board to conduct this annual assessment, include the following:

Finance	Oil & Gas Operations	Management	Law/Securities
• Audit	• Conventional Oil & Gas	• Senior Management	• Corporate Law
• Financing	• Unconventional Oil & Gas	• Leading Cultural Change	
• Economics	• Western Sedimentary Basin	• Corporate Development	
	• Engineering	• Business Development/Marketing	
	• Environmental/Health/Safety	• Government Relations/Permitting	
	• Geology/Geophysics	• Research and Development	
	• Major Projects	• Communications	
	• Transportation/Distribution	• Asset Acquisitions and Dispositions	

Ethical Business Conduct

The Board has adopted a Code of Business Ethics (the "**Code**") that applies to the directors, officers, employees, consultants and agents of Lightstream. A copy of the Code is accessible under our Company profile on the SEDAR website at www.sedar.com (filed March 20, 2015) and on our website at www.lightstreamresources.com. It is

expected that each of our officers and directors will confirm his or her understanding, acceptance and compliance of the Code on an annual basis. Any reports of variance from the Code will be reported to our Board. There have been no material change reports filed since the beginning of our last financial year that pertain to any conduct of a director or executive officer that constitutes a departure from the Code.

Lightstream has whistleblower procedures in place to permit employees to anonymously report concerns regarding compliance with the Code and other corporate policies and applicable Laws, as well as any concerns regarding auditing, internal control and accounting matters. Our Board believes that providing a forum for employees and consultants to raise concerns about ethical conduct and treating all complaints with the appropriate level of seriousness fosters a culture of ethical conduct.

In accordance with the ABCA, directors who are party to, or are a director or officer of a Person which is a party to, a material contract or material transaction or a proposed material contract or a proposed material transaction with us are required to disclose the nature and extent of their interest and not to vote on any resolution to approve the contract or transaction. In addition, in certain cases, an independent committee of our Board may be formed to deliberate on such matters in the absence of the interested party.

Nomination of Board Members

The Governance and Nomination Committee is charged with the responsibility of recommending to the Board nominees for appointment as directors. In addition, all directors are encouraged to identify and put forth potential nominees. The Governance and Nomination Committee considers the skills and qualifications of existing directors and the long-term needs of the Company in respect of the Board and each of the committees of the Board. The Governance and Nomination Committee, with the assistance of experienced independent advisors, identifies potential candidates and reviews the qualifications of potential candidates for the Board. In particular, the Governance and Nomination Committee assesses, among other factors, industry experience, functional expertise, financial literacy and expertise, board experience and diversity of background, and considers potential conflicts arising in connection with potential candidates for the Board. Upon such review, and after conducting appropriate due diligence, the Governance and Nomination Committee makes recommendations on candidates to the Board.

Compensation of Board Members

The Compensation Committee periodically reviews the compensation of the directors, which is discussed under the heading "*Compensation of Directors*".

Board Assessments

The Board annually reviews the effectiveness of the Board, its committees, and the contributions of individual Board members. These annual formal assessments are conducted through a written evaluation of the Board completed by each Board member and an individual written self-assessment completed by each Board member. The objective of the assessments is to ensure the continued effectiveness of the Board in the execution of its responsibilities and to contribute to a process of continuing improvement. The assessments consider, in the case of the Board or a committee, the applicable mandate, and the competencies and skills each individual director is expected to bring to the Board and the committees on which they are members of.

Director Term Limits

At this time, the Board has not established any term limits or formal retirement policy for directors. The median years of service of the six Board members being nominated is between seven and eight years, with two of the six directors having served on the Board since the Company's inception in 2009. The Board's priorities continue to be ensuring the appropriate skill sets are present amongst the Board to optimize the benefit to the Company. Where a vacancy in the Board occurs, the Governance and Nomination Committee, in conjunction with the President and CEO, will be responsible for identifying potential candidates for consideration based on the various experience and skills required as a result of such vacancy. As the Company matures, the Governance and Nomination Committee may consider implementation of a formal policy on director term limits.

Gender Diversity

Board of Directors

The members of the Board have diverse backgrounds and expertise, and were selected in the belief that the Company benefits materially from such a broad range of experience and talent. Specifically, the Board has recruited directors with specific expertise in oil and gas activities, reserves and resource evaluation, governance and financial accounting matters. At this time, the Board does not have any female members. While the Board recognizes the potential benefits from new perspectives which could manifest through increased gender diversity within its ranks, the Board has not formally adopted a written board diversity policy and has not set a target regarding the number or percentage of female members that it wishes to include on the Board. The selection of candidates for appointment to the Board will continue to be based on the skills, knowledge, experience and character of individual candidates and the requirements of the Board at the time, with achieving an appropriate level of diversity on the Board being one of the criteria that the Governance and Nomination Committee considers when evaluating the composition of the Board.

Executive

The Board has not adopted any policies that specifically address the appointment of female officers of Lightstream. The Board believes that executive officer appointments should be made on the basis of the skills, knowledge, experience and character of individual candidates and the requirements of management of Lightstream at the time. Lightstream believes that considering the broadest group of individuals is required to provide the leadership needed to achieve the Company's business objectives and, accordingly, the level of women in executive officer positions is not considered when making executive officer appointments. The Company has not adopted targets regarding the representation of women in executive officer positions for the reasons stated above. As of the date hereof, three of nine (or 33%) of Lightstream's executive officers are women.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, executive officer or proposed nominee for election as a director, nor any of their associates, is or has been at any time since the beginning of the most recently completed financial year of the Company, indebted to the Company or any of our Subsidiaries, nor is, or at any time since the beginning of the most recently completed financial year of the Company has, any indebtedness of any such Person been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of our Subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

For the purposes of this Information Circular, an "informed Person" means (i) a director or officer of the Company, (ii) a director or officer of a Person or company that is itself an informed Person, or (iii) any Person or company who beneficially owns, directly or indirectly, and/or exercises control or direction over voting securities of the Company carrying more than 10% of the voting rights attaching to all outstanding voting securities of the Company.

To the knowledge of management of the Company, since the beginning of the financial year ended December 31, 2015, no informed Person of the Company, nominee for director of the Company, nor any affiliate or associate of any informed Person or nominee for director, had any material interest, direct or indirect, in any transaction or proposed transaction which has materially affected or would materially affect the Company.

ADDITIONAL INFORMATION CONCERNING THE AUDIT COMMITTEE

Reference is made to Appendix "C" of the AIF, which information is hereby incorporated by reference. The AIF is accessible under our Company profile on the SEDAR website at www.sedar.com or on the Company's website at www.lightstreamresources.com.

OTHER MATTERS

Management knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Annual Meeting of Shareholders. However, if any other matter properly comes before the Meeting, the accompanying proxy will be voted on such matter in accordance with the best judgment of the Person voting the proxy.

ADDITIONAL INFORMATION

Copies of the Company's most recent annual information form and any information incorporated therein by reference, the Company's audited consolidated financial statements as at and for the year ended December 31, 2015 and other information relating to the Company may be obtained on SEDAR at www.sedar.com or from the Chief Executive Officer of Lightstream at 2800, 525 – 8th Avenue S.W., Calgary, Alberta, T2P 1G1. Additional financial information is provided in the Company's comparative annual financial statements and Management's Discussion and Analysis for the year ended December 31, 2015.

APPENDIX A

SHAREHOLDERS' RESOLUTIONS

Continuance Resolution

"**BE IT RESOLVED**, as a special resolution that:

1. the Continuance of Lightstream Resources Ltd. ("**Lightstream**" or the "**Company**") into the federal jurisdiction of Canada under the *Business Corporations Act* (Alberta) ("**ABCA**") be and is authorized and approved.

2. Lightstream is hereby authorized to make application to the Registrar of Corporations, Alberta for authorization to continue Lightstream out of the jurisdiction of Alberta and into the jurisdiction of Canada in accordance with Section 189.

3. Lightstream is hereby authorized to apply to Industry Canada for a Certificate of Continuance continuing Lightstream under the *Canada Business Corporations Act* ("**CBCA**") as if it had been incorporated thereunder and to file with Industry Canada Articles of Continuance and such other documents as may be required in the form or forms prescribed by the CBCA.

4. upon Continuance under the CBCA, Lightstream is hereby authorized to make application to the Registrar of Corporations, Alberta for a Certificate of Discontinuance.

5. effective upon the issuance of a Certificate of Continuance by Industry Canada, the Articles of Continuance in the form attached as Appendix C to the Information Circular of Lightstream dated August 29, 2016 (the "**Information Circular**"), be and are hereby adopted and confirmed in substitution for the Articles of Lightstream and all amendments thereto.

6. the directors of Lightstream, are authorized, in their discretion, by resolution, to abandon the application for Continuance of Lightstream out of Alberta without further approval, ratification or confirmation by the shareholders of Lightstream.

7. any one director or officer of Lightstream is authorized and directed to do, sign and execute all things, deed and documents necessary or desirable to carry out the foregoing."

To be effective, the Continuance Resolution must be approved by 66⅔% of the votes cast by Shareholders who vote in respect of the resolution, in person or represented by proxy at the Shareholders' Meeting in accordance with the Interim Order.

Management recommends that the Shareholders vote in favour of approving the Continuance Resolution. **Unless directed otherwise, the Persons set forth in the enclosed form of proxy, if named as proxy, intend to vote the Common Shares represented by such proxy FOR the above resolution.**

Shareholders' Arrangement Resolution

"**BE IT RESOLVED**, as a special resolution that:

1. an arrangement (as the same may be, or may have been, amended, modified or supplemented, the "**Arrangement**") pursuant to Section 192 of the CBCA of Lightstream, as more particularly described in the Information Circular and as set forth in the Plan of Arrangement included as Appendix H to the Information Circular, be and is hereby authorized, approved and adopted.

2. the Arrangement Agreement (as the same may be, or may have been, amended, modified or supplemented, the "**Arrangement Agreement**") dated effective July 28, 2016, as amended August 4, 2016, as described in the Information Circular, is hereby authorized and approved and the actions of the directors of Lightstream in approving the Arrangement and the Arrangement Agreement and the actions of the directors of Lightstream in executing and delivering the Arrangement Agreement and causing the performance by Lightstream of its obligations thereunder, are hereby confirmed, ratified, authorized and approved.

3. notwithstanding the passing of this resolution or the passing of similar resolutions or the approval of the Court of Queen's Bench of Alberta, the board of directors of Lightstream, without further notice to, or approval of, the securityholders of Lightstream, are hereby authorized and empowered to (i) amend the Arrangement Agreement, to the extent permitted by the Arrangement Agreement and (ii) subject to the terms of the Arrangement Agreement, to determine not to proceed with the Arrangement at any time prior to the Arrangement becoming effective pursuant to the provisions of the CBCA.

4. in connection with the Arrangement and following the consolidation of the common shares in the capital of the Company (the "**Common Shares**"): (i) the issuance of new common voting shares in the capital of the Company (the "**New Common Shares**") to (A) funds and accounts managed by Apollo Capital Management, L.P. and its affiliates ("**Apollo**") and (B) funds advised by GSO Capital Partners LP or its affiliates ("**GSO**"), which will be considered to "materially affect control" of the Company by creating a holding of in excess of 20% of the voting securities by each of Apollo and GSO; (ii) the issuance of up to 97,750,000 New Common Shares issuable upon the exchange or conversion, as applicable, of the 9.875% second priority senior secured notes of Lightstream due June 15, 2019 (the "**Secured Notes**") and the exchange of the 8.625% senior notes of Lightstream due February 1, 2020 (the "**Unsecured Notes**"): (A) at a conversion or exercise price, as applicable, below market and which will result in dilution of in excess of 25% of the issued and outstanding New Common Shares following the Arrangement; (B) at a conversion or exchange price, as applicable, that exceeds the maximum discount permitted by the Toronto Stock Exchange; and (C) that could also materially affect control of the Company; and (iii) the issuance of up to 5,000,000 New Common Shares issuable upon the exercise of the New Series 1 Warrants (as defined in the Information Circular), which New Series 1 Warrants will have an initial exercise price (prior to giving effect to the consolidation of the Common Shares) that will be at a significant discount to the market price of the Common Shares on July 12, 2016 (the date on which the exercise prices of such warrants were agreed to and announced pursuant to the terms of the Support Agreement (as defined in the Information Circular)) and the issuance of up to 7,750,000 New Common Shares issuable upon the exercise of the New Series 2 Warrants (as defined in the Information Circular), which New Series 2 Warrants will have an initial exercise price (prior to giving effect to the consolidation of the Common Shares) that will be at a significant discount to the market price of the Common Shares on July 12, 2016 (the date on which the exercise prices of such warrants were agreed to and announced pursuant to the terms of the Support Agreement).

5. any one director or officer of Lightstream be and is hereby authorized and directed, for and on behalf of Lightstream (whether under corporate seal or otherwise), to execute and deliver, or cause to be executed and delivered, articles of arrangement and any and all other documents, agreements and instruments and to perform, or cause to be performed, all such other acts and things, as in such person's opinion may be necessary or desirable to give full effect to these resolutions and the matters authorized hereby, including the transactions required and/or contemplated by the Arrangement, such determination to be conclusively evidenced by the execution and delivery of such documents or other instruments or the doing of any such act or thing.

6. notwithstanding the foregoing, the directors of Lightstream are hereby authorized, without further approval of or notice to the shareholders of Lightstream, to revoke this special resolution."

To be effective, the Shareholders' Arrangement Resolution must be approved by 66⅔% of the votes cast by Shareholders who vote in respect of the resolution, in person or represented by proxy at the Shareholders' Meeting in accordance with the provisions of the Interim Order. In addition, the Shareholders' Arrangement Resolution must also be approved by a simple majority of the votes cast by the Shareholders present in person or by proxy at the Shareholders' Meeting, voting together as a single class after excluding the Common Shares beneficially owned or over which control or direction is exercised by persons whose votes may not be included in determining minority approval pursuant to MI 61-101.

Management recommends that the Shareholders vote in favour of approving the Shareholders' Arrangement Resolution. **Unless directed otherwise, the persons set forth in the enclosed form of proxy, if named as proxy, intend to vote the Common Shares represented by such proxy FOR the above special resolution.**

Election of Directors

"**BE IT RESOLVED**, as an ordinary resolution that:

1. Ian S. Brown, Martin Hislop, Kenneth R. McKinnon, Corey C. Ruttan, W. Brett Wilson and John D. Wright, be appointed as directors of Lightstream, to hold office until the next annual meeting of Lightstream or until their successors are duly elected or appointed.

2. any director or officer of Lightstream is hereby authorized and directed, for and on behalf of Lightstream, to execute (whether under corporate seal of Lightstream or otherwise) and deliver, or cause to be executed and delivered, and to sign and/or file, or cause to be signed and/or filed, as the case may be, all applications, declarations, instruments and other documents, and to do or cause to be done all such other acts and things, as such director or office may determine necessary or advisable to give effect to the foregoing resolutions including, without limitation, the execution, signing or filing of any such document or the doing of any such act or thing being conclusive evidence of such determination."

To be effective, the above resolution must be approved by a simple majority of the votes cast by the Shareholders, in person or represented by proxy at the Shareholders' Meeting.

Management recommends that the Shareholders vote in favour of approving the foregoing resolution. **Unless directed otherwise, the persons set forth in the enclosed form of proxy, if named as proxy, intend to vote the Common Shares represented by such proxy FOR the above resolution.**

Appointment of Auditors

"**BE IT RESOLVED**, as an ordinary resolution that Deloitte LLP, Chartered Professional Accountants, Chartered Accountants, be appointed auditors of the Company at such remuneration as may be determined by the Board of Directors and the Board of Directors is hereby authorized to fix such remuneration."

To be effective, the above resolution must be approved by a simple majority of the votes cast by the Shareholders, in person or represented by proxy at the Shareholders' Meeting.

Management recommends that the Shareholders vote in favour of approving the foregoing resolution. **Unless directed otherwise, the persons set forth in the enclosed form of proxy, if named as proxy, intend to vote the Common Shares represented by such proxy FOR the above resolution.**

APPENDIX B

NOTEHOLDERS' RESOLUTION

Noteholders' Arrangement Resolution

"**BE IT RESOLVED**, that:

1. an arrangement (as the same may be, or may have been, amended, modified or supplemented, the "**Arrangement**") pursuant to Section 192 of the *Canada Business Corporations Act* (the "**CBCA**") of Lightstream Resources Ltd. ("**Lightstream**") as more particularly described in the Information Circular of Lightstream dated August 29, 2016 (the "**Information Circular**") and as set forth in the Plan of Arrangement included as Appendix H to the Information Circular, be and is hereby authorized, approved and adopted.

2. the Arrangement Agreement (as the same may be, or may have been, amended, modified or supplemented, the "**Arrangement Agreement**") dated effective July 28, 2016, as amended August 4, 2016, as described in the Information Circular, is hereby authorized and approved and the actions of the directors of Lightstream in approving the Arrangement and the Arrangement Agreement and the actions of the directors of Lightstream in executing and delivering the Arrangement Agreement and causing the performance by Lightstream of its obligations thereunder, are hereby confirmed, ratified, authorized and approved.

3. notwithstanding the passing of this resolution or the passing of similar resolutions or the approval of the Court of Queen's Bench of Alberta, the board of directors of Lightstream, without further notice to, or approval of, the securityholders of Lightstream, are hereby authorized and empowered to (a) amend the Arrangement Agreement, to the extent permitted by the Arrangement Agreement and (b) subject to the terms of the Arrangement Agreement, to determine not to proceed with the Arrangement at any time prior to the Arrangement becoming effective pursuant to the provisions of the CBCA.

4. any one director or officer of Lightstream be and is hereby authorized and directed, for and on behalf of Lightstream (whether under corporate seal or otherwise), to execute and deliver, or cause to be executed and delivered, articles of arrangement and any and all other documents, agreements and instruments and to perform, or cause to be performed, all such other acts and things, as in such person's opinion may be necessary or desirable to give full effect to these resolutions and the matters authorized hereby, including the transactions required and/or contemplated by the Arrangement, such determination to be conclusively evidenced by the execution and delivery of such documents or other instruments or the doing of any such act or thing.

5. notwithstanding the foregoing, the directors of Lightstream are hereby authorized, without further approval of or notice to the holders of the Notes (as defined in the Information Circular) of Lightstream, to revoke this special resolution."

To be effective, the Noteholders' Arrangement Resolution must be approved by 66⅔% of the votes cast by Secured Noteholders who vote in respect of the resolution, in person or represented by proxy at the Secured Noteholders' Meeting, and by 66⅔% of the votes cast by Unsecured Noteholders who vote in respect of the resolution, in person or represented by proxy at the Unsecured Noteholders' Meeting, each in accordance with the provisions of the Interim Order.

Management recommends that the Noteholders vote in favour of approving the Noteholders' Arrangement Resolution. **Unless directed otherwise, the persons set forth in the enclosed form of proxy, if named as proxy, intend to vote the Notes represented by such proxy FOR the above resolution.**

APPENDIX C

ARTICLES OF CONTINUANCE

Industry Canada Industrie Canada

Canada Business Corporations Act (CBCA)
FORM 11
ARTICLES OF CONTINUANCE
(Section 187)

1 - Corporate name

Lightstream Resources Ltd. (the "Company")

2 - The province or territory in Canada where the registered office is situated *(do not indicate the full address)*

Alberta

3 - The classes and any maximum number of shares that the corporation is authorized to issue

The attached Schedule "A" is incorporated into and forms part of the Articles of Continuance.

4 - Restrictions, if any, on share transfers

None

5 - Minimum and maximum number of directors *(for a fixed number of directors, please indicate the same number in both boxes)*

Minimum number 3 **Maximum number** 12

6 - Restrictions, if any, on the business the corporation may carry on

None

7 - (1) If change of name effected, previous name

N/A

(2) Details of incorporation

The attached Schedule "B" is incorporated into and forms part of the Articles of Continuance.

8 - Other provisions, if any

The attached Schedule "C" is incorporated into and forms part of the Articles of Continuance.

9 - Declaration

I hereby certify that I am a director or an authorized officer of the corporation continuing into the CBCA.

Print name	Signature

Note: Misrepresentation constitutes an offence and, on summary conviction, a person is liable to a fine not exceeding $5,000 or to imprisonment for a term not exceeding six months or to both (subsection 250(1) of the CBCA).

Canada

THIS SCHEDULE "A" IS INCORPORATED INTO AND FORMS PART OF THE ARTICLES OF LIGHTSTREAM RESOURCES LTD. (the "Corporation")

SCHEDULE "A"

SHARE STRUCTURE

1. The authorized capital of the Corporation shall consist of the following:

    a. an unlimited number of Common Shares without nominal or par value; and

    b. an unlimited number of Preferred Shares without nominal or par value.

COMMON SHARES

2. The unlimited number of Common Shares shall have attached thereto the following rights, privileges, restrictions and conditions:

    a. The holders of Common Shares shall be entitled to notice of to attend and to one vote per share held at any meeting of the shareholders of the Corporation (other than meetings of a class or series of shares of the Corporation other than the Common Shares as such);

    b. The holders of Common Shares shall be entitled to receive dividends as and when declared by the Board of Directors of the Corporation on the Common Shares as a class, subject to prior satisfaction of all preferential rights to dividends attached to shares of other classes of shares of the Corporation ranking in priority to the Common Shares in respect of dividends; and

    c. The holders of Common Shares shall be entitled in the event of any liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs, and subject to prior satisfaction of all preferential rights to return of capital on dissolution attached to all shares of other classes of shares of the Corporation ranking in priority to the Common Shares in respect of return of capital on dissolution, to share rateably, together with the holders of shares of any other class of shares of the Corporation ranking equally with the Common Shares in respect of return of capital on dissolution, in such assets of the Corporation as are available for distribution.

3. If the directors of the Corporation declare a dividend on the Common Shares payable in whole or in part in fully paid and non-assessable Common Shares (the portion of the dividend payable in Common Shares being herein referred to as a "share dividend"), the following provisions shall apply:

    a. unless otherwise determined by the directors of the Corporation in respect of a particular share dividend: (i) the number of Common Shares (which shall include any fractional Common Shares) to be issued in satisfaction of the share dividend shall be determined by dividing (A) the dollar amount of the particular share dividend, by (B) 95% of the "Average Market Price" of a Common Share on the Toronto Stock Exchange (the "TSX"), with the "Average Market Price" calculated by dividing the total value of Common Shares traded on the TSX by the total volume of Common Shares traded on the TSX over the five trading day period immediately prior to the payment date of the applicable share dividend on the Common Shares; and (ii) the value of a Common Share to be issued for the purposes of each share dividend declared by the directors of the Corporation shall be deemed to be the Average Market Price of a Common Share;

    b. to the extent that any share dividend paid on the Common Shares represents one or more whole Common Shares payable to a registered holder of Common Shares, such whole Common Shares shall be registered in the name of such holder. Common Shares representing in the aggregate all of the fractions amounting to less than one whole Common Share which might otherwise have been payable to registered holders of Common Shares by reason of such share dividend shall be issued to the transfer agent for the Common Shares as the agent of such registered holders of Common Shares. The transfer agent shall credit to an account for each such registered holder all fractions of a Common Share amounting to less than one whole share issued by the Corporation by way of share dividends in respect of the Common Shares registered in the name of such holder.

From time to time, when the fractional interests in a Common Share held by the transfer agent for the account of any registered holder of Common Shares are equal to or exceed in the aggregate one additional whole Common Share, the transfer agent shall cause such additional whole Common Share to be registered in the name of such registered holder and thereupon only the excess fractional interest, if any, will continue to be held by the transfer agent for the account of such registered holder. The Common Shares held by the transfer agent representing fractional interests shall not be voted;

c. if at any time the Corporation shall have reason to believe that tax should be withheld and remitted to a taxation authority in respect of any share dividend paid or payable to a shareholder in Common Shares, the Corporation shall have the right to sell, or to require its transfer agent in each case as agent of such shareholder, to sell all or any part of the Common Shares or any fraction thereof so issued to such holder in payment of that share dividend or one or more subsequent share dividends through the facilities of the TSX or other stock exchange on which the Common Shares are listed for trading, and to cause the transfer agent to remit the cash proceeds from such sale to such taxation authority (rather than such holder) in payment of such tax to be withheld. This right of sale may be exercised by notice given by the Corporation to such holder and to the Corporation or the transfer agent stating the name of the holder, the number of Common Shares to be sold and the amount of the tax which the Corporation has reason to believe should be withheld. Upon receipt of such notice the transfer agent shall, unless a certificate or other evidence of registered ownership for the Common Shares has at the relevant time been issued in the name of the holder, sell the Common Shares as aforementioned and the Corporation or the transfer agent as applicable, shall be deemed for all purposes to be the duly authorized agent of the holder with full authority on behalf of such holder to effect the sale of such Common Shares and deliver the proceeds therefrom to the applicable taxation authority on behalf of the Corporation. Any balance of the cash sale proceeds not remitted by the Corporation in payment of the tax to be withheld shall be payable to the holder whose Common Shares were so sold by the transfer agent;

d. if at any time the Corporation shall have reason to believe that the payment of a share dividend to any holder thereof who is resident in or otherwise subject to the laws of a jurisdiction outside Canada might contravene the laws or regulations of such jurisdiction, or could subject the Corporation to any penalty thereunder or any legal or regulatory requirements not otherwise applicable to the Corporation, the Corporation shall have the right to sell, or to require its transfer agent in each case, as agent of such shareholder, to sell through the facilities of the TSX or other stock exchange on which the Common Shares are listed for trading, the Common Shares or any fraction thereof so issued and to cause the transfer agent to pay the cash proceeds from such sale to such holder. The right of sale shall be exercised in the manner provided in subparagraph (c) above except that in the notice there shall be stated, instead of the amount of the tax to be withheld, the nature of the law or regulation which might be contravened or which might subject the Corporation to any penalty or legal or regulatory requirement. Upon receipt of the notice, the Corporation or the transfer agent shall, unless a certificate or other evidence of registered ownership for the Common Shares has at the relevant time been issued in the name of the holder, sell the Common Shares as aforementioned and the Corporation or the transfer agent, as applicable shall be deemed for all purposes to be the duly authorized agent of the holder with full authority on behalf of such holder to effect the sale of such Common Shares and to deliver the proceeds therefrom to such holder;

e. upon any registered holder of Common Shares ceasing to be a registered holder of one or more Common Shares, such holder shall be entitled to receive from the transfer agent, and the transfer agent shall pay as soon as practicable to such holder, an amount in cash equal to the proportion of the value of one Common Share that is represented by the fraction less than one whole Common Share at that time held by the transfer agent for the account of such holder, and, for the purpose of determining such value, each Common Share shall be deemed to have the value equal to the Average Market Price in respect of the last share dividend paid by the Corporation prior to the date of such payment; and

f. for the purposes of the foregoing: (i) the calculation of a fraction of a Common Share payable to a shareholder by way of a share dividend and the calculation of the Average Market Price shall be computed to six decimal places, and shall be rounded to the nearest sixth decimal place; and (ii) neither the Corporation nor its transfer agent shall have any obligation to register any Common Share in the name of a person, to deliver a certificate or other document representing Common Shares registered in the name of a shareholder or to make a cash payment for fractions of a

Common Share, unless all applicable laws and regulations to which the Corporation and/or the transfer agent are, or as a result of such action may become, subject, shall have been complied with to their reasonable satisfaction.

4. The rights, privileges, restrictions and conditions attaching to the Preferred Shares are as follows:

   a. SERIES: The Preferred Shares may at any time and from time to time be issued in one or more series. Subject to the provisions of clauses 4(b) and (c), the board of directors of the Corporation may from time to time before the issue thereof fix the number of shares in, and determine the designation, rights, privileges, restrictions and conditions attaching to the shares of, each series of Preferred Shares.

   b. IDEM: The Preferred Shares shall be entitled to priority over the Common Shares and all other shares ranking junior to the Preferred Shares with respect to the payment of dividends and the distribution of assets of the Corporation in the event of any liquidation, dissolution or winding up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs.

   c. IDEM: The Preferred Shares of each series shall rank on a parity with the Preferred Shares of every other series with respect to priority in the payment of dividends and in the distribution of assets of the Corporation in the event of any liquidation, dissolution or winding up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs.

THIS SCHEDULE "B" IS INCORPORATED INTO
AND FORMS PART OF THE ARTICLES OF
LIGHTSTREAM RESOURCES LTD. (the "Corporation")

SCHEDULE "B"

The Company was incorporated as PetroBakken Energy Ltd. under the *Business Corporations Act* (Alberta) ("ABCA") on July 30, 2009.

The Company completed a plan of arrangement under the ABCA with Petrobank Energy and Resources Ltd. and TriStar Oil & Gas Ltd. on October 1, 2009 whereby PetroBakken Energy Ltd. acquired TriStar Oil & Gas Ltd.

On December 31, 2009, the Company amalgamated with its wholly owned subsidiaries, PetroBakken Production Ltd., PetroBakken Resources Ltd. and PetroBakken Development Ltd. in three separate transactions under the ABCA, with the resulting company continuing under the name PetroBakken Energy Ltd.

On December 31, 2010, the Company amalgamated with its wholly owned subsidiaries, PetroPembina Exploration Ltd., PetroBakken Exploration Ltd. and PetroCardium Exploration Ltd. in three separate transactions under the ABCA, with the resulting company continuing under the name PetroBakken Energy Ltd.

The Company completed a reorganization on December 31, 2012, pursuant to which, among other things, it amalgamated under the ABCA with Petrobank Energy and Resources Ltd., a company incorporated under the ABCA, with the resulting company continuing under the name PetroBakken Energy Ltd.

The Company amended its articles to change its name to Lightstream Resources Ltd. on May 22, 2013.

THIS SCHEDULE "C" IS INCORPORATED INTO AND FORMS PART OF THE ARTICLES OF LIGHTSTREAM RESOURCES LTD. (the "Corporation")

SCHEDULE "C"

OTHER PROVISIONS

The Directors will be permitted between Annual General Meetings to appoint one or more additional directors up to one-third of the number of Directors who held office at the expiration of the last annual meeting of the Corporation provided that in making such appointment the Directors shall not exceed the maximum provided for in these Articles.

Meetings of shareholders may be held at any place within or outside of Alberta where the Directors determine.

APPENDIX D

CBCA BY-LAWS

BY-LAW NO. 1

A by-law relating generally to the transaction of the business and affairs of **LIGHTSTREAM RESOURCES LTD.** (hereinafter referred to as the "Corporation")

DIRECTORS

1. **Calling of and notice of meetings** - Meetings of the board shall be held at such place and time and on such day as the chairman of the board, president or a vice-president, if any, or any two directors may determine. Notice of meetings of the board shall be given to each director not less than 48 hours before the time when the meeting is to be held unless waived in accordance with the *Canada Business Corporations Act*. Provided that a quorum of directors is present, each newly elected board may without notice hold its first meeting for the purposes of organization and the appointment of officers immediately following the meeting of shareholders at which such board was elected.

2. **Votes to govern** - At all meetings of the board every question shall be decided by a majority of the votes cast on the question; and in case of an equality of votes the chairman of the meeting shall not be entitled to a second or casting vote.

3. **Interest of directors and officers generally in contracts** - No director or officer shall be disqualified by his office from contracting with the Corporation nor shall any contract or arrangement entered into by or on behalf of the Corporation with any director or officer or in which any director or officer is in any way interested be liable to be voided nor shall any director or officer so contracting or being so interested be liable to account to the Corporation for any profit realized by any such contract or arrangement by reason of such director or officer holding that office or of the fiduciary relationship thereby established; provided that the director or officer shall have complied with the provisions of the *Canada Business Corporations Act*.

SHAREHOLDERS' MEETINGS

4. **Quorum** - At any meeting of shareholders, a quorum shall be two persons present in person entitled to vote thereat and holding or representing by proxy not less than 25% of the votes entitled to be cast thereat.

MEETING BY TELEPHONE

5. **Directors and shareholders** - A director may participate in a meeting of the board or of a committee of the board and a shareholder may participate in a meeting of shareholders by means of telephonic, electronic or other communication facility that permit all persons participating in any such meeting to communicate adequately with each other during the meeting.

INDEMNIFICATION

6. **Indemnification of directors and officers** - The Corporation shall indemnify a director or officer of the Corporation, a former director or officer of the Corporation or a person who acts or acted at the Corporation's request as a director or officer of a body corporate of which the Corporation is or was a shareholder or creditor, and his heirs and legal representatives to the extent permitted by the *Canada Business Corporations Act*.

7. **Indemnity of others** - Except as otherwise required by the *Canada Business Corporations Act* and subject to paragraph 6, the Corporation may from time to time indemnify and save harmless any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he is or was an employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee, agent of or participant in another body corporate, partnership, joint venture, trust or other enterprise, against expenses (including legal fees), judgments, fines and any amount actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted honestly and in good faith with a view to the best interests of the Corporation and, with respect to any criminal or administrative action or proceeding that is enforced by a monetary penalty, had reasonable grounds for believing that his conduct was lawful. The termination of any action, suit or proceeding by judgment, order, settlement or conviction shall not, of itself, create a presumption that the person did not act honestly and in good faith with a view to the best interests of the Corporation and, with respect to any criminal or administrative action or proceeding that is enforced by a monetary penalty, had no reasonable grounds for believing that his conduct was lawful.

8. **Right of indemnity not exclusive** - The provisions for indemnification contained in the *Canada Business Corporations Act* or the by-laws of the Corporation shall not be deemed exclusive of any other rights to which any person seeking indemnification may be entitled under any agreement, vote of shareholders or directors or otherwise, both as to action in his official capacity and as to action in another capacity, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs and legal representatives of such a person.

9. **No liability of directors or officers for certain matters** - To the extent permitted by law, no director or officer for the time being of the Corporation shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee or for joining in any receipt or act for conformity or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Corporation shall be placed out or invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, firm or body corporate with whom or which any moneys, securities or other assets belonging to the Corporation shall be lodged or deposited or for any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any moneys, securities or other assets belonging to the Corporation or for any other loss, damage or misfortune whatever which may happen in the execution of the duties of his respective office or trust or in relation thereto unless the same shall happen by or through his failure to act honestly and in good faith with a view to the best interests of the Corporation and in connection

therewith to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. If any director or officer of the Corporation shall be employed by or shall perform services for the Corporation otherwise than as a director or officer or shall be a member of a firm or a shareholder, director or officer of a body corporate which is employed by or performs services for the Corporation, the fact of his being a director or officer of the Corporation shall not disentitle such director or officer or such firm or body corporate, as the case may be, from receiving proper remuneration for such services.

BANKING ARRANGEMENTS, CONTRACTS, ETC.

10. **Banking arrangements** - The banking business of the Corporation, or any part thereof, shall be transacted with such banks, trust companies or other financial institutions as the board may designate, appoint or authorize from time to time by resolution and all such banking business, or any part thereof, shall be transacted on the Corporation's behalf by such one or more officers and/or other persons as the board may designate, direct or authorize from time to time by resolution and to the extent therein provided.

11. **Execution of instruments -** Contracts, documents or instruments in writing requiring execution by the Corporation may be signed by any two officers or directors of the Corporation or as the board authorizes from time to time, and all contracts, documents or instruments in writing so signed shall be binding upon the Corporation without any further authorization or formality. The board is authorized from time to time by resolution to appoint any officer or officers or any other person or persons on behalf of the Corporation to sign and deliver contracts, documents or instruments in writing generally or to sign either manually or by electronic or facsimile signature, in counterparts, and deliver specific contracts, documents or instruments in writing. The term "contracts, documents or instruments in writing" as used in this by-law shall include deeds, mortgages, charges, conveyances, powers of attorney, transfers and assignments of property of all kinds (including specifically but without limitation transfers and assignments of shares, warrants, bonds, debentures or other securities), share certificates, warrants, bonds, debentures and other securities or security instruments of the Corporation. Subject to the *Canada Business Corporations Act*, whenever a notice, document or other information is required under the *Canada Business Corporations Act* or this by-law to be created or provided "in writing", that requirement may be satisfied by the creation and/or provision of an electronic document.

12. **Voting rights in other bodies corporate** - The signing officers of the Corporation may execute and deliver proxies and arrange for the issuance of voting certificates or other evidence of the right to exercise the voting rights attaching to any securities held by the Corporation. Such instruments shall be in favour of such persons as may be determined by the officers executing or arranging for the same. In addition, the board may from time to time direct the manner in which and the persons by whom any particular voting rights or class of voting rights may or shall be exercised.

ADVANCE NOTICE OF NOMINATION OF DIRECTORS

13. **Nomination procedures** - Subject only to the *Canada Business Corporations Act* and the articles, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the board may be made at any annual meeting of shareholders,

or at any special meeting of shareholders if one of the purposes for which such special meeting was called was the election of directors:

(a) by or at the direction of the board or an authorized officer of the Corporation, including pursuant to a notice of meeting;

(b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the *Canada Business Corporations Act* or a requisition of the shareholders made in accordance with the provisions of the *Canada Business Corporations Act*; or

(c) by any person (a "**Nominating Shareholder**") who:

(i) at the close of business on the date of the giving of the notice provided for below and on the record date for the notice of such meeting, is entered in the securities register of the Corporation as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and

(ii) complies with the notice procedures set forth below:

14. **Timely notice** - In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, such Nominating Shareholder must have given notice thereof in written form to the Corporate Secretary of the Corporation at the principal executive offices of the Corporation in accordance with paragraphs 13 to 19 of this by-law.

15. **Manner of timely notice** - A Nominating Shareholder's notice to the Corporate Secretary of the Corporation must be given:

(a) in the case of an annual meeting of shareholders, not less than 30, days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date (the "**Notice Date**") on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the 10th day following the Notice Date;

(b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the 15th day following the Notice Date; and

(c) in the case of an annual meeting (including an annual and special meeting) of shareholders or a special meeting of shareholders called for the purpose of electing directors (whether or not also called for other purposes) where notice-and-access is used for delivery of proxy related materials, not less than 40 days prior to the date of the meeting (but in any event, not prior to the Notice Date); provided, however, that in the event that the meeting is to be held on a date that is less than 50 days after the Notice Date, notice by the Nominating Shareholder shall be made, in the case of an annual meeting of shareholders, not later than

the close of business on the 10th day following the Notice Date and, in the case of a special meeting of shareholders, not later than the close of business on the 15th day following the Notice Date.

16. **Proper form of timely notice** - A Nominating Shareholder's notice to the Corporate Secretary of the Corporation must set forth:

(a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director:

(i) the name, age, business address and residence address of the person;

(ii) the principal occupation, business or employment of the person for the most recent five years, and the name and principal business of any company in which any such employment is carried on;

(iii) the number of securities of each class of voting securities of the Corporation or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and

(iv) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the *Canada Business Corporations Act* and applicable securities laws; and

(b) as to the Nominating Shareholder giving the notice, any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote any shares of the Corporation and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the *Canada Business Corporations Act* and applicable securities laws.

The Corporation may require any proposed nominee to furnish such other information as may reasonably be required to determine the eligibility of such proposed nominee to serve as a director of the Corporation or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee. Any such additional disclosure, if requested and received, will be made publicly available to the Corporation's shareholders

17. **Eligibility for nomination as a director** - No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of paragraphs 13 to 19 of this by-law; provided, however, that nothing in this by-law shall be deemed to preclude discussion by a shareholder (as distinct from nominating directors) at a meeting of shareholders of any matter in respect of which such shareholder would have been entitled to submit a proposal pursuant to the provisions of the *Canada Business Corporations Act*. The chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in

compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

18. **Terms** - For purposes of paragraphs 13 to 19 of this by-law, "public announcement" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System for Electronic Document Analysis and Retrieval at www.sedar.com; and "applicable securities laws" means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commissions and similar regulatory authorities of each province and territory of Canada.

19. **Delivery of notice** - Notwithstanding any other provision of this by-law, notice given to the Corporate Secretary of the Corporation pursuant to paragraphs 13 to 19 of this by-law may only be given by personal delivery, facsimile transmission or by email (at such email address as stipulated from time to time by the Corporate Secretary of the Corporation for the purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Corporate Secretary of the Corporation at the address of the principal executive offices of the Corporation; provided that if such delivery or electronic communication is made on a day which is not a business day or later than 5:00 p.m. (Calgary time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

20. **Board discretion** - Notwithstanding the foregoing, the board may, in its sole discretion, waive any requirement of paragraphs 13 to 19 of this by-law.

MISCELLANEOUS

21. **Invalidity of any provisions of this by-law** - The invalidity or unenforceability of any provision of this by-law shall not affect the validity or enforceability of the remaining provisions of this by-law.

22. **Omissions and errors** - The accidental omission to give any notice to any shareholder, director, officer or auditor or the non-receipt of any notice by any shareholder, director, officer or auditor or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

INTERPRETATION

23. **Interpretation** - In this by-law and all other by-laws of the Corporation words importing the singular number only shall include the plural and vice versa; words importing the masculine gender shall include the feminine and neuter genders; words importing persons shall include an individual, partnership, association, body corporate, executor, administrator or legal representative and any number or aggregate of persons; "articles" include the original or restated articles of incorporation, articles of amendment, articles of amalgamation, articles of continuance, articles of reorganization, articles of arrangement and articles of revival; "board" shall mean the board of directors of the Corporation;

"***Canada Business Corporations Act***" shall mean the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended from time to time, or any Act that may hereafter be substituted therefor; "meeting of shareholders" shall mean and include an annual meeting of shareholders and a special meeting of shareholders of the Corporation; and "signing officers" means any person authorized to sign on behalf of the Corporation pursuant to paragraph 11.

APPENDIX E

COMPARISON OF SHAREHOLDER RIGHTS

CBCA By-Law

The following is a comparison of the material differences that exist between Lightstream's current by-laws and the CBCA By-Law. The full text of the CBCA By-Law is included at Schedule 1 to this Appendix E.

Quorum at Shareholder Meetings

The quorum requirement for meetings of the Lightstream shareholders was increased from one person present in person entitled to vote at the meeting and holding or representing by proxy not less than 25% of the votes entitled to be cast thereat to two persons present in person entitled to vote at the meeting and holding or representing by proxy not less than 25% of the votes entitled to be cast thereat.

Participation at Meetings

The provisions of the by-laws relating to meetings by telephone were updated to reflect the CBCA provisions respecting participation by way of electronic means.

Execution by Electronic Means

The CBCA By-Laws have been revised to clarify that whenever a notice, document or other information is required under CBCA or the by-laws to be created or provided in writing, that requirement may be satisfied by the creation and/or provision of an electronic document.

Advance Notice Requirements

Lightstream's director nomination advance notice provisions have been updated to remove the upper timing limit on nomination notification, provide for notification timing where Lightstream will be using notice-and-access and clarify certain requirements relating to the director nominee information that will be required by Lightstream.

CBCA

If the Continuance is approved and completed, Lightstream will be governed by the CBCA instead of the ABCA. While the rights of shareholders under the CBCA are broadly similar to those under the ABCA, there are a number of variations in the rights afforded to shareholders under the two pieces of legislation. The following is a summary of certain similarities and differences between the CBCA and the ABCA on matters pertaining to shareholder rights. This summary is not exhaustive and is of a general nature only and is not intended to be, and should not be construed to be, legal advice to Shareholders. Accordingly, Shareholders should consult their own legal advisors with respect to the corporate Law consequences of the Continuance.

Board of Directors

Under the ABCA, at least one-quarter of a corporation's directors, and at least one-quarter of the members of any committee of directors, must be resident Canadians. Under the CBCA, at least one-quarter of a corporation's directors must be resident Canadians; however, there is no similar requirement for committees of directors.

Place of Meetings

The ABCA provides that a meeting may be held outside Alberta where the articles so provide or where all shareholders entitled to vote at such a meeting so agree. The CBCA provides that a meeting of shareholders may be held outside Canada if the place is specified in the articles or where all the shareholders entitled to vote at such a meeting so agree.

Financial Assistance

The ABCA requires disclosure of financial assistance given by a corporation to shareholders or directors of the corporation or its affiliates, or to any of their associates, and in connection with the purchase of shares of the corporation or an affiliated corporation. The CBCA has no such requirement.

Shareholder Proposals

Both the ABCA and the CBCA provide for shareholder proposals. Under the CBCA, a registered or beneficial owner of shares entitled to be voted at a meeting may submit a proposal, although the registered or beneficial shareholder must either: (i) have owned for six months not less than 1% of the total number of voting shares or voting shares with a fair market value of a least $2,000, or (ii) have the support of persons who have owned for six months not less than 1% of the total number of voting shares or voting shares with a fair market value of at least $2,000.

Record Date for Voting

The ABCA permits a transferee of Common Shares after the record date for a shareholder meeting, not later than 10 days before the shareholder meeting, to establish a right to vote at the meeting by providing evidence of ownership of Common Shares and demanding that the transferee's name be placed on the voting list in place of the transferor. The CBCA does not have an equivalent provision.

Rights of Dissent

Under both the ABCA and the CBCA, shareholders have substantially the same rights of dissent if a corporation resolves to effect certain fundamental changes. However, under the CBCA, the corporation must, within ten days of the resolution to which the shareholder dissents being adopted, send notice to the dissenting shareholder. The dissenting shareholder, within 20 days of receiving notice from the corporation or, if such notice was not received, within 20 days after learning that the resolution has been adopted, must send the corporation notice of his demand for payment of the fair value of his shares, the number and class of shares in respect of which the shareholder dissents and his relevant personal information. Within 30 days of this notice, the dissenting shareholder must send the corporation, or its transfer agent, his share certificates. No more than seven days after the later of the day on which the resolution is effective and the day the corporation receives notice from the dissenting shareholder, the corporation must make an offer to pay. The corporation or the dissenting shareholder may apply to the court to fix a fair value for the shares of the dissenting shareholder.

Under the ABCA, a dissenting shareholder may send a corporation a written objection to a resolution affecting a fundamental change at or before any meeting of shareholders at which the resolution is to be voted on. Once the resolution is adopted the dissenting shareholder may make application to the court to fix the fair value of his shares. If an application is made to the court, the corporation must send an offer to pay to each dissenting shareholder an amount considered by the directors to be the fair value of the shares. The dissenting shareholder may accept the offer to pay from the corporation or wait for an order from the court fixing the fair value of the shares. The dissent rights under the ABCA apply to the Continuance Resolution. See "*Description of Recapitalization – Continuance of Lightstream from Alberta to Canada – Continuance Right of Dissent*".

Sale of Property

Under both the ABCA and the CBCA, any proposed sale, lease or exchange of all or substantially all of the property of a corporation, other than in the ordinary course of business, must be approved by a special resolution passed by not less than two-thirds of the votes cast by shareholders voting in person or by proxy at a meeting of shareholders. The holder of shares of a class or series of shares of a corporation are entitled to vote separately as a class or series in respect of such a sale, lease or exchange if that class or series is affected by the sale, lease or exchange in a manner different from the shares of another class or series.

Amendments to the Articles of the Corporation

Under both the ABCA and the CBCA, certain fundamental changes to the articles of a corporation, such as an alteration of any restrictions on the business carried on by the corporation, changes in the name of the corporation, increases or decreases in the authorized capital, the creation of any new classes of shares and changes in the jurisdiction of incorporation, must be approved by a special resolution passed by a majority of not less than two-thirds of the votes cast by shareholders voting in person or by proxy at a meeting of the shareholders of the corporation.

Oppression Remedies

Under the ABCA and the CBCA, a shareholder, former shareholder, director, former director, officer or former officer of a corporation or any of its affiliates, or any other person who, in the discretion of a court, is a proper person to seek an oppression remedy, may apply to a court to rectify the matters complained of where in respect of a corporation or any of its affiliates: (i) any act or omission of a corporation or its affiliates effects a result; (ii) the business or affairs of a corporation or any of its affiliates are or have been carried on or conducted in a manner; or (iii) the powers of a corporation or any of its affiliates are or have been exercised in a manner, that is oppressive or unfairly prejudicial to, or that unfairly disregards the interests of, any securityholder, creditor, director or officer.

Shareholders' Derivative Action

Under the ABCA and the CBCA, a shareholder, former shareholder, director, former director, officer or former officer of a corporation or its affiliates who, in the discretion of the court, is a proper person to do so, may apply for the court's leave to: (i) bring a derivative action in the name and on behalf of a corporation or any of its subsidiaries; or (ii) intervene in the action to which a corporation or any of its subsidiaries is a party, for the purpose of prosecuting, defending or discontinuing the action on behalf of a corporation or the subsidiary.

APPENDIX F

SECTION 191 OF THE ABCA

Shareholder's right to dissent

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 the shareholder 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 the shareholder's 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.

APPENDIX G

ARRANGEMENT AGREEMENT

ARRANGEMENT AGREEMENT

THIS ARRANGEMENT AGREEMENT is dated effective as of the 28th day of July, 2016.

BETWEEN:

> **LIGHTSTREAM RESOURCES LTD.**, a corporation incorporated under the *Business Corporations Act* (Alberta) (hereinafter referred to as "**Lightstream**")

AND:

> **9817158 CANADA LTD.**, a corporation incorporated under the *Canada Business Corporations Act* and a wholly-owned subsidiary of Lightstream (hereinafter referred to as "**ArrangeCo**")

WHEREAS:

A. Lightstream and ArrangeCo intend to effect a series of transactions which will result in the recapitalization of Lightstream, including a Plan of Arrangement pursuant to the provisions of the CBCA involving Lightstream, ArrangeCo, the holders of the Common Shares and the holders of the Notes;

B. The Initial Consenting Noteholders have entered into the Support Agreement pursuant to which the Initial Consenting Noteholders have agreed, subject to certain conditions, to vote their Notes and Common Shares in favour of the Plan of Arrangement;

C. The Backstoppers have entered into the Backstop Agreement pursuant to which the Backstoppers have agreed, subject to the satisfaction of certain conditions, to provide funding to Lightstream in accordance with the terms set out in the Plan of Arrangement;

D. The directors and officers of Lightstream holding Common Shares have entered into support agreements pursuant to which they have agreed to vote their Common Shares and Notes that are subject to such support agreements in favour of the Plan of Arrangement;

E. The board of directors of Lightstream, following consultation with its financial and legal advisors and after receiving a fairness opinion from its financial advisor, has approved this Agreement and has unanimously agreed to make a recommendation that the Noteholders and Shareholders vote in favour of the resolutions approving the 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 (including the recitals hereto), unless there is something in the context or subject matter inconsistent therewith, the following defined terms have the meanings hereinafter set forth:

"**ABCA**" means the *Business Corporations Act* (Alberta), R.S.A. 2000, c. B-9, as amended.

"**Administrative Agent**" means The Toronto-Dominion Bank, as agent for a syndicate of lenders under the Credit Agreement.

"**Agreement**", "**herein**", "**hereof**", "**hereto**", "**hereunder**" and similar expressions mean and refer to this arrangement agreement (including the exhibit hereto) as supplemented, modified or amended, and not to any particular article, section, schedule or other portion hereof.

"**Applicable Law**" means any applicable Law including any statute, regulation, by-law, treaty, guideline, directive, rule, standard, requirement, policy, order, judgement, decision, injunction, award, decree or resolution of any governmental authority, whether or not having the force of law.

"**Arrangement**" means an arrangement under Section 192 of the CBCA on the terms and subject to the conditions set forth in the Plan of Arrangement, subject to any amendments or variations thereto made in accordance with the terms of the Support Agreement, the Backstop Agreement, this Agreement and the Plan of Arrangement, or made at the direction of the Court in the Final Order, with the consent of Lightstream, ArrangeCo and the Initial Consenting Noteholders in each case, each acting reasonably.

"**Articles of Arrangement**" means the articles of arrangement of Lightstream and ArrangeCo in respect of the Arrangement required under Subsection 192(6) of the CBCA to be sent to the Director after the Final Order is made, which shall include the Plan of Arrangement, with any such modifications as may be acceptable to Lightstream, ArrangeCo and the Initial Consenting Noteholders, each acting reasonably.

"**Backstop Agreement**" means the backstop agreement dated as of July 28, 2016 among Lightstream and the Backstoppers, pursuant to which the Backstoppers agreed to acquire any of the New Secured Notes not otherwise purchased by Eligible Secured Noteholders pursuant to the New Secured Notes Offering, as the same may be amended or restated from time to time in accordance with its terms.

"**Backstoppers**" means those Secured Noteholders who have entered into the Backstop Agreement.

"**Business Day**" means any day, other than a Saturday or a Sunday or civic holiday, on which commercial banks are generally open for business in Calgary, Alberta.

"**CBCA**" means the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended.

"**Certificate of Arrangement**" means the certificate of arrangement to be issued by the Director pursuant to Section 192(7) of the CBCA giving effect to the Articles of Arrangement and the Plan of Arrangement in accordance with Section 262 of the CBCA.

"**Circular**" means the Notices of Meeting and the management information circular of Lightstream in respect of the Arrangement, together with all appendices thereto, and as the same may be amended and supplemented from time to time in accordance with the terms of the Interim Order.

"**Common Shares**" means common shares in the capital of Lightstream.

"**Continuance**" means the continuation of Lightstream from the ABCA to the CBCA pursuant to Section 189 of the ABCA.

"**Continuance Dissent Right**" means the right of a registered Shareholder to dissent in respect of the Continuance and, if the Continuance becomes effective, to be paid by Lightstream the fair value of the Common Shares in respect of which a Shareholder exercises the Continuance Dissent Right.

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

"**Credit Agreement**" means the third amended and restated credit agreement dated as of May 29, 2015 entered into, among others, by Lightstream as borrower, The Toronto-Dominion Bank as administrative

agent and the lenders party thereto, as amended by: (i) a consent and first amending agreement dated as of June 30, 2015; and (ii) a second amending agreement dated as of December 2, 2015.

"**Director**" means the Director appointed under Section 260 of the CBCA.

"**Effective Time**" means the time when the Arrangement becomes effective pursuant to the terms of the Plan of Arrangement.

"**Eligible Secured Noteholder**" has the meaning set forth in the Plan of Arrangement.

"**Escrow Agent**" means the escrow agent to be appointed pursuant to the Escrow Agreement.

"**Escrow Agreement**" means the escrow agreement to be entered into between Lightstream, Goodmans LLP (on behalf of the Backstoppers) and the Escrow Agent for purposes of the Backstop Agreement, the terms and conditions of which shall be acceptable to each of Lightstream, the Backstoppers and the Escrow Agent, each acting reasonably, pursuant to which certain funds in respect of the New Secured Notes Offering shall be received and held in escrow.

"**Final Order**" means the final order of the Court approving the Plan of Arrangement, as such order may be amended at any time prior to the Implementation Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or amended on appeal.

"**Governmental Entity**" means any government, regulatory authority, governmental department, agency, commission, bureau, official, minister, Crown corporation, court, board, tribunal or dispute settlement panel or other law, rule or regulation-making organization or entity: (a) having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any other geographic or political subdivision of any of them; or (b) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power.

"**Implementation Date**" means the date shown on the Certificate of Arrangement issued by the Director under the CBCA.

"**Initial Consenting Noteholders**" means the Noteholders that entered into the Support Agreement on July 12, 2016.

"**Interim Order**" means the interim order of the Court pursuant to Subsection 192(4) of the CBCA, containing declarations and directions with respect to the Arrangement and the Meetings issued pursuant to the application of ArrangeCo and Lightstream, as such order may be amended or supplemented by further order of the Court at any time prior to the Implementation Date or, if appealed, then unless such appeal is withdrawn or denied, as affirmed or amended on appeal.

"**Law**" or "**Laws**" means any law, statute, order, decree, consent decree, judgment, rule regulation, ordinance or other pronouncement having the effect of law whether in Canada, the United States or any other country, or any domestic or foreign state, county, province, city or other political subdivision or of any Governmental Entity.

"**Meetings**" means, collectively, the Shareholders' Meeting, the Secured Noteholders' Meeting and the Unsecured Noteholders' Meeting.

"**New Common Shares**" has the meaning set forth in the Plan of Arrangement.

"**New Indenture Trustee**" means the trustee, and its successors and assigns, under the New Secured Note Indenture.

"**New Revolving Facility**" means the credit facility contemplated by the New Revolving Facility Commitment Letters on terms and conditions acceptable to Lightstream and the Initial Consenting Noteholders, which shall include a commitment of $400 million and a 364-day revolving period with a one-year term-out and which shall be used to repay all indebtedness and amounts owing to the lenders under the Credit Agreement in full and to provide working capital and finance permitted acquisitions after the Implementation Date.

"**New Revolving Facility Commitment Letters**" means commitment letters pursuant to which the providers of the New Revolving Facility agree to provide the New Revolving Facility to Lightstream on terms and conditions acceptable to Lightstream and the Initial Consenting Noteholders, and which shall provide that the new Revolving Facility shall become available on the Implementation Date and shall be used to repay all indebtedness and amounts owing to the lenders under the Credit Agreement in full and to provide working capital and finance permitted acquisitions after the Implementation Date.

"**New Secured Note Indenture**" means the indenture to be entered into between Lightstream and the New Indenture Trustee on the Implementation Date, which shall govern the New Secured Notes and be in form and substance acceptable to Lightstream and the Backstoppers, each acting reasonably.

"**New Secured Notes**" means U.S.$39,285,000 aggregate principal amount of 12% new second lien secured notes of Lightstream due 2020 to be issued on the Implementation Date, with an original cash issue discount of 2%, pursuant to the Plan of Arrangement and the New Secured Note Indenture, and having the material terms set forth in the term sheet attached as Schedule C to the Backstop Agreement.

"**New Secured Notes Offering**" means the offering of New Secured Notes to Eligible Secured Noteholders pursuant to the Plan of Arrangement.

"**Noteholders**" means, collectively, the holders of the Notes.

"**Notes**" means, collectively, the Secured Notes and the Unsecured Notes.

"**Notices of Meeting**" means, collectively, the Shareholders' Notice, the Secured Noteholders' Notice and the Unsecured Noteholders' Notice.

"**Parties**" means, collectively, the parties to this Agreement, and "**Party**" means any one of them.

"**Plan of Arrangement**" means the plan of arrangement substantially in the form set out in Exhibit A hereto proposed under Section 192 of the CBCA, and any amendments or variations thereto made in accordance with the terms of the Plan of Arrangement, this Agreement or made at the direction of the Court in the Final Order.

"**Recapitalization**" means the transactions contemplated by the Plan of Arrangement.

"**Secured Noteholders' Meeting**" means the meeting of the Secured Noteholders to be held pursuant to the Interim Order to consider the matters set out in the Secured Noteholders' Notice.

"**Secured Noteholders' Notice**" means the notice convening the Secured Noteholders' Meeting.

"**Secured Notes**" means the US$650 million principal amount of 9.875% Second Lien Secured Notes due June 15, 2019.

"**Shareholders**" means the holders of Common Shares (and following completion of the Arrangement, the New Common Shares).

"**Shareholders' Meeting**" means the meeting of Shareholders to be held pursuant to the Interim Order to consider the matters set out in the Shareholders' Notice.

"**Shareholders' Notice**" means the notice convening the Shareholders' Meeting.

"**Support Agreement**" means the support agreement (and all schedules and exhibits thereto) among Lightstream and the Initial Consenting Noteholders dated July 12, 2016, as the same may be amended or restated from time to time in accordance with its terms.

"**Trustees**" means U.S. Bank National Association, as U.S. trustee, and Computershare Trust Company of Canada, as Canadian trustee, under the indentures pursuant to which the Secured Notes and Unsecured Notes were issued.

"**TSX**" means the Toronto Stock Exchange.

"**Unsecured Noteholders' Meeting**" means the meeting of the Unsecured Noteholders to be held pursuant to the Interim Order to consider the matters set out in the Unsecured Noteholders' Notice.

"**Unsecured Noteholders' Notice**" means the notice convening the Unsecured Noteholders' Meeting.

"**Unsecured Notes**" means the US$253,946,000 principal amount of 8.625% Senior Unsecured Notes due February 1, 2020.

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. Unless otherwise indicated, all references in this Agreement to an "Article" or "Section" followed by a number and/or a letter refer to the specified article or section of this Agreement, and all references in this Agreement to an "Exhibit" followed by a letter refer to the specified exhibit to this Agreement.

1.3 Entire Agreement

This Agreement together with the agreements and documents herein and therein referred to, constitute the entire agreement among the Parties pertaining to the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, among the Parties with respect to the subject matter hereof.

1.4 Currency

All references to "$" or sums of money that are referred to in this Agreement are expressed in lawful money of Canada, unless specified otherwise.

1.5 Construction In this Agreement, unless otherwise indicated:

(a) 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;

(b) the words "include", "including" or "in particular", when following any general term or statement, shall not be construed as limiting the general term or statement to the specific items or matters set forth or to similar items or matters, but rather as permitting the general term or statement to refer to all other items or matters that could reasonably fall within the broadest possible scope of the general term or statement;

(c) a reference to a statute means that statute, as amended and in effect as of the date of this Agreement, and includes each and every regulation and rule made thereunder and in effect as of the date hereof;

(d) a reference to an "approval", "authorization", "consent", "designation", "notice" or "agreement" means an approval, authorization, consent, designation, notice or agreement, as the case may be, in writing, signed by an authorized representative of the party or parties thereto;

(e) where a word, term or phrase is defined, its derivatives or other grammatical forms have a corresponding meaning; and

(f) time is of the essence.

1.6 Governing Law

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

1.7 Exhibit

The following exhibit attached hereto is incorporated into and forms an integral part of this Agreement:

A – Plan of Arrangement

ARTICLE 2
THE ARRANGEMENT

2.1 Arrangement

Lightstream and ArrangeCo agree, subject to such changes as may be mutually agreed to by the Parties in accordance with this Agreement and as may be agreed to by the Initial Consenting Noteholders pursuant to the Support Agreement and the Backstoppers pursuant to the Backstop Agreement, as applicable, that the Arrangement will be implemented in accordance with this Agreement and the Plan of Arrangement.

2.2 Articles of Arrangement and Implementation Date

The Articles of Arrangement shall implement the Plan of Arrangement. The Arrangement shall become effective at the Effective Time on the Implementation Date. The closing of the transactions contemplated hereby will take place on the Implementation Date at the offices of Blake, Cassels & Graydon LLP in Calgary, Alberta or such other location as may be agreed upon by the Parties.

ARTICLE 3
CONDITIONS PRECEDENT

3.1 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 Implementation Date or such other time specified, of the following conditions precedent, each of which may, subject to the Support Agreement and the Backstop Agreement, only be waived with the mutual consent of the Parties:

(a) the Continuance must be approved by the Shareholders and be completed;

(b) subject to any further order of the Court, the Plan of Arrangement must be submitted to the Noteholders and Shareholders for their approval and approved by the requisite number of votes cast in the manner set forth in the Interim Order;

(c) the Final Order shall have been granted in form and substance satisfactory to the Parties and the Initial Consenting Noteholders, acting reasonably;

(d) all necessary documents filed with the Director in accordance with the Plan of Arrangement shall be in form and substance satisfactory to each of the Parties and the Initial Consenting Noteholders, acting reasonably, and shall have been accepted for filing by the Director together with the Articles of Arrangement in accordance with Section 192 of the CBCA;

(e) no action shall have been instituted and be continuing on the Implementation Date for an injunction to restrain, a declaratory judgment in respect of damages on account of or relating to the Recapitalization and no cease trading or similar order with respect to any securities of any of Lightstream shall have become effective or threatened;

(f) Lightstream and ArrangeCo shall have taken all necessary corporate actions and proceedings in connection with the Recapitalization;

(g) all necessary third party and regulatory consents and approvals with respect to the transactions contemplated hereby shall have been completed or obtained;

(h) the Trustees (or either of them) shall not have objected in any respect to, or taken any action that would or could adversely affect, the Recapitalization nor shall the Trustees (or either of them) have taken any action that challenges the validity or effectiveness of the procedures used by Lightstream in effecting the Recapitalization;

(i) there shall have been no changes to the implementation steps of the Plan filed with the Court pursuant to Section 4(f) of the Support Agreement, except as agreed to by Lightstream and the Initial Consenting Noteholders, acting reasonably;

(j) there shall not be in effect any preliminary or final decision, order or decree by a Governmental Entity, and no action shall have been announced, threatened or commenced by any Governmental Entity, in consequence of or in connection with the Recapitalization that prohibits or materially restrains or impedes (or if granted could reasonably be expected to prohibit or materially restrain or impede) the Recapitalization or any material part thereof or requires or purports to require a material variation of the Recapitalization;

(k) the New Revolving Facility Commitment Letters shall have been executed by Lightstream and the providers of the New Revolving Facility on terms acceptable to Lightstream and the Initial Consenting Noteholders, acting reasonably;

(l) the New Revolving Facility shall become effective on the Implementation Date and Lightstream shall be entitled, in accordance with the terms and conditions thereof, to borrow funds thereunder beginning on the Implementation Date;

(m) all indebtedness and amounts owing to the lenders under the Credit Agreement shall have been repaid in full, or arrangements to make such repayment in full concurrently with or as soon as practicable following the completion of the Arrangement shall be in place to the satisfaction of the Administrative Agent, on behalf of the lenders under the Credit Agreement, acting reasonably;

(n) the New Secured Note Indenture shall have been executed by Lightstream and the New Indenture Trustee on terms acceptable to Lightstream and the Backstoppers, acting reasonably;

(o) Lightstream shall have satisfied in all material respects all of its obligations and covenants under the Support Agreement and Backstop Agreement which, by their terms, must be satisfied prior to the Effective Time;

(p) the Initial Noteholders shall have complied with their obligations under the Support Agreement in all material respects;

(q) the Backstoppers shall have complied with their obligations under the Backstop Agreement in all material respects (including making payment to the Escrow Agent in accordance with the terms thereof);

(r) the New Common Shares to be issued and distributed pursuant to the Plan of Arrangement shall be conditionally approved for listing on the TSX, subject only to receipt of customary final documentation;

(s) the New Common Shares issuable on the exercise of the New Series 1 Warrants (as defined in the Plan of Arrangement) and the New Common Shares issuable on the exercise of the New Series 2 Warrants (as defined in the Plan of Arrangement) shall be conditionally approved for listing on the TSX, subject only to receipt of customary final documentation; and

(t) Continuance Dissent Rights shall not have been validly exercised and not withdrawn with respect to more than 5% of the Common Shares.

The foregoing conditions are for the mutual benefit of the Parties and may be asserted by each of the Parties regardless of the circumstances and may be waived by each of the Parties in their sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which any such Parties may have; provided that the condition in Section 3.1(m) may not be waived without the prior written consent of the Administrative Agent on behalf of the lenders under the Credit Agreement. The foregoing is in addition to, and does not derogate from, the conditions set forth in Section 6.1 of the Plan of Arrangement.

3.2 Satisfaction of Conditions

The conditions precedent set out in Section 3.1 shall be conclusively deemed to have been satisfied, waived or released when, the Certificate of Arrangement is issued by the Director following the filing of the Articles of Arrangement.

ARTICLE 4
MUTUAL COVENANTS

4.1 Regarding the Arrangement

Subject to the terms and conditions of this Agreement, each of Lightstream and ArrangeCo shall use its commercially reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under Applicable Law to consummate the Plan or Arrangement and the transactions contemplated by this Agreement as soon as practicable.

4.2 Tax Election

Lightstream covenants and agrees to make an election under Subsection 256(9) of the *Income Tax Act* (Canada) in respect of any acquisition of control resulting from any transactions pursuant to the Plan of Arrangement.

ARTICLE 5
TERMINATION

5.1 Termination

This Agreement may be terminated and the Arrangement may be abandoned at any time prior to the Effective Time (notwithstanding any approval of this Agreement or the Arrangement by the Shareholders, Noteholders and/or the Court) by mutual written agreement of Lightstream and ArrangeCo and this Agreement shall automatically terminate in the event of termination of the Support Agreement.

5.2 Effect of Termination

If this Agreement is terminated pursuant to Section 5.1, this Agreement shall become void and of no effect without liability of any Party (or any shareholder, director, officer, employee, agent, consultant or representative of such Party) to any other Party hereto.

ARTICLE 6
AMENDMENT

6.1 Amendments

Subject to the terms of the Support Agreement and the Backstop Agreement, this Agreement and the Plan of Arrangement may, subject to the Plan of Arrangement, Interim Order, Final Order and Applicable Law, at any time and from time to time before or after the holding of the Meetings but not later than the Effective Time, be amended by mutual written agreement of the Parties, and any such amendment may, subject to the Plan of Arrangement, Interim Order, Final Order and Applicable Law, 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 in any document delivered pursuant hereto;

(c) waive compliance with or modify any of the covenants herein contained or waive or modify performance of any of the obligations of the Parties; or

(d) waive compliance with or modify any mutual conditions precedent herein contained.

ARTICLE 7
GENERAL

7.1 Binding Effect

This Agreement shall be binding upon and enure to the benefit of the Parties hereto and their respective successors and permitted assigns.

7.2 Assignment

No Party to this Agreement may assign any of its rights or obligations under this Agreement without prior written consent of the other Parties to this Agreement.

7.3 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 in any jurisdiction, the remaining provisions or

parts thereof contained herein shall be and shall be conclusively deemed to be, as to such jurisdiction, severable therefrom and:

(a) 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; and

(b) the invalidity, illegality or unenforceability of any provision or part thereof contained in this Agreement in any jurisdiction shall not affect or impair such provision or part thereof or any other provisions of this Agreement in any other jurisdiction.

7.4 Further Assurances

Each Party hereto shall, from time to time and at all times hereafter, at the request of any other Party hereto, but without further consideration, do all such further acts, and execute and deliver all such further documents and instruments as may be reasonably required in order to fully perform and carry out the terms and intent hereof.

7.5 Execution in Counterparts

This Agreement may be executed in counterparts, each of which is and is hereby conclusively deemed to be an original and counterparts collectively are to be conclusively deemed one instrument. Delivery of counterparts may be effected by facsimile transmission.

7.6 Waiver

No waiver by any Party shall be effective unless in writing and any waiver shall affect only the matter, and the occurrence thereof, specifically identified and shall not extend to any other matter or occurrence.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first above written.

LIGHTSTREAM RESOURCES LTD.

Per: _"*John D. Wright*"_____
John D. Wright
President and Chief Executive Officer

9817158 CANADA LTD.

Per: _"*John D. Wright"*_____
John D. Wright
President and Chief Executive Officer

EXHIBIT A

PLAN OF ARRANGEMENT UNDER SECTION 192
OF THE
CANADA BUSINESS CORPORATIONS ACT

[See Appendix H to Information Circular]

APPENDIX H

PLAN OF ARRANGEMENT

(as amended August 4, 2016)

PLAN OF ARRANGEMENT
UNDER SECTION 192 OF THE
CANADA BUSINESS CORPORATIONS ACT

ARTICLE 1
INTERPRETATION

"**ABCA**" means the *Business Corporations Act* (Alberta), R.S.A. 2000, c. B-9, as amended.

"**Actions**" means the actions commenced in the Court of Queen's Bench of Alberta by Mudrick Capital Management, LP (Court File No. 1501-08782) and by FrontFour Capital Corp. and FrontFour Group LLC (Court File No. 1501-07813) against Lightstream.

"**Administrative Agent**" means The Toronto-Dominion Bank, as agent for a syndicate of lenders under the Credit Agreement.

"**Amalco**" has the meaning ascribed in Section 4.5(f).

"**Amalgamation**" means the amalgamation of Lightstream and ArrangeCo to form Amalco pursuant to this Plan of Arrangement.

"**Anticipated Implementation Date**" means the anticipated Implementation Date for this Plan of Arrangement, to be established by Lightstream and the Initial Consenting Noteholders and communicated to the Participating Noteholders and Backstoppers pursuant to Section 3.3.

"**Applicants**" means, collectively, ArrangeCo and Lightstream.

"**ArrangeCo**" means 9817158 Canada Ltd., a corporation incorporated pursuant to the CBCA and a wholly-owned subsidiary of Lightstream.

"**Arrangement**" means the arrangement under Section 192 of the CBCA on the terms and subject to the conditions set forth in this Plan of Arrangement, subject to any amendments or variations made in accordance with the terms of the Support Agreement, the Backstop Agreement, the Arrangement Agreement and this Plan of Arrangement, or made at the direction of the Court in the Final Order, with the consent of the Applicants and the Initial Consenting Noteholders in each case, each acting reasonably.

"**Arrangement Agreement**" means the arrangement agreement dated July 28, 2016 between Lightstream and ArrangeCo, as the same may be amended or restated from time to time in accordance with its terms.

"**Arrangement Resolution**" means, collectively, the resolutions of the Shareholders, the Secured Noteholders and the Unsecured Noteholders, in substantially the form attached to the Information Circular, to be considered at the Meetings to, among other things, approve the Arrangement and this Plan of Arrangement.

"**Articles of Arrangement**" means the articles of arrangement of the Applicants in respect of the Arrangement required under Subsection 192(6) of the CBCA to be sent to the Director after the Final Order is made, which shall include this Plan of Arrangement, with any modifications as may be acceptable to the Applicants and the Initial Consenting Noteholders, each acting reasonably.

"**Backstop Agreement**" means the backstop agreement dated as of July 28, 2016 among Lightstream and the Backstoppers, pursuant to which the Backstoppers agreed to acquire any of the New Secured Notes not otherwise purchased by Eligible Secured Noteholders pursuant to the New Secured Notes Offering, as the same may be amended or restated from time to time in accordance with its terms.

"**Backstop Commitment**" means the commitment of each Backstopper to purchase its share of the Backstopped Notes pursuant to and in accordance with the terms of this Plan of Arrangement and the Backstop Agreement.

"**Backstop Funding Deadline**" has the meaning ascribed in Section 3.3(d).

"**Backstop Share**" means, with respect to each Backstopper, its aggregate Backstop Commitment divided by the aggregate Backstop Commitments of all Backstoppers.

"**Backstopped Notes**" has the meaning ascribed in Section 3.3(c)(i).

"**Backstopped Notes Payment Amount**" has the meaning ascribed in Section 3.3(c)(ii).

"**Backstoppers**" means those Secured Noteholders who have entered into the Backstop Agreement.

"**Business Day**" means any day, other than a Saturday or a Sunday or civic holiday, on which commercial banks are generally open for business in Calgary, Alberta.

"**Canadian Securities Commissions**" means, collectively, the applicable securities commissions or regulatory authorities in each of the provinces of Canada.

"**Canadian Securities Laws**" means, collectively, and, as the context may require, the applicable securities laws of each of the provinces of Canada, and the respective regulations and rules made under those securities laws together with all applicable published policy statements, instruments, blanket orders and rulings of the Canadian Securities Commissions and all discretionary orders or rulings, if any, of the Canadian Securities Commissions made in connection with the transactions contemplated by this Agreement together with applicable published policy statements of the Canadian Securities Administrators, as the context may require.

"**CBCA**" means the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended.

"**CCAA**" means the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended.

"**CDS**" means CDS Clearing and Depository Services Inc., or any of its successors or assigns.

"**Certificate of Arrangement**" means the certificate of arrangement to be issued by the Director pursuant to Section 192(7) of the CBCA giving effect to the Articles of Arrangement and this Plan of Arrangement in accordance with Section 262 of the CBCA.

"**Common Share Consolidation**" means the consolidation of the Pre-Consolidation Shares pursuant to Section 4.5(g) of the Plan of Arrangement.

"**Common Shares**" means common shares in the capital of Lightstream (including, for greater certainty, Amalco following the amalgamation of Lightstream and ArrangeCo pursuant to this Plan of Arrangement) as they existed prior to the redesignation of such common shares into Lightstream Class A Shares pursuant to Section 4.5(h)(i)(A) (including, for greater certainty, (i) prior to the Common Share Consolidation, the Pre-Consolidation Shares, and (ii) following completion of the Common Share Consolidation, the common shares in the capital of Lightstream as they exist from and after such time).

"**Continuance**" means the continuation of Lightstream from the ABCA to the CBCA pursuant to Section 189 of the ABCA.

"**Continuance Dissent Right**" means the right of a registered Shareholder to dissent in respect of the Continuance and, if the Continuance becomes effective, to be paid by Lightstream the fair value of the Common Shares in respect of which a Shareholder exercises the Continuance Dissent Right.

"**Conversion Notice**" means a Reorganization Time Notice or a Subsequent Time Notice delivered pursuant to the terms of the Secured Note Indenture.

"**Corporation Released Parties**" has the meaning ascribed in Section 7.3.

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

"**Credit Agreement**" means the third amended and restated credit agreement dated as of May 29, 2015 entered into, among others, by Lightstream as borrower, The Toronto-Dominion Bank as administrative agent and the lenders party thereto, as amended by: (i) a consent and first amending agreement dated as of June 30, 2015; and (ii) a second amending agreement dated as of December 2, 2015.

"**Deferred Compensation Shares**" means the Common Shares issuable under Lightstream's Deferred Share Compensation Plan.

"**Depositary**" means Computershare Trust Company of Canada in its capacity as depositary in respect of the Arrangement.

"**Director**" means the Director appointed under Section 260 of the CBCA.

"**DTC**" means the Depository Trust & Clearing Corporation, or any of its successors or assigns.

"**Effective Time**" means 12:01 a.m. on the Implementation Date or such other date or time as the Applicants and the Initial Consenting Noteholders, each acting reasonably, may agree in writing.

"**Eligible Secured Noteholder**" means a Person that: (i) is a Secured Noteholder on the Participation Record Date; (ii) either (A) is in the United States (as such term is defined in Regulation S under the U.S. Securities Act) or places its purchase order from within the United States, and is, and Lightstream has a reasonable belief that such Person is, an institution that is an "accredited investor" within the meaning of Rule 501(a)(1), (2), (3) or (7) of Regulation D under the U.S. Securities Act or (B) is not in the United States and does not place its purchase order from within the United States; and (iii) if such Person is resident outside of Canada and the United States, it is qualified to participate in the New Secured Notes Offering in accordance with the laws of its jurisdiction of residence and it has provided evidence satisfactory to Lightstream to demonstrate such qualification.

"**Entitlements**" means all legal, equitable, contractual and any other rights or claims (whether actual or contingent, and whether or not previously asserted) of any Person with respect to or arising out of, or in connection with, the Secured Notes or the Secured Note Indenture or the Unsecured Notes or the Unsecured Note Indenture (including any guarantees granted in respect of, or pursuant to, the foregoing), as the case may be.

"**Escrow Agent**" means the escrow agent to be appointed pursuant to the Escrow Agreement.

"**Escrow Agreement**" means the escrow agreement to be entered into between Lightstream, Goodmans LLP (on behalf of the Backstoppers) and the Escrow Agent for purposes of the Backstop Agreement, the terms and conditions of which shall be acceptable to each of Lightstream, the Backstoppers and the Escrow Agent, each acting reasonably, pursuant to which certain funds in respect of the New Secured Notes Offering shall be received and held in escrow.

"**Exchange Pro Rata Share**" means, with respect to each Secured Noteholder, a pro rata share equal to the principal amount of Secured Notes in respect of which the Secured Noteholder has not delivered a Conversion Notice, divided by the aggregate principal amount of all Secured Notes outstanding, in each case immediately prior to the Implementation Date.

"**Final Order**" means the final order of the Court approving this Plan of Arrangement and approving the releases in Sections 7.3, 7.4 and 7.5 hereof, including a release of the Actions, as such order may be amended at any time prior to the Implementation Date or, if appealed, then unless such appeal is withdrawn or denied, as affirmed or amended on appeal.

"**Governmental Entity**" means any government, regulatory authority, governmental department, agency, commission, bureau, official, minister, Crown corporation, court, board, tribunal or dispute settlement panel or other law, rule or regulation-making organization or entity: (a) having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any other geographic or political subdivision of any of them; or (b) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power.

"**Implementation Date**" means the date shown on the Certificate of Arrangement issued by the Director under the CBCA.

"**Incentive Shares**" means the Common Shares issuable under Lightstream's Incentive Share Plan.

"**Information Circular**" means the management information circular of Lightstream dated August ●, 2016 with respect to the Meetings and, among other things, the Arrangement.

"**Initial Consenting Noteholders**" means the Noteholders that entered into the Support Agreement on July 12, 2016.

"**Interim Order**" means the interim order of the Court pursuant to Section 192(4) of the CBCA, containing declarations and directions with respect to the Arrangement and the Meetings issued pursuant to the application of the Applicants, as such order may be amended or supplemented by further order of the Court at any time prior to the Implementation Date or, if appealed, then unless such appeal is withdrawn or denied, as affirmed or amended on appeal.

"**Investment Canada Act**" means the *Investment Canada Act*, R.S.C. 1985, c. 28 (1st Supp.), as amended.

"**Investment Canada Act Approval**" means, if required, the Initial Consenting Noteholders shall have received notification from the responsible Minister under the Investment Canada Act, that the Minister is satisfied or is deemed to be satisfied that the applicable transactions forming part of the Recapitalization are likely to be of net benefit to Canada.

"**Law**" or "**Laws**" means any law, statute, order, decree, consent decree, judgment, rule regulation, ordinance or other pronouncement having the effect of law whether in Canada, the United States or any other country, or any domestic or foreign state, county, province, city or other political subdivision or of any Governmental Entity.

"**Lightstream**" means Lightstream Resources Ltd., a corporation continued under the CBCA, and, as the context may require, includes Amalco as the corporation arising from the amalgamation of Lightstream and ArrangeCo pursuant to this Plan of Arrangement.

"**Lightstream Board**" means the board of directors of Lightstream prior to the Amalgamation.

"**Lightstream Class A Shares**" has the meaning ascribed in Section 4.5(h)(i)(A).

"**Material**" means a fact, circumstance, change, effect, matter, action, condition, event, occurrence or development that, individually or in the aggregate, is, or would reasonably be expected to be, material to the business, affairs, results of operations or financial condition of Lightstream.

"**Material Adverse Change**" has the meaning ascribed in the Support Agreement.

"**Meeting Date**" means September 13, 2016, subject to any postponement or adjournment of that date pursuant to the Interim Order or any other Order.

"**Meetings**" means, collectively, the Shareholders' Meeting, the Secured Noteholders' Meeting and the Unsecured Noteholders' Meeting.

"**New Common Shares**" means a new class of voting common shares which Lightstream will create and issue as described in Section 4.5(h)(i)(B) and for which the Lightstream Class A Shares are to be exchanged under this Plan of Arrangement and which, immediately after completion of the transactions comprising the Plan of Arrangement, will be identical in every relevant respect to the Common Shares immediately after giving effect to the Common Share Consolidation pursuant to Section 4.5(g);

"**New Indenture Trustee**" means the trustee, and its successors and assigns, under the New Secured Note Indenture.

"**New Revolving Facility**" means the credit facility contemplated by the New Revolving Facility Commitment Letters on terms and conditions acceptable to Lightstream and the Initial Consenting Noteholders, which shall include a commitment of $400 million and a 364-day revolving period with a one-year term-out, and which shall be used to repay all indebtedness and amounts owing to the lenders under the Credit Agreement in full and to provide working capital and finance permitted acquisitions after the Implementation Date.

"**New Revolving Facility Commitment Letters**" means commitment letters pursuant to which the providers of the New Revolving Facility agree to provide the New Revolving Facility to Lightstream, on terms and conditions acceptable to Lightstream and the Initial Consenting Noteholders, and which shall provide that the New Revolving Facility shall become available on the Implementation Date and shall be used to repay all indebtedness and amounts owing to the lenders under the Credit Agreement in full and to provide working capital and finance permitted acquisitions after the Implementation Date.

"**New Secured Note Indenture**" means the indenture to be entered into between Lightstream and the New Indenture Trustee on the Implementation Date, which shall govern the New Secured Notes and be in form and substance acceptable to Lightstream and the Backstoppers, each acting reasonably.

"**New Secured Notes**" means U.S.$39,285,000 aggregate principal amount of 12% new second lien secured notes of Lightstream due 2020 to be issued on the Implementation Date, with an original cash issue discount of 2%, pursuant to this Plan of Arrangement and the New Secured Note Indenture, and having the material terms set forth in the term sheet attached as Schedule C to the Backstop Agreement.

"**New Secured Notes Offering**" means the offering of New Secured Notes to Eligible Secured Noteholders pursuant to this Plan of Arrangement.

"**New Secured Notes Participation Form**" means the certification and participation form to be circulated to Secured Noteholders and completed by Eligible Secured Noteholders in advance of the Participation Deadline in order to make certain acknowledgments, agreements and certifications (including as to status as an Eligible Secured Noteholder and restrictions on transfer and exercise of conversion rights) and to participate in the New Secured Notes Offering.

"**New Series 1 Warrant Indenture**" means a warrant indenture governing the New Series 1 Warrants to be dated as of the Implementation Date between Lightstream and Computershare Trust Company of Canada, as warrant agent, in form and substance acceptable to Lightstream and the Initial Consenting Noteholders, each acting reasonably.

"**New Series 1 Warrants**" means the new Series 1 common share purchase warrants of Lightstream to be issued to the Unsecured Noteholders pursuant to the Arrangement and pursuant to the New Series 1 Warrant Indenture, with each New Series 1 Warrant exercisable for one New Common Share for a period

of five (5) years following the Implementation Date at the following exercise prices per New Common Share: $10.25 commencing on the Implementation Date; $10.69 commencing on June 1, 2017; $10.90 commencing on December 1, 2017; $11.34 commencing on June 1, 2018; and $11.77 commencing on June 1, 2019.

"**New Series 2 Warrant Indenture**" means a warrant indenture governing the New Series 2 Warrants to be dated as of the Implementation Date between Lightstream and Computershare Trust Company of Canada, as warrant agent, in form and substance acceptable to Lightstream and the Initial Consenting Noteholders, each acting reasonably.

"**New Series 2 Warrants**" means the new Series 2 common share purchase warrants of Lightstream to be issued to the Shareholders at the applicable time pursuant to the Arrangement and pursuant to the New Series 2 Warrant Indenture, with each New Series 2 Warrant exercisable for one New Common Share for a period of five (5) years following the Implementation Date at the following exercise prices per New Common Share: $12.88 commencing on the Implementation Date; $13.41 commencing on June 1, 2017; $13.75 commencing on December 1, 2017; $14.29 commencing on June 1, 2018; $14.42 commencing on December 1, 2018; and $14.96 commencing on June 1, 2019.

"**Noteholders**" means, collectively, the Secured Noteholders and Unsecured Noteholders.

"**Obligations**" means all obligations, liabilities and indebtedness of Lightstream and its affiliates with respect to or arising out of, or in connection with, any Secured Note Claim, the Secured Notes or the Secured Note Indenture or any Unsecured Note Claim, the Unsecured Notes or the Unsecured Note Indenture (including any guarantees granted in respect of, or pursuant to, the foregoing), as the case may be, and including all claims and obligations arising or resulting from the Actions, but, for greater certainty, shall not include any obligations or liabilities of Lightstream and its affiliates with respect to or arising out of, or in connection with, the Support Agreement or the Backstop Agreement.

"**Options**" means the options to acquire Common Shares granted pursuant to Lightstream's stock option plan dated May 14, 2015.

"**Order**" means any order of the Court in these proceedings, including, without limitation, the Preliminary Interim Order, the Interim Order and the Final Order.

"**Outside Date**" means October 31, 2016, provided that if on October 31, 2016 the Arrangement has not been implemented solely as a result of the Investment Canada Act Approval not having been obtained, the Outside Date shall be automatically extended to November 30, 2016; or such other date as Lightstream and the Initial Consenting Noteholders may agree in writing.

"**Participating Noteholder**" has the meaning ascribed in Section 3.2.

"**Participating Noteholder Funding Deadline**" has the meaning ascribed in Section 3.3(b).

"**Participation Deadline**" shall mean 5:00 p.m. (Calgary time) on August 26, 2016, or such other date as Lightstream and the Backstoppers, each acting reasonably, may agree in writing.

"**Participation Record Date**" means August 5, 2016, or such other date as Lightstream and the Backstoppers, each acting reasonably, may agree in writing.

"**Payor**" has the meaning ascribed in Section 5.4.

"**Person**" includes any individual, firm, partnership, joint venture, venture capital fund, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate (including a limited liability company and an unlimited liability company), corporation, unincorporated association or organization, governmental authority, syndicate or other entity, whether or not having legal status.

"**Plan of Arrangement**" means this plan of arrangement proposed under Section 192 of the CBCA, and any amendments or variations made in accordance with the terms of this Plan of Arrangement, the Arrangement Agreement or made at the direction of the Court in the Final Order.

"**Pre-Consolidation Shares**" means Common Shares outstanding prior to the Common Share Consolidation.

"**Preliminary Interim Order**" means the Order pursuant to Section 192(4) of the CBCA granted on July 13, 2016 in respect of the Applicants.

"**Primary Conversion Pro Rata Share**" means, with respect to each Secured Noteholder, a pro rata share equal to the principal amount of Secured Notes in respect of which the Secured Noteholder Conversion Right has been exercised by such Secured Noteholder pursuant to a Reorganization Time Notice, divided by the aggregate principal amount of all Secured Notes outstanding, in each case immediately prior to the Implementation Date.

"**Pro Rata Portion"** means:

(a) with respect to each Secured Noteholder, the principal amount of Secured Notes held by such Secured Noteholder divided by the aggregate principal amount of all Secured Notes, in each case, immediately prior to the Implementation Date;

(b) with respect to each Unsecured Noteholder, the principal amount of Unsecured Notes held by such Unsecured Noteholder divided by the aggregate principal amount of all Unsecured Notes, in each case, immediately prior to the Implementation Date; and

(c) with respect to each Shareholder, the number of Common Shares, Lightstream Class A Shares or New Common Shares, as applicable, held by such Shareholder at the applicable time divided by the number of all issued and outstanding Common Shares, Lightstream Class A Shares or New Common Shares, as applicable, at such time,

and "**Pro Rata Basis**" shall have a corresponding meaning.

"**Recapitalization**" means, the transactions contemplated by this Plan of Arrangement, including, without limitation, the Continuance, the Share Exchange, the Common Share Consolidation, the Secured Note Conversion Transaction, the Secured Note Exchange Transaction, the Unsecured Note Exchange Transaction and the New Secured Notes Offering.

"**Remaining Unsecured Note Claim**" has the meaning ascribed in Section 4.5(e).

"**Reorganization Time**" means the time on the Implementation Date at which the transactions described in Section 4.5(i) occur.

"**Reorganization Time Notice**" means a Conversion Notice to be completed by a Secured Noteholder and delivered to Lightstream at least five Business Days prior to the Implementation Date in which a Secured Noteholder has elected to exercise the Secured Noteholder Conversion Right at the Reorganization Time pursuant to the Secured Note Indenture, in accordance with Section 2.1(c).

"**Secured Note Claim**" means all outstanding obligations, liabilities and indebtedness owed to a Secured Noteholder in respect of the Secured Notes including, without limitation, the outstanding principal of the Secured Notes, all accrued and unpaid interest (if any), premium, fees, costs and expenses owing under the Secured Notes and the Secured Note Indenture.

"**Secured Note Conversion Transaction**" means the conversion of a Secured Note Claim into Secured Noteholder Consideration pursuant to the Secured Noteholder Conversion Right.

"**Secured Note Exchange Transaction**" means a transaction contemplated by Section 2.1(d).

"**Secured Note Indenture**" means the indenture dated as of July 2, 2015, to be amended as contemplated by Section 2.1(a) and pursuant to this Plan of Arrangement, among Lightstream, as issuer, certain of its subsidiaries and partnerships, as guarantors, U.S. Bank National Association, as U.S. trustee, and Computershare Trust Company of Canada, as Canadian trustee and collateral agent, pursuant to which Lightstream issued the Secured Notes.

"**Secured Note Indenture Trustee Charges**" means all reasonable compensation, fees, and expenses of, and liabilities incurred, and all advances made by and owed, and all indemnity obligations, to each of the Secured Note Indenture Trustees, including the fees, expenses and costs of its agents and attorneys, under the Secured Note Indenture, whether incurred prior to or after the Implementation Date.

"**Secured Note Indenture Trustee Charging Lien**" means any lien or other priority in payment to which either of the Secured Note Indenture Trustees is entitled, pursuant to the Secured Note Indenture, against Secured Noteholder Consideration or any other distributions to be made to Secured Noteholders for payment of any Secured Note Indenture Trustee Charges.

"**Secured Note Indenture Trustees**" means U.S. Bank National Association, as U.S. trustee, and Computershare Trust Company of Canada, as Canadian trustee, under the Secured Note Indenture, or any successors thereto.

"**Secured Noteholder Consideration**" means the New Common Shares to be issued to Secured Noteholders pursuant to a Secured Note Conversion Transaction or Secured Note Exchange Transaction, as the case may be.

"**Secured Noteholder Conversion Right**" means the right of each Secured Noteholder to convert all or any portion of such holder's Secured Note Claim into New Common Shares at the option of the Secured Noteholder pursuant to the terms of the Secured Note Indenture, as amended pursuant to this Plan of Arrangement, on the basis set forth in Section 2.1(c) or (e) hereof, as applicable, by withdrawing their Secured Notes from CDS and/or DTC at least five Business Days prior to the Implementation Date and duly making an election in and executing the Conversion Notice in accordance with the terms thereof and submitting it to Lightstream at least five Business Days prior to the Implementation Date.

"**Secured Noteholder Released Parties**" has the meaning ascribed in Section 7.4.

"**Secured Noteholders**" means holders of the Secured Notes.

"**Secured Noteholders' Meeting**" means the meeting of the Secured Noteholders to be held on the Meeting Date in accordance with the Interim Order to consider and, if deemed advisable, approve the Arrangement Resolution and to consider such other matters as may properly come before such meeting, and any adjournment(s) or postponement(s) thereof.

"**Secured Notes**" means the US$650 million principal amount of 9.875% Second Lien Secured Notes due June 15, 2019.

"**Securities Laws**" means, collectively, Canadian Securities Laws and U.S. Securities Laws.

"**Share Exchange**" means the series of transactions pursuant to which Common Shares are ultimately exchanged for New Common Shares pursuant to Section 4.5(h).

"**Shareholder Consideration**" means, in respect of each Shareholder at the applicable time, (i) one New Common Share for each Lightstream Class A Share held by such Shareholder at such time, and (ii) its Pro Rata Portion of 7,750,000 New Series 2 Warrants such that a Shareholder shall receive 3.4444

Series 2 Warrants for each Lightstream Class A Share, subject to the treatment of fractional New Series 2 Warrants pursuant to Section 5.5.

"**Shareholders**" means the holders of Common Shares, Lightstream Class A Shares or New Common Shares, as applicable, at the relevant time, and following completion of the Common Share Consolidation in Section 4.5(g) shall mean only the holders of one or more whole Common Shares after giving effect to the treatment of fractional shares pursuant to Section 5.5.

"**Shareholder Rights Plan**" means the Shareholder Rights Plan Agreement dated January 1, 2013 among Lightstream and Computershare Trust Company of Canada, as rights agent, as amended from time to time.

"**Shareholders' Meeting**" means the meeting of the Shareholders to be held on the Meeting Date in accordance with the Interim Order to consider, among other things, the approval of the Arrangement.

"**Subscribed New Secured Notes**" has the meaning ascribed in Section 3.3(a)(ii).

"**Subscription Amount**" has the meaning ascribed in Section 3.3(a)(iii).

"**Subscription Notice**" has the meaning ascribed in Section 3.3(a).

"**Subscription Privilege**" means the right of an Eligible Secured Noteholder to participate in the New Secured Notes Offering by electing, in accordance with the provisions of this Plan of Arrangement, to subscribe for and purchase from Lightstream its Subscription Share of New Secured Notes.

"**Subscription Share**" means, with respect to each Eligible Secured Noteholder, approximately U.S.$60.43 principal amount of New Secured Notes for each U.S.$1,000 principal amount of Secured Notes held by such Eligible Secured Noteholder.

"**Subsequent Conversion Pro Rata Share**" means, with respect to each Secured Noteholder, a *pro rata* share equal to the principal amount of Secured Notes in respect of which the Secured Noteholder Conversion Right has been exercised by such Secured Noteholder pursuant to a Subsequent Time Notice, divided by the aggregate principal amount of all Secured Notes outstanding, in each case immediately prior to the Implementation Date.

"**Subsequent Time**" means the time on the Implementation Date at which the transactions discussed in Section 4.5(k) occur.

"**Subsequent Time Notice**" means a Conversion Notice to be completed by a Secured Noteholder and delivered to Lightstream at least five Business Days prior to the Implementation Date in which a Secured Noteholder has elected to exercise the Secured Noteholder Conversion Right at the Subsequent Time pursuant to the Secured Note Indenture, in accordance with Section 2.1(e).

"**Support Agreement**" means the support agreement (and all schedules and exhibits thereto) among Lightstream and the Initial Consenting Noteholders dated July 12, 2016, as the same may be amended or restated from time to time in accordance with its terms.

"**Tax Act**" means the *Income Tax Act* (Canada), as amended.

"**Transfer Agent**" means Computershare Trust Company of Canada.

"**TSX**" means the Toronto Stock Exchange.

"**Unsecured Note Claim**" means all outstanding obligations, liabilities and indebtedness owed to an Unsecured Noteholder in respect of the Unsecured Notes including, without limitation, the outstanding

principal of the Unsecured Notes and all accrued and unpaid interest (if any), premium, fees, costs and expenses owing under the Unsecured Notes and the Unsecured Note Indenture.

"**Unsecured Note Exchange Transaction**" means a transaction contemplated by Section 2.2(c).

"**Unsecured Note Indenture**" means the indenture dated as of January 30, 2012, as supplemented February 25, 2015, among Petrobakken Energy Ltd. (a predecessor to Lightstream), as issuer, certain of its subsidiaries and partnerships, as guarantors, U.S. Bank National Association, as U.S. trustee, and Computershare Trust Company of Canada, as Canadian trustee, pursuant to which Lightstream issued the Unsecured Notes.

"**Unsecured Note Indenture Trustee Charges**" means all reasonable compensation, fees, and expenses of, and liabilities incurred, and all advances made by and owed, and all indemnity obligations, to each of the Unsecured Note Indenture Trustees, including the fees, expenses and costs of its agents and attorneys, under the Unsecured Note Indenture, whether incurred prior to or after the Implementation Date.

"**Unsecured Note Indenture Trustee Charging Lien**" means any lien or other priority in payment to which either of the Unsecured Note Indenture Trustees is entitled, pursuant to the Unsecured Note Indenture, against Unsecured Noteholder Consideration or any other distributions to be made to Unsecured Noteholders for payment of any Unsecured Note Indenture Trustee Charges.

"**Unsecured Note Indenture Trustees**" means U.S. Bank National Association, as U.S. trustee, and Computershare Trust Company of Canada, as Canadian trustee, under the Unsecured Note Indenture, or any successors thereto.

"**Unsecured Noteholder Consideration**" means the New Common Shares and New Series 1 Warrants to be issued to Unsecured Noteholders pursuant to the Unsecured Note Exchange Transaction.

"**Unsecured Noteholder Released Parties**" has the meaning ascribed in Section 7.5.

"**Unsecured Noteholders**" means holders of the Unsecured Notes.

"**Unsecured Noteholders' Meeting**" means the meeting of the Unsecured Noteholders to be held on the Meeting Date in accordance with the Interim Order to consider and, if deemed advisable, approve the Arrangement Resolution and to consider such other matters as may properly come before such meeting, and any adjournment(s) or postponement(s) thereof.

"**Unsecured Notes**" means the US$253,946,000 principal amount of 8.625% Senior Unsecured Notes due February 1, 2020.

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

"**U.S. Securities Exchange Act**" means the *United States Securities Exchange Act of 1934*, as amended from time to time, and the rules and regulations promulgated thereunder, or any successor statute.

"**U.S. Securities Commission**" means the United States Securities and Exchange Commission.

"**U.S. Securities Laws**" means, collectively, the U.S. Securities Act, the U.S. Exchange Act and the rules and regulations of the U.S. Securities Commission.

1.1 Articles of Reference

The terms "hereof", "hereunder", "herein" and similar expressions refer to this Plan of Arrangement and not to any particular article, section, subsection, clause or paragraph of this Plan of Arrangement, and include any agreements supplemental thereto. In this Plan of Arrangement, a reference to an article, section, subsection, clause or paragraph shall, unless otherwise stated, refer to an article, section, subsection, clause or paragraph of this Plan of Arrangement.

1.2 Interpretation Not Affected by Headings

The division of this Plan of Arrangement into articles, sections, subsections, clauses and paragraphs and other portions, and the insertion of headings and a table of contents, are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement.

1.3 Gender and Number

In this Plan of Arrangement where the context requires, words importing the singular shall include the plural and vice versa and words importing the use of any gender shall include all genders.

1.4 Date for any Action

In the event that the date on which any action is required to be taken hereunder is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

1.5 Time

All times expressed herein are local time in Calgary, Alberta, Canada unless otherwise specified.

1.6 Statutory References

Any reference in this Plan of Arrangement to a statute includes all rules, regulations, published policies and blanket orders made thereunder, and any and all amendments to the foregoing in force from time to time.

1.7 Successors and Assigns

This Plan of Arrangement shall be binding upon and shall enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and assigns of any Person named or referred to in this Plan of Arrangement.

1.8 Currency

Unless otherwise stated, all references herein to sums of money, cash or currency are expressed in lawful money of the Canada.

1.9 Governing Law

This Plan of Arrangement shall be governed by and construed in accordance with the Laws of Alberta and the federal Laws of Canada applicable therein. All questions as to the interpretation or application of this Plan of Arrangement and all proceedings taken in connection with this Plan of Arrangement shall be subject to the exclusive jurisdiction of the Court.

ARTICLE 2
TREATMENT OF NOTEHOLDERS AND SHAREHOLDERS

2.1 Treatment of Secured Noteholders

On the Implementation Date, in accordance with the steps and sequence set forth in Section 4.5:

(a) The terms of the Secured Note Indenture shall be and shall be deemed to be amended to add the Secured Noteholder Conversion Right, and such amendment is not intended to be and shall not constitute a novation, substitution or disposition of the Secured Notes. The other terms and conditions of the Secured Notes will continue in full force and effect, and the Secured Notes will be considered to be the same debt obligation, in amended form;

(b) All accrued and unpaid interest owing in respect of the Secured Note Claims shall be forgiven, settled and extinguished for no consideration;

(c) At the Reorganization Time, Lightstream shall issue to each Secured Noteholder that has duly exercised the Secured Noteholder Conversion Right in respect of some or all of its Secured Notes by way of a Reorganization Time Notice, its Primary Conversion Pro Rata Share of 95,000,000 New Common Shares, in exchange for all of its right, title and interest in and to the Secured Note Claim subject to such Reorganization Time Notice;

(d) Simultaneous with the issuance of the New Common Shares described in Section 2.1(c), Lightstream shall issue to each Secured Noteholder that has not duly exercised the Secured Noteholder Conversion Right in respect of all of its Secured Notes, its Exchange Pro Rata Share of 95,000,000 New Common Shares, in exchange for all of its right, title and interest in and to the Secured Note Claim in respect of which a Secured Noteholder Conversion Right was not exercised;

(e) At the Subsequent Time, Lightstream shall issue to each Secured Noteholder that has duly exercised the Secured Noteholder Conversion Right in respect of some or all of its Secured Notes by way of a Subsequent Time Notice, its Subsequent Conversion Pro Rata Share of 95,000,000 New Common Shares, in exchange for all of its right, title and interest in and to the Secured Note Claim subject to such Subsequent Time Notice;

(f) The Secured Noteholder Consideration paid, delivered and issued to each of the Secured Noteholders pursuant to a Secured Note Conversion Transaction or the Secured Note Exchange Transaction, as the case may be, shall in either case be, and shall be deemed to be, received by the Secured Noteholders in full and final settlement of the Secured Notes, all Secured Note Claims and the Secured Note Indenture, which shall all be cancelled as of the Implementation Date, together with all Entitlements of Secured Noteholders and Obligations to Secured Noteholders, and upon such cancellation, the Secured Note Indenture Trustees shall be discharged and released pursuant to Section 7.4 hereof; provided that the cancellation of the Secured Notes and the Secured Note Indenture, and the release and discharge hereunder, shall not in any way affect or diminish either (i) the right of the Secured Note Indenture Trustees to assert their respective Secured Note Indenture Trustee Charging Liens with respect to the Secured Noteholder Consideration or any other distributions received by the Secured Noteholders, or (ii) the right of either of the Secured Note Indenture Trustees to enforce any obligation owed to it under this Plan of Arrangement; and

(g) Each Eligible Secured Noteholder shall be entitled to participate in the New Secured Notes Offering pursuant to its Subscription Privilege.

2.2 Treatment of Unsecured Noteholders

On the Implementation Date, in accordance with the steps and sequence set forth in Section 4.5:

(a) All accrued and unpaid interest owing in respect of the Unsecured Note Claims shall be forgiven, settled and extinguished for no consideration;

(b) Unsecured Note Claims in the aggregate amount that exceeds the aggregate fair market value of the aggregate New Common Shares and New Series 1 Warrants contemplated to be issued to the Unsecured Noteholders pursuant to Section 2.2(c), shall be forgiven, settled and extinguished for no consideration on a Pro Rata Basis with respect to each Unsecured Noteholder;

(c) Lightstream shall issue to each Unsecured Noteholder (i) that number of New Common Shares that is equal to its Pro Rata Portion of 2,750,000 New Common Shares (for greater certainty, post-Common Share Consolidation), and (ii) that number of New Series 1 Warrants that is equal to its Pro Rata Portion of 5,000,000 New Series 1 Warrants, in exchange for all of its right, title and interest in and to the Unsecured Note Claims remaining outstanding following the forgiveness, settlement and extinguishment of Unsecured Note Claims contemplated by Sections 2.2(a) and 2.2(b); and

(d) The Unsecured Noteholder Consideration paid, delivered and issued to each of the Unsecured Noteholders pursuant to the Unsecured Note Exchange Transaction shall be, and shall be deemed to be, received by the Unsecured Noteholders in full and final settlement of the Unsecured Notes, all Unsecured Note Claims and the Unsecured Note Indenture, which shall all be cancelled as of the Implementation Date, together with all Entitlements of Unsecured Noteholders and Obligations to Unsecured Noteholders, and upon such cancellation, the Unsecured Note Indenture Trustees shall be discharged and released pursuant to Section 7.5 hereof; provided that the cancellation of the Unsecured Notes and the Unsecured Note Indenture, and the release and discharge hereunder, shall not in any way affect or diminish either (i) the right of the Unsecured Note Indenture Trustees to assert their respective Unsecured Note Indenture Trustee Charging Liens with respect to the Unsecured Noteholder Consideration or any other distributions received by the Unsecured Noteholders, or (ii) the right of either of the Unsecured Note Indenture Trustees to enforce any obligation owed to it under this Plan of Arrangement.

2.3 Treatment of Shareholders

On the Implementation Date, in accordance with the steps and sequence set forth in Section 4.5, Lightstream shall issue to each Shareholder then in existence, the Shareholder Consideration in exchange for such Shareholder's Common Shares, as contemplated in Section 4.5(h) and in accordance with Section 86 of the Tax Act.

2.4 Treatment of Backstoppers

On the Implementation Date, in accordance with the steps and sequence set forth in Section 4.5, each Backstopper shall purchase from Lightstream its Backstop Share of the Backstopped Notes.

ARTICLE 3
DISTRIBUTIONS, ELECTIONS AND PAYMENTS

3.1 Distributions of Securities

Lightstream shall calculate the Secured Noteholder Consideration to be allocated to each registered Secured Noteholder, the Unsecured Noteholder Consideration to be allocated to each

registered Unsecured Noteholder and the Shareholder Consideration to be allocated to each registered Shareholder as of the Implementation Date. On the Implementation Date, Lightstream shall direct the Transfer Agent to issue the number of Lightstream Class A Shares, New Common Shares, New Series 1 Warrants and New Series 2 Warrants set forth in Section 4.5(g) and Sections 4.5(i)(i), (iii) and (iv), as applicable, and to update the register for such Lightstream Class A Shares, New Common Shares, New Series 1 Warrants and New Series 2 Warrants, as applicable, accordingly; provided that: (i) all Secured Noteholder Consideration shall be deemed to be made to or at the direction of the Secured Note Indenture Trustees for distribution in accordance with the Secured Note Indenture, and shall be subject in all respects to the right of the Secured Note Indenture Trustees to assert their respective Secured Note Indenture Trustee Charging Liens against such Secured Noteholder Consideration; and (ii) all Unsecured Noteholder Consideration shall be deemed to be made to or at the direction of the Unsecured Note Indenture Trustees for distribution in accordance with the Unsecured Note Indenture, and shall be subject in all respects to the right of the Unsecured Note Indenture Trustees to assert their respective Unsecured Note Indenture Trustee Charging Liens against such Unsecured Noteholder Consideration.

Upon direction from Lightstream, the Transfer Agent shall deliver Lightstream Class A Shares, New Common Shares, New Series 1 Warrants and New Series 2 Warrants to CDS, DTC and to the registered holders thereof, as applicable, on behalf of the Secured Noteholders, Unsecured Noteholders and Shareholders, in accordance with the instructions set forth in such direction.

3.2 Election to Participate in New Secured Notes Offering

Each Eligible Secured Noteholder shall have the right, but not the obligation, to elect irrevocably to participate in the New Secured Notes Offering and to subscribe for and purchase its Subscription Share of the New Secured Notes by (and subject to) returning a duly executed New Secured Notes Participation Form (or other acceptable form of instruction) pursuant to the procedures established by Lightstream, with the consent of the Backstoppers, acting reasonably, and communicated to Eligible Secured Noteholders. Any New Secured Notes Participation Form (or other acceptable form of instruction) received after the Participation Deadline will be invalid and not effective and shall be disregarded for all purposes of this Plan of Arrangement.

Submission of a New Secured Notes Participation Form (or other acceptable form of instruction) in accordance with the terms thereof and this Section 3.2, and acceptance thereof by Lightstream, shall constitute an irrevocable subscription by the applicable Eligible Secured Noteholder (each a "**Participating Noteholder**") for and a commitment by the applicable Participating Noteholder to participate in the New Secured Notes Offering by purchasing its Subscription Share of New Secured Notes in accordance with Section 3.3.

3.3 Funding of New Secured Notes Offering

The funding of the New Secured Notes Offering shall occur in accordance with the following steps:

(a) Not less than ten (10) Business Days prior to the Anticipated Implementation Date (or such other date as the Applicants and the Backstoppers may agree in writing), the Applicants shall, directly or indirectly, inform each Participating Noteholder by way of a written notice (the "**Subscription Notice**"):

(i) the Anticipated Implementation Date;

(ii) the number of New Secured Notes that will be acquired by such Participating Noteholder on the Implementation Date pursuant to the Subscription Privilege (the "**Subscribed New Secured Notes**");

(iii) the amount of funds (reflecting the original cash issue discount on the New Secured Notes) required to be paid by such Participating Noteholder for the purchase of its Subscribed New Secured Notes (its "**Subscription Amount**") by the Participating Noteholder and the procedures for paying and depositing such funds prior to the Participating Noteholder Funding Deadline; and

(iv) the manner in which such deposit of the Subscription Amount must be completed.

(b) At or before 2:00 p.m. (Calgary time) on the date that is five (5) Business Days prior to the Anticipated Implementation Date (or such other date as the Applicants and the Initial Consenting Noteholders may agree in writing, each acting reasonably) (the "**Participating Noteholder Funding Deadline**"), each Participating Noteholder shall pay its respective Subscription Amount in accordance with the procedures set forth in the New Secured Notes Participation Form and the Subscription Notice and the aggregate Subscription Amount shall be deposited in escrow with the Escrow Agent.

(c) As soon as practicable following the Participating Noteholder Funding Deadline, and in any event on the date that is four (4) Business Days prior to the Anticipated Implementation Date (or such other date as the Applicants and the Initial Consenting Noteholders may agree in writing), the Applicants shall inform each Backstopper of:

(i) the total number of New Secured Notes not validly subscribed for and funded pursuant to the Subscription Privilege (the "**Backstopped Notes**"); and

(ii) the amount of Backstopped Notes to be acquired by such Backstopper on the Implementation Date based on its Backstop Share and the amount of funds (reflecting the original cash issue discount on the New Secured Notes) required to be deposited in escrow with the Escrow Agent by such Backstopper to purchase such Backstopped Notes (the "**Backstopped Notes Payment Amount**") by the Backstop Funding Deadline.

(d) At or before 2:00 p.m. (Calgary time) on the date that is three (3) Business Days prior to the Anticipated Implementation Date (or such other date as the Applicants and the Initial Consenting Noteholders may agree in writing) (the "**Backstop Funding Deadline**"), each Backstopper shall deliver to the Escrow Agent cash in an amount equal to its Backstopped Notes Payment Amount in accordance with the terms of the Backstop Agreement to be held in escrow in accordance with the Escrow Agreement and the Backstop Agreement, until all conditions to this Plan of Arrangement and the Backstop Agreement have been satisfied or waived in accordance with the terms hereof and thereof, and with irrevocable instructions to use such cash to the extent required to enable such Backstopper to comply with its Backstop Commitment.

(e) Each Participating Noteholder who complies with Section 3.3(b) shall participate in the New Secured Notes Offering and shall subscribe for that number of New Secured Notes in an amount equal to(i) the Subscription Amount paid by the Participating Noteholder in accordance with Section 3.3(b), divided by (ii) 0.98, on account of the original cash issue discount.

(f) Each Backstopper shall purchase its Backstop Share of the Backstopped Notes in accordance with the Backstop Agreement and this Plan of Arrangement such that the New Secured Notes Offering is completed and the proceeds therefrom are fully paid to the Applicants.

(g) Within three (3) Business Days following the earlier of the termination of the Backstop Agreement or the Implementation Date, the Escrow Agent shall return to each Backstopper (i) in the event that the Backstop Agreement is terminated, such Backstopper's cash deposit provided by the Backstopper to the Escrow Agent pursuant to Section 3.3(d), and (ii) in the event that Implementation Date occurs, such portion of the Backstopper's cash deposit provided by the Backstopper to the Escrow Agent pursuant to Section 3.3(d) as may remain after its application towards the Backstopped Notes Payment Amount.

(h) Within three (3) Business Days of the Implementation Date and in accordance with the direction of the Participating Noteholder in the New Secured Notes Participation Form (or other acceptable form of instruction) and the written direction of the Backstoppers, as applicable, Lightstream shall cause to be issued and delivered (i) to or to the order of each Participating Noteholder, the applicable number of New Secured Notes to be distributed to such Participating Noteholder, and (ii) to or to the order of each Backstopper, the applicable number of New Secured Notes to be distributed to such Backstopper.

ARTICLE 4
ARRANGEMENT

4.1 Preliminary Step Prior to the Arrangement

The Continuance shall have been completed prior to the Implementation Date as a condition precedent to the implementation of the Plan of Arrangement.

4.2 Corporate Actions

The adoption, execution, delivery, implementation and consummation of all matters contemplated under this Plan of Arrangement involving corporate action of the Applicants will occur and be effective as of the Implementation Date, or in such other manner or time as may be expressly provided for in Section 4.5, and will be authorized and approved under this Plan of Arrangement and by the Court, where appropriate, as part of the Final Order, in all respects and for all purposes, without any requirement of further action by Shareholders, Noteholders, directors or officers of the Applicants. All necessary approvals of and from the Shareholders, Noteholders, directors or officers of the Applicants, as applicable (including all necessary resolutions, whether ordinary, special or otherwise, of the Shareholders, Noteholders, directors or officers of the Applicants, as applicable), to take all actions hereunder or contemplated hereby shall be deemed to have been made, given, passed or obtained; and no agreement between or among the Shareholders, Noteholders and/or any Applicant, or any of them, or between a Shareholder or Noteholder and another Person, that limits or purports to limit in any way the right to vote Common Shares, New Common Shares, Secured Notes or Unsecured Notes held by such Shareholder(s) or Noteholder(s) with respect to any of the steps or transactions contemplated by this Plan of Arrangement, shall be effective, and all such agreements shall be deemed to be of no force or effect.

4.3 Articles of Arrangement and Implementation Date.

As soon as practicable after the satisfaction or waiver of the conditions set forth in Article 6 (excluding conditions that, by their terms, cannot be satisfied until the Implementation Date, but subject to the satisfaction of those conditions as of the Implementation Date), unless another time or date is agreed in writing among Lightstream and the Initial Consenting Noteholders, the Articles of Arrangement shall be filed by the Applicants with the Director. The Certificate of Arrangement shall implement this Plan of Arrangement.

4.4 Binding Effect

On and from the Effective Time, this Plan of Arrangement and the transactions contemplated hereby shall be final and binding upon, and be deemed to have been consented and agreed upon by Lightstream, ArrangeCo, the Secured Noteholders, the Unsecured Noteholders, the Backstoppers, the Participating Noteholders, the holders of any Entitlements, the Secured Note Indenture Trustees, the Unsecured Note Indenture Trustees, the Shareholders, and any other Person affected by or named in this Plan of Arrangement, including the respective heirs, executors, administrators, legal representatives, successors and assigns of each of the foregoing, without any further act or formality required on the part of any Person and shall constitute a full, final and absolute settlement of all rights of the beneficial and legal owners of the Secured Notes and Unsecured Notes attaching thereto or arising therefrom and an absolute release and discharge of and from all Obligations of Lightstream to, and all Entitlements of, Secured Noteholders and Unsecured Noteholders in respect of the Secured Notes, Secured Note Claims and the Secured Note Indenture, and the Unsecured Notes, Unsecured Note Claims and the Unsecured Note Indenture, respectively; provided that the foregoing release and discharge shall not in any way affect or diminish any of: (i) the right of the Secured Note Indenture Trustees to assert their respective Secured Note Indenture Trustee Charging Liens with respect to the Secured Noteholder Consideration or any other distributions received by the Secured Noteholders; (ii) the right of either of the Secured Note Indenture Trustees to enforce any obligation owed to it under this Plan of Arrangement; (iii) the right of the Unsecured Note Indenture Trustees to assert their respective Unsecured Note Indenture Trustee Charging Liens with respect to the Unsecured Noteholder Consideration or any other distributions received by the Unsecured Noteholders; or (iv) the right of either of the Unsecured Note Indenture Trustees to enforce any obligation owed to it under this Plan of Arrangement. For greater certainty, the Administrative Agent and the lenders under the Credit Agreement shall be treated as unaffected by the Arrangement and this Plan of Arrangement.

On and from the Effective Time, without limiting the foregoing, the Applicants, the Secured Noteholders, the Unsecured Noteholders, the Backstoppers, the Participating Noteholders, the holders of any Entitlements, the Secured Note Indenture Trustees, the Unsecured Note Indenture Trustees, the Shareholders, the New Indenture Trustee and any other Person affected by or named in this Plan of Arrangement will be deemed to have executed and delivered to Lightstream and its affiliates all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out this Plan of Arrangement.

4.5 The Arrangement

The following steps, events or transactions to be effected on implementation of this Plan of Arrangement shall occur, and be deemed to have occurred, in the following order in ten minute increments unless otherwise indicated (or in such other manner, order or times as the Applicants and the Initial Consenting Noteholders may agree in writing), without any further act or formality required on the part of any Person, on the Implementation Date beginning at the Effective Time:

(a) the Shareholder Rights Plan and any rights issued pursuant thereto will be terminated and cancelled and be void and of no further force or effect and, for greater certainty, the redemption price contemplated therein shall, immediately prior to the termination, be amended to be $0.00;

(b) all Options which have not been exercised prior to the Effective Time shall be repurchased by Lightstream from the holders thereof for consideration of $0.01 per Option, and such Options shall thereafter be cancelled and extinguished, and other than grants of Deferred Compensation Shares and Incentive Shares, all other options, warrants, rights or similar instruments derived from, relating to, or convertible or exchangeable for Common Shares, shall be cancelled and extinguished;

(c) the terms of the Secured Note Indenture will be and will be deemed to be amended pursuant to Article 9 thereof to include the Secured Noteholder Conversion Right, and

such amendment shall not constitute a novation, substitution or disposition of the Secured Notes. The other terms and conditions of the Secured Notes will continue in full force and effect, and the Secured Notes will be considered to be the same debt obligation, in amended form;

(d) all accrued and unpaid interest owing in respect of the Unsecured Note Claims and the Secured Note Claims will be forgiven, settled and extinguished for no consideration;

(e) the outstanding principal amount of each Unsecured Noteholder's Unsecured Note Claim is forgiven, settled and extinguished to the extent such principal amount exceeds the fair market value on the Implementation Date of the Unsecured Noteholder Consideration provided to such Unsecured Noteholder pursuant to Section 4.5(i) (such fair market value being the "**Remaining Unsecured Note Claim**");

(f) Lightstream and ArrangeCo shall be amalgamated and continued as one corporation ("**Amalco**") under the CBCA in accordance with the following:

(i) **Name**. The Name of Amalco shall be "Lightstream Resources Ltd.";

(ii) **Registered Office**. The registered office of Amalco shall be located in the City of Calgary in the Province of Alberta. The address of the registered office of Amalco shall be Eighth Avenue Place, 2800, 525 – 8th Avenue SW, Calgary, Alberta, T2P 1G1;

(iii) **Restrictions on Business**. None;

(iv) **Articles**. The articles of Lightstream, as in effect immediately following the Continuance, shall be deemed to be the articles of amalgamation of Amalco;

(v) **Restrictions on Transfer**. None;

(vi) **Number of Directors**. Amalco shall have a minimum of three director and a maximum of 12 directors, until changed in accordance with the CBCA. Until changed by shareholders of Amalco, or by the directors of Amalco if authorized by the shareholders of Amalco, the total number of directors of Amalco shall not exceed nine or such other number in accordance with the requirements of the CBCA;

(vii) **First Directors**. The first directors of Amalco shall be acceptable to the Initial Consenting Noteholders pursuant to and in accordance with the Support Agreement. The first directors of Amalco shall hold office until the first annual meeting of the shareholders of Amalco (or the signing of a written resolution in lieu thereof) or until their successors are elected or appointed;

(viii) **Shares**. All shares of ArrangeCo shall be cancelled without any repayment of capital in respect thereof; no shares will be issued by Amalco in connection with the Amalgamation and all shares of Lightstream prior to the Amalgamation shall be unaffected and shall continue as shares of Amalco;

(ix) **Stated Capital**. The stated capital account of the shares of Amalco will be equal to the stated capital account in respect of the Common Shares of Lightstream immediately prior to the Amalgamation;

(x) **By-laws**. The by-laws of Amalco shall be the same as those of Lightstream implemented immediately following the Continuance; and

(xi) **Effect of Amalgamation**. The provisions of subsection 186(a) to (g) of the CBCA shall apply to the Amalgamation with the result that:

(A) the amalgamation of the amalgamating corporations and their continuance as one corporation becomes effective;

(B) the property of each amalgamating corporation continues to be the property of the amalgamated corporation;

(C) the amalgamated corporation continues to be liable for the obligations of each amalgamating corporation;

(D) an existing cause of action, claim or liability to prosecution is unaffected;

(E) a civil, criminal or administrative action or proceeding pending by or against an amalgamating corporation may be continued to be prosecuted by or against the amalgamated corporation;

(F) a conviction against, or ruling, order or judgment in favour of or against, an amalgamating corporation may be enforced by or against the amalgamated corporation;

(G) the Articles of Arrangement are deemed to be the articles of incorporation of the amalgamated corporation and the Certificate of Arrangement is deemed to be the certificate of incorporation of the amalgamated corporation;

(g) the Common Share Consolidation shall be completed, such that the Shareholders shall hold 2,250,000 Common Shares in the aggregate, subject to the treatment of fractional shares pursuant to Section 5.5;

(h) in the course of a reorganization of capital:

(i) the authorized share capital of Lightstream shall be reorganized and altered by:

(A) renaming and re-designating all of the issued and unissued Common Shares as Class A common shares (the "**Lightstream Class A Shares**") which shares shall have the same rights and restrictions as the Common Shares except that each Lightstream Class A Share shall be entitled to two votes at any meeting of the Shareholders, and

(B) creating an unlimited number of common shares (the "**New Common Shares**") with rights, privileges, restrictions and conditions identical to the Common Shares as they existed immediately following the Common Share Consolidation in Section 4.5(g);

(ii) Lightstream's articles shall be amended to reflect the alterations in Section 4.5(h)(i);

(iii) pursuant to the reorganization of capital, the issued and outstanding Lightstream Class A Shares shall be exchanged such that each Shareholder (for greater certainty, being only those holders of one or more whole Common Shares following the Common Share Consolidation in Section 4.5(g)) shall receive its Shareholder Consideration in exchange for its Lightstream Class A Shares, and the New Common Shares forming part of such Share Consideration shall be

deemed to be validly issued and outstanding as fully-paid and non-assessable shares for all purposes of the CBCA;

(iv) the Lightstream Class A Shares, none of which will be allocated and issued once the steps referred to in Section 4.5(h)(iii) are completed, shall be cancelled and the authorized capital of Lightstream shall be changed by deleting the Lightstream Class A Shares as a class of shares of Lightstream; and

(v) Lightstream's articles shall be amended to reflect the alterations in Section 4.5(h)(iv);

(i) simultaneously:

(i) pursuant to an Unsecured Note Exchange Transaction, each Remaining Unsecured Note Claim held by an Unsecured Noteholder shall be exchanged for that Unsecured Noteholder's Unsecured Noteholder Consideration, and Lightstream shall issue to such Unsecured Noteholder its Unsecured Noteholder Consideration in respect thereof;

(ii) upon the Unsecured Noteholders' receipt of the Unsecured Noteholder Consideration, the Unsecured Notes, all Unsecured Note Claims, the Unsecured Note Indenture and the Actions shall, subject to Sections 2.2(d), 4.4 and 7.7 hereof, be cancelled and all of the Entitlements of Unsecured Noteholders and Obligations to Unsecured Noteholders shall be irrevocably and finally settled, terminated, extinguished, cancelled and eliminated, as applicable, without the need of any further payment, action or otherwise, and upon such cancellation, the Corporation Released Parties shall be discharged and released pursuant to Section 7.3 hereof and the Unsecured Note Indenture Trustees shall be discharged and released pursuant to Section 7.5 hereof;

(iii) pursuant to a Secured Note Conversion Transaction, each Secured Note Claim subject to a Reorganization Time Notice and held by a Secured Noteholder who has duly exercised its Secured Noteholder Conversion Right pursuant to a Reorganization Time Notice shall be converted into and exchanged for that Secured Noteholder's Secured Noteholder Consideration pursuant to the Secured Noteholder Conversion Right and section 51 of the Tax Act, and Lightstream shall issue to each such Secured Noteholder its Secured Noteholder Consideration in respect thereof as calculated pursuant to Section 2.1(c) hereof;

(iv) pursuant to a Secured Note Exchange Transaction, each Secured Note Claim held by a Secured Noteholder, other than any Secured Note Claim that is subject to a Reorganization Time Notice or a Subsequent Time Notice, shall be exchanged for that Secured Noteholder's Secured Noteholder Consideration, and Lightstream shall issue to such Secured Noteholder its Secured Noteholder Consideration in respect thereof as calculated pursuant to Section 2.1(d) hereof; and

(v) upon the Secured Noteholders' receipt of the Secured Noteholder Consideration under Sections 4.5(i)(iii) and (iv) hereof, the Secured Notes and all Secured Note Claims (other than Secured Note Claims in respect of which a Subsequent Time Notice has been delivered) shall, subject to Sections 2.1(f), 4.4 and 7.6 hereof, be cancelled and all of the Entitlements of Secured Noteholders and Obligations to Secured Noteholders therefrom shall be irrevocably and finally settled, terminated, extinguished, cancelled and eliminated, as applicable, without the need of any further payment, action or otherwise;

(j) the reasonable fees and expenses of the legal, financial and technical advisors to the Initial Consenting Noteholders outlined in Schedule B to the Support Agreement, the Secured Note Indenture Trustee Charges and the Unsecured Note Indenture Trustee Charges shall be paid;

(k) pursuant to a Secured Note Conversion Transaction, each Secured Note Claim subject to a Subsequent Time Notice and held by a Secured Noteholder who has duly exercised its Secured Noteholder Conversion Right pursuant to a Subsequent Time Notice shall be converted into and exchanged for that Secured Noteholder's Secured Noteholder Consideration pursuant to the Secured Noteholder Conversion Right and Section 51 of the Tax Act, and Lightstream shall issue to each such Secured Noteholder its Secured Noteholder Consideration in respect thereof as calculated pursuant to Section 2.1(e) hereof;

(l) upon the Secured Noteholders' receipt of the Secured Noteholder Consideration under Section 4.5(k) hereof, the Secured Notes and all Secured Note Claims in respect of which a Subsequent Time Notice has been delivered shall be cancelled and all of the Entitlements of Secured Noteholders and Obligations to Secured Noteholders therefrom shall be irrevocably and finally settled, terminated, extinguished, cancelled and eliminated, as applicable, without the need of any further payment, action or otherwise, and upon such cancellation, the Corporation Released Parties shall be discharged and released pursuant to Section 7.3 hereof and the Secured Note Indenture Trustees, subject to Sections 2.1(f), 4.4 and 7.6 hereof, shall be discharged and released pursuant to Section 7.4 hereof;

(m) the Applicants shall become entitled to the total amount of funds deposited in escrow with the Escrow Agent pursuant to Sections 3.3(b) and 3.3(d) (subject to Section 3.3(g)) and the Escrow Agent shall be deemed instructed to release to Lightstream the funds held by it in escrow in respect of the principal amount of the New Secured Notes subscribed for or purchased pursuant to the New Secured Notes Offering and the Backstop Commitment;

(n) Lightstream shall issue to each Participating Noteholder (or to their designated nominee) such principal amount of New Secured Notes equal to its Subscription Amount paid by such Participating Noteholder and deposited in escrow with the Escrow Agent in accordance with Section 3.3(b);

(o) Lightstream shall issue to each Backstopper its Backstop Share of the Backstopped Notes; and

(p) all outstanding Deferred Compensation Shares and Incentive Shares, and the terms of grant thereof, shall (i) be adjusted to give economic effect to the Common Share Consolidation and the exchange of Common Shares for New Common Shares, (ii) be immediately and fully vested and exercisable, and (iii) be amended to provide that the expiry date of each such grant shall be the earlier of the existing expiry date of such grant and 180 days following the Implementation Date.

4.6 Securities Law Matters

The Applicants intend that the issuance and distribution, pursuant to this Plan of Arrangement, of (i) New Common Shares of Lightstream issued on conversion of, or in exchange for, the Secured Note Claims, (ii) New Common Shares of Lightstream and New Series 1 Warrants issued in exchange for the Unsecured Note Claims, (iii) Lightstream Class A Shares, New Common Shares and New Series 2 Warrants issued to Shareholders pursuant to this Plan of Arrangement, shall be exempt from prospectus requirements of Canadian Securities Laws, to the extent applicable, pursuant to Section 2.11 of National Instrument 45-106 – *Prospectus Exemptions* of the Canadian Securities Administrators, and (iv) the New

Secured Notes have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States, and may not be offered or sold within the United States except pursuant to an exemption from the registration requirements of the U.S. Securities Act.

4.7 Stated Capital

The aggregate amount to be added to the stated capital account in respect of the Lightstream Class A Shares and New Common Shares for the purposes of the CBCA in respect of the transactions comprising the Share Exchange and the issuance of New Common Shares on a Secured Note Conversion Transaction, a Secured Note Exchange Transaction and an Unsecured Note Exchange Transaction will be as determined by the Lightstream Board.

ARTICLE 5
CERTIFICATES, PAYMENTS AND IMPLEMENTATION OF ARRANGEMENT

5.1 Certificates for Lightstream Class A Shares

Recognizing that the Common Shares shall be renamed and redesignated as Lightstream Class A Shares pursuant to Section 4.5(h)(i)(A) and that the Lightstream Class A Shares shall be exchanged for the Share Consideration (including New Common Shares) pursuant to Section 4.5(h)(iii), Lightstream shall not issue replacement share certificates representing the Lightstream Class A Shares.

5.2 Payment of Consideration

(a) As soon as practicable following the Effective Time, Lightstream shall, subject to Section 5.2(b), cause to be paid to Secured Noteholders, Unsecured Noteholders and Shareholders the consideration payable pursuant to this Plan of Arrangement.

(b) Upon surrender to the Depositary for cancellation of a certificate or certificates (as applicable) which, immediately prior to the Effective Time, represented outstanding Common Shares that were exchanged pursuant to the terms hereof, together with a duly completed and executed Letter of Transmittal and such additional documents and instruments as the Depositary may reasonably require, each Shareholder represented by such surrendered certificate(s) shall be entitled to receive in exchange therefor, and the Depositary shall deliver to such holder, the consideration which such holder has the right to receive under this Plan of Arrangement for such Common Shares less any amounts withheld pursuant to Section 5.4 hereof, and any certificate(s) so surrendered shall forthwith be cancelled.

(c) Each holder of Secured Notes (whether or not a Reorganization Time Notice or Subsequent Time Notice has been validly delivered prior to the Implementation Date) and Unsecured Notes shall be entitled to receive in exchange therefor, and the Depositary shall deliver to such holder, the consideration which such holder has the right to receive under this Plan of Arrangement for such Secured Notes and/or Unsecured Notes, less any amounts withheld pursuant to Section 5.4 hereof, and any certificate(s) or book-entry position representing such Secured Notes and/or Unsecured Notes shall forthwith be cancelled.

(d) From and after the Effective Time, each certificate that immediately prior to the Effective Time represented Common Shares, Secured Notes or Unsecured Notes shall be deemed to represent only the right to receive the consideration in respect of such Common Shares, Secured Notes or Unsecured Notes required under this Plan of Arrangement, less any amounts withheld pursuant to Section 5.4 hereof.

(e) No former holder of Common Shares, Secured Notes or Unsecured Notes shall be entitled to receive any consideration with respect to such Common Shares, Secured Notes or Unsecured Notes other than the consideration to which such former holder is entitled to receive in accordance with this Section 5.2 and, for greater certainty, no such holder with be entitled to receive any interest, dividends, premium or other payment in connection therewith.

5.3 Lost Certificates

In the event any certificate which immediately prior to the Effective Time represented one or more outstanding Common Shares, Secured Notes or Unsecured Notes that were exchanged pursuant to this Plan of Arrangement shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such certificate to be lost, stolen or destroyed, Lightstream or the Depositary, as applicable, will issue and deliver in exchange for such lost, stolen or destroyed certificate, the consideration to which the holder is entitled pursuant to this Plan of Arrangement. When authorizing such issuance and delivery in exchange for any lost, stolen or destroyed certificate, the Person to whom such consideration is to be issued and delivered shall, as a condition precedent to the delivery of such consideration, give a bond satisfactory to Lightstream (acting reasonably) in such sum as Lightstream may direct, or otherwise indemnify Lightstream in a manner satisfactory to Lightstream, acting reasonably, against any claim that may be made against Lightstream with respect to the certificate alleged to have been lost, stolen or destroyed.

5.4 Withholding Rights

The Applicants and/or any other Person making a payment contemplated herein (the "**Payor**") shall be entitled to deduct and withhold from any consideration payable to any Person such amounts as it is required to deduct and withhold with respect to such payment under the Tax Act, the United States Internal Revenue Code of 1986 or any provision of federal, provincial, territorial, state, local or foreign tax Laws, in each case, as amended. To the extent that amounts are so withheld or deducted, such withheld or deducted amounts shall be treated for all purposes hereof as having been paid to the Person in respect of which such withholding was made, provided that such amounts are actually remitted to the appropriate taxing authority. To the extent that the amounts so required or permitted to be deducted or withheld from any payment to a Person exceed the cash portion of the consideration otherwise payable to that Person: (i) the Payor is authorized to sell or otherwise dispose of such portion of the consideration as is necessary to provide sufficient funds to enable it to comply with such deduction or withholding requirement or entitlement, and the Payor shall notify the applicable Person thereof and remit to such Person any unapplied balance of the net proceeds of such sale; or (ii) if such sale is not reasonably possible, the Payor shall not be required to make such excess payment until the Person has directly satisfied any such withholding obligation and provides evidence thereof to the Payor.

5.5 Fractional Interests

No fractional Common Shares, New Common Shares, New Series 1 Warrants or New Series 2 Warrants will be issued in connection with the Recapitalization. Except as set forth below, with respect to fractional Common Shares or New Common Shares that would otherwise be issuable pursuant to the Recapitalization, such fraction will be rounded down to the nearest whole number of Common Shares or New Common Shares, as applicable. With respect to fractional New Common Shares that would otherwise be issuable to Secured Noteholders on the Secured Note Conversion Transaction, the entitlement of such Secured Noteholder will be reduced to the next lowest whole number of New Common Shares if it is entitled to less than 0.5 of a New Common Share, or increased to the next highest whole number of New Common Shares if it is otherwise entitled to 0.5 or more of a New Common Share. With respect to fractional New Common Shares that would otherwise be issuable to a Secured Noteholder on a Secured Note Exchange Transaction, the entitlement of such Secured Noteholder will be reduced to the next lowest whole number of New Common Shares. With respect to fractional New Series 1 Warrants or New Series 2 Warrants that would otherwise be issuable to an Unsecured Noteholder or a Shareholder, as applicable, the entitlement of such Unsecured Noteholder or Shareholder, as applicable,

will be reduced to the next lowest whole number of New Series 1 Warrants or New Series 2 Warrants, as applicable. No compensation will be issued to Shareholders, Secured Noteholders or Unsecured Noteholders as a result of rounding down.

5.6 Calculations

All calculations and determinations made by the Applicants for the purposes of this Plan of Arrangement, including, without limitation, the determination of any fair market value by the Lightstream Board or allocation of amounts under Section 5.5, shall be conclusive, final and binding upon the Secured Noteholders, the Unsecured Noteholders, the Shareholders and all other Persons.

ARTICLE 6
CONDITIONS PRECEDENT TO PLAN IMPLEMENTATION

6.1 Conditions Precedent to Implementation of this Plan of Arrangement

The implementation of this Plan of Arrangement shall be conditional upon the fulfillment, satisfaction or waiver of the following conditions precedent, in each case in accordance with the terms thereof:

(a) the Continuance shall have been approved at the Shareholders' Meeting and been completed;

(b) the Interim Order shall have been granted and be in full force and effect;

(c) the Arrangement Resolution shall have been approved at the Meetings in accordance with the provisions of the Interim Order;

(d) the Final Order shall have been granted and be in full force and effect;

(e) the Applicants shall have taken all necessary corporate actions and proceedings in connection with the Arrangement;

(f) there shall not be in effect any preliminary or final decision, order or decree by a Governmental Entity, and no action or investigation shall have been announced, threatened or commenced by any Governmental Entity, in consequence of or in connection with the Recapitalization that prohibits or materially restrains or impedes (or if granted could reasonably be expected to prohibit or materially restrain or impede) the Recapitalization or any material part thereof or requires or purports to require a material variation of the Recapitalization;

(g) the New Revolving Facility Commitment Letters shall have been executed by Lightstream and the providers of the New Revolving Facility on terms acceptable to the Initial Consenting Noteholders, acting reasonably;

(h) all indebtedness and amounts owing to the lenders under the Credit Agreement shall have been repaid in full, or arrangements to make such repayment in full concurrently with or as soon as practicable following the completion of the Arrangement shall be in place to the satisfaction of the Administrative Agent, on behalf of the lenders under the Credit Agreement, acting reasonably;

(i) the New Secured Note Indenture shall have been executed by Lightstream and the New Indenture Trustee on terms acceptable to the Backstoppers, acting reasonably;

(j) the New Revolving Facility shall become effective on the Implementation Date and Lightstream shall be entitled, in accordance with the terms and conditions thereof, to borrow funds thereunder beginning on the Implementation Date;

(k) the Implementation Date shall occur on or before the Outside Date;

(l) all conditions set out in the Support Agreement, the Arrangement Agreement and the Backstop Agreement shall have been satisfied or waived by the applicable parties pursuant to the terms of the Support Agreement, the Arrangement Agreement and the Backstop Agreement, as applicable;

(m) Lightstream and the Initial Consenting Noteholders shall have complied with their respective obligations under the Support Agreement in all material respects;

(n) Lightstream and the Backstoppers shall have complied with their respective obligations under the Backstop Agreement in all material respects;

(o) the Support Agreement shall not have been terminated in accordance with its terms;

(p) the Arrangement Agreement shall not have been terminated in accordance with its terms;

(q) the Backstop Agreement shall not have been terminated in accordance with its terms;

(r) there shall have been no Material Adverse Change;

(s) all required stakeholder, regulatory, Court approvals, consents, waivers and filings including, if necessary, the Investment Canada Act Approval and any notifications and/or approvals required under the *Competition Act* (Canada), shall have been obtained or made, as applicable, on terms satisfactory to the Applicants and the Initial Consenting Noteholders, each acting reasonably;

(t) Continuance Dissent Rights shall not have been validly exercised and not withdrawn with respect to more than 5% of the Common Shares;

(u) all Material filings under applicable Laws shall have been made and any Material regulatory consents or approvals that are required in connection with the Recapitalization shall have been obtained and, in the case of waiting or suspensory periods, such waiting or suspensory periods shall have expired or been terminated;

(v) the Initial Consenting Noteholders shall be satisfied that the Common Shares, when issued and delivered, shall be duly authorized, validly issued and fully paid and non-assessable and the issuance thereof shall be in compliance with applicable Securities Laws;

(w) the issuance of the Common Shares upon the Common Share Consolidation, Lightstream Class A Shares, New Common Shares, New Series 1 Warrants and New Series 2 Warrants pursuant to this Plan of Arrangement shall be exempt from the prospectus requirements of Canadian Securities Laws and, except as otherwise contemplated in this Plan of Arrangement, no prospectus, registration statement or other document must be filed, proceedings taken or approval, permit, consent or authorization obtained by Lightstream under such Securities Laws to permit such issuance;

(x) the issuance and exchange of the New Common Shares, New Series 1 Warrants and New Series 2 Warrants pursuant to this Plan of Arrangement shall be exempt from the registration requirements of the U.S. Securities Act pursuant to Section 3(a)(10) thereof;

(y) the Initial Consenting Noteholders shall be satisfied that, as of the Implementation Date, (i) the New Common Shares issued and distributed pursuant to this Plan of Arrangement shall be freely tradable in Canada (provided that the trade is not a "control distribution" as defined in Canadian Securities Laws, no unusual effort is made to prepare the market or to create a demand for the security that is the subject of the trade, no extraordinary commission or consideration is paid to a Person or company in respect of the trade, and if the selling security holder is an insider or officer of the Issuer, the selling security holder has no reasonable grounds to believe that the Issuer is in default of Canadian Securities Laws), and (ii) the New Common Shares issued pursuant to this Plan of Arrangement (which, for the avoidance of doubt, does not include any New Common Shares that may in the future be issued pursuant to an exercise of any New Series 1 Warrants or New Series 2 Warrants) shall be freely transferable in the United States other than by "affiliates" as defined in Rule 144 under the U.S. Securities Act (or Persons that have been "affiliates" (as so defined) within 90 days of the Implementation Date);

(z) the New Common Shares and the New Secured Notes shall be CDS eligible;

(aa) the New Common Shares issued and distributed pursuant to this Plan of Arrangement shall be conditionally approved for listing on the TSX, subject only to receipt of customary final documentation;

(bb) the New Common Shares issuable on the exercise of the New Series 1 Warrants and the New Common Shares issuable on the exercise of the New Series 2 Warrants shall be conditionally approved for listing on the TSX, subject only to receipt of customary final documentation; and

(cc) Lightstream shall not have commenced or undergone a receivership, liquidation, bankruptcy, debt enforcement proceeding or a proceeding under the *Companies' Creditors Arrangement Act*, the *Bankruptcy and Insolvency Act*, or the *Winding-Up and Restructuring Act*.

The foregoing conditions are for the mutual benefit of the Applicants and may be asserted by each of the Applicants regardless of the circumstances and may be waived by each of the Applicants in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which any Applicant may have; provided that (i) no condition may be waived by an Applicant without the prior written consent of the Initial Consenting Noteholders, and (ii) in addition to clause (i), the condition in Section 6.1(h) may not be waived without the prior written consent of the Administrative Agent on behalf of the lenders under the Credit Agreement.

ARTICLE 7
MISCELLANEOUS

7.1 Amendments to the Plan of Arrangement

Subject to the terms and conditions of the Support Agreement and the Backstop Agreement, any amendment, modification, supplement or restatement to this Plan of Arrangement may be:

(a) proposed by Lightstream or the Initial Consenting Noteholders at any time prior to or at the Meetings, and if so proposed and acceptable to the Applicants and the Initial Consenting Noteholders and accepted at such Meetings, shall become part of this Plan of Arrangement for all purposes;

(b) made after the Meetings but before the date of the hearing for the Final Order (i) if it is acceptable to the Applicants and the Initial Consenting Noteholders, each acting reasonably, (ii) approved by the Court at the hearing for the Final Order and (iii)

communicated to the Shareholders, Secured Noteholders and Unsecured Noteholders, if and as required by the Court;

(c) made following the date of the hearing for the Final Order if it is acceptable to the Applicants and the Initial Consenting Noteholders, each acting reasonably, provided that such amendment, modification or supplement concerns a matter which, in the reasonable opinion of the Applicants and the Initial Consenting Noteholders, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial or economic interests of Lightstream or any Shareholder, Secured Noteholder or Unsecured Noteholder; and

(d) made at any time if it is acceptable to the Applicants and the Initial Consenting Noteholders, each acting reasonably, with the approval of the Court.

7.2 Consents, Waivers and Agreements

At the Effective Time, each Secured Noteholder, Unsecured Noteholder and Shareholder and any other Person affected by this Plan of Arrangement will be deemed to have consented and agreed to all of the provisions of this Plan of Arrangement in its entirety. Without limitation to the foregoing, each Secured Noteholder, Unsecured Noteholder and Shareholder and any other Person affected by this Plan of Arrangement (including, without limitation, the Secured Note Indenture Trustees and Unsecured Note Indenture Trustees) will be deemed:

(a) to have executed and delivered to the Applicants all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out this Plan of Arrangement in its entirety;

(b) to have waived any non-compliance or default by Lightstream with or of any provision, express or implied, in any agreement or other arrangement, written or oral, existing between such Secured Noteholder or Unsecured Noteholder or other Person and Lightstream with respect to the Secured Notes and the Secured Note Indenture and the Unsecured Notes and Unsecured Note Indenture that has occurred or exists on or prior to the Effective Time; and

(c) to have agreed that, if there is any conflict between the provisions of any such agreement and the provisions of this Plan of Arrangement, then the provisions of this Plan of Arrangement take precedence and priority and the provisions of such agreement or other arrangement are deemed to be amended accordingly.

7.3 Release of Corporation Released Parties

Upon the issuance of the Certificate of Arrangement on the Implementation Date, the Applicants and their respective subsidiaries and affiliates' and their respective present and former shareholders, officers, directors, employees, auditors, advisors, legal counsel and agents (collectively, the "**Corporation Released Parties**") shall be released and discharged from any and all demands, claims, liabilities, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any indebtedness, liability, obligation, demand or cause of action of whatever nature that any Person (including, without limitation, any Person who may claim contribution or indemnification against or from any Corporation Released Party) may be entitled to assert, whether known or unknown, matured or unmatured, direct, indirect or derivative, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Implementation Date relating to, arising out of, or in connection with the Secured Notes, the Secured Note Indenture, the Unsecured Notes, the Unsecured Note Indenture, the Support Agreement, the Backstop Agreement, the Arrangement, the Plan of Arrangement, the business and affairs of the Applicants with respect to or in

connection with this Plan of Arrangement and any proceedings commenced with respect to or in connection with this Plan of Arrangement, including without limitation the Actions; provided that nothing in this paragraph will release or discharge any of the Corporation Released Parties from or in respect of any of their respective obligations under this Plan of Arrangement, the New Secured Notes, the New Secured Note Indenture or under any Order and further provided that nothing herein will release or discharge a Corporation Released Party if the Corporation Released Party is adjudged by the express terms of a non-appealable judgment rendered on a final determination on the merits to have committed gross negligence, fraud or wilful misconduct.

7.4 Release of Secured Noteholder Released Parties

Upon the issuance of the Certificate of Arrangement on the Implementation Date, each of the Initial Consenting Noteholders, each of the Backstoppers, and the Secured Note Indenture Trustees, together with their respective subsidiaries and affiliates and their respective present and former shareholders, officers, directors, employees, auditors, advisors, legal counsel and agents (collectively, the "**Secured Noteholder Released Parties**"), shall be released and discharged from any and all demands, claims, liabilities, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any indebtedness, liability, obligation, demand or cause of action of whatever nature that any Person (including, without limitation, any Person who may claim contribution or indemnification against or from any Secured Noteholder Released Party) may be entitled to assert, whether known or unknown, matured or unmatured, direct, indirect or derivative, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Implementation Date relating to, arising out of, or in connection with, the Secured Notes, the Secured Note Indenture, the Unsecured Notes, the Unsecured Note Indenture, the Actions, the Support Agreement, the Backstop Agreement, the Arrangement, the Plan of Arrangement and any proceedings commenced with respect to or in connection with this Plan of Arrangement; provided that nothing in this paragraph will release or discharge any of the Secured Noteholder Released Parties from or in respect of any of their respective obligations under this Plan of Arrangement, the New Secured Notes, the New Secured Note Indenture or under any Order and further provided that nothing herein will release or discharge a Secured Noteholder Released Party if the Secured Noteholder Released Party is adjudged by the express terms of a non-appealable judgment rendered on a final determination on the merits to have committed gross negligence, fraud or wilful misconduct.

7.5 Release of Unsecured Noteholder Released Parties

Upon the issuance of the Certificate of Arrangement on the Implementation Date, each of the Unsecured Note Indenture Trustees, together with their respective subsidiaries and affiliates and their respective present and former shareholders, officers, directors, employees, auditors, advisors, legal counsel and agents (collectively, the "**Unsecured Noteholder Released Parties**"), shall be released and discharged from any and all demands, claims, liabilities, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any indebtedness, liability, obligation, demand or cause of action of whatever nature that any Person (including, without limitation, any Person who may claim contribution or indemnification against or from any Unsecured Noteholder Released Party) may be entitled to assert, whether known or unknown, matured or unmatured, direct, indirect or derivative, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Implementation Date relating to, arising out of, or in connection with, the Unsecured Notes, the Unsecured Note Indenture, the Secured Notes, the Secured Note Indenture, the Support Agreement, the Backstop Agreement, the Arrangement, the Plan of Arrangement and any proceedings commenced with respect to or in connection with this Plan of Arrangement; provided that nothing in this paragraph will release or discharge any of the Unsecured Noteholder Released Parties from or in respect of any of their respective obligations under this Plan of Arrangement, the New Secured Notes, the New Secured Note Indenture or under any Order and further provided that nothing herein will release or discharge an Unsecured Noteholder Released Party if the Unsecured Noteholder Released Party is adjudged by the express terms of a non-appealable judgment

rendered on a final determination on the merits to have committed gross negligence, fraud or wilful misconduct.

7.6 Payment of Secured Note Indenture Trustees' Fees

On the Implementation Date, Lightstream shall pay all Secured Note Indenture Trustee Charges. The Secured Note Indenture Trustees and their agents and attorneys shall provide reasonably detailed invoices to Lightstream no later than seven (7) days prior to the Implementation Date (subject to redaction to preserve attorney-client privilege). If Lightstream disputes any requested Secured Note Indenture Trustee Charges under the Secured Note Indenture, Lightstream shall (i) pay the undisputed portion of the Secured Note Indenture Trustee Charges and expenses on the Implementation Date; (ii) notify the Secured Note Indenture Trustees in writing specifying the challenged time entry and the basis for such challenge as soon as practicable, but not later than the Implementation Date; and (iii) remit and reserve in escrow with the Escrow Agent, the disputed portion of the requested Secured Note Indenture Trustee Charges until such dispute is resolved consensually or by the Court.

To the extent that the Secured Indenture Trustees, or either of them, provide services or incur costs or expenses, including professional fees and expenses, related to or in connection with the Plan of Arrangement, the Final Order or the Secured Note Indenture, including Secured Note Indenture Trustee Charges, which were not invoiced prior to the Implementation Date as set forth above or were incurred on or after the Implementation Date, the Secured Note Indenture Trustees shall be entitled to receive from Lightstream, reasonable and documented fees, costs and expenses, including professional fees, incurred in connection with such services. The payment of such fees and expenses will be made as soon as practicable and on the terms provided herein or as otherwise agreed to by the Secured Note Indenture Trustees and Lightstream.

Nothing in this Plan of Arrangement shall in any way affect or diminish the right of the Secured Note Indenture Trustees to assert their Secured Note Indenture Trustee Charging Liens against Secured Noteholder Consideration or any other distribution to Secured Noteholders with respect to any unpaid Secured Note Indenture Trustee Charges or other amounts payable to either of the Secured Note Indenture Trustees under the Secured Note Indenture.

7.7 Payment of Unsecured Note Indenture Trustees' Fees

On the Implementation Date, Lightstream shall pay all Unsecured Note Indenture Trustee Charges. The Unsecured Note Indenture Trustees and their agents and attorneys shall provide reasonably detailed invoices to Lightstream no later than seven (7) days prior to the Implementation Date (subject to redaction to preserve attorney-client privilege). If Lightstream disputes any requested Unsecured Note Indenture Trustee Charges under the Unsecured Note Indenture, Lightstream shall (i) pay the undisputed portion of the Unsecured Note Indenture Trustee Charges and expenses on the Implementation Date; (ii) notify the Unsecured Note Indenture Trustees in writing specifying the challenged time entry and the basis for such challenge as soon as practicable, but not later than the Implementation Date; and (iii) remit and reserve in escrow with the Escrow Agent, the disputed portion of the requested Unsecured Note Indenture Trustee Charges until such dispute is resolved consensually or by the Court.

To the extent that the Unsecured Indenture Trustees, or either of them, provide services, or incur costs or expenses, including professional fees and expenses, related to or in connection with the Plan of Arrangement, the Final Order or the Unsecured Note Indenture, including Unsecured Note Indenture Trustee Charges, which were not invoiced prior to the Implementation Date as set forth above or were incurred on or after the Implementation Date, the Unsecured Note Indenture Trustees shall be entitled to receive from Lightstream, reasonable and documented fees, costs and expenses, including professional fees, incurred in connection with such services. The payment of such fees and expenses will be made as soon as practicable and on the terms provided herein or as otherwise agreed to by the Unsecured Note Indenture Trustees and Lightstream.

Nothing in this Plan of Arrangement shall in any way affect or diminish the right of the Unsecured Note Indenture Trustees to assert their Unsecured Note Indenture Trustee Charging Liens against Unsecured Noteholder Consideration or any other distribution to Unsecured Noteholders with respect to any unpaid Unsecured Note Indenture Trustee Charges or other amounts payable to either of the Unsecured Note Indenture Trustees under the Unsecured Note Indenture.

7.8 Further Assurances

Notwithstanding that the transactions and events set out herein will occur and be deemed to occur in the order and in the manner set out in this Plan of Arrangement without any further act or formality, each of the Persons affected hereby shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by Lightstream to better implement this Plan of Arrangement, at the sole cost of Lightstream.

7.9 Paramountcy

On and from the Effective Time, any conflict between this Plan of Arrangement and the covenants, warranties, representations, terms, conditions, provisions or obligations, expressed or implied, of any contract, mortgage, security agreement, indenture, trust indenture, loan agreement, support agreement, commitment letter, bylaws or other agreement, written or oral, and any and all amendments or supplements thereto existing between one or more of the Noteholders, on the one hand, and any of the Applicants, on the other hand, as at the Implementation Date will be deemed to be governed by the terms, conditions and provisions of this Plan of Arrangement and the Final Order, which shall take precedence and priority.

7.10 Deeming Provisions

In this Plan of Arrangement, the deeming provisions are not rebuttable and are conclusive and irrevocable.

7.11 Severability

If prior to the Implementation Date, any provision of this Plan of Arrangement is held by the Court to be invalid, void or unenforceable, the Court, at the request of Lightstream and subject to the consent counsel to the Initial Consenting Noteholders, acting reasonably, may alter and/or interpret such provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of such provision, and such provision will then be applicable as altered or interpreted and the remainder of the provisions of this Plan of Arrangement will remain in full force and effect and will in no way be invalidated by such alteration or interpretation.

7.12 Initial Consenting Noteholders and Backstoppers

For the purposes of this Plan of Arrangement, where a matter shall have been approved, agreed to, consented to, waived or amended by the Initial Consenting Noteholders, or that a matter must be satisfactory or acceptable to the Initial Consenting Noteholders, such approval, agreement, consent, waiver, amendment, satisfaction, acceptance or other action shall be effective or shall have been obtained or satisfied, as the case may be, where at least two of the Initial Consenting Noteholders holding, collectively, at least 66⅔% in principal amount of the Secured Notes held by all Initial Consenting Noteholders, shall have confirmed their approval, consent, waiver, amendment, satisfaction or acceptance as the case may be.

The Applicants shall be entitled to rely on written confirmation from Goodmans LLP that the Initial Consenting Noteholders and/or the Backstoppers have agreed to, waived, consented to or approved a particular matter. Goodmans LLP shall be entitled to rely on a communication in any form acceptable to

Goodmans LLP, in its sole discretion, from any Initial Consenting Noteholder or Backstopper for the purpose of determining whether such Initial Consenting Noteholder or Backstopper has agreed to, waived, consented to or approved a particular matter, and the principal amount of Secured Notes held by such Initial Consenting Noteholder or Backstopper.

7.13 Notices

Subject to the Interim Order, any notices or communication to be made or given hereunder shall be in writing and shall reflect this Plan of Arrangement and may, subject as hereinafter provided, be made or given by the Person making or giving it or by any agent of such Person authorized for that purpose by personal delivery, by prepaid mail or by e-mail addressed to the respective parties as follows:

(i) if to Lightstream or ArrangeCo:

Lightstream Resources Ltd.
Eighth Avenue Place,
2800, 525 – 8th Avenue SW
Calgary, Alberta T2P 1G1

Attention: Chief Executive Officer/General Counsel
Email: wright@lighstreamres.com / abelecki@lightstreamres.com

With a required copy (which shall not be deemed notice) to:

Blake, Cassels & Graydon LLP
Suite 3500, 855 – 2nd Street S.W.
Calgary, Alberta T2P 4J8

Attention: Kelly Bourassa/Chad Schneider
Email: kelly.bourassa@blakes.com / chad.schneider@blakes.com

(ii) if to a Secured Noteholder:

to the address for such Secured Noteholder as shown on the records of the Secured Note Indenture Trustees;

in the case of the Initial Consenting Noteholders, with a required copy (which shall not constitute notice):

Goodmans LLP
Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, Ontario M5H 2S7

Attention: Brendan O'Neill/Ryan Baulke
Email: boneill@goodmans.ca / rbaulke@goodmans.ca

(iii) if to U.S. Bank National Association, as Secured Note Indenture Trustee:

U.S. Bank, National Association
Global Corporate Trust Services
1420 Fifth Avenue, Suite 700
Seattle, WA 98101

Attention: Diana Jacobs
Email: diana.jacobs@usbank.com

With a required copy (which shall not be deemed notice) to:

Kelley Drye & Warren LLP
101 Park Avenue
New York, New York 10178

Attention: Eric Wilson
Email: ewilson@kelleydrye.com

(iv) if to an Unsecured Noteholder:

to the address for such Unsecured Noteholder as shown on the records of the Unsecured Note Indenture Trustees

(v) if to the Unsecured Note Indenture Trustees:

to the addresses for such Unsecured Note Trustees as provided by the Unsecured Note Trustees to the Corporation from time to time

(vi) if to a Shareholder:

to the address for such Shareholder as shown on the records of the Corporation

or to such other address as any party may from time to time notify the others in accordance with this Section 7.13. All such notices and communications shall be deemed to have been received, in the case of notice by e-mail or by delivery prior to 5:00 p.m. (local time) on a Business Day, when received or if received after 5:00 p.m. (local time) on a Business Day or at any time on a non-Business Day, on the next following Business Day and, in the case of notice mailed by prepaid mail, on the fifth Business Day following the date on which such notice or other communication is mailed.

APPENDIX I

FAIRNESS OPINION OF RBC

RBC Capital Markets®

RBC Dominion Securities Inc.
200 Bay Street, 4th Floor
P.O. Box 50
Royal Bank Plaza
Toronto, Ontario M5J 2W7
Telephone: (416) 842-2000

July 27, 2016

The Board of Directors
Lightstream Resources Ltd.
2800, 525 – 8th Avenue SW
Calgary, Alberta T2P 1G1

To the Board:

RBC Dominion Securities Inc. ("RBC"), a member company of RBC Capital Markets, understands that Lightstream Resources Ltd. (the "Company") has proposed a plan of arrangement under Section 192 of the *Canada Business Corporations Act* ("CBCA") pursuant to which, among other things, the Company's (i) US$650 million aggregate principal amount of 9.875% second priority senior secured notes due June 15, 2019 (the "Secured Notes"); (ii) US$254 million aggregate principal amount of 8.625% senior notes due February 1, 2020 (the "Unsecured Notes"); and (iii) common shares ("Common Shares") will be restructured pursuant to a recapitalization plan (collectively, the "Recapitalization"). The terms of the Recapitalization will be more fully described in a management information circular (the "Circular"), which will be mailed to each of the holders of the Secured Notes (the "Secured Noteholders"), Unsecured Notes (the "Unsecured Noteholders") and Common Shares (the "Shareholders") in connection with the Recapitalization.

The board of directors (the "Board") of the Company has retained RBC to provide advice and assistance to the Board in evaluating the Recapitalization, including the preparation and delivery to the Board of RBC's opinion (the "Fairness Opinion") as to the fairness of the Recapitalization from a financial point of view to the Company. In connection with the Recapitalization, the Board has also requested that RBC prepare and deliver to the Board a separate opinion in the form described in paragraph 4.04 of Industry Canada's Policy Statement 15.1 – *Policy of the Director Concerning Arrangements under Section 192 of the CBCA*. RBC has not prepared a valuation of the Company or any of its securities or assets and the Fairness Opinion should not be construed as such.

Engagement

The Board initially contacted RBC regarding a potential advisory assignment in April 2016, and RBC was formally engaged by the Board through an agreement between the Company and RBC dated June 1, 2016 and amended on July 14, 2016 (collectively, the "Engagement Agreement"). The terms of the Engagement Agreement provide that RBC is to be paid a fee for its services as financial advisor, including fees that are contingent on the completion of the Recapitalization or certain other events. In addition, RBC is to be reimbursed for its reasonable out-of-pocket expenses and to be indemnified by the Company in certain circumstances. RBC consents to the inclusion of the Fairness Opinion in its entirety and a summary thereof in the Circular and to the filing thereof, as necessary, by the Company with the securities commissions or similar regulatory authorities in each province of Canada.

Relationship With Interested Parties

Neither RBC, nor any of its affiliates is an insider, associate or affiliate (as those terms are defined in the *Securities Act* (Ontario)) of the Company or any of its associates or affiliates. RBC and its affiliates have not been engaged to provide any financial advisory services nor has it participated in any financing involving the Company or any of its associates or affiliates, within the past two years, other than the services provided under the Engagement Agreement and as described herein. RBC and its affiliates have acted in the following capacities for the Company and its associates and affiliates: (i) financial advisor regarding a potential sale of or investment in the Company's East Pembina Cardium asset in 2014 and (ii) financial advisor and placement agent on a debt exchange of Unsecured Notes for Secured Notes and the issuance of an incremental US$200 million of Secured Notes in July 2015. There are no understandings, agreements or commitments between RBC and its affiliates and the Company or any of its associates or affiliates with respect to any future business dealings. RBC and its affiliates may, in the future, in the ordinary course of its business, perform financial advisory or investment banking services for the Company or any of its associates or affiliates. Royal Bank of Canada ("Royal Bank"), controlling shareholder of RBC, provides banking services to the Company in the normal course of business. Royal Bank currently holds CDN$27.1 million in the Company's revolving credit facility (the "Revolving Credit Facility").

RBC acts as a trader and dealer, both as principal and agent, in major financial markets and, as such, may have had and may in the future have positions in the securities of the Company or any of its associates or affiliates and, from time to time, may have executed or may execute transactions on behalf of such companies or clients for which it received or may receive compensation. As an investment dealer, RBC conducts research on securities and may, in the ordinary course of its business, provide research reports and investment advice to its clients on investment matters, including with respect to the Company or the Recapitalization.

Credentials of RBC Capital Markets

RBC is one of Canada's largest investment banking firms, with operations in all facets of corporate and government finance, corporate banking, mergers and acquisitions, equity and fixed income sales and trading and investment research. RBC Capital Markets also has significant operations in the United States and internationally. The Fairness Opinion expressed herein represents the opinion of RBC 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 and fairness opinion matters.

Scope of Review

In connection with our Fairness Opinion, we have reviewed and relied upon or carried out, among other things, the following:

1. the most recent draft, dated July 27, 2016, of the Circular (the "Draft Circular");
2. the most recent draft, dated July 26, 2016, of the summary of terms and conditions related to the Company's proposed new CDN$400 million revolving credit facility;
3. the most recent draft, dated July 27, 2016, of the backstop agreement to be entered into between the Company and certain Secured Noteholders;
4. the support agreement, dated July 12, 2016, entered into between the Company and members of the ad hoc committee of the Secured Noteholders, holding in aggregate approximately 91.5% of the Secured Notes, in respect of the Recapitalization;

5. the forbearance agreement, dated July 12, 2016, entered into between the Company, lenders to the Company under the Revolving Credit Facility and The Toronto-Dominion Bank, as administrative agent of the Revolving Credit Facility and the most recent draft, dated July 25, 2016, of the amendment thereto;
6. audited financial statements of the Company for each of the three years ended December 31, 2013 through 2015 and audited financial statements of PetroBakken Energy Ltd. ("PetroBakken") (a predecessor firm of the Company) for each of the two years ended December 31, 2011 and 2012;
7. management's discussion and analysis of the Company for each of the three years ended December 31, 2013 through 2015 and management's discussion and analysis of PetroBakken for each of the two years ended December 31, 2011 and 2012;
8. the unaudited interim report of the Company for the quarter ended March 31, 2016;
9. management's discussion and analysis of the Company for the quarter ended March 31, 2016;
10. the Notice of Annual Meeting of Shareholders and Management Information Circulars of the Company for each of the two years ended December 31, 2013 and 2014;
11. annual information forms of the Company for each of the two years ended December 31, 2014 and 2015;
12. unaudited projected financial statements for the Company on a consolidated basis prepared by management of the Company for the years ending December 31, 2016 through 2018, under various potential financing, asset sale and recapitalization alternatives;
13. discussions with senior management of the Company;
14. discussions with the Company's legal counsel;
15. discussions with (i) TD Securities Inc., financial advisor to the Company on the recent sale process for the Company's assets, and (ii) FTI Consulting Canada, Inc. ("FTI"), a financial advisor to the Company, on FTI's analysis of the liquidation and wind-up costs of the Company under a liquidation scenario;
16. the independent petroleum engineering report relating to the Company from Sproule Associates Limited, evaluating the Company's petroleum and natural gas reserves as of December 31, 2015 (the "Reserve Report");
17. analyses prepared by management of the Company, sensitizing the Reserve Report for alternate effective dates and commodity prices;
18. public information relating to the business, operations, financial performance and stock trading history of the Company and other selected public companies considered by us to be relevant;
19. the trading history of the Secured Notes and Unsecured Notes;
20. public information with respect to other transactions of a comparable nature considered by us to be relevant;
21. public information regarding the Canadian oil and gas industry;
22. representations contained in a certificate addressed to us, dated as of the date hereof, from senior officers of the Company as to the completeness and accuracy of the information upon which the Fairness Opinion is based; and
23. such other corporate, industry and financial market information, investigations and analyses as RBC considered necessary or appropriate in the circumstances.

RBC has not, to the best of its knowledge, been denied access by the Company to any information requested by RBC.

Assumptions and Limitations

With the Board's approval and as provided for in the Engagement Agreement, RBC has relied upon the completeness, accuracy and fair presentation of all of the financial (including, without limitation, the financial statements of the Company) and other information, data, advice, opinions or representations obtained by it from public sources, senior management of the Company, and their consultants and advisors (collectively, the "Information"). The Fairness Opinion is conditional upon such completeness, accuracy and fair presentation of such Information. Subject to the exercise of professional judgment and except as expressly described herein, we have not attempted to verify independently the completeness, accuracy or fair presentation of any of the Information.

Senior officers of the Company have represented to RBC in a certificate delivered as of the date hereof, among other things, that (i) the Information (as defined above) provided orally by, or in the presence of, an officer or employee of the Company or in writing by the Company or any of its subsidiaries or their respective agents to RBC for the purpose of preparing the Fairness Opinion was, at the date the Information was provided to RBC, and is complete, true and correct in all material respects, and did not and does not contain any untrue statement of a material fact in respect of the Company, its subsidiaries or the Recapitalization and did not and does not omit to state a material fact in respect of the Company, its subsidiaries or the Recapitalization necessary to make the Information or any statement contained therein not misleading in light of the circumstances under which the Information was provided or any statement was made; and that (ii) since the dates on which the Information was provided to RBC, except as disclosed in writing to RBC, there has been no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of the Company or any of its subsidiaries and no material change has occurred in the Information or any part thereof which would have or which would reasonably be expected to have a material effect on the Fairness Opinion.

In preparing the Fairness Opinion, RBC has made several assumptions, including that all of the conditions required to implement the Recapitalization will be met and that the disclosure provided or incorporated by reference in the Draft Circular with respect to the Company, its subsidiaries and affiliates and the Recapitalization is accurate in all material respects.

The Fairness Opinion is rendered on the basis of securities markets, economic, financial and general business conditions prevailing as at the date hereof and the condition and prospects, financial and otherwise, of the Company and its subsidiaries and affiliates, as they were reflected in the Information and as they have been represented to RBC in discussions with management of the Company. In its analyses and in preparing the Fairness Opinion, RBC made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of RBC or any party involved in the Recapitalization.

The Fairness Opinion has been provided for the use of the Board and may not be used by any other person or relied upon by any other person other than the Board without the express prior written consent of RBC. The Fairness Opinion is given as of the date hereof and RBC disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Fairness Opinion which may come or be brought to RBC's attention after the date hereof. Without limiting the foregoing, in the event that there is any material change in any fact or matter affecting the Fairness Opinion after the date hereof, RBC reserves the right to change, modify or withdraw the Fairness Opinion.

RBC believes that its analyses must be considered as a whole and that selecting portions of the analyses or the factors considered by it, without considering all factors and analyses together,

could create a misleading view of the process underlying the Fairness Opinion. The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis. RBC has not been engaged to provide and has not provided or prepared: (i) an opinion as to the fairness of the Recapitalization to the Secured Noteholders, Unsecured Noteholders or Shareholders; (ii) an opinion as to the relative fairness of the Recapitalization among or as between the Secured Noteholders, Unsecured Noteholders and Shareholders; or (iii) an opinion as to the ability of the Company after the implementation of the Recapitalization to repay (or refinance) the principal amount of its indebtedness (after giving effect to the Recapitalization), and the Fairness Opinion should not be construed as such. Additionally, the Fairness Opinion is not to be construed as a recommendation to any Secured Noteholder, Unsecured Noteholder or Shareholder as to whether to vote in favour of the Recapitalization.

Fairness Analysis

Approach to Fairness

For the purposes of the Fairness Opinion, we considered that the Recapitalization would be fair, from a financial point of view, to the Company, if the Recapitalization:

- improves the Company's capital structure, by reducing the total amount of debt outstanding;
- reduces the risk that the Company's available liquidity would be insufficient to permit continued operations in the near term and service its debt;
- provides the Company with the opportunity to regain access to capital markets to execute its business plan, should such capital be available to the Company in an improved commodity price environment; and
- based on these criteria, is better than other known, feasible alternatives.

Fairness Conclusion

Based upon and subject to the foregoing, RBC is of the opinion that, as of the date hereof, the Recapitalization is fair from a financial point of view to the Company.

Yours very truly,

RBC Dominion Securities Inc.

RBC DOMINION SECURITIES INC.

APPENDIX J

CBCA OPINION OF RBC

RBC Dominion Securities Inc.
200 Bay Street, 4th Floor
P.O. Box 50
Royal Bank Plaza
Toronto, Ontario M5J 2W7
Telephone: (416) 842-2000

July 27, 2016

The Board of Directors
Lightstream Resources Ltd.
2800, 525 – 8th Avenue SW
Calgary, Alberta T2P 1G1

To the Board:

RBC Dominion Securities Inc. ("RBC"), a member company of RBC Capital Markets, understands that Lightstream Resources Ltd. (the "Company") has proposed a plan of arrangement under Section 192 of the *Canada Business Corporations Act* ("CBCA") pursuant to which, among other things, the Company's (i) US$650 million aggregate principal amount of 9.875% second priority senior secured notes due June 15, 2019 (the "Secured Notes"); (ii) US$254 million aggregate principal amount of 8.625% senior notes due February 1, 2020 (the "Unsecured Notes"); and (iii) common shares ("Common Shares") will be restructured pursuant to a recapitalization plan (collectively, the "Recapitalization"). The terms of the Recapitalization will be more fully described in a management information circular (the "Circular"), which will be mailed to each of the holders of the Secured Notes (the "Secured Noteholders"), Unsecured Notes (the "Unsecured Noteholders") and Common Shares (the "Shareholders") in connection with the Recapitalization.

The board of directors (the "Board") of the Company has retained RBC to provide advice and assistance to the Board in evaluating the Recapitalization, including the preparation and delivery to the Board of RBC's opinion (the "CBCA Opinion") in the form described in paragraph 4.04 of Industry Canada's Policy Statement 15.1 – *Policy of the Director Concerning Arrangements under Section 192 of the CBCA*. In connection with the Recapitalization, the Board has also requested that RBC prepare and deliver to the Board, a separate opinion as to the fairness of the Recapitalization from a financial point of view to the Company. RBC has not prepared a valuation of the Company or any of its securities or assets and the CBCA Opinion should not be construed as such.

Engagement

The Board initially contacted RBC regarding a potential advisory assignment in April 2016, and RBC was formally engaged by the Board through an agreement between the Company and RBC dated June 1, 2016 and amended on July 14, 2016 (collectively, the "Engagement Agreement"). The terms of the Engagement Agreement provide that RBC is to be paid a fee for its services as financial advisor, including fees that are contingent on the completion of the Recapitalization or certain other events. In addition, RBC is to be reimbursed for its reasonable out-of-pocket expenses and to be indemnified by the Company in certain circumstances. RBC consents to the inclusion of the CBCA Opinion in its entirety and a summary thereof in the Circular and to the filing thereof, as necessary, by the Company with the securities commissions or similar regulatory authorities in each province of Canada.

Relationship With Interested Parties

Neither RBC, nor any of its affiliates is an insider, associate or affiliate (as those terms are defined in the *Securities Act* (Ontario)) of the Company or any of its associates or affiliates. RBC and its affiliates have not been engaged to provide any financial advisory services nor has it participated in any financing involving the Company or any of its associates or affiliates, within the past two years, other than the services provided under the Engagement Agreement and as described herein. RBC and its affiliates have acted in the following capacities for the Company and its associates and affiliates: (i) financial advisor regarding a potential sale of or investment in the Company's East Pembina Cardium asset in 2014 and (ii) financial advisor and placement agent on a debt exchange of Unsecured Notes for Secured Notes and the issuance of an incremental US$200 million of Secured Notes in July 2015. There are no understandings, agreements or commitments between RBC and its affiliates and the Company or any of its associates or affiliates with respect to any future business dealings. RBC and its affiliates may, in the future, in the ordinary course of its business, perform financial advisory or investment banking services for the Company or any of its associates or affiliates. Royal Bank of Canada ("Royal Bank"), controlling shareholder of RBC, provides banking services to the Company in the normal course of business. Royal Bank currently holds CDN$27.1 million in the Company's revolving credit facility (the "Revolving Credit Facility").

RBC acts as a trader and dealer, both as principal and agent, in major financial markets and, as such, may have had and may in the future have positions in the securities of the Company or any of its associates or affiliates and, from time to time, may have executed or may execute transactions on behalf of such companies or clients for which it received or may receive compensation. As an investment dealer, RBC conducts research on securities and may, in the ordinary course of its business, provide research reports and investment advice to its clients on investment matters, including with respect to the Company or the Recapitalization.

Credentials of RBC Capital Markets

RBC is one of Canada's largest investment banking firms, with operations in all facets of corporate and government finance, corporate banking, mergers and acquisitions, equity and fixed income sales and trading and investment research. RBC Capital Markets also has significant operations in the United States and internationally. The CBCA Opinion expressed herein represents the opinion of RBC 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 and fairness opinion matters.

Scope of Review

In connection with our CBCA Opinion, we have reviewed and relied upon or carried out, among other things, the following:

1. the most recent draft, dated July 27, 2016, of the Circular (the "Draft Circular");
2. the most recent draft, dated July 26, 2016, of the summary of terms and conditions related to the Company's proposed new CDN$400 million revolving credit facility;
3. the most recent draft, dated July 27, 2016, of the backstop agreement to be entered into between the Company and certain Secured Noteholders;
4. the support agreement, dated July 12, 2016, entered into between the Company and members of the ad hoc committee of the Secured Noteholders, holding in aggregate approximately 91.5% of the Secured Notes, in respect of the Recapitalization;

5. the forbearance agreement, dated July 12, 2016, entered into between the Company, lenders to the Company under the Revolving Credit Facility and The Toronto-Dominion Bank, as administrative agent of the Revolving Credit Facility and the most recent draft, dated July 25, 2016, of the amendment thereto;
6. audited financial statements of the Company for each of the three years ended December 31, 2013 through 2015 and audited financial statements of PetroBakken Energy Ltd. ("PetroBakken") (a predecessor firm of the Company) for each of the two years ended December 31, 2011 and 2012;
7. management's discussion and analysis of the Company for each of the three years ended December 31, 2013 through 2015 and management's discussion and analysis of PetroBakken for each of the two years ended December 31, 2011 and 2012;
8. the unaudited interim report of the Company for the quarter ended March 31, 2016;
9. management's discussion and analysis of the Company for the quarter ended March 31, 2016;
10. the Notice of Annual Meeting of Shareholders and Management Information Circulars of the Company for each of the two years ended December 31, 2013 and 2014;
11. annual information forms of the Company for each of the two years ended December 31, 2014 and 2015;
12. unaudited projected financial statements for the Company on a consolidated basis prepared by management of the Company for the years ending December 31, 2016 through 2018, under various potential financing, asset sale and recapitalization alternatives;
13. discussions with senior management of the Company;
14. discussions with the Company's legal counsel;
15. discussions with (i) TD Securities Inc., financial advisor to the Company on the recent sale process for the Company's assets, and (ii) FTI Consulting Canada, Inc. ("FTI"), a financial advisor to the Company, on FTI's analysis of the liquidation and wind-up costs of the Company under a liquidation scenario;
16. the independent petroleum engineering report relating to the Company from Sproule Associates Limited, evaluating the Company's petroleum and natural gas reserves as of December 31, 2015 (the "Reserve Report");
17. analyses prepared by management of the Company, sensitizing the Reserve Report for alternate effective dates and commodity prices;
18. public information relating to the business, operations, financial performance and stock trading history of the Company and other selected public companies considered by us to be relevant;
19. the trading history of the Secured Notes and Unsecured Notes;
20. public information with respect to other transactions of a comparable nature considered by us to be relevant;
21. public information regarding the Canadian oil and gas industry;
22. representations contained in a certificate addressed to us, dated as of the date hereof, from senior officers of the Company as to the completeness and accuracy of the information upon which the CBCA Opinion is based; and
23. such other corporate, industry and financial market information, investigations and analyses as RBC considered necessary or appropriate in the circumstances.

RBC has not, to the best of its knowledge, been denied access by the Company to any information requested by RBC.

Assumptions and Limitations

With the Board's approval and as provided for in the Engagement Agreement, RBC has relied upon the completeness, accuracy and fair presentation of all of the financial (including, without limitation, the financial statements of the Company) and other information, data, advice, opinions or representations obtained by it from public sources, senior management of the Company, and their consultants and advisors (collectively, the "Information"). The CBCA Opinion is conditional upon such completeness, accuracy and fair presentation of such Information. Subject to the exercise of professional judgment and except as expressly described herein, we have not attempted to verify independently the completeness, accuracy or fair presentation of any of the Information.

Senior officers of the Company have represented to RBC in a certificate delivered as of the date hereof, among other things, that (i) the Information (as defined above) provided orally by, or in the presence of, an officer or employee of the Company or in writing by the Company or any of its subsidiaries or their respective agents to RBC for the purpose of preparing the CBCA Opinion was, at the date the Information was provided to RBC, and is complete, true and correct in all material respects, and did not and does not contain any untrue statement of a material fact in respect of the Company, its subsidiaries or the Recapitalization and did not and does not omit to state a material fact in respect of the Company, its subsidiaries or the Recapitalization necessary to make the Information or any statement contained therein not misleading in light of the circumstances under which the Information was provided or any statement was made; and that (ii) since the dates on which the Information was provided to RBC, except as disclosed in writing to RBC, there has been no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of the Company or any of its subsidiaries and no material change has occurred in the Information or any part thereof which would have or which would reasonably be expected to have a material effect on the CBCA Opinion.

In preparing the CBCA Opinion, RBC has made several assumptions, including that all of the conditions required to implement the Recapitalization will be met and that the disclosure provided or incorporated by reference in the Draft Circular with respect to the Company, its subsidiaries and affiliates and the Recapitalization is accurate in all material respects.

The CBCA Opinion is rendered on the basis of securities markets, economic, financial and general business conditions prevailing as at the date hereof and the condition and prospects, financial and otherwise, of the Company and its subsidiaries and affiliates, as they were reflected in the Information and as they have been represented to RBC in discussions with management of the Company. In its analyses and in preparing the CBCA Opinion, RBC made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of RBC or any party involved in the Recapitalization.

The CBCA Opinion has been provided for the use of the Board and may not be used by any other person or relied upon by any other person other than the Board without the express prior written consent of RBC. The CBCA Opinion is given as of the date hereof and RBC disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the CBCA Opinion which may come or be brought to RBC's attention after the date hereof. Without limiting the foregoing, in the event that there is any material change in any fact or matter affecting the CBCA Opinion after the date hereof, RBC reserves the right to change, modify or withdraw the CBCA Opinion.

RBC believes that its analyses must be considered as a whole and that selecting portions of the analyses or the factors considered by it, without considering all factors and analyses together,

could create a misleading view of the process underlying the CBCA Opinion. The preparation of a CBCA opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis. RBC has not been engaged to provide and has not provided or prepared: (i) an opinion as to the fairness of the Recapitalization to the Secured Noteholders, Unsecured Noteholders or Shareholders; (ii) an opinion as to the relative fairness of the Recapitalization among or as between the Secured Noteholders, Unsecured Noteholders and Shareholders; or (iii) an opinion as to the ability of the Company after the implementation of the Recapitalization to repay (or refinance) the principal amount of its indebtedness (after giving effect to the Recapitalization), and the CBCA Opinion should not be construed as such. Additionally, the CBCA Opinion is not to be construed as a recommendation to any Secured Noteholder, Unsecured Noteholder or Shareholder as to whether to vote in favour of the Recapitalization.

CBCA Opinion Analysis

Approach to CBCA Opinion

Industry Canada's Policy Statement 15.1 – *Policy of the Director Concerning Arrangements under Section 192 of the CBCA* recommends that corporations seeking to implement a plan of arrangement pursuant to Section 192 of the CBCA that contemplates the compromise of debt, obtain an opinion as to whether "each class of security holders would be in a better position under the arrangement than if the corporation were liquidated."

For the purposes of the CBCA Opinion, RBC considered that the Secured Noteholders, Unsecured Noteholders and Shareholders would each be in a better financial position under the Recapitalization than if the Company were liquidated, if the estimated aggregate value of the consideration made available to the Secured Noteholders, Unsecured Noteholders and Shareholders under the Recapitalization, respectively, exceeds the estimated value such holders would receive if the Company were liquidated.

Conclusion

Based upon and subject to the foregoing, RBC is of the opinion that, as of the date hereof, the Secured Noteholders, Unsecured Noteholders and Shareholders would each be in a better position from a financial point of view under the Recapitalization than if the Company were liquidated.

Yours very truly,

RBC Dominion Securities Inc.

RBC DOMINION SECURITIES INC.

APPENDIX K

PRELIMINARY ORDER

Clerk's stamp

Court File Number	1601 - 08725
Court	COURT OF QUEEN'S BENCH OF ALBERTA
Judicial Centre	CALGARY
Matter	IN THE MATTER OF SECTION 192 OF THE *CANADA BUSINESS CORPORATIONS ACT*, RSC 1985, c C-44, AS AMENDED AND IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING LIGHTSTREAM RESOURCES LTD. AND 9817158 CANADA LTD.
Applicants	Lightstream Resources Ltd. and 9817158 Canada Ltd.
Respondent	Not Applicable
Document	PRELIMINARY INTERIM ORDER
Address for Service and Contact Information of Party Filing this Document	**BLAKE, CASSELS & GRAYDON LLP** Barristers and Solicitors 3500 Bankers Hall East 855 – 2nd Street SW Calgary, Alberta T2P 4J8 Attention: Kelly Bourassa / Milly Chow Telephone No.: 403-260-9697 Email: kelly.bourassa@blakes.com/milly.chow@blakes.com Fax No.: 403-260-9700

DATE ON WHICH ORDER WAS PRONOUNCED:	July 13, 2016
NAME OF JUDGE WHO MADE THIS ORDER:	The Honourable Justice G.C. Hawco
LOCATION OF HEARING:	Calgary, Alberta

UPON the Originating Application (the "**Originating Application**") of Lightstream Resources Ltd. ("**LTS**") and 9817158 Canada Ltd. ("**ArrangeCo**", and together with LTS, the "**Applicants**") for an Order (the "**Preliminary Interim Order**") pursuant to Section 192(4) of the *Canada Business Corporations Act*, RSC 1985, c. C-44, as

amended (the "**CBCA**") in connection with a proposed plan of arrangement under Section 192 of the CBCA (the "**Arrangement**"), including a stay of proceedings;

AND UPON reading the Originating Application, the affidavit of Peter D. Scott, the Senior Vice President and Chief Financial Officer of LTS, sworn July 12, 2016 and the documents referred to therein;

AND UPON hearing submissions from counsel for the Applicants, counsel for the *ad hoc* committee of Second Lien Noteholders (as defined below) and counsel to First Lien Lenders (as defined below);

AND UPON being advised that notice of the Originating Application has been given to the Director appointed under Section 260 of the CBCA (the "**Director**") and that the Director does not consider it necessary to appear;

AND UPON being advised that the Applicants intend to bring an application on or before August 5, 2016 (the "**Interim Order Hearing Date**") putting forth an Arrangement to this Honourable Court and that if any proceedings or steps are taken to enforce security or otherwise interfere with the Applicants' ordinary business operations prior to the Interim Order Hearing Date, the Applicants' ability to present and implement an Arrangement will be jeopardized;

FOR THE PURPOSES OF THIS ORDER:

(a) All references to "**Administrative Agent**" used herein mean the Toronto-Dominion Bank, as agent for a syndicate of lenders under LTS' credit facility;

(b) All references to "**Second Lien Notes**" used herein mean the 9.875% secured second lien notes maturing on June 15, 2019 and all references to "**Second Lien Noteholders**" used herein mean holders of Second Lien Notes;

(c) All references to "**Unsecured Notes**" used herein mean the 8.625%

unsecured notes maturing on February 1, 2020 and all references to "**Second Lien Noteholders**" used herein mean holders of Second Lien Notes; and

(d) All references to "**Common Shares**" used herein mean the common shares of LTS and all references to "**Shareholders**" used herein mean holders of Common Shares.

IT IS HEREBY ORDERED AND DECLARED THAT:

Service

1. The time for service of the notice of Originating Application for this Preliminary Interim Order is hereby abridged and deemed good and sufficient and this Originating Application is properly returnable today.

Interim Order Hearing

2. The Applicants are authorized to apply to this Honourable Court on or before the Interim Order Hearing Date for an interim order (the "**Interim Order**") permitting the Applicants to, among others things, call, hold and conduct (i) special meetings of Second Lien Noteholders and Unsecured Noteholders to consider the Arrangement and related relief, and (ii) a special meeting of Shareholders to consider the Arrangement and related relief.

Stay of Proceedings

3. From and including the date of this Preliminary Interim Order until and including August 12, 2016 (the "**Stay Period**"), no person (other than the Administrative Agent) including, without limitation, (i) the Second Lien Noteholders, (ii) Unsecured Noteholders, or (iii) any administrative agent, collateral agent, indenture trustee or similar person, shall have any right to terminate, make any demand, accelerate, amend or declare in default or take any enforcement steps under any contract or other agreement to which any of the Applicants are a party, borrower or guarantor, and no default or event of default

shall have occurred or be deemed to have occurred under any such contract or agreement, by reason of:

(a) any of the Applicants having made an application to this Honourable Court pursuant to Section 192 of the CBCA;

(b) any of the Applicants being a party to these proceedings or being a party to the Arrangement;

(c) any default or cross-default arising from the failure to make (i) any interest payment(s) under the Second Lien Notes and/or the Unsecured Notes, or (ii) any payment(s) under LTS' credit facility ; or

(d) any of the Applicants taking any step contemplated by or related to the Arrangement,

without further order of this Honourable Court.

4. The lenders under LTS's credit facility shall be treated as unaffected in any plan of arrangement filed by LTS in the within proceedings and shall not be subject to any stay of proceedings in the within proceedings, and nothing in this Preliminary Interim Order shall prevent the filing of any registration to preserve or perfect a security interest in respect of the Second Lien Notes.

Notice and Service

5. Unless ordered otherwise by this Honourable Court, the only persons entitled to notice of and to appear and to be heard at subsequent applications within these proceedings, including the application for the Interim Order, shall be:

(a) the Applicants and their counsel;

(b) counsel to the Administrative Agent;

(c) counsel to the *ad hoc* committee of Second Lien Lenders;

(d) counsel to any Unsecured Noteholder who has delivered counsel to the Applicants with a written request to be provided with notice in the proceedings;

(e) counsel to any Shareholder who has delivered counsel to the Applicants with a written request to be provided with notice in the proceedings;

(f) any collateral agent, indenture trustee or similar person in respect of the Second Lien Notes and Unsecured Notes, and counsel thereto;

(g) the Director; and

(h) any interested person who has delivered counsel to the Applicants with a written request to be provided with notice in the proceedings.

6. The Applicants shall be at liberty to serve this Preliminary Interim Order and any other materials and orders in these proceedings, including any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery, facsimile transmission or e-mail and any such service or notice by courier, personal delivery, facsimile transmission or e-mail shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

General

7. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Preliminary Interim Order and to assist the Applicants and their agents in carrying out the terms of this Preliminary Interim Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants as may be necessary or desirable to give effect to this Preliminary Interim Order.

8. This Preliminary Interim Order and all of its provisions are effective as of 12:01 a.m. Mountain Standard Time on the date of this Preliminary Interim Order.

(signed) *"G.C. Hawco"*

Justice of the Court of Queen's
Bench of Alberta

APPENDIX L

NOTICE OF APPLICATION AND INTERIM ORDER

Court File No. 1601 - 08725

IN THE COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL DISTRICT OF CALGARY

IN THE MATTER OF SECTION 192 OF THE *CANADA BUSINESS CORPORATIONS ACT*, RSC 1985, c C-44, AS AMENDED

AND IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING LIGHTSTREAM RESOURCES LTD. AND 9817158 CANADA LTD.

NOTICE OF APPLICATION

NOTICE IS HEREBY GIVEN that an application (the "**Application**") has been filed with the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "**Court**") on behalf of Lightstream Resources Ltd. ("**LTS**") and 9817158 Canada Ltd. ("**ArrangeCo**", and together, the "**Applicants**") for a final order ("**Final Order**") with respect to a proposed arrangement (the "**Arrangement**") under section 192 of the *Canada Business Corporations Act*, RSC 1985, c C-44, as amended (the "**CBCA**"), involving the Applicants, which Arrangement is described in greater detail in the management information circular of the Applicant dated August 29, 2016 (the "**Information Circular**"). Capitalized terms used in this Notice of Application and not otherwise defined have the meaning ascribed thereto in the Information Circular.

At the hearing of the Application, the Applicant intends to seek a Final Order which includes, among other relief:

(a) a declaration that the terms and conditions of the Arrangement, and the procedures relating thereto, are fair to the holders (the "**Secured Noteholders**") of 9.875% secured second lien notes (the "**Secured Notes**") issued by LTS pursuant to an indenture (the "**Secured Note Indenture**") dated as of July 2, 2015, holders (the "**Unsecured Noteholders**" and together with the Secured Noteholders, the "**Noteholders**") of 8.625% unsecured notes (the "**Unsecured Notes**") issued by LTS pursuant to an indenture (the "**Unsecured Note Indenture**" and together with the Secured Note Indenture, the "**Note Indentures**") dated as of January 30, 2012 (as supplemented by the supplemental indenture dated as of February 25, 2015), and holders (the "**Shareholders**") of common shares of LTS (the "**Common Shares**"), and other affected persons, both from a substantive and procedural perspective;

(b) a declaration that the Arrangement will, upon the filing of the Articles of Arrangement under the CBCA and the issuance of the Certificate of Arrangement under the CBCA, become effective under the CBCA in accordance with its terms and will be binding on the Applicants, all Noteholders, all Shareholders, and all other affected persons on and after the Effective Date;

(c) an approval of the Arrangement pursuant to section 192 of the CBCA;

(d) a request for the aid and recognition of any court, tribunal, or any judicial, regulatory or administrative body having jurisdiction in Canada or the United States or other country to give effect to the Final Order to act in aid of and to assist the Court in carrying out the terms of the Final Order and for such courts, tribunals, regulatory and administrative bodies to provide such assistance as necessary to give effect to the Final Order;

(e) a release and discharge of each of the Initial Consenting Noteholders, each of the Backstoppers, each trustee under the Note Indentures, and each of the Applicants and each of their respective subsidiaries and affiliates and their respective present and former shareholders, officers, directors, employees, auditors, advisors, legal counsel and agents (collectively, the "**Released Parties**"), from, among other things, any and all demands, claims, liabilities, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any indebtedness, liability, obligation, demand or cause of action of whatever nature that any person (including, without limitation, any person who may claim contribution or indemnification against or from any Released Party) may be entitled to assert, whether known or unknown, matured or unmatured, direct, indirect or derivative, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Implementation Date relating to, arising out of, or in connection with the Secured Notes, the Secured Note Indenture, the Unsecured Notes, the Unsecured Note Indenture, the Support Agreement, the Backstop Agreement the Arrangement, the Plan of

Arrangement, the business and affairs of the Applicants with respect to or in connection with the Plan of Arrangement and any proceedings commenced with respect to or in connection with the Plan of Arrangement, including without limitation the Actions; and

(f) such further and other orders, declarations and directions as the Court may deem just.

AND NOTICE IS HEREBY GIVEN that the Court has been advised that its Final Order approving the Arrangement, if granted, will constitute the basis for an exemption from the registration requirements of the United States *Securities Act of 1933*, as amended, as provided by Section 3(a)(10) thereof, with respect to the securities to be issued pursuant to the Arrangement.

AND NOTICE IS FURTHER GIVEN that the Application is directed to be heard at the Calgary Courts Centre, 601 – 5th Street S.W., Calgary, Alberta, T2P 5P7, on October 5, 2016 at 10:00 a.m. (Calgary Time), or such other time and/or date as the Court will advise, at the courthouse at Calgary Courts Centre, 601 – 5th Street S.W., Calgary, Alberta. At the hearing and subject to any further order of the Court, any Noteholder, Shareholder or other interested party desiring to appear and make submissions at the application for the Final Order may do so, subject to filing with the Court and serving upon the solicitors for the Applicants, on or before 5:00 p.m. (Calgary Time) on September 29, 2016, a Notice of Intention to Appear, including such party's address for service, indicating whether such Noteholder, Shareholder, or other interested party intends to support or oppose the Application or make submissions, together with a detailed summary of the position such party intends to advocate before the Court, and any evidence or materials which are to be presented to the Court and satisfying any other requirements of the Court as provided in the Interim Order (defined below) or otherwise. Service on the Applicant, the Noteholders and the Shareholders is to be effected in accordance with the Interim Order.

AND NOTICE IS FURTHER GIVEN that, at the hearing, Noteholders, 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, both from a substantive and procedural perspective. 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 Applicant and that in the event the hearing of the Application is adjourned, only those persons who have appeared before the Court for the hearing of the Application shall be served with notice of the adjournment and the date of the adjourned Application.

AND NOTICE IS FURTHER GIVEN that the Court, by an order dated August 5, 2016, as amended August 29, 2016 (collectively, the "**Interim Order**"), has given directions as to the calling and holding of the meeting of Noteholders and the annual and special meeting of Shareholders for the purpose of such holders voting upon the resolutions to approve the Arrangement and certain other business, all as more particularly described in the Information Circular.

AND NOTICE IS FURTHER GIVEN that a copy of the said Application and other documents in the proceedings will be furnished to any Noteholder, Shareholder, or other interested party requesting the same from the solicitors for the Applicants upon written request delivered to such solicitors as follows:

Blake, Cassels & Graydon LLP
Suite 3500, Bankers Hall East
855 – 2nd Street SW
Calgary, Alberta T2P 4J8

Attention: Kelly Bourassa

DATED at the City of Calgary, in the Province of Alberta, this 29th day of August, 2016.

BY ORDER OF THE BOARD OF DIRECTORS OF
LIGHTSTREAM RESOURCES LTD.

(signed) "*Peter D. Scott*"
Peter D. Scott
Senior Vice President and Chief Financial Officer,
Lightstream Resources Ltd. and
Director, 9817158 Canada Ltd.

Clerk's stamp

COURT FILE NUMBER	1601 - 08725
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
MATTER	IN THE MATTER OF SECTION 192 OF THE *CANADA BUSINESS CORPORATIONS ACT*, RSC 1985, c C-44, AS AMENDED AND IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING LIGHTSTREAM RESOURCES LTD. AND 9817158 CANADA LTD.
APPLICANTS	Lightstream Resources Ltd. and 9817158 Canada Ltd.
RESPONDENT	Not Applicable
DOCUMENT	AMENDED INTERIM ORDER
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**BLAKE, CASSELS & GRAYDON LLP** Barristers and Solicitors 3500 Bankers Hall East 855 – 2nd Street SW Calgary, Alberta T2P 4J8 Attention: Kelly Bourassa / Milly Chow Telephone No.: 403-260-9697 Email: kelly.bourassa@blakes.com / milly.chow@blakes.com Fax No.: 403-260-9700

DATE ON WHICH ORDER WAS PRONOUNCED:	August 29, 2016
NAME OF JUDGE WHO MADE THIS ORDER:	The Honourable Justice B.E.C. Romaine
LOCATION OF HEARING:	Calgary, Alberta

UPON the application (the "**Application**") of Lightstream Resources Ltd. ("**LTS**") and 9817158 Canada Ltd. ("**ArrangeCo**", and together with LTS, the "**Applicants**") for an Order (the "**Interim Order**") pursuant to Section 192 of the *Canada Business Corporations Act,* RSC 1985, c C-44, as amended (the "**CBCA**") in connection with a proposed arrangement under Section 192 involving the Applicants;

AND UPON reading the Application, the affidavit of Peter D. Scott, sworn July 12, 2016 (the "**Preliminary Interim Order Affidavit**"), the affidavit of Peter D. Scott, sworn July 28, 2016 (the "**Interim Order Affidavi**t"), the affidavit of Peter D. Scott, sworn August 26, 2016 and the documents referred to therein, including a draft management information circular;

AND UPON hearing submissions from counsel for the Applicants, counsel for the *Ad Hoc* Committee of Secured Noteholders (as defined below), and counsel to certain Unsecured Noteholders (as defined below);

AND UPON being satisfied that the Applicants have complied with the statutory requirements of the CBCA, including being advised that notice of this Application has been given to the Director (the "**Director**") appointed under section 260 of the CBCA and that the Director takes no position and does not consider it necessary to appear in person or by counsel at the hearing of this Application;

FOR THE PURPOSES OF THIS ORDER:

(a) The capitalized terms not defined in this Interim Order shall have the meanings attributed to them in the management information circular of LTS (the "**Information Circular**"), a draft copy of which is attached as Exhibit "B" to the Interim Order Affidavit; and

(b) All references to "**Arrangement**" used herein mean the plan of arrangement as described in the Interim Order Affidavit and in substantially the same form attached as Appendix "H" of the Information Circular.

IT IS HEREBY ORDERED AND DECLARED THAT:

Service

1. The time for service of the notice of Application for this Amended Interim Order is hereby abridged and deemed good and sufficient and this Application is properly returnable today.

General

2. LTS shall, in the manner set forth below, seek approval of the Arrangement by the (i) holders of 9.875% secured second lien notes maturing on June 15, 2019 (the "**Secured Notes**", and the holders, the "**Secured Noteholders**"), (ii) holders of 8.625% unsecured notes maturing on February 1, 2020 (the "**Unsecured Notes**", and the holders, the "**Unsecured Noteholders**" and together with the Secured Noteholders, the "**Noteholders**"), and (iii) holders of common shares of LTS (the "**Common Shares**", and the holders, the "**Shareholders**", and together with the Noteholders, the "**Security Holders**").

3. LTS is relieved until September 30, 2016 of its obligation under Section 132 of the *Business Corporations Act* (Alberta), RSA 2000, c B-9, as amended (the "**ABCA**") to call an annual meeting of Shareholders not later than 15 months after holding the last preceding annual meeting of Shareholders.

Meetings of Noteholders

Calling and Conduct

4. LTS shall call and conduct (i) a special meeting of Secured Noteholders (the "**Secured Noteholders' Meeting**") at 10:00 a.m. (Calgary Time) on ^September 30, 2016 at Eighth Avenue Place, 4th Floor, 525 - 8th Avenue SW, Calgary, Alberta, T2P 1G1 ("**Eighth Avenue Place**"), and (ii) a special meeting of Unsecured Noteholders (the "**Unsecured Noteholders' Meeting**" and together with the Secured Noteholders' Meeting, the "**Noteholders' Meetings**") at 10:30 a.m. (Calgary Time) on ^September 30, 2016 at Eighth Avenue Place.

5. At each of the Noteholders' Meetings, the respective Noteholders will consider and vote on a special resolution to approve the Arrangement, substantially in the form set forth in Appendix "B" to the Information Circular (respectively, the "**Secured Noteholders' Arrangement Resolution**" and the "**Unsecured Noteholders' Arrangement Resolution**"), and such other business as may properly be brought before each of the Noteholders' Meetings, or any adjournment or postponement thereof, all as more particularly described in the Information Circular.

6. The Chair of each of the Noteholders' Meetings shall be any officer or director of LTS (the "**Meetings Chair**").

7. The Secretary of each of the Noteholders' Meetings shall be Annie Belecki or, in her absence, a person (who need not be an officer or employee of the Applicants) selected for that purpose by the Meetings Chair (the "**Meetings Secretary**"), provided that the Meetings Secretary shall be entitled to retain others to assist in the performance of its duties. The Meetings Secretary shall be responsible for maintaining, or causing to be maintained, the records and proceedings of each of the Noteholders' Meetings.

8. A quorum at each of the Noteholders' Meetings shall be at least two of the Noteholders entitled to vote at each such Noteholders' Meeting, present in person or represented by proxies.

9. If within 30 minutes from the time appointed for any of the Noteholders' Meetings a quorum is not present, such Noteholders' Meeting shall stand adjourned to a date as may be determined by the Meetings Chair. No notice of an adjourned Noteholders' Meeting shall be required and, if at such adjourned Noteholders' Meeting a quorum is not present, the Noteholders present and entitled to vote at such adjourned Noteholders' Meeting in person or represented by duly-appointed proxy shall constitute a quorum for all purposes.

10. In addition to adjournments of any Noteholders' Meetings pursuant to paragraph 9 hereof, the Meetings Chair is authorized to adjourn or postpone each of the Noteholders' Meetings, on one or more occasions (whether or not a quorum is present) and for such period or periods of time as the Meetings Chair deems advisable, without the necessity of first convening such Noteholders' Meeting or first obtaining any vote of the applicable Noteholders in respect of the adjournment or postponement. Notice of such adjournment or postponement to the applicable Noteholders may be given by such method as LTS determines is appropriate in the circumstances. This provision shall not limit the authority of the Meetings Chair in respect of any adjournment or postponement of any Noteholders' Meetings. If any of the Noteholders' Meetings are adjourned or postponed in accordance with this Interim Order, all references to such Noteholders' Meeting(s) in

this Interim Order shall be deemed to be such Noteholders' Meeting(s) as adjourned or postposed as the context allows.

11. Each of the Noteholders' Meetings shall be called, held and conducted in accordance with the applicable provisions of the CBCA, the articles and by-laws of LTS in effect at the time of such Noteholders' Meetings, the terms of the Information Circular, the rulings and directions of the Meetings Chair and this Interim Order, or any further Order of this Court. To the extent that there is any inconsistency or discrepancy between this Interim Order and the CBCA or articles or by-laws of LTS, the terms of this Interim Order shall govern.

12. The following persons are entitled to attend and speak at the Secured Noteholders' Meeting:

    (a) any of the Secured Noteholders, duly-appointed proxy holders and their authorized representatives and advisors, including legal counsel and financial advisors to the *ad hoc* committee of Secured Noteholders (the "***Ad Hoc* Committee of Secured Noteholders**");

    (b) any collateral agent, indenture trustee or similar person in respect of the Secured Notes; and

    (c) such other person(s) who may be permitted to attend by the Meetings Chair.

13. The following persons are entitled to attend and speak at the Unsecured Noteholders' Meeting:

    (a) any of the Unsecured Noteholders, duly-appointed proxy holders and their authorized representatives and advisors;

    (b) any collateral agent, indenture trustee or similar person in respect of the Unsecured Notes; and

    (c) such other person(s) who may be permitted to attend by the Meetings Chair.

14. The following persons are entitled to attend and speak at both Noteholders' Meetings:

    (a) the Applicants' directors, officers and auditors, and the Applicants' authorized representatives and advisors, including legal counsel and financial advisors;

    (b) the Director; and

    (c) the Meetings Chair, Meetings Secretary, scrutineers and their authorized representatives.

15. Other than the persons set out at paragraphs 12, 13 and 14 above, no person shall be entitled to attend or speak at any of the Noteholders' Meetings.

Voting

16. The Secured Noteholders shall vote in respect of the Secured Noteholders' Arrangement Resolution together as a single voting class at the Secured Noteholders' Meeting.

17. The Unsecured Noteholders shall vote in respect of the Unsecured Noteholders' Arrangement Resolution together as a single voting class at the Unsecured Noteholders' Meeting.

18. The Secured Noteholders entitled to vote at the Secured Noteholders' Meeting will be entitled to one vote for each US$1.00 of the outstanding principal amount of the Secured Notes held by them as of the Noteholders Record Date (as defined below) in respect of the Secured Noteholders' Arrangement Resolution and any other matters to be considered at the Secured Noteholders' Meeting.

19. The Unsecured Noteholders entitled to vote at the Unsecured Noteholders' Meeting will be entitled to one vote for each US$1.00 of the outstanding principal amount of the Unsecured Notes held by them as of the Noteholders Record Date (as defined below) in respect of the Unsecured Noteholders' Arrangement Resolution and any other matters to be considered at the Unsecured Noteholders' Meeting.

20. The record date for Noteholders entitled to receive notice of, and vote at, each of the Noteholders' Meetings shall be ^September 6, 2016 (the "**Noteholders Record Date**"). Only Noteholders whose names have been entered on the register of Secured Noteholders or Unsecured Noteholders as at the close of business on the Noteholders Record Date will be entitled to receive notice of, and to vote at, the applicable Noteholders' Meetings. Any Noteholders who acquire their Secured Notes or Unsecured Notes after the Noteholders Record Date will not be entitled to notice of, or to vote at, any of the Noteholders' Meetings with respect to such notes.

21. The number of votes required to pass the Secured Noteholders' Arrangement Resolution and the Unsecured Noteholders' Arrangement Resolution shall be not less than two-thirds ($66^{2/3}$%) of the votes cast by Secured Noteholders and Unsecured Noteholders, as applicable, either in person or by duly-appointed proxy, voting together as a single class at the Secured Noteholders' Meeting or Unsecured Noteholders' Meeting, as applicable. The accidental omission to give notice of any of the Noteholders' Meetings or the non-receipt of such notice shall not invalidate any resolution passed or proceedings taken at any of the Noteholders' Meetings.

New Secured Notes Offering

22. Only Eligible Secured Noteholders shall be entitled to participate in the New Secured Notes Offering.

23. Eligible Secured Noteholders that are interested in participating in the New Secured Notes Offering will be required to:

    (a) properly complete and duly execute their New Secured Notes Participation Form;

    (b) ensure that their applicable intermediary completes the required information on the New Secured Notes Participation Form; and

    (c) forward their properly completed and duly executed New Secured Notes Participation Form to LTS in accordance with the delivery instructions contained therein by the Participation Deadline.

24. Eligible Secured Noteholders will not be permitted to participate in the New Secured Notes Offering if LTS has not received its New Secured Notes Participation Form, properly completed and duly executed, by the Participation Deadline.

Meeting of Shareholders

Calling and Conduct

25. LTS shall call and conduct an annual and special meeting of Shareholders (the "**Shareholders' Meeting**") at 9:00 a.m. on ^September 30, 2016 at Eighth Avenue Place.

26. At the Shareholders' Meeting, the Shareholders will consider and vote on the following:

(a) a special resolution approving the continuance of LTS into the federal jurisdiction of Canada under the CBCA (the "**Continuance Resolution**");

(b) a special resolution approving the Arrangement (the "**Shareholders' Arrangement Resolution**");

(c) an ordinary resolution to elect directors of LTS;

(d) an ordinary resolution to appoint an auditor of LTS for the ensuing year and to authorize the board of directors of LTS to fix such auditor's remuneration; and

(e) such other business as may properly be brought before the Shareholders' Meeting,

all as more particularly described in the Information Circular, and with respect to (a) through (d), each substantially in the form set out in Appendix "A" to the Information Circular.

27. The Chair of the Shareholders' Meeting shall be the Meetings Chair.

28. The Secretary of the Shareholders' Meeting shall be the Meetings Secretary, provided that the Meetings Secretary shall be entitled to retain others to assist in the performance of its duties. The Meetings Secretary shall be responsible for maintaining, or causing to be maintained, the records and proceedings of the Shareholders' Meeting.

29. A quorum at the Shareholders' Meeting shall be at least one Shareholder entitled to vote at the Shareholders' Meeting representing an aggregate of not less than 25 percent of the outstanding Common Shares, present in person or represented by duly-appointed proxy.

30. If within 30 minutes from the time appointed for the Shareholders' Meeting a quorum is not present, the Shareholders' Meeting shall stand adjourned to a date as may be determined by the Meetings Chair. No notice of an adjourned Shareholders' Meeting shall be required and, if at such adjourned meeting a quorum is not present, the Shareholders present and entitled to vote at such adjourned Shareholders' Meeting in person or represented by duly-appointed proxy shall constitute a quorum for all purposes.

31. The Meetings Chair is authorized to adjourn or postpone the Shareholders' Meeting, on one or more occasions (whether or not a quorum is present) and for such period or periods of time as the Meetings Chair deems advisable, without the necessity of first convening such meeting or first obtaining any vote of the applicable Shareholders in respect of the adjournment or postponement. Notice of such adjournment or postponement may be given by such method as LTS determines is appropriate in the circumstances. This provision shall not limit the authority of the Meetings Chair in respect of any adjournment or postponement of a Shareholders' Meeting. If the Shareholders' Meeting is adjourned or postponed in accordance with this Interim Order, all references to the Shareholders' Meeting in this Interim Order shall be deemed to be the Shareholders' Meeting as adjourned or postposed as the context allows.

32. The Shareholders' Meeting shall be called, held and conducted in accordance with the applicable provisions of the ABCA, the articles and by-laws of LTS in effect at the time of such meeting, the terms of the Information Circular, the rulings and directions of the Meetings Chair and this Interim Order, or any further Order of this Court. To the extent that there is any inconsistency or discrepancy between this Interim Order and the ABCA, or articles or by-laws of LTS, the terms of this Interim Order shall govern.

33. The only persons entitled to attend and speak at the Shareholders' Meeting are:

(a) the Applicants' directors, officers and auditors, and the Applicants' authorized representatives and advisors, including legal counsel and financial advisors;

(b) any of the registered Shareholders, duly-appointed proxy holders and their authorized representatives and advisors, including legal counsel and financial advisors;

(c) the Director;

(d) the Meetings Chair, Meetings Secretary, scrutineers and their authorized representatives;

(e) such other person(s) who may be permitted to attend by the Meetings Chair.

Voting

34. The Shareholders shall vote in respect of the Shareholders' Arrangement Resolution together as a single voting class at the Shareholders' Meeting.

35. The Shareholders entitled to vote at the Shareholders' Meeting will be entitled to one vote for each Common Share held by them in respect of the Shareholders' Arrangement Resolution and any other matters to be considered at the Shareholders' Meeting.

36. The record date for Shareholders entitled to receive notice of, and vote at, the Shareholders' Meeting shall be ^September 6, 2016, unless a Shareholder has transferred any Common Shares following ^September 6, 2016, in which case such transferee shall be entitled to receive notice of, and vote at the Shareholders' Meeting provided that at least ten days prior to the Shareholders' Meeting (the "**Shareholders Record Date**"), such transferee establishes ownership of the Common Shares and demands that its name be included on the list of Shareholders entitled to vote at the Shareholders' Meeting. Only Shareholders whose names have been entered on the register of Shareholders as at the close of business on the Shareholders Record Date will be entitled to receive notice of, and to vote at the Shareholders' Meeting. Any of the Shareholders who acquire their

Common Shares after the Shareholders Record Date will not be entitled to notice of, or to vote at, the Shareholders' Meeting with respect to such Common Shares.

37. The number of votes required to pass the Shareholders' Arrangement Resolution shall be not less than (i) two-thirds ($66^{2/3}$%) of the votes cast by Shareholders, either in person or by duly-appointed proxy, voting together as a single class at the Shareholders' Meeting, and (ii) one-half (50%) of the votes cast by Shareholders, either in person or by duly-appointed proxy, voting together as a single class at the Shareholders' Meeting, in each case 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.*

38. The accidental omission to give notice of the Shareholders' Meeting or the non-receipt of such notice shall not invalidate any resolution passed or proceedings taken at the Shareholders' Meeting.

Solicitation and Revocation of Proxies

39. LTS is authorized to use the form of proxy enclosed with the Information Circular, subject to its ability to insert dates and other relevant information in the final form. LTS is authorized, at its expense, to solicit proxies from Noteholders and/or Shareholders directly and through its officers, directors and employees, and through such agents or representatives as it may retain for that purpose, as well as through the *Ad Hoc* Committee of Secured Noteholders, in each case, by mail or such other forms of personal and electronic communications as it may determine appropriate in its sole discretion.

40. To be valid, a proxy must be deposited with Computershare Trust Company of Canada in the manner described in the Information Circular by no later than 9:00 a.m. (Calgary Time) in the case of the Shareholders' Meeting, 10:00 a.m. (Calgary Time) in the case of the Secured Noteholders' Meeting, and 10:30 a.m. (Calgary Time) in the case of the Unsecured Noteholders' Meeting, each on September ^28, 2016, or in the case of any adjournment to the Secured Noteholders' Meeting, Unsecured Noteholders' Meeting or Shareholders' Meeting, at least 48 hours (excluding weekends and holidays) before such

adjourned Secured Noteholders' Meeting, Unsecured Noteholders' Meeting or Shareholders' Meeting, as applicable. Proxies that are properly signed and dated but which do not contain voting instructions shall be deemed to have voted in favour of the Secured Noteholders' Arrangement Resolution, the Unsecured Noteholders' Arrangement Resolution, or the Shareholders' Arrangement Resolution and the Continuance Resolution (and those other matters as set out in paragraph 26, above), as applicable. Illegible votes, spoiled votes, defective votes and abstentions shall be deemed to be votes not cast. Notwithstanding the foregoing, the Meetings Chair is authorized to use reasonable discretion to waive strict compliance with the requirements as to the manner of completion and time of delivery of a proxy.

41. Any of the Shareholders or Noteholders that has given a proxy or conversion notice is entitled to revoke such proxy or conversion notice at any time before it is acted upon, by depositing an instrument in writing executed by such person or by an attorney authorized in writing, or, if such person is a corporation, by a duly authorized officer or properly appointed attorney thereof in the manner described in the Information Circular.

Scrutineers

42. Subject to its agreement, the scrutineer for each of the Noteholders' Meetings and the Shareholders' Meeting shall be Computershare Trust Company of Canada (acting through its representatives). The duties of the scrutineer shall be, *inter alia*, to monitor and report on attendance and to monitor and report on all ballots and motions taken at each of the Noteholders' Meetings and at the Shareholders' Meeting. The duties of the scrutineer will extend to:

(a) invigilating and reporting to the Meetings Chair on the deposit and validity of proxies;

(b) reporting to the Meetings Chair on the quorum of the Noteholders' Meetings and the Shareholders' Meeting;

(c) reporting to the Meetings Chair on any polls taken or ballots cast at the Noteholders' Meetings and the Shareholders' Meeting; and

(d) providing to LTS, the Meetings Chair and the Meetings Secretary written reports on matters related to their duties.

Passing of Arrangement

43. The passing of the Secured Noteholders' Arrangement Resolution, Unsecured Noteholders' Arrangement Resolution and Shareholders' Arrangement Resolution shall be sufficient to authorize the Applicants to do all such acts and things as are necessary and desirable to give effect to the Arrangement on a basis consistent with what is described in the Information Circular and the Arrangement without the necessity of further approvals whatsoever, subject to the granting of the Final Order (as defined below) by this Court.

Amendments to the Arrangement

44. Subject to the terms of the Support Agreement and paragraph 59 below, the Applicants are authorized to make such amendments, revisions or supplements to the Arrangement as they may determine necessary or desirable, provided that such amendments, revisions or supplements are made in writing, in the manner contemplated by the Arrangement and the Arrangement Agreement and in accordance with any other Order of this Court. The Arrangement as amended, revised or supplemented shall be deemed to be the Arrangement submitted to each of the Noteholders' Meetings and Shareholders' Meeting, as applicable, and the subject of the Secured Noteholders' Arrangement Resolution, Unsecured Noteholders' Arrangement Resolution and Shareholders' Arrangement Resolution, as applicable, without any need to return to this Court to amend this Interim Order.

Amendments to Meeting Materials

45. Subject to paragraph 59 below, LTS is authorized to make such amendments, revisions or supplements ("**Additional Information**") as the Applicants may determine necessary or desirable to the Information Circular, forms of proxy ("**Proxy**"), notices of the Noteholders' Meetings and Shareholders' Meeting (collectively, the "**Notices of Meetings**"), form of letter of transmittal ("**Letter of Transmittal**"), forms of conversion notice (the "**Conversion Notice**") and notice of Application ("**Notice of Application**").

The Applicants may disclose such Additional Information, including material changes, by the method and in the time most reasonably practicable in the circumstances as determined by LTS. Without limiting the generality of the foregoing, Additional Information may be communicated by news release, newspaper advertisement or notice sent to (i) Noteholders and Shareholders of record, at the addresses for such holders as they appear in the records of LTS as at the Noteholders Record Date or Shareholders Record Date, as applicable, and (ii) intermediaries and registered nominees of non-registered Noteholders and Shareholders, at the addresses for such intermediaries and registered nominees as they appear in the records of LTS as at the Noteholders Record Date or Shareholders Record Date, as applicable.

Notice of Noteholders' Meetings and the Shareholders' Meeting

46. The Information Circular, substantially in the form attached as Exhibit "B" to the Interim Order Affidavit, with such amendments thereto as LTS may determine necessary or desirable (provided such amendments are not inconsistent with the terms of this Interim Order), and including the Notices of Meetings, the Proxy, the Notice of Application and this Interim Order, together with any other communications or documents determined by LTS to be necessary or advisable including ^ the Letter of Transmittal (collectively, the "**Meeting Materials**"), shall be sent to (i) Secured Noteholders, Unsecured Noteholders and Shareholders as of the Noteholders Record Date and Shareholders Record Date, as applicable, (ii) the directors and auditors of LTS, and (iii) the Director, by one or more of the following methods:

(a) in the case of registered Noteholders or 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 LTS as of the Noteholders Record Date or Shareholders Record Date, as applicable, at least 21 days prior to the Noteholders' Meetings or Shareholders' Meeting, as applicable;

(b) in the case of non-registered Noteholders or Shareholders, by pre-paid first class or ordinary mail, by courier, or by delivery in person, to intermediaries and registered nominees of such non-registered Noteholders or Shareholders as shown

on the books and records of LTS as of the Noteholders Record Date or Shareholders Record Date, as applicable, and in each case, in accordance with National Instrument 54 -101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* at least three (3) Business Days prior to the 21st day prior to the Noteholders' Meetings or Shareholders' Meeting, as applicable; and

(c) in the case of the directors and auditors of the Applicants, or the Director, by e-mail or other electronic means, pre-paid first class or ordinary mail, by courier or by delivery in person, addressed to the individual directors or firm of auditors, at least 21 days prior to the Noteholders' Meetings and Shareholders' Meeting.

47. The accidental omission to give notice of the Noteholders' Meetings and/or the Shareholders' Meeting, or the non-receipt of such notice by one or more of the aforesaid persons, shall not invalidate any resolution passed or proceedings taken at the Noteholders' Meetings and/or the Shareholders' Meeting, respectively.

48. Delivery of the Meeting Materials in the manner directed by this Interim Order shall be deemed to be good and sufficient service upon the Noteholders, Shareholders, directors and auditors of each of the Applicants, and the Director for the purposes of Section 192 of the CBCA, and the Applicants shall not be required to send to the Noteholders or Shareholders any other or additional statement pursuant to Section 192 of the CBCA.

49. The mailing of the Meeting Materials in accordance with the provisions of this Interim Order shall constitute good and sufficient service in respect of this Application and no other form of service need be made and no other material need be served on such persons in respect of these proceedings, and service of this Application and the Interim Order Affidavit is dispensed with, except for service thereof on the Director.

50. The Meeting Materials shall be deemed, for the purposes of this Interim Order, to have been received by the Noteholders and the Shareholders:

(a) in the case of mailing to registered Noteholders or Shareholders, when deposited in a post office or public letter box;

(b) in the case of delivery by courier or in person to registered Noteholders or Shareholders, upon personal delivery to the applicable registered Noteholders' and/or Shareholders' address as it appears on the applicable securities register of LTS as at the Noteholders Record Date and the Shareholder Record Date;

(c) in the case of mailing to intermediaries and registered nominees of non-registered Noteholders or Shareholders, three (3) Business Days after being deposited in a post office or public letter box; and

(d) in the case of delivery by courier or in person to intermediaries and registered nominees of non-registered Noteholders or Shareholders, one (1) Business Day after personal delivery to the address of the applicable intermediary or registered nominee as it appears on the applicable securities register of LTS as at the Noteholders Record Date and the Shareholder Record Date.

Dissent Rights

51. Registered Shareholders as at the Shareholders Record Date are accorded the right to dissent under section 191 of the ABCA with respect to the Continuance Resolution which must be exercised in the manner set out in the Information Circular.

52. There shall be no dissent rights in respect of the Shareholders' Arrangement Resolution pursuant to the arrangement provisions in section 192 of the CBCA.

ArrangeCo

53. ArrangeCo is hereby permitted to pass a unanimous shareholder resolution to approve the Arrangement in lieu of calling, holding and conducting a special meeting of its shareholder for the purposes thereof.

Final Application

54. Subject to further order of this Court, and provided that the Noteholders and Shareholders have approved the Arrangement in the manner directed by this Court and the directors of the Applicants have not revoked their approval, the Applicants may proceed with an application for a final Order of the Court approving the Arrangement (the "**Final Order**")

on ^October 5, 2016 at 10:00 a.m. (Calgary Time) or as soon thereafter as counsel may be heard. Subject to the Final Order and to the issuance of the certificate of arrangement, the Applicants, all Noteholders, all Shareholders and all other persons affected will be bound by the Arrangement in accordance with its terms.

55. Any of the Noteholders, Shareholders or any other interested party (each an "**Interested Party**") desiring to appear and make submissions at the application for the Final Order (other than the *Ad Hoc* Committee of Secured Noteholders and the First Lien Lenders, as defined below) is required to file with this Court and serve upon the Applicants, on or before 5:00 p.m. (Calgary Time) on ^September 29, 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 e-mail address for service by electronic mail), indicating whether such Interested Party intends to support or oppose the application for the Final Order 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 Applicants shall be effected by service upon the solicitors for the Applicants, Blake, Cassels & Graydon LLP, 3500 Bankers Hall East, 855 – 2nd Street SW, Calgary, Alberta T2P 4J8, Attention: Kelly Bourassa.

56. 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 having served a Notice of Intention to Appear in accordance with paragraph 55 of this Interim Order, shall have notice of the adjourned date.

Application to Vary Interim Order

57. The Applicants are entitled at any time to seek leave to vary this Interim Order upon such terms and the giving of such notice as this Court may direct.

Stay of Proceedings

58. The Stay Period (as defined in paragraph 3 of the Preliminary Interim Order of Justice G.C. Hawco dated July 13, 2016) is hereby extended until and including ^October 15, 2016.

59. The lenders under LTS' credit facility (the "**First Lien Lenders**") shall be treated as unaffected by the Arrangement and the Final Order in the within proceedings and shall not be subject to any stay of proceedings in the within proceedings, and nothing in this Interim Order shall prevent the filing of any registration to preserve or perfect a security interest in respect of the Secured Notes.

General

60. To the extent of any inconsistency or discrepancy with respect to the matters determined in the Interim Order, between the Interim Order and the terms of any instrument creating or governing or collateral to the Secured Notes or to which the Secured Notes are collateral, the terms of any instrument creating or governing the Unsecured Notes or to the articles and/or by-laws or other constating documents of the Applicants, this Interim Order shall govern.

61. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Interim Order and to assist the Applicants and their agents in carrying out the terms of this Interim Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants as may be necessary or desirable to give effect to this Interim Order.

62. This Court may grant such further and other relief as this Court deems appropriate and just.

"B.E.C. Romaine"

Justice of the Court of Queen's
Bench of Alberta

APPENDIX M

TERM SHEET FOR NEW SECURED NOTES

Execution Version

LIGHTSTREAM RESOURCES LTD.

SUMMARY OF PRINCIPAL TERMS AND CONDITIONS

US$39,285,000 NEW SECOND LIEN SECURED NOTES

This term sheet dated as of July 28, 2016 describes the principal terms on which the Initial Consenting Noteholders (as defined below) will purchase US$39,285,000 aggregate principal amount of new second lien secured notes (the "**New Secured Notes**") to be issued by Lightstream Resources Ltd. ("**Lightstream**" or the "**Company**"), and guaranteed by the Guarantors (as defined below), in connection with a series of transactions (collectively, the "**CBCA Plan Transaction**") under which Lightstream's (i) CDN$550,000,000 revolving facility (the "**Revolving Facility**"), (ii) US$650,000,000 of 9.875% Second Lien Secured Notes due June 15, 2019 (the "**Secured Notes**"), (iii) US$253,946,000 of 8.625% Senior Unsecured Notes due February 1, 2020 (the "**Unsecured Notes**") and (iv) existing common shares (the "**Existing Common Shares**"), will be restructured on the terms and conditions set forth in the Support Agreement (as defined below) and implemented pursuant to (x) a plan of arrangement (the "**CBCA Plan**") under section 192 of the *Canada Business Corporations Act* (the "**CBCA**") filed in the proceedings that were commenced under the CBCA in respect of Lightstream on July 13, 2016 (the "**CBCA Proceedings**"), or alternatively, and subject to the terms and conditions of the Support Agreement, pursuant to (y) a Secured Notes Credit Bid (as defined in the Support Agreement) made as part of proceedings to be commenced in respect of Lightstream under the *Companies' Creditors Arrangement Act* (the "**CCAA**").

On July 12, 2016, the Initial Consenting Noteholders (as defined below) executed a Support Agreement with Lightstream under which the Initial Consenting Noteholders agreed to, among other things, support and vote for the CBCA Plan Transaction in the CBCA Proceedings (the "**Support Agreement**"). The Initial Consenting Noteholders hold approximately 92% of the aggregate outstanding principal amount of the Secured Notes.

This Summary of Principal Terms and Conditions does not purport to summarize all the terms, conditions, representations, warranties and other provisions with respect to the transactions referred to herein, which transactions will be entered into on the basis of mutually satisfactory definitive documentation, including pursuant to the Support Agreement, the Backstop Agreement, the New Secured Notes Indenture and the CBCA Plan.

Summary of Principal Terms of New Secured Notes

New Secured Notes	Pursuant to the Backstop Agreement (as defined below) to be entered into by the Initial Consenting Noteholders and a participation form to be entered by any other New Secured Note Purchasers (as defined below), (the "**Note Participation Form**"), the Backstoppers and any other New Secured Note Purchasers shall purchase their Pro Rata Share (as defined below) of the US$39,285,000 million of New Secured Notes to be issued by reorganized Lightstream on implementation of the CBCA Plan Transaction (the "**CBCA Implementation Date**"), and guaranteed by 1863359 Alberta Ltd., 1863360 Alberta Ltd., LTS Resources Partnership and Bakken Resources Partnership (collectively, the "**Guarantors**").
Principal Amount	US**$**39,285,000 million. The New Secured Notes shall be funded to Lightstream in United States dollars and shall be repaid by Lightstream and/or the Guarantors in United States dollars. The New Secured Notes will be denominated in United States dollars and issued with an original cash issue discount of 2%.
Interest	Interest shall be payable in cash on the aggregate amount of outstanding obligations under the New Secured Notes at a rate equal to 12% per annum, payable quarterly on September 15, December 15, March 15 and June 15. The Company shall pay interest on overdue principal, premium, if any, and, to the extent lawful, interest, at a rate per annum equal to the interest rate on the New Secured Notes. If a New Secured Noteholder is directly entitled to an exemption from or reduction of withholding tax under an applicable Canadian tax treaty, the New Secured Noteholder shall use commercially reasonable efforts to deliver, on its own behalf, the properly completed and executed documentation prescribed by applicable law as will permit payments of interest to be made without withholding or at a reduced rate of withholding to the Company. For the avoidance of doubt, a New Secured Noteholder shall not be required to use commercially reasonable efforts to deliver such documentation on behalf of any of its beneficial owners.
Withholding Tax	All payments of interest will be made without deduction or withholding for any taxes, except as required by applicable law. Where any such deduction or withholding is so required in respect of any payment of interest, the sum payable in respect of the interest payment will be increased by an amount (an "**additional amount**") necessary so that after making all required withholdings or deductions (including any withholdings or deductions applicable to any additional amounts) the applicable recipient shall receive an amount equal to the sum it would have

received had no such withholdings or deductions been made.

If a New Secured Noteholder receives a refund of any withholding tax in respect of which the Borrower has paid to the New Secured Noteholder an additional amount, the New Secured Noteholder shall pay over such refund amount to the Borrower. In the case of an entity that acts as an investment manager or advisor and holds New Secured Notes on behalf of funds or accounts managed, advised or sub-advised by it, the foregoing obligation shall only apply to such entity's partners or unitholders over which it or its affiliates exercises management or control and it shall not be required to obtain and remit any refunds from ultimate beneficial securityholders over which it does not exercise management or control.

Original Issue Discount The New Secured Notes shall be issued with an original cash issue discount of 2%.

Termination Fee In the event that the Backstop Agreement is terminated prior to the issuance of the New Secured Notes, the Company shall pay to the New Secured Note Purchasers cash in an amount equal to 2% of the aggregate principal amount of the New Secured Notes, which shall be fully earned upon the execution of the Backstop Agreement or the Note Participation Form, as applicable, and payable by the Company on the date of termination of the Backstop Agreement to each New Secured Note Purchaser on a pro rata basis determined by dividing the principal amount of New Secured Notes subscribed for by each New Secured Noteholder (including the Backstoppers (as defined below) based on their backstop commitments (less any amounts validly subscribed for by other New Secured Note Purchasers) by the total aggregate principal amount of the New Secured Notes.

Notwithstanding anything else herein, and for greater clarity, the above-described cash consideration shall not be payable if (A) the Company commences CCAA Proceedings (as defined in the Support Agreement) pursuant to and as a result of the matters set forth in Section 6(a) of the Support Agreement, or (B) the Backstop Agreement is terminated by the Company as a result of a breach or non-compliance by a Backstopper with the terms thereof.

Maturity Date The outstanding obligations under the New Secured Notes (including the principal amount of the New Secured Notes and all accrued interest and fees thereon) shall be repayable in full on the date that is four years after the CBCA Implementation Date (the "**Maturity Date**").

Voluntary Repayment	Prior to the Maturity Date, any amounts owing in respect of the New Secured Notes may be prepaid by Lightstream at any time, in whole or in part on a pro rata basis, without prepayment penalty or premium, on three business days' prior notice to the holders of the New Secured Notes ("**New Secured Noteholders**"), subject to the concurrent payment of all principal, accrued interest and fees due in respect of the New Secured Notes being prepaid at the time of any such prepayment.
Security	Same as for the New Revolving Facility (as defined in the Support Agreement).
Guarantors	Same as for the New Revolving Facility.
Priority	Subordinate to the New Revolving Facility only. The agent for the New Revolving Facility and the indenture trustee for the New Secured Notes shall enter into an intercreditor agreement substantially in accordance with the existing intercreditor agreement governing the relationship between the Revolving Facility and the Secured Notes.
Subscription	All qualified holders of the Secured Notes ("**Qualified Secured Noteholders**") shall be entitled to purchase their pro rata share of the New Secured Notes, such pro rata share (the "**Pro Rata Share**") being determined by dividing the principal amount of Secured Notes held by any such Qualified Secured Noteholder as at a record date to be agreed upon by Lightstream and the Initial Consenting Noteholders by the total aggregate principal amount of all Secured Notes.
Subscription Deadline	September 19, 2016 (or such other date as Lightstream and the Initial Consenting Noteholders may agree).
Backstoppers	The initial consenting noteholders that executed the Support Agreement on July 12, 2016 (the "**Initial Consenting Noteholders**" and, in their capacities as parties to the Backstop Agreement, the "**Backstoppers**") shall backstop the entire issuance of the New Secured Notes, pursuant to standard backstop terms and conditions to be set forth in a definitive backstop agreement between Lightstream and the Backstoppers (the "**Backstop Agreement**").
Backstop Fee	None.
New Secured Notes Indenture	The other terms and conditions of the New Secured Notes shall be set forth in a definitive indenture to be entered into by Lightstream, the Guarantors and the trustee for the New Secured Notes on the CBCA Implementation Date (the "**New Secured**

	Notes Indenture"). The New Secured Notes Indenture shall be based on the existing indenture for the Secured Notes, with such modifications as Lightstream and the Initial Consenting Noteholders shall agree.
Governing Law of New Secured Notes Indenture	Alberta.
Governing Law of Backstop Agreement	New York.
Conditions Precedent to Purchase of New Secured Notes	The purchase of the New Secured Notes shall be conditional on the satisfaction of standard conditions precedent for financings in these circumstances, which conditions precedent shall be set forth in the Backstop Agreement and the Note Participation Form, and to all other conditions precedent as set forth in the Support Agreement and the CBCA Plan.
Assignment	Lightstream and the Guarantors may not assign their rights or obligations in respect of the New Secured Notes. The Backstoppers may not assign their rights or obligations in respect of the Backstop Agreement, except to an affiliate of a Backstopper or a fund advised, managed or sub-advised by the Backstopper's investment managers, or with the consent of the other parties to the Backstop Agreement. Each New Secured Noteholder may assign its New Secured Notes and all of its rights and obligations in respect of the New Secured Notes without the consent of any other party.
Actions by New Secured Noteholders	Any and all actions taken or not taken, or consents, approvals, waivers or amendments, provided by the New Secured Noteholders in respect of the New Secured Notes (and the terms thereof), the CBCA Proceedings, the CBCA Plan Transaction, the CBCA Plan or otherwise, may be taken, delivered or provided upon the direction of New Secured Noteholders who hold an aggregate principal amount greater than 66-2/3% of the aggregate principal amount of all New Secured Notes outstanding at any time (or, in advance of issuance, based on commitment size).
Definitive Documents	The terms of any and all definitive documents and court materials in respect of the New Secured Notes (including without limitation, the Note Participation Form, the New Secured Notes Indenture, the security documents for the New Secured Notes, any intercreditor or collateral agency agreements, and the Backstop Agreement) shall be acceptable to Lightstream and the

Initial Consenting Noteholders.

Further Assurances

The Company, the New Secured Note Purchasers and the Backstoppers shall, from time to time do, execute and deliver, or cause to be done, executed and delivered, all such further acts, documents (including, without limitation, certificates, declarations, affidavits, reports and opinions) as any of them may reasonably request for the purpose of giving effect to this term sheet or the New Secured Notes and the security in respect thereof, as the case may be. All New Secured Note Purchasers shall execute a joinder to the Support Agreement.

Separate Rights and Obligations

The obligations of each Backstopper under the Backstop Agreement and each New Secured Note Purchaser under the Note Participation Form shall in each case be several (and not joint and several). No Backstopper shall be responsible for the obligations of any other Backstopper under the Backstop Agreement (except as may be expressly provided for therein), and the failure by any Backstopper to perform its obligations under the Backstop Agreement shall not affect the obligations of any other Backstopper under the Backstop Agreement (except as may be expressly provided for therein). No New Secured Note Purchaser shall be responsible for the obligations of any other New Secured Note Purchaser under the Note Participation Form (except as may be expressly provided therein), and the failure by any New Secured Note Purchaser to perform its obligations under the Note Participation Form shall not affect the obligations of any other New Secured Note Purchaser under the Note Participation Form (except as may be expressly provided therein).

Confidentiality

Lightstream shall not disclose this term sheet or the substance of the financing arrangements proposed herein to any person without the prior consent of the Initial Consenting Noteholders, such consent not to be unreasonably withheld, except to their professional advisors on a confidential basis and except as required pursuant to applicable laws.

Secured Notes Credit

In the event that the Company commences proceedings under the CCAA, and the Secured Notes Credit Bid is made and implemented, then the obligations of the Initial Consenting Noteholders under the Backstop Agreement shall apply *mutatis mutandis* in the context of the Secured Notes Credit Bid, provided that all conditions precedent to the Secured Notes Credit Bid have been satisfied, including all conditions precedent set forth in the Support Agreement and the Backstop Agreement (modified as applicable to provide for the CCAA Proceedings in lieu of the CBCA Plan Transaction), and together with any other conditions precedent as may be applicable or agreed upon by the Initial

Consenting Noteholders and the lenders under the New Revolving Facility, as the case may be, and for greater certainty in the context of a CCAA proceeding, the Backstop Agreement (modified as set forth above) shall apply only in respect of the Secured Notes Credit Bid.

APPENDIX N

MANDATE OF THE BOARD OF DIRECTORS

LIGHTSTREAM RESOURCES LTD.

The Board of Directors (the "**Board**") of the Company is responsible for the stewardship of the Company. In general terms, the Board will:

A. In consultation with the chief executive officer of the Company (the "**CEO**"), periodically approve the general business strategy of the Company;

B. Supervise the management of the business and affairs of the Company with the goal of achieving the Company's general business strategy as approved by the Board;

C. Discharge the duties imposed on the Board by applicable laws; and

D. For the purpose of carrying out the foregoing responsibilities, take all such actions as the Board deems necessary or appropriate.

Without limiting the generality of the foregoing, the Board will perform the following duties:

Strategic Direction, Operating, Capital and Financial Plans

1. Require the CEO to periodically present to the Board a strategic plan for the Company's business, which plan must:

   (a) be designed to implement the Company's general business strategy;

   (b) identify the principal strategic and operational opportunities and risks of the Company's business, and

   (c) be approved by the Board as a pre-condition to the implementation of such plans;

2. Review progress towards the achievement of the goals established in the strategic, operating and capital plans;

3. Identify the principal risks of the Company's business and take all reasonable steps to ensure the implementation of the appropriate systems to manage these risks;

4. Approve the annual operating and capital plans;

5. Approve issuances of additional Shares or other securities to the public;

6. Monitor the Company's progress towards its goals, and to revise and alter its direction through management in light of changing circumstances;

Management and Organization

7. Appoint the CEO;

8. In consultation with the CEO, establish the limits of management's authority and responsibility in conducting the Company's business;

9. In consultation with the CEO, appoint all officers of the Company and approve the terms of any unique or long-term compensation arrangements or severance terms agreed to with senior management;

10. Develop a succession plan for senior management positions;

11. Generally provide advice and guidance to management;

Finances and Controls

12. Use reasonable efforts to ensure that the Company maintains appropriate systems to manage the risks of the Company's business;

13. Monitor the appropriateness of the Company's capital structure;

14. In consultation with the CEO, establish and confirm that appropriate ethical standards are observed by all officers and employees of the Company;

15. Require that the CEO institute and monitor processes and systems designed to ensure compliance with applicable laws by the Company and its officers and employees;

16. Recommend to the shareholders of the Company a firm of chartered accountants to be appointed as the Company's auditors;

17. Take all necessary actions to gain reasonable assurance that all material financial information made public by the Company (including the Company's annual and quarterly financial statements) represents fairly the Company's financial position and performance in accordance with Canadian generally accepted accounting principles;

Governance

18. Facilitate the continuity, effectiveness and independence of the Board by, amongst other things,

    (a) selecting nominees for election to the Board;

    (b) appointing a Chairman of the Board or a Lead Independent Director who is not a member of management;

    (c) appointing from amongst the directors an audit committee and such other committees of the Board as the Board deems appropriate;

    (d) defining the mandate of each committee of the Board;

    (e) assessing the size and effectiveness of the Board as a whole, each committee of the Board and each director individually;

    (f) providing an appropriate opportunity for any director to engage an outside adviser at the expense of the Company;

19. Periodically review the adequacy and form of the compensation of directors;

Delegation

The Board may delegate its duties to and receive reports and recommendations from any committee of the Board;

Meetings

20. The Board shall meet at least four times per year and/or as deemed appropriate by the Board Chair;

21. Minutes of each meeting shall be prepared;

22. The CEO or his designate(s) may be present at all meetings of the Board;

23. Vice-Presidents and such other staff as appropriate to provide information to the Board shall attend meetings at the invitation of the Board;

24. The Board may call meetings without members of management, including members of management who are also directors of the Company, in attendance for purposes of discussing and evaluating management's performance and addressing other material issues at the Board's discretion.