NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS OF DEETHREE EXPLORATION LTD.

TO BE HELD ON MAY 14, 2015

AND

INFORMATION CIRCULAR WITH RESPECT TO THE ANNUAL GENERAL AND SPECIAL MEETING AND A PROPOSED CORPORATE REORGANIZATION BY PLAN OF ARRANGEMENT

Dated Effective April 9, 2015

The DeeThree Board has unanimously approved the Arrangement and recommends that Shareholders vote in favour of the special resolution approving the Arrangement

If you have questions or require any assistance in executing your proxy or voting instruction form, please call D.F. King at 1-800-398-2142 toll free in North America or by email at inquiries@dfking.com

April 9, 2015

Dear Shareholder,

The board of directors of DeeThree Exploration Ltd. ("**DeeThree**" or the "**Corporation**") cordially invites you to attend the Annual General and Special Meeting (the "**Meeting**") of the shareholders of the Corporation (the "**Shareholders**") to be held in the Bow Glacier room, Centennial Place West Tower, 3rd Floor, 250 - 5th Street, SW, Calgary, AB T2P 0R4, on Thursday, May 14, 2015 at 2:00 p.m. (Calgary time).

At the Meeting, shareholders of DeeThree (the "**Shareholders**") will be asked to pass resolutions relating to certain routine general annual meeting matters as well as a special resolution approving a statutory plan of arrangement (the "**Arrangement**"). The Arrangement involves, among other things, the spin-out by DeeThree of its oil and natural gas assets located in the Brazeau area of central Alberta to Boulder Energy Ltd. ("**Boulder**"), and the pro rata distribution of common shares (the "**Boulder Common Shares**") of Boulder to our Shareholders such that each Shareholder will hold one-half (0.5) of one (1) Boulder Common Share for every Common Share of DeeThree held on the effective date of the Arrangement. In addition, under the Arrangement, the presently outstanding Common Shares of DeeThree will be exchanged for new common shares of DeeThree (the "**New DeeThree Common Shares**") on the basis of one-third (0.3333) of one (1) New DeeThree Common Share for every Common Share of DeeThree held on the effective date of the Arrangement.

Upon completion of the Arrangement, all of the Boulder Common Shares will be owned by Shareholders (other than dissenting DeeThree Shareholders) on a pro rata basis, and the assets which would be owned by Boulder (the "**Spin-Out Assets**") would be the Brazeau Belly River properties and the northern properties.

It is a condition to the completion of the Arrangement that the Corporation receives conditional approval from the Toronto Stock Exchange (the "**TSX**") or other designated stock exchange, for the listing of the Boulder Common Shares. Listing will be subject to Boulder meeting the initial listing requirements of such exchange, receiving formal approval of such exchange and meeting all conditions of listing imposed thereby.

The directors of the Corporation believe that the separation into two distinct public companies dedicated to the development and exploitation of their respective assets will provide Shareholders with two stand-alone companies, each with distinct focus, growth strategy and investment attributes.

In connection with the evaluation by the board of directors of DeeThree ("**DeeThree Board**") of the Arrangement, the DeeThree Board received an opinion from Cormark Securities Inc., financial advisor to the Corporation, which concluded that the consideration to be received by the Shareholders pursuant to the Arrangement is fair, from a financial point of view, to Shareholders.

After careful consideration, the DeeThree Board has unanimously determined that the Arrangement is fair to Shareholders and is in the best interests of the Corporation. A description of the various factors considered by the DeeThree Board in arriving at this determination is contained in the enclosed information circular. **The DeeThree Board unanimously recommends that Shareholders vote in favour of the Arrangement.**

The DeeThree Board has unanimously approved the Arrangement and recommends that Shareholders vote in favour of the special resolution approving the Arrangement.

To be effective, the Arrangement must be approved by a special resolution passed by at least two-thirds of the votes cast by the holders of issued and outstanding Common Shares of the Corporation present in person or represented by proxy at the Meeting, which holders are entitled to one vote for each DeeThree Common Share held. The officers, directors and certain shareholders of the Corporation, holding in the aggregate approximately 17% of the issued and outstanding Common Shares of the Corporation, have indicated their support for the Arrangement.

At the Meeting, shareholders will also be asked to approve: (i) a new stock option plan for Boulder; (ii) a new share incentive plan for the Corporation; and (iii) a change of name of the Corporation from "DeeThree Exploration Ltd." to "Granite Oil Corp." Completion of the Arrangement is conditional on the approval of the new stock option plan for Boulder and the approval of the share incentive plan for the Corporation by the Shareholders.

Your vote is important regardless of the number of Common Shares of the Corporation that you own. If you are a registered holder of Common Shares, we encourage you to take the time now to complete, sign, date and return the enclosed form of proxy in the return envelope addressed to Computershare Trust Company of Canada to be received by no later than 9:00 a.m. (Calgary time) on May 12, 2015, to ensure that your shares are voted at the meeting in accordance with your instructions, whether or not you are able to attend in person. If you hold your shares through a broker or other intermediary, you should follow the instructions provided by your broker or other intermediary to vote your shares.

If you have any questions or require assistance in voting your shares, please contact our proxy solicitation agent, D.F. King Canada toll free in North America at 1-800-398-2142 or by email at inquiries@dfking.com.

We would like to thank all Shareholders for their support as we proceed with this important step towards the advancement of our projects.

Sincerely,

"Martin J. Cheyne"

Martin J. Cheyne
President, Chief Executive Officer and Director

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT an annual general and special meeting (the "**Meeting**") of the holders of Common Shares ("**Shareholders**") of DeeThree Exploration Ltd. ("**DeeThree**" or the "**Corporation**") will be held in the Bow Glacier room, Centennial Place West Tower, 3rd Floor, 250 - 5th Street, SW, Calgary, AB T2P 0R4, on Thursday, May 14, 2015 at 2:00 p.m. (Calgary time) for the following purposes:

1. to receive the audited financial statements of the Corporation for the year ended December 31, 2014 and the report of the auditors thereon;

2. to fix the number of directors for the ensuing year at seven (7);

3. to elect directors for the ensuing year as described in the management information circular (the "**Circular**") accompanying this notice;

4. to appoint KPMG LLP as auditors for the ensuing year and to authorize the directors to fix the remuneration to be paid to the auditors;

5. to consider and, if deemed appropriate, to pass, with or without variation, a special resolution (the "**Arrangement Resolution**"), the full text of which is attached as Appendix "A" to the accompanying Circular, approving an arrangement (the "**Arrangement**") under Section 193 of the *Business Corporations Act* (Alberta) (the "**ABCA**") among the Corporation, its Shareholders and Boulder Energy Ltd. ("**Boulder**"), which will involve, among other things, certain exchanges of securities resulting in common shares of Boulder being distributed to Shareholders of the Corporation and Boulder acquiring certain assets from DeeThree;

6. provided that the Arrangement Resolution is approved, to consider and, if deemed appropriate, to pass, with or without variation, an ordinary resolution, the full text of which is set forth in the accompanying Circular, to approve a stock option plan for Boulder;

7. provided that the Arrangement Resolution is approved, to consider and, if deemed appropriate, to pass, with or without variation, an ordinary resolution, the full text of which is set forth in the accompanying Circular, to approve a new share incentive plan for the Corporation;

8. provided that the Arrangement Resolution is approved, to consider and, if deemed appropriate, to pass, with or without variation, a special resolution, the full text of which is set forth in the accompanying Circular, to approve changing DeeThree's name to "Granite Oil Corp."; and

9. to transact such further or other business, including without limitation such amendments or variations to any of the foregoing resolutions, as may properly come before the Meeting and any adjournments or postponements thereof.

The accompanying Circular provides additional information relating to the matters to be dealt with at the Meeting and is deemed to form part of this notice. Also accompanying this notice is a form of proxy and letter of transmittal.

The record date for determination of Shareholders entitled to receive notice of, and to vote at, the Meeting is April 9, 2015 (the "**Record Date**"). Only Shareholders whose names have been entered in the register of common shares in the capital of the Corporation ("**DeeThree Common Shares**") on the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting. To the extent that a Shareholder transfers the ownership of any DeeThree Common Shares after the Record Date and the transferee of those DeeThree Common Shares establishes ownership of such DeeThree Common Shares and demands, not later than 10 days before the Meeting, to be included in the list of Shareholders eligible to vote at the Meeting, such transferee will be entitled to vote those DeeThree Common Shares at the Meeting. Pursuant to the interim order of the Alberta Court of Queen's Bench dated April 9, 2015 (the "**Interim Order**") providing for, among other things, the calling of the Meeting, each Shareholder shall be entitled to one vote at the Meeting for each DeeThree Common Share held by such holder.

A Shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting or any adjournment or postponement thereof in person are requested to date, sign and return the accompanying form of proxy for use at the Meeting or any adjournment or postponement thereof. To be valid, the proxy must be received by Computershare Trust Company of Canada, 8th Floor, 100 University Avenue, Toronto, ON, M5J 2Y1, no later than 9:00 a.m. (Calgary time) on Tuesday, May 12, 2015 or the day that is two (2) Business Days immediately preceding the date of any adjourned or postponed Meeting.

The proxyholder has discretion under the accompanying form of proxy to consider matters to be voted upon at the Meeting that may not yet be determined. Shareholders who are planning on submitting a proxy are encouraged to review the Circular carefully before submitting the proxy form.

Registered Shareholders have the right to dissent with respect to the Arrangement Resolution and, if the Arrangement Resolution becomes effective, to be paid the fair value of their DeeThree Common Shares in accordance with the provisions of section 191 of the ABCA and the Interim Order. A Shareholder's right to dissent is more particularly described in the Circular and the text of section 191 of the ABCA is set forth in Appendix "K" to the Circular. Please refer to the Circular under the heading "*Dissent Rights*" and Appendix "K" for a description of the right to dissent in respect of the Arrangement.

Failure to strictly comply with the requirements set forth in section 191 of the ABCA and the Interim Order with respect to the Arrangement may result in the loss of any right to dissent. Persons who are beneficial owners of DeeThree Common Shares registered in the name of a broker, custodian, nominee or other intermediary who wish to dissent should be aware that only the registered holders of DeeThree Common Shares are entitled to dissent. Accordingly, a beneficial owner of DeeThree Common Shares desiring to exercise the right to dissent must make arrangements for the DeeThree Common Shares beneficially owned by such holder to be registered in such holder's name prior to the time the written objection to the Arrangement Resolution is required to be received by DeeThree or, alternatively, make arrangements for the registered holder of such DeeThree Common Shares, to dissent on behalf of the holder.

If you are a non-registered shareholder of the Corporation and receive these materials through your broker or through another intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or by the other intermediary. Failure to do so may result in your shares not being eligible to be voted by proxy at the Meeting.

DATED at Calgary, Alberta, as of this 9th day of April, 2015.

By Order of the Board of Directors of
DeeThree Exploration Ltd.

"*Martin J. Cheyne*"

Martin J. Cheyne
President, Chief Executive Officer and Director

TABLE OF CONTENTS

GLOSSARY OF TERMS

In this Circular, the following capitalized terms shall have the following meanings, in addition to other terms defined elsewhere in this Circular.

"**ABCA**" means the *Business Corporations Act* (Alberta), and the regulations thereunder, as now in effect and as they may be promulgated or amended from time to time.

"**AIF**" means the annual information form of the Corporation for the financial year ended December 31, 2014.

"**arm's length**" has the meaning attributed to such term in Subsection 251(1) of the Tax Act.

"**Arrangement**" means the arrangement by way of statutory plan of arrangement involving the Corporation, its Shareholders and Boulder to be completed pursuant to the provisions of Section 193 of the ABCA on the terms and conditions set out in the Plan of Arrangement and any amendments thereto or variations thereof made in accordance with its terms and the Arrangement Resolution.

"**Arrangement Agreement**" means the arrangement agreement dated April 7, 2015 between the Corporation and Boulder, a copy of which is attached to this Circular as Appendix "B".

"**Arrangement Resolution**" means the special resolution approving the Arrangement in the form attached as Appendix "A" to this Circular which, to be effective, must be approved by the affirmative vote of at least two-thirds of the votes cast thereon by the Shareholders.

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

"**Brazeau Belly River Properties**" means DeeThree's oil and gas properties located in west central Alberta, as more particularly described in Appendix "E" - "*Information Concerning Boulder Post-Arrangement - Description of Properties*".

"**Boulder**" means Boulder Energy Ltd., a corporation incorporated under the ABCA.

"**Boulder Board**" means the board of directors of Boulder, as constituted from time to time.

"**Boulder Common Shares**" means the common shares in the capital of Boulder.

"**Boulder Credit Facility**" means the credit facility that is expected to be entered into by Boulder with a syndicate of lenders concurrently with completion of the Arrangement.

"**Boulder Options**" means an option to purchase Boulder Common Shares.

"**Boulder Special Shares**" means the voting, redeemable, retractable preferred shares in the capital of Boulder and having the rights, privileges, restrictions and conditions set out in Appendix "B" to the Plan of Arrangement.

"**Boulder Stock Option Plan**" means the stock option plan of Boulder, adopted prior to the Effective Date.

"**Boulder Stock Option Plan Resolution**" means the ordinary resolution of Shareholders approving the Boulder Stock Option Plan to be considered at the Meeting.

"**Business Day**" means any day other than a Saturday, Sunday or statutory holiday in Calgary, Alberta under the laws of the Province of Alberta or the federal laws of Canada.

"**CEO**" means Chief Executive Officer.

"**CFO**" means Chief Financial Officer.

"**Circular**" means this management proxy and information circular, including all Appendices and Schedules attached hereto.

"**Code**" means the *U.S. Internal Revenue Code of 1986*, as amended.

"**Conveyance Agreement**" means the conveyance agreement to be entered into between DeeThree and Boulder on the Effective Date, providing for, among other things, the transfer by DeeThree to Boulder of the Spin-Out Assets.

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

"**Cormark**" means Cormark Securities Inc., the independent financial advisor to the DeeThree Board.

"**Corporation**" or "**DeeThree**" means DeeThree Exploration Ltd., a company amalgamated under the ABCA, and, unless the context requires otherwise or unless otherwise stated, terms such as "**we**", "**our**", or "**us**", refer to the Corporation.

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

"**CRA**" means Canada Revenue Agency.

"**DeeThree Bakken Assets**" means the oil and gas assets located on the Lethbridge Alberta Bakken Properties.

"**DeeThree Board**" means the Corporation's board of directors, as constituted from time to time.

"**DeeThree Common Shares**" means the common shares in the share capital of DeeThree, as constituted from time to time.

"**DeeThree Option**" means an option to acquire a DeeThree Common Share granted pursuant to the DeeThree Stock Option Plan that is outstanding prior to the Effective Time.

"**DeeThree Optionholder**" means a holder of DeeThree Options.

"**DeeThree Stock Option Plan**" means the stock option plan of DeeThree, as constituted on the date hereof.

"**DeeThree Special Shares**" means the non-voting, redeemable, retractable preference shares in the capital of DeeThree created pursuant to the Plan of Arrangement and having the rights, privileges, restrictions and conditions set out in Appendix "A" to the Plan of Arrangement.

"**Depositary**" means Computershare Investor Services Inc., engaged for the purpose of, among other things, exchanging certificates representing DeeThree Common Shares for New DeeThree Common Shares and Boulder Common Shares in connection with the Arrangement.

"**D.F. King Canada**" means the proxy solicitation agent retained by DeeThree in connection with the Meeting.

"**Dissenting Non-Resident Shareholder**" has the meaning ascribed thereto under "*Income Tax Considerations - Certain Canadian Federal Income Tax Considerations - Shareholders Resident in Canada*".

"**Dissent Rights**" means the rights of dissent pursuant to and in the manner set forth in Section 191 of the ABCA (as modified by the Plan of Arrangement and the Interim Order) and as described under the heading "Dissent Rights" in this Circular.

"**Dissenting Shareholders**" means a Shareholder who validly dissents from the Arrangement Resolution in compliance with the Dissent Rights and who has not withdrawn the exercise of such Dissent Rights and is ultimately determined to be paid fair value in respect of the DeeThree Common Shares held by such Shareholder.

"**Dissenting Shares**" means the DeeThree Common Shares held by Dissenting Shareholders.

"**DRS**" means the direct registration system.

"**DRS Advice**" means a DRS advice which details the shares held in a book position.

"**Effective Date**" means the date shown on the confirmation of filing to be issued under the ABCA giving effect to the Arrangement, which date shall be determined in accordance with the Arrangement Agreement.

"**Effective Time**" means the time at which the steps to complete the Arrangement will commence, which will be 12:01 a.m. (Calgary time) on the Effective Date, subject to any amendment or variation in accordance with the terms of the Arrangement Agreement.

"**EOR**" means enhanced oil recovery.

"**Exercise Price**" means the exercise price of a DeeThree Option.

"**Exercise Price Proportion**" means the fraction A/B where:

> **A** is the VWAP of the Boulder Common Shares on the first five (5) Trading Days where the Boulder Common Shares are traded on the TSX; and
>
> **B** is the aggregate of: (i) the VWAP of the Boulder Common Shares on the first five (5) Trading Days where the Boulder Common Shares are traded on the TSX, and (ii) the VWAP of the New DeeThree Common Shares on the first five (5) Trading Days where the New DeeThree Common Shares are traded the TSX.

"**Fair Market Value**" with respect to a DeeThree Common Share, as at any date means the weighted average of the prices at which the DeeThree Common Shares traded on the TSX for the five (5) Trading Days on which the DeeThree Common Shares traded immediately preceding such date.

"**Fairness Opinion**" means the fairness opinion delivered by Cormark to the DeeThree Board dated April 7, 2015, a copy of which is attached as Appendix "C" to this Circular.

"**Final Order**" means the final order of the Court approving the Arrangement, as such order may be amended or varied at any time prior to the Effective Time or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or amended, with or without variation, on appeal.

"**IFRS**" means International Financial Reporting Standards, as incorporated in the Handbook of the Canadian Institute of Chartered Accounts at the relevant time applied on a consistent basis.

"**In-the-Money DeeThree Option**" means a DeeThree Option that has an Exercise Price lesser than the Fair Market Value of the DeeThree Common Shares.

"**Insider**" shall have the meaning ascribed thereto in TSX Policy 1.1.

"**Interim Order**" means the interim order of the Court dated April 10, 2015 concerning the Arrangement containing declarations and directions with respect to the Arrangement and the holding of the Meeting, as such order may be amended or varied by the Court.

"**IRS**" means the U.S. Internal Revenue Service.

"**Lethbridge Alberta Bakken Properties**" means DeeThree's oil and gas properties located in Southern Alberta, as more particularly described in Appendix "D" - "*Information Concerning DeeThree Post-Arrangement - Background*".

"**Letter of Transmittal**" means the letter of transmittal to be delivered by the Shareholders to the Depositary providing for the delivery of DeeThree Common Shares to the Depositary.

"**mark-to-market rules**" has the meaning ascribed thereto under "*Income Tax Considerations - Certain Canadian Federal Income Tax Considerations - General*".

"**Management Designees**" means those persons named in the instrument of proxy mailed with this Circular.

"**Meeting**" means the Annual General and Special Meeting of Shareholders to be held in the Bow Glacier room, Centennial Place West Tower, 3rd Floor, 250 - 5th Street, SW, Calgary, AB on Thursday May 14, 2015 at 2:00 p.m. (Calgary time) to consider, among other matters, the Arrangement, and any adjournment or postponement thereof.

"**Name Change Resolution**" means the special resolution of Shareholders approving change of name of the Corporation to "Granite Oil Corp." to be considered at the Meeting.

"**Named Executive Officers**" or "**NEOs**" means the CEO, CFO, and the three most highly compensated executive officers whose total compensation exceeded $150,000 per annum in the relevant fiscal year.

"**New DeeThree Common Shares**" means the new class of common shares in the capital of the Corporation, which the Corporation will be authorized to issue upon the Arrangement becoming effective and which are to be issued under the Arrangement to holders of DeeThree Common Shares in exchange for such Common Shares.

"New DeeThree Credit Facility" means the credit facility that is expected to be entered into by DeeThree with a syndicate of lenders concurrently with completion of the Arrangement.

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

"**NI 52-110**" means National Instrument 52-110 – *Audit Committees*.

"**NI 58-101**" means National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

"**Non-Registered Shareholder**" means a DeeThree Shareholder who is not a Registered Shareholder.

"**Non-Resident Shareholder**" has the meaning ascribed thereto under "*Income Tax Considerations - Certain Canadian Federal Income Tax Considerations - Shareholders Resident in Canada*".

"**Northern Properties**" means DeeThree's minor oil and gas properties located in northern Alberta, as more particularly described in Appendix "E" - "*Information Concerning Boulder Post-Arrangement - Description of Properties*".

"**Notice of Meeting**" means the notice to Shareholders calling the Meeting, which accompanies this Circular.

"**Option Exercise and Termination Agreement**" means those agreements entered into between DeeThree and each DeeThree Optionholder pursuant to which such DeeThree Optionholder has agreed to: (i) conditionally exercise all of the holder's vested In-the-Money DeeThree Options, effective as of the Effective Time on a cash or cashless basis, effective as of the Effective Time; (ii) conditionally exchange all of the holder's unvested In-the-Money Options for Replacement Options; and (iii) conditionally surrender all of the holder's unvested and vested Out-of-Money DeeThree Options to DeeThree for cancellation in consideration for $0.001 per each unvested and vested Out-of-Money DeeThree Option so surrendered.

"**Out-of-Money DeeThree Option**" means a DeeThree Option that has an Exercise Price greater than the Fair Market Value of the DeeThree Common Shares.

"**paid-up capital**" has the meaning attributed to such term in Subsection 89(1) of the Tax Act.

"**Participating Shareholder**" has the meaning ascribed thereto under "*Income Tax Considerations - Certain Canadian Federal Income Tax Considerations - Shareholders Resident in Canada*".

"**Person**" means any individual, partnership, association, body corporate, trust, trustee, executor, administrator, legal representative, government, regulatory authority, or other entity.

"**Plan of Arrangement**" means the Plan of Arrangement attached to the Arrangement Agreement, which is attached as Appendix "B" hereto, and any amendment thereto made in accordance with Section 5.1 of the Arrangement Agreement.

"**QEF election**" means a qualified electing fund election under Section 1295 of the Code.

"**Record Date**" means April 9, 2015, being the date set by the Corporation for determining Shareholders entitled to receive notice of and vote at the Meeting.

"**Registered Shareholder**" means a registered holder of DeeThree Common Shares.

"**Registrar**" means the Registrar of Corporations for the Province of Alberta duly appointed under the ABCA.

"**Replacement Option**" means an option entitling the holder to receive, upon due exercise of such Replacement Option (including without limitation, payment of the exercise price thereof to DeeThree and Boulder in accordance with the Exercise Price Proportion), in lieu of one DeeThree Common Share, one-third (0.3333) of one (1) New DeeThree Common Share and one-half (0.5) of one (1) Boulder Common Share.

"**Resident Shareholder**" has the meaning ascribed thereto under "*Income Tax Considerations - Certain Canadian Federal Income Tax Considerations - Shareholders Resident in Canada*".

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

"**SEDAR**" means System for Electronic Document Analysis and Retrieval.

"**Securityholder**" means a holder of DeeThree Common Shares or DeeThree Options, as applicable.

"**Share Incentive Plan**" means the restricted share incentive plan of DeeThree.

"**Share Incentive Plan Resolution**" means the ordinary resolution of Shareholders approving the Share Incentive Plan to be considered at the Meeting.

"**Shareholder**" means a holder of DeeThree Common Shares.

"**Spin-Out Assets**" means the Brazeau Belly River Properties and the Northern Properties.

"**Sproule**" means Sproule Associates Limited.

"**Sproule Boulder Report**" means the reserve report dated April 7, 2015 and prepared by Sproule in relation to the crude oil and natural gas reserves attributable to the Spin-Out Assets and the future net production revenues attainable thereto with an effective date of January 1, 2015.

"**Sproule Lethbridge Report**" means the reserve report dated March 23, 2015 and prepared by Sproule in relation to the crude oil and natural gas reserves attributable to the DeeThree Bakken Assets and the future net production revenues attainable thereto with an effective date of January 1, 2015.

"**Tax Act**" means the *Income Tax Act* (Canada), as now in effect and as may be amended from time to time.

"**Tax Proposals**" has the meaning ascribed thereto under "*Income Tax Considerations - Certain Canadian Federal Income Tax Considerations - General*".

"**Trading Day**" means a day, other than a Saturday, Sunday or statutory holiday, when the TSX is open for trading.

"**Trading Price**" means the trading price of a DeeThree Common Share, New DeeThree Common Share or Boulder Common Share, as the case may be, on the TSX on the applicable date and, for greater certainty, such trading price may be determined by reference to trading of the New DeeThree Common Shares or Boulder Common Shares, as the case may be, on an "if, as and when issued" basis.

"**Transfer Agent**" means Computershare Trust Company of Canada, as registrar and transfer agent of DeeThree, or such other Person as may be designated by DeeThree.

"**Treasury regulations**" means the regulations of the U.S. Department of the Treasury promulgated pursuant to the Code.

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

"**TSXV**" means the TSX Venture Exchange.

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

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

"**VWAP**" means the volume-weighted average Trading Price.

FORWARD-LOOKING INFORMATION

Certain statements, other than statements of historical fact, contained or incorporated by reference in this Circular, including any information as to the future financial or operating performance of DeeThree and Boulder, constitute "forward-looking information" within the meaning of applicable securities laws, and are based on expectations, estimates and projections as of the date of this Circular. The words "plans," "expects," "does not expect," "is expected," "budget," "scheduled," "estimates," "forecasts," "intends," "anticipates," "does not anticipate," or "believes," or variations of such words and phrases or statements that certain actions, events or results "may," "could," "would," "might," or "will be taken," "occur" or "be achieved" and similar expressions identify forward-looking statements.

Forward-looking statements include, without limitation, statements with respect to the future price of oil and gas, the estimation of oil and gas reserves, the realization of oil and gas reserve estimates, the timing and amount of estimated future production, the effectiveness of the EOR project, costs of production, expected capital expenditures, success of exploration activities, permitting time lines, currency fluctuations, requirements for additional capital, environmental risks, unanticipated reclamation expenses, title disputes or claims, limitations on insurance coverage and matters related to the completion of the Arrangement, the proposed structure of DeeThree and Boulder, the business objectives, capital expenditures and operations of DeeThree and Boulder post-Arrangement, the availability and size of credit facilities of DeeThree and Boulder, post-Arrangement, the dividend policy of New DeeThree, the continued listing of New DeeThree Common Shares and the listing of the Boulder Common Shares on the TSX. Statements relating to "reserves" and "resources" are deemed to be forward-looking statements as they involve an implied assessment, based on certain estimates and assumptions, that the resources and reserves described can be profitably produced in the future.

Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by DeeThree and Boulder as of the date of this Circular, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The estimates and assumptions of each of DeeThree and Boulder include, but are not limited to, the various assumptions set forth in the most recent AIF of DeeThree and its most recent management's discussion and analysis as well as: (i) there being no significant disruptions affecting operations, whether due to labour disruptions, supply disruptions, damage to equipment or otherwise during the balance of 2015; (ii) that the exchange rate between the Canadian dollar and the U.S. dollar will be approximately consistent with current levels; (iii) certain price assumptions for oil and gas; and (iv) the accuracy of oil and gas reserve estimates.

In respect of the forward-looking statements and information concerning the anticipated completion of the proposed Arrangement, the anticipated timing for completion of the Arrangement and the completion of the related credit facilities, DeeThree has provided them in reliance on certain assumptions that it believe are reasonable at this time, including assumptions as to the time required to prepare and mail shareholder meeting materials, including the required management information circular; the ability of the parties to receive, in a timely manner, the necessary regulatory, court, shareholder and other third party approvals; and the ability of the parties to satisfy, in a timely manner, the other conditions to the closing of the Arrangement. These dates may change for a number of reasons, including unforeseen delays in preparing meeting material; inability to secure necessary shareholder, regulatory, court or other third party approvals in the time assumed or the need for additional time to satisfy the other conditions to the completion of the Arrangement. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this news release concerning these times.

Known and unknown factors could cause actual results to differ materially from those projected in forward-looking statements. Such factors include, but are not limited to: actual results of exploration activities; actual results of reclamation activities; timing and amount of estimated future production; costs of production; capital expenditures; requirements for additional capital; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks inherent in the oil and gas industry; delays in obtaining governmental approvals, permits or financing or in the completion of development or construction activities; hedging practices; title disputes; claims limitations on insurance coverage; the timing and possible outcome of pending litigation and the possibility of new litigation; risks related to joint venture operations; risks related to the integration of acquisitions; fluctuations in the currency markets; changes in national and local government legislation, taxation, controls, regulations and political or economic developments in Canada or other countries in which DeeThree or Boulder carries on or may carry on business in the future as well as those factors discussed under as well as those factors discussed under "*Risk Factors to the Arrangement*" herein and under "*Risk Factors*" in each of the AIF, Appendix "D" - "*Information Concerning DeeThree Post-Arrangement*" and Appendix "E" - "*Information Concerning Boulder Post-Arrangement*" to this Circular. There are also certain risks related to the consummation of the Arrangement and the business and operations of DeeThree.

These risk factors are not intended to represent a complete list of the risk factors that could affect DeeThree or Boulder. Although DeeThree and Boulder have attempted to identify in this Circular important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements in this Circular, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that the forward-looking statements in this Circular will prove to be accurate, as actual results and future events could differ materially from those anticipated in such forward-looking statements. Accordingly, readers should not place undue reliance on forward-looking statements in this Circular. All of the forward-looking statements made in this Circular are qualified by these cautionary statements.

Certain of the forward-looking statements and other information contained herein are based on estimates prepared by DeeThree using data from publicly available industry sources as well as from market research and industry analysis and on assumptions based on data and knowledge of this industry which DeeThree believes to be reasonable. However, although generally indicative of relative market positions, market shares and performance characteristics, these data are inherently imprecise. While DeeThree is not aware of any misstatement regarding any industry data presented herein, the oil and gas industry involves risks and uncertainties that are subject to change based on various factors.

Each of DeeThree and Boulder disclaims any intention or obligation to update or revise any of the forward-looking statements in this Circular, whether as a result of new information, future events or otherwise, or to explain any material difference between subsequent actual events and such forward-looking statements, except to the extent required by applicable law.

CURRENCY

All currency references in this Circular are in Canadian dollars unless otherwise indicated.

INFORMATION FOR UNITED STATES SHAREHOLDERS

The New DeeThree Common Shares and Boulder Common Shares issuable to Shareholders resident in the United States in exchange for their securities pursuant to the Arrangement 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. Such securities will be issued in reliance upon the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof on the basis of the approval of the Court, which must find, among other things, before approving the Arrangement that its terms and conditions are fair to those to whom securities will be issued, and in reliance upon exemptions under applicable U.S. state securities laws. See "*Conduct of Meeting and Other Approvals - Court Approval of the Arrangement*".

The solicitation of proxies is not subject to the requirements of Section 14(a) of the U.S. Exchange Act, by virtue of an exemption applicable to proxy solicitations by a "foreign private issuer," as defined in Rule 3b-4 under the U.S. Exchange Act. The Corporation is a Canadian issuer that administers is business principally in Canada, and the majority of its record Shareholders, executive officers, directors and assets are located in Canada. The solicitation of proxies and transactions contemplated herein are being made by a Canadian issuer in accordance with Canadian corporate and securities laws, and this Circular has been prepared in accordance with disclosure requirements applicable in Canada. Shareholders should be aware that requirements under such Canadian laws and such disclosure requirements may differ from requirements under United States corporate and securities laws relating to United States corporations. The financial statements, pro forma financial statements and related financial information included in this Circular have been prepared in accordance with IFRS, and are subject to Canadian auditing and auditor independence standards, and thus may not be comparable to financial statements of United States corporations.

Specifically, information concerning any properties and operations of DeeThree, including any to be transferred to Boulder as part of the Arrangement, has been prepared in accordance with Canadian standards under applicable Canadian securities laws, and may not be comparable to similar information for United States companies. Data on oil and gas reserves contained in this Circular have been prepared in accordance with Canadian disclosure standards, which are not comparable in all respects to United States disclosure standards. For example, the SEC currently requires U.S. oil and gas companies, in their filings with the SEC, to disclose proved reserves (as defined in SEC rules and regulations) and permits disclosure of probable and possible reserves. Canadian securities laws require oil and gas companies, in their filings with Canadian securities regulators, to disclose proved reserves (defined differently from SEC rules and regulations) and probable reserves and permits disclosure of possible reserves. Probable reserves are of higher risk and are generally believed to be less likely to be recovered than proved reserves. Additionally, the SEC prohibits disclosure of oil and gas resources, whereas Canadian issuers may disclose oil and gas resources. Resources are different than, and should not be construed as, reserves. As a consequence, the production volumes and reserve and resource estimates in this Circular may not be comparable to those of U.S. oil and gas companies subject to SEC reporting and disclosure requirements.

Financial statements included or incorporated by reference herein have been prepared in Canadian dollars and in accordance with IFRS, and are subject to auditing and auditor independence standards, which differ from United States generally accepted accounting principles and United States auditing and auditor independence standards in certain material respects, and thus are not directly comparable to financial statements of companies prepared in accordance with United States generally accepted accounting principles and that are subject to United States auditing and auditor independence standards.

The enforcement by Shareholders of civil liabilities under the United States federal securities laws may be affected adversely by the fact that DeeThree and Boulder are incorporated or organized under the laws of a country other than the United States, that some or all of their officers and directors and the experts named herein are residents of countries other than the United States and that all of the assets of DeeThree and Boulder are located outside the United States. As a result, it may be difficult or impossible for U.S. shareholders to effect service of process within the United States upon DeeThree and Boulder, their directors or officers, or 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, U.S. shareholders 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 DeeThree Common Shares and Boulder Common Shares issuable to Shareholders pursuant to the Arrangement will be freely transferable under U.S. federal securities laws, except by persons who are "affiliates" of the Corporation or Boulder, as applicable, after the Effective Time or were affiliates of the Corporation or Boulder, as applicable, within 90 days prior to the Effective Time. See "*Securities Law Considerations - United States Federal Securities Laws*".

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

NOTES ON OIL AND GAS RESERVES

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

Reserve Categories

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

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

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

"**Developed Non-Producing**" reserves are those reserves that either have not been on production, or have previously been on production, but are shut-in, and the date of resumption of production is unknown.

"**Undeveloped**" reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (e.g., when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves classification (Proved, Probable, Possible) to which they are assigned.

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

"**Probable**" reserves are those additional reserves that are less certain to be recovered than Proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated Proved + Probable reserves.

"**Possible**" reserves are those additional reserves that are less certain to be recovered than Probable reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated Proved + Probable + Possible reserves.

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

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

Oil and Natural Gas Abbreviations

API	American Petroleum Institute	MMBOE	millions of barrels of oil equivalent
bbl	barrel, each barrel representing 34.972 Imperial gallons or 42 U.S. gallons	MBOE/d	thousands of barrels of oil equivalent per day
		Mcf	thousand cubic feet
bbls/d	barrels per day	Mcf/d	thousand cubic feet per day
Bcf	billion cubic feet	MMcf/d	million cubic feet per day
BOE	barrels of oil equivalent	MMBTU	million British Thermal Units
BOE/d	barrels of oil equivalent per day	MMcf	million cubic feet
Mbbls	thousands of barrels	MMstb	million stock tank barrels
MBOE	thousands of barrels of oil equivalent	stb	stock tank barrel, a barrel volume of a fluid at standard (stock tank) conditions

The following table sets forth certain standard conversions between Standard Imperial Units and the International System of Units (or metric units).

To convert from	To imperial units	Multiply by
Mcf	cubic metres	28.328
cubic metres	cubic feet	35.301
bbl	cubic metres	0.159
cubic metres	bbl	6.292
feet	metres	0.305
metres	feet	3.281
miles	kilometres	1.609
kilometres	miles	0.621
acres	hectares	0.405
hectares	acres	2.471

Disclosure provided in this Circular for BOE may be misleading, particularly if used in isolation. A BOE conversion ratio of six Mcf to one bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalent of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

SUMMARY

The following is a summary of the principal features of the Arrangement and certain other matters and should be read together with the more detailed information and financial data and statements contained elsewhere in this Circular, including the appendices hereto. This Summary is qualified in its entirety by the more detailed information appearing or referred to elsewhere herein. Unless otherwise indicated, all currency amounts are stated in Canadian dollars. The information contained herein is as of April 9, 2015 unless otherwise indicated. Capitalized terms used in this Summary are defined in the "Glossary of Terms" or elsewhere in this Circular.

THE MEETING

The Meeting

The Meeting will be held in the Bow Glacier room, Centennial Place West Tower, 3rd Floor, 250 - 5th Street, SW, Calgary, AB, on Thursday, May 14, 2015 at 2:00 p.m. (Calgary time), for the purposes set forth in the accompanying Notice of Meeting. At the Meeting, DeeThree Shareholders will, among other annual general meeting matters, be asked to consider and, if deemed advisable, pass with or without variation, the Arrangement Resolution. If the Arrangement Resolution is approved at the Meeting, DeeThree shareholders will also be asked to approve a new stock option plan for Boulder, a new share incentive plan for the Corporation, and a change of name of DeeThree to "Granite Oil Corp."

PARTICULARS OF THE MATTERS TO BE ACTED UPON: THE ARRANGEMENT

The Arrangement will occur by statutory plan of arrangement under Section 193 of the ABCA involving the Corporation, the Shareholders and Boulder. The principal features of the Arrangement are summarized below, and the following is qualified in its entirety by reference to the full text of the Arrangement Agreement, a copy of which is attached as Appendix "B" hereto.

Background to the Arrangement

DeeThree is a public oil and gas production, exploration and development company with its offices located in Calgary, Alberta with lands and operations primarily located in the Lethbridge area of southern Alberta (previously defined as the "**Lethbridge Alberta Bakken Properties**"); and in the Brazeau, West Pembina and Peace River Arch areas of Alberta (previously defined as the "**Brazeau Belly River Properties**").

During 2014 and the early part of 2015, management and the DeeThree Board of the Corporation undertook a strategic review of the alternatives available to enhance shareholder value. Based on this review, the DeeThree Board determined that it would be in the best interest of the Corporation to separate the Corporation's Lethbridge Alberta Bakken Properties and Brazeau Belly River Properties among two distinct public companies held by DeeThree Shareholders on a pro rata basis with reference to the number of DeeThree Common Shares held prior to the Arrangement.

Boulder was incorporated on December 19, 2014 solely for the purposes of participating in the Arrangement. On April 7, 2015, the Corporation and Boulder entered into the Arrangement Agreement.

See "*The Arrangement - Background to the Arrangement*".

Reasons for the Arrangement

In the course of its evaluation of the Plan of Arrangement, the DeeThree Board consulted with DeeThree's senior management, financial advisors and legal counsel, reviewed a significant amount of information and considered a number of factors. As a result of such deliberations, the DeeThree Board has unanimously determined that the Arrangement is fair to Shareholders and in the best interests of the Corporation. In reaching these determinations, the DeeThree Board considered, among other things, the following factors:

1. the Arrangement will improve operational focus of each of DeeThree and Boulder which will allow for the optimal development plan decisions to be made to maximize long term value from the assets and, as a result, maximize value for Shareholders;

2. the Arrangement will allow Boulder to focus on continued growth through exploration and development of the Belly River assets at Pembina-Brazeau and allow DeeThree to focus on a measured development of and implementation of DeeThree's gas injection enhanced oil recovery project with its Alberta Bakken assets in Southern Alberta. In particular, for DeeThree, the stage of development of the Lethbridge Alberta Bakken assets, the excess free cash flow and the measured production growth expected with the continued implementation of the gas injection enhanced oil recovery project makes this asset best suited to a business model focused on stable growth and the payment of a sustainable dividend. For Boulder, the dominant land and infrastructure position within the Pembina-Brazeau Belly River, combined with a substantial inventory of high impact well locations with very attractive economics, makes this asset best suited to a business model focused on growth;

3. the Arrangement creates two independent, pure play oil companies which will pursue different business strategies which better reflect the unique nature of the two different asset bases within DeeThree – with Boulder pursuing a dedicated growth strategy and DeeThree pursuing a sustainable dividend plus growth strategy – which offers Shareholders flexibility, as they will hold a direct interest in two publicly listed companies (if the intended listing of the Boulder Common Shares is completed);

4. the Arrangement is expected to improve the market's identification and valuation and allow Shareholders, investors and analysts to more accurately compare, evaluate and value each of the companies on a stand-alone basis against appropriate peers, benchmarks and performance criteria specific to that company;

5. each company will be owned by DeeThree Shareholders on a pro rata basis with reference to the number of DeeThree Common Shares held prior to the Arrangement;

6. the potential for Shareholders to benefit from a diversification and expansion of the combined shareholder base of the two companies;

7. each company will be led by experienced directors and executives who have demonstrated success building DeeThree and who have the requisite experience and ability to grow their respective companies, with each of DeeThree and Boulder maintaining separate and independent management and technical teams from each other, ensuring management remains focused on their respective business objectives;

8. each company will have independent access to capital (equity and debt) which management believes will result in more focused capital allocation practices;

9. the procedures by which the Arrangement is to be approved, including the requirement for approval of the Arrangement by the Court after a hearing at which fairness to the Corporation's securityholders will be considered;

10. Cormark provided the Fairness Opinion which concluded that the consideration to be received by Shareholders pursuant to the Arrangement is fair, from a financial point of view, to Shareholders;

11. the availability of rights of dissent to Shareholders with respect to the Arrangement; and

12. the expected neutral tax treatment of the Arrangement, which would generally occur on a tax-deferred basis for Shareholders resident in Canada who hold their DeeThree Common Shares as capital property and for U.S. holders, subject to certain assumptions.

In the course of its deliberations, the DeeThree Board also identified and considered a variety of risks and potentially negative factors, including, but not limited to the risks set out under "*Risk Factors to the Arrangement*".

The foregoing discussion summarizes the material information and factors considered by the DeeThree Board in their consideration of the Arrangement. The DeeThree Board collectively reached its unanimous decision with respect to the Arrangement in light of the factors described above and other factors that each member of the DeeThree Board felt were appropriate. In view of the wide variety of factors and the quality and amount of information considered, the DeeThree Board did not find it useful or practicable to quantify, rank or otherwise assign relative weights to or make specific assessments of the specific factors considered in reaching its

determination. Individual members of the DeeThree Board may have given different weight to different factors. See also "*The Arrangement - Reasons for the Arrangement*".

Fairness Opinion

In connection with the evaluation by the DeeThree Board of the Arrangement, the DeeThree Board received an opinion from Cormark in respect of fairness, from a financial point of view, to Shareholders of the consideration to be received by Shareholders pursuant to the Arrangement. The Fairness Opinion is summarized under "*The Arrangement - Fairness Opinion*", and a copy of the Fairness Opinion, which sets forth the assumptions made, information reviewed, matters considered and limitations on the scope of the review undertaken, is attached as Appendix "C" to this Circular. Shareholders are urged to, and should, read the Fairness Opinion in its entirety. The Fairness Opinion is not a recommendation as to how Shareholders should vote in respect of the Arrangement Resolution.

Recommendation of the Directors

After careful consideration, the DeeThree Board has unanimously determined that the Arrangement is fair to the Shareholders and is in the best interests of DeeThree. **The DeeThree Board unanimously recommends that Shareholders vote FOR the Arrangement Resolution.**

The officers, directors and certain Shareholders of DeeThree who beneficially own, directly or indirectly, or exercise control or direction over, in the aggregate, 15,289,850 DeeThree Common Shares, representing approximately 17% of the DeeThree Common Shares outstanding as of the date hereof have entered into support agreements to vote in favour of the Arrangement Resolution. All of the DeeThree Common Shares held by such officers, directors and Shareholders of DeeThree will be treated in the same fashion under the Arrangement as DeeThree Common Shares held by any other Shareholders.

See "*The Arrangement - Recommendation of the DeeThree Board*".

Effect of the Arrangement

If the proposed Arrangement is approved by the Shareholders and the Court and the other conditions precedent to completion of the Arrangement are satisfied or waived, at the Effective Time, DeeThree's assets will be divided between two separate publicly traded companies, with the Lethbridge Alberta Bakken Properties continuing to be owned by new DeeThree and the Brazeau Belly River Properties and Northern Properties being owned by Boulder. Each Shareholder (other than a Dissenting Shareholder) will hold, for each DeeThree Common Share held: (i) one-third (0.3333) of one (1) New DeeThree Common Share; and (ii) one-half (0.5) of one (1) Boulder Common Share. The Effective Date is expected to be on or about May 15, 2015.

For a more detailed description of the Lethbridge Alberta Bakken Properties and the business of DeeThree post-Arrangement, please refer to Appendix "D" - "*Information Concerning DeeThree Post-Arrangement*". For a more detailed description of the business of Boulder, the Brazeau Belly River Properties and the Northern Properties, please refer to Appendix "E" - "*Information Concerning Boulder Post-Arrangement*".

See "*The Arrangement - Effect of the Arrangement*".

Arrangement Mechanics

Once all conditions precedent to completion of the Arrangement have been satisfied or waived, the Articles of Arrangement are expected to be filed at such time as DeeThree deems appropriate, in its sole discretion, and the Arrangement will take effect as of the Effective Time. Subject to DeeThree's ability to amend the Plan of Arrangement, the steps set forth in the Plan of Arrangement will be deemed to occur in the order set out in the Plan of Arrangement on the Effective Date. See "*The Arrangement - Arrangement Mechanics*". As a result of the Arrangement, DeeThree will transfer the Spin-Out Assets to Boulder and each Shareholder (other than a Dissenting Shareholder) will be entitled to receive in respect of each outstanding DeeThree Common Share held: one-third (0.3333) of one (1) New DeeThree Common Share and one-half (0.5) of one (1) Boulder Common Share and such holder's name will be added to the registers of the New DeeThree Common Shares and the Boulder Common Shares maintained by or on behalf of DeeThree and Boulder, respectively.

The DeeThree Board may, in its absolute discretion, determine whether or not to proceed with the Arrangement without further approval, ratification or confirmation by the Shareholders.

See "*The Arrangement - Arrangement Mechanics*".

DeeThree Options

As of the date hereof, each of the DeeThree Optionholders has entered into an Option Exercise and Termination Agreement whereby he/she has agreed to conditionally: (i) exercise his/her vested In-the-Money DeeThree Options on a cash basis or cashless basis; (ii) exchange his/her unvested In-the-Money DeeThree Options for Replacement Options, and (iii) surrender his/her vested and unvested Out-of-Money DeeThree Options to DeeThree for cancellation in consideration of $0.001 per each such Out-of-Money DeeThree Option so surrendered.

To the extent any vested In-the-Money DeeThree Options are exercised on a cashless basis, the DeeThree Optionholder will be entitled to receive, without any cash payment (other than any taxes required to be paid in connection with the exercise which must be paid by the DeeThree Optionholder to the Corporation), that number of DeeThree Common Shares equal in value (based on the Fair Market Value of the DeeThree Common Shares on the Effective Date) to the difference of the Fair Market Value of the DeeThree Common Shares on the Effective Date less the exercise price of such DeeThree Option. Each Replacement Option entitles the holder to receive, upon due exercise of such Replacement Option (including without limitation, payment of the exercise price thereof to DeeThree and Boulder in accordance with the Exercise Price Proportion), in lieu of one DeeThree Common Share, one-third (0.3333) of one (1) New DeeThree Common Share and one-half (0.5) of one (1) Boulder Common Share.

Based on the Fair Market Value of the DeeThree Common Shares as of the date hereof, there are 3,640,349 vested In-the-Money DeeThree Options, 626,379 DeeThree unvested In-the-Money Options, and 3,404,100 Out-of-Money DeeThree Options issued and outstanding. A total of 216,000 of the vested In-the-Money Options expire on April 27, 2015. Upon the Arrangement becoming effective and based on the Fair Market Value of the DeeThree Common Shares as of the date hereof, 626,379 Replacement Options will be issued and outstanding entitling the holders thereon to purchase 208,772 New DeeThree Common Shares and 313,190 Boulder Common Shares. As part of the Arrangement, the DeeThree Stock Option Plan will be terminated and the Replacement Options will be governed by the agreement(s) representing such Replacement Options. No other options or convertible securities to purchase New DeeThree Common Shares or Boulder Common Shares will be issued and outstanding.

See "*The Arrangement - DeeThree Options*".

Conditions to the Arrangement Becoming Effective

Completion of the Arrangement is subject to the conditions precedent in the Arrangement having been satisfied or waived, including, but not limited to, the following:

(a) Shareholder approval of the Arrangement Resolution having been obtained;

(b) Shareholder approval of the Boulder Stock Option Plan Resolution having been obtained;

(c) Shareholder approval of the Share Incentive Plan Resolution having been obtained;

(d) the Final Order having been obtained; and

(e) the TSX approving the continuing listing of the New DeeThree Common Shares and the listing of the Boulder Common Shares.

See "*Arrangement Agreement - Conditions to the Arrangement Becoming Effective*" in the Circular.

Shareholder Approval

The Arrangement Resolution must be approved by at least two-thirds of the votes cast by Shareholders voting in person or by proxy at the Meeting. The Boulder Stock Option Plan Resolution must be approved by a simple majority of the votes cast by Shareholders in person or by proxy at the Meeting, the Share Incentive Plan Resolution must be approved by a simple majority of the votes cast by Shareholders in person or by proxy at the Meeting, and the Name Change Resolution must be approved by at least two-thirds of the votes cast by Shareholders voting in person or by proxy at the Meeting. Shareholder approval of the Boulder Stock Option Plan Resolution and the Share Incentive Plan Resolution are conditions precedent to completion of the Arrangement. See "*Particulars of the Matters to be Acted Upon*".

The Arrangement Agreement provides for the Articles of Arrangement to be filed at such time as DeeThree deems appropriate, in its sole discretion, after the conditions precedent contained in the Arrangement Agreement have been satisfied or waived.

Court Approval of the Arrangement

Under the ABCA, the Corporation is required to obtain the approval of the Court to the calling and holding of the Meeting and to the Arrangement. On April 10, 2015, prior to mailing the material in respect of the Meeting, the Corporation obtained the Interim Order providing for the calling and holding of the Meeting and other procedural matters. A copy of the Interim Order is attached as Appendix "L" to this Circular. A copy of the Originating Application for Final Order approving the Arrangement is attached as Appendix "M" to this Circular.

The Court application in respect of the Final Order is scheduled to take place at 2:00 p.m. (Calgary time) on May 15, 2015, or as soon thereafter as the Court may direct at the Courthouse, 601 - 5th Street S.W., Calgary, Alberta, subject to the approval of the Arrangement Resolution at the Meeting.

At the Court hearing, all persons to whom securities would be issued in the Arrangement may participate, be represented or present evidence or argument, subject to the rules of the Court. Such persons should consult with their legal advisors as to the necessary rules and requirements. Although the authority of the Court is very broad under the ABCA, the Corporation has been advised by counsel that the Court must find, among other things, before approving the Arrangement, that its terms and conditions are fair to those to whom securities will be issued. The Court may approve the Arrangement as proposed or as amended in any manner as the Court may direct. The Court's approval is required for the Arrangement to become effective.

The Court will be advised prior to the hearing that the Court's determination that the Arrangement is fair will form the basis for the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof with respect to the Boulder Common Shares and the securities of the Corporation to be issued pursuant to the Arrangement. See "*Securities Law Considerations - United States Federal Securities Laws*" for additional information.

See "*Procedure for the Arrangement to be Effective - Court Approval of the Arrangement*" in the Circular.

Stock Exchange Approvals

Currently the DeeThree Common Shares are listed on the TSX and there is no market for the Boulder Common Shares. It is a condition precedent to the completion of the Arrangement that the New DeeThree Common Shares be conditionally approved for continued listing and original listing of the Boulder Common Shares on the TSX, or such other designated stock exchange (as defined in the Tax Act) acceptable to DeeThree be conditionally approved. An application has been made to have the Boulder Common Shares listed on the TSX. Listing will be subject to, amongst other things, Boulder meeting the original listing requirements of the TSX, and meeting all conditions of listing imposed by the TSX. There can be no assurance as to whether, or when, the Boulder Common Shares will be listed for trading on the TSX or any other designated stock exchange.

See "*Procedure for the Arrangement to be Effective - Stock Exchange Approvals*" in the Circular.

Exchange and Distribution of Share Certificates and DRS Advices

Upon the Arrangement becoming effective, as soon as practicable after the Effective Date, assuming due delivery of the required documentation, including the applicable DeeThree Common Share certificates and a duly and properly completed Letter of Transmittal, DeeThree and Boulder will cause the Depositary to forward DRS Advices representing the New DeeThree Common Shares and Boulder Common Shares to which the Registered Shareholders as shown on the register of DeeThree Common Shares maintained by the Transfer Agent or at the address set out in the Letter of Transmittal, unless the Registered Shareholder indicates in the Letter of Transmittal that it wishes to pick up the DRS Advices representing the New DeeThree Common Shares and Boulder Common Shares.

Registered Shareholders who do not deliver their DeeThree Common Share certificates and all other required documents to the Depositary on or before the date which is six years after the Effective Date will lose their right to receive New DeeThree Common Shares and Boulder Common Shares.

See "*Exchange and Distribution of Certificates and DRS Advices*" in the Circular.

Dissent Rights

Shareholders have the right to dissent to the Arrangement. Dissenting Shareholders who strictly comply with the provisions of the Interim Order, the ABCA and the Plan of Arrangement are entitled to be paid the fair value of their DeeThree Common Shares by the Corporation. The Dissent Rights applicable to the Arrangement are summarized under the heading "*Dissent Rights*" in this Circular.

Dissenting Shareholders should note that the exercise of Dissent Rights can be a complex, time-sensitive and expensive procedure. Dissenting Shareholders should consult their legal advisors with respect to the legal rights available to them in relation to the Arrangement and the Dissent Rights.

OTHER SPECIAL MATTERS TO BE VOTED UPON AT THE MEETING

Approval of Boulder Stock Option Plan

If the Arrangement Resolution is passed, at the Meeting, Shareholders will be asked to consider and, if deemed appropriate, approve and ratify the Boulder Stock Option Plan for use by Boulder following the Arrangement. See "*Particulars of Other Matters to be Acted Upon - 6. Approval of Boulder Stock Option Plan*". A copy of the Boulder Stock Option Plan is included as Appendix "F". Approval of the Boulder Stock Option Plan by the Shareholders is a condition to the Arrangement.

Approval of Share Incentive Plan

If the Arrangement Resolution is passed, at the Meeting, Shareholders will be asked to consider and, if deemed appropriate, approve and adopt a new share incentive plan for use by the Corporation following the Arrangement. See "*Particulars of Other Matters to be Acted Upon - 7. Approval of Share Incentive Plan*". A copy of the Share Incentive Plan is included as Appendix "G". Approval of the Share Incentive Plan by the Shareholders is a condition to the Arrangement.

Approval of Name Change

If the Arrangement Resolution is passed, at the Meeting, Shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, a special resolution that provides for changing the name of the Corporation from "DeeThree Exploration Ltd." to "Granite Oil Corp.". See "*Particulars of Other Matters to be Acted Upon - 8. Approval of Name Change*".

INCOME TAX CONSIDERATIONS

Certain Canadian Federal Income Tax Considerations

A Canadian resident holder of DeeThree Common Shares who holds such shares as capital property will not realize a capital gain or capital loss as a result of the Arrangement. The adjusted cost base of the DeeThree Common Shares will be allocated between the New DeeThree Common Shares and the Boulder Common Shares based upon the relative fair market values of such shares at the time of the Arrangement. Following the Effective Date, DeeThree will advise holders of an appropriate proportionate allocation of the adjusted cost bases. A non-resident holder of DeeThree Common Shares will not be subject to tax in Canada as a result of the Arrangement, provided the DeeThree Common Shares are not taxable Canadian property. See "*Income Tax Considerations - Canadian Federal Income Tax Considerations*".

Certain Canadian federal income tax considerations for Shareholders who participate in the Arrangement or who dissent from the Arrangement are summarized herein under "*Income Tax Considerations - Certain Canadian Federal Income Tax Considerations*".

Certain U.S. Federal Income Tax Considerations to U.S. Holders

Assuming that the Arrangement qualifies as a tax-free transaction under Section 355, Section 368(a)(1)(D) and related provisions of the Code, and subject to certain other assumptions and qualifications summarized herein under "*Certain U.S. Federal Income Tax Considerations to U.S. Holders*," then:

- no gain or loss will be recognized by, and no amount will be included in the income of, U.S. holders of DeeThree Common Shares upon the receipt of New DeeThree Common Shares and Boulder Common Shares pursuant to the Arrangement;

- a U.S. holder who receives Boulder Common Shares pursuant to the Arrangement will have an aggregate tax basis in its New DeeThree Common Shares and Boulder Common Shares immediately after the Arrangement equal to the aggregate tax basis of the DeeThree Common Shares that the U.S. holder held immediately before the Arrangement, allocated between such New DeeThree Common Shares and Boulder Common Shares in proportion to their respective fair market values; and

- the holding period of the Boulder Common Shares received pursuant to the Arrangement by a U.S. holder will include the holding period of its DeeThree Common Shares.

For additional information regarding the U.S. federal income tax treatment of the Arrangement, passive foreign investment company considerations, taxation of distributions on and distributions of Boulder Common Shares, and other important U.S. federal income tax considerations, please see "*Certain U.S. Federal Income Tax Considerations to U.S. Holders*".

Shareholders should carefully review the applicable tax considerations under the Arrangement and are urged to consult their own tax advisors in regard to their particular circumstances.

SECURITIES LAW CONSIDERATIONS

Canadian Securities Law considerations to Shareholders are summarized herein under "*Securities Law Considerations - Canadian Securities Laws*" and United States Securities Laws considerations to Shareholders are summarized herein under "*Securities Law Considerations - United States Federal Securities Laws*".

Holders of New DeeThree Common Shares and Boulder Common Shares are urged to seek legal advice prior to any resale of such securities to ensure that the resale is made in compliance with the requirements of applicable securities legislation. Certain re-sales of securities acquired pursuant to the Arrangement may be required to be made through properly registered securities brokers or dealers.

RISK FACTORS

In evaluating the Arrangement, you should carefully consider, in addition to the other information contained in this Circular, the risks and uncertainties described in the Circular under "*Risk Factors to the Arrangement*" before deciding to vote in favour of the Arrangement. In addition to the risk factors relating to the Arrangement, Shareholders should also carefully consider the risk factors relating to the Corporation's business and Boulder's business following the Arrangement as described under "*Risk Factors*" in the Corporation's AIF, Appendix "D" - "*Information Concerning DeeThree Post-Arrangement*" and Appendix "E" - "*Information Concerning Boulder Post-Arrangement*", respectively, which risk factors should be considered in conjunction with the other information included in this Circular. While this Circular has described the risks and uncertainties that management of the Corporation believes to be material to the Corporation's and to Boulder's business, and therefore the value of their common shares, it is possible that other risks and uncertainties affecting the Corporation's and/or Boulder's business will arise or become material in the future.

INFORMATION CONCERNING THE CORPORATION AND BOULDER POST- ARRANGEMENT

The Corporation is an entity amalgamated pursuant to the ABCA and is a reporting issuer in each of the provinces of Canada, other than Quebec. The DeeThree Common Shares are currently listed for trading on the TSX. For more information on the business of the Corporation, please see the Corporation's AIF and Appendix "D" - "*Information Concerning DeeThree Post-Arrangement*", and the financial statements of the Corporation.

Boulder is an entity incorporated pursuant to the ABCA for the purpose of participating in the Arrangement. Appendix "E" - "*Information Concerning Boulder Post-Arrangement*" of this Circular describes the proposed business of Boulder, post-Arrangement, and should be read together with the audited financial statements of Boulder, the audited carve-out financial statements of the Spin-Out Assets, and the unaudited pro forma financial statements of Boulder contained in Appendix "H", Appendix "I" and Appendix "J", respectively.

Board and Management

The DeeThree Board, with its financial and legal advisors, considered the skills and characteristics required for members of the respective Board of Directors for DeeThree and Boulder following the completion of the Arrangement in the context of the current make-up of the DeeThree Board. In consideration of many factors, the DeeThree Board determined that the shareholders' interests would be best served with the members of the Corporation's current Board of Directors serving as the initial members of the respective Board of Directors of DeeThree and Boulder following the completion of the Arrangement. The factors considered by the Board of Directors in making this determination included:

- the background, skills and characteristics of the respective directors;
- the high level of success achieved by the Corporation since it began operations on the basis of overall shareholders' return and growth in oil and gas production levels, among others;
- the benefits to be realized from continuity at the Board of Director level;
- the material contributions to the Corporation's success over the years made by all directors of the Corporation;
- the high level of understanding by the directors of the unique characteristics of both the Lethbridge Alberta Bakken Properties and the Brazeau Belly River Properties;
- five of the seven directors of both companies would be considered to be independent under 52-110;
- the material shareholdings of the independent directors; and
- the continuation of the strong corporate governance practices of the Corporation's Board of Directors by the Boards of both corporations following the completion of the Arrangement.

As such, upon completion of the Arrangement (and assuming that the nominated directors are elected at the Meeting), the DeeThree Board will consist of the current seven directors of DeeThree, being Martin Cheyne, Michael Kabanuk, Dennis Nerland, Bradley Porter, Henry Hamm, Brendan Carrigy and Kevin Andrus. Mr. Carrigy will be appointed as Chairman of the DeeThree Board. The management team of DeeThree post-Arrangement will consists of: Michael Kabanuk (President and CEO), Gail Hannon (CFO), Jonathan Fleming (Executive Vice President), and Tyler Klatt (Vice President Exploration).

Upon completion of the Arrangement, the Boulder Board will consist of the same members as the current DeeThree Board and the management team of Boulder will consists of: Martin Cheyne (CEO), Clayton Thatcher (President), Casey Paulhus (CFO), Robin Bieraugle (COO), Hayden Knorr (Vice President Production), Trevor Murray (Vice President Land), and Mel Chambers (Vice President Exploration). Mr. Kabanuk will be appointed as Chairman of the Boulder Board.

Each of the individuals named above are current directors, officers and/or employees of DeeThree. The post-arrangement allocation of management personnel between DeeThree and Boulder was made with reference to the anticipated managerial and operational needs of each corporation.

Dennis Nerland has notified the Corporation that the size and operations of four issuers with whom he serves as a director are very small at present and that the time requirements for his service to these companies as a director are limited when considered individually and when considered as a whole. As such, Mr. Nerland's service as a director of these companies has not, and is not expected to, limit his ability to carry out his duties and responsibilities as a director of the Corporation and of Boulder.

INFORMATION CONCERNING THE MEETING AND VOTING - QUESTIONS AND ANSWERS

The following are some questions that you, as DeeThree Shareholder, may have relating to the Arrangement and the Meeting, and the answers to such questions. These questions and answers do not provide all of the information relating to the Meeting or the matters to be considered at the Meeting and are qualified in their entirety by the more detailed information contained elsewhere in this Circular. You are urged to read this Circular in its entirety before making a decision related to your DeeThree Common Shares. Terms not otherwise defined in this section shall have the meaning ascribed thereto under "Glossary of Terms" of the attached Circular.

About the Meeting

Why am I receiving this proxy and information circular?

One of the benefits of being a shareholder of a corporation is the right to vote on certain corporate matters. This Circular provides the information that you need to vote at the Meeting. Since some DeeThree Shareholders cannot or do not want to personally attend the special meeting at which the voting occurs, DeeThree provides DeeThree Shareholders with the option to cast a proxy vote, that is to say to provide authority to the persons selected by the board of directors of the Corporation (the "**Management Designees**") to represent them at the Meeting, **or to designate a person (who need not be a DeeThree Shareholder) other than the Management Designees to represent him or her at the Meeting.** Such right may be exercised by inserting in the space provided for that purpose on the form of proxy the name of the person to be designated and by deleting therefrom the names of the Management Designees, or by completing another proper form of proxy and delivering the same to the transfer agent of the Corporation. Such DeeThree Shareholder should notify the nominee of the appointment, obtain the nominee's consent to act as proxy and should provide instructions on how the DeeThree Shareholder's shares are to be voted. The nominee should bring personal identification with him or her to the Meeting. In any case, the form of proxy should be dated and executed by the DeeThree Shareholder or an attorney authorized in writing, with proof of such authorization attached (where an attorney executed the proxy form). In addition, a proxy may be revoked by a DeeThree Shareholder personally attending at the Meeting and voting his shares.

Who is soliciting my proxy?

The Corporation's management is soliciting proxies for the Meeting. The Corporation's directors, officers and employees of the Corporation may also, without additional compensation, solicit proxies in person or by phone, fax or other form of electronic communication. The Corporation has retained D.F. King Canada to act as proxy solicitation agent at a fee of approximately $40,000, plus out-of-pocket expenses. All expenses in connection with the solicitation of proxies will be borne by the Corporation.

When is the Shareholder Meeting?

The annual general and special meeting of Shareholders will be held in the Bow Glacier room, Centennial Place West Tower, 3rd Floor, 250 - 5th Street, SW, Calgary, on Thursday, May 14, 2015.

What will I be voting on?

At the Meeting, DeeThree Shareholders will be asked to vote on several annual meeting matters, including:

1. fixing the number of directors to be elected at the Meeting;

2. election of directors for the ensuing year; and

3. appointment of auditors for the ensuing year and authorizing the directors to fix the remuneration to be paid to the auditors.

Shareholders will also be asked to vote on certain special matters, including:

1. approving an Arrangement under the ABCA among the Corporation, its Shareholders and Boulder which will involve, among other things, certain exchanges of securities resulting in common shares of Boulder being distributed to Shareholders of the Corporation, on a pro rata basis, and Boulder acquiring certain assets from DeeThree (previously defined as the "**Arrangement Resolution**");

2. provided that the Arrangement Resolution is approved, to approve a stock option plan for Boulder (previously defined as the "**Boulder Stock Option Plan Resolution**");

3. provided that the Arrangement Resolution is approved, to approve a new share incentive

plan for the Corporation (previously defined as the "**Share Incentive Plan Resolution**"); and

4. provided that the Arrangement Resolution is approved, to approve changing DeeThree's name to "Granite Oil Corp." (previously defined as the "**Name Change Resolution**").

You are also being asked to approve the transaction of any other business that may properly come before the Meeting or any adjournments or postponements of the Meeting.

Who is entitled to vote and how many votes do I have?

You are entitled to vote at the Meeting if you are a shareholder of record as of the close of business on April 9, 2015 (previously defined as the "**Record Date**"). You will have one vote for each Common Share of the Corporation you own at the close of business on the Record Date.

How many shares are eligible to vote at the Meeting?

The Corporation is authorized to issue an unlimited number of DeeThree Common Shares and an unlimited number of preferred shares. There are no other shares authorized, issued or outstanding of any class. As at the date hereof, the Corporation has 88,974,460 DeeThree Common Shares and no preferred shares outstanding. The DeeThree Common Shares are the only shares entitled to be voted at the Meeting, and holders of DeeThree Common Shares are entitled to one vote for each DeeThree Common Share held.

As of the date hereof, to the knowledge of the directors and senior officers of the Corporation, no person beneficially owned, directly or indirectly, or exercised control or direction over DeeThree Common Shares carrying more than 10% of the voting rights of the Corporation.

How do I vote?

If you are eligible to vote and your shares are registered in your name, you can vote your shares in person at the Meeting or by Proxy, as explained below. If your shares are registered in the name of an Intermediary (as hereinafter defined), please see the instructions below under the heading "***Voting for Non-Registered Shareholders.***"

Voting by proxy for registered holders

You are a Registered Shareholder if your DeeThree Common Shares are held in your name or if you have a certificate for DeeThree Common Shares. As a Registered Shareholder, you can vote in the following ways:

In Person	Attend the Meeting and register with the Transfer Agent upon your arrival. Do not fill out and return your proxy if you intend to vote in person at the Meeting.
Mail	Enter voting instruction, sign the form of proxy and send your completed form in the accompanied pre-paid envelope to: Computershare Trust Company of Canada Attention: Proxy Tabulation Department 8th Floor, 100 University Avenue Toronto, ON M5J 2Y1
Telephone	North America: 1-866-732-VOTE (8683) Outside of North America: (312) 588-4290
Fax	North America: 1-866-249-7775 or International: (416) 263-9524 Please scan and fax both pages of your completed, signed form of proxy.
Internet	Go to www.investorvote.com. Enter your 15 digit control number printed on the form of proxy and follow the instructions on the website to vote your DeeThree Common Shares.
Questions?	Call D.F. King Canada toll free in North America at 1-800-398-2142 or by email at inquiries@dfking.com.

Your vote must be received by 9:00 am (Calgary time) on May 12, 2015 or the day that is two (2) Business Days immediately preceding the date prior to any adjournment or postponement thereof. Late proxies may be accepted or rejected by the Chairman of the Meeting in his discretion, and the Chairman is under no obligation to accept or reject any particular late proxy. The time limit for deposit of proxies may be waived or extended by the Chairman of the Meeting at his or her discretion, without notice.

If you vote by telephone or via the Internet, do not complete or return the form of proxy.

Voting for Non-Registered Shareholders

If your DeeThree Common Shares are not registered under your name, they will likely be registered under the name of your broker or an agent of that broker (the "**Intermediary**"). **Each Intermediary has its own procedures; please follow them carefully to ensure that your shares are voted at the Meeting according to your instructions.**

Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. Your Intermediary should have sent you this Circular, together with either (a) the Voting Instruction Form ("**VIF**") to be completed and signed by you and returned to them as required, or (b) a form of proxy, which has already been signed by the Intermediary and is restricted as to the number of shares beneficially owned by you, to be completed by you and returned to the Transfer Agent no later than 48 hours, excluding Saturdays, Sundays and holidays, prior the commencement of the Meeting. To vote in person at the Meeting, a Non-Registered Shareholder should, in the case of a VIF, follow the instructions set out on the VIF and, in the case of a form of proxy, insert his or her name in the blank space provided and return the form of proxy to the Transfer Agent no later than 48 hours, excluding Saturdays, Sundays and holidays, prior to the commencement of the Meeting.

Late proxies from Non-Registered Shareholders may be accepted or rejected by the Chairman of the Meeting in his discretion, and the Chairman is under no obligation to accept or reject any particular late proxy. The time limit for deposit of proxies may be waived or extended by the Chairman of the Meeting at his or her discretion, without notice.

If you have any questions or need assistance completing your proxy or VIF, please call D.F. King Canada toll free in North America at 1-800-398-2142 or by email at inquiries@dfking.com.

Dissent Rights

Do I have a right of dissent in respect of any of the matters to be considered at the meeting?

Yes. Registered Shareholders are entitled to Dissent Rights in connection with the adoption of the Arrangement Resolution. Those DeeThree Shareholders who properly exercise their Dissent Rights will be entitled to be paid fair value for their DeeThree Common Shares. If you wish to dissent from the DeeThree Arrangement Resolution, you must provide a dissent notice to DeeThree, care of Davis LLP, 1000, 250 2nd Street S.W., Calgary, AB, T2P 0C1 Attention: Daniel Kenney, and that notice must be received not later than 9:00 a.m. (Calgary Time) on May 12, 2015 or 9:00 a.m. (Calgary time) or the day that is two (2) Business Days immediately preceding the date on which the Meeting may be postponed or adjourned.

It is important that you strictly comply with the dissent requirements, which are summarized in the Circular, otherwise your Dissent Rights may not be recognized.

You do not have Dissent Rights with respect to any other resolution being proposed at the Meeting.

About the Arrangement

How is the Arrangement to be achieved?

The Arrangement will be carried out pursuant to the provisions of the ABCA. An arrangement is a statutory corporate reorganization that is supervised and approved by a court. If the Arrangement is approved at the Meeting and the other conditions specified in the Arrangement Agreement are satisfied or waived (for a summary of such conditions, see "*The Arrangement Agreement - Conditions to the Arrangement Becoming Effective*" in the Circular). DeeThree will apply to the Court of Queen's Bench of Alberta (previously defined as the "**Court**") for a final order approving the Arrangement. If the final order is granted by the Court, DeeThree and Boulder will complete the Arrangement shortly thereafter.

What is the recommendation of the DeeThree Board?

The DeeThree Board, after consulting with its financial and legal advisors, has unanimously determined that the Arrangement is fair to the DeeThree Shareholders, is in the best interests of DeeThree, and **recommends that DeeThree Shareholders vote FOR the DeeThree Arrangement Resolution to be considered at the Meeting**, as discussed in more detail below. See "*The Arrangement – Recommendations of the DeeThree Board*" for more details. In addition, the officers, directors and certain Shareholders of DeeThree have entered into support agreements, pursuant to which they have agreed to vote their DeeThree Common Shares FOR the DeeThree Arrangement Resolution. As of the date hereof, approximately 15,289,850 DeeThree Common

Shares, representing approximately 17% of the issued and outstanding DeeThree Common Shares, were held by the aforementioned persons.

Why does the Board recommend that DeeThree Shareholders vote FOR the DeeThree Arrangement Resolution?

In the course of its evaluation of the Arrangement, the Board consulted with DeeThree's senior management, legal counsel and financial advisors, considered the strategic alternatives available to the Corporation, reviewed a significant amount of information, and considered a number of factors. Certain of the expected benefits to the DeeThree Shareholders and reasons for the Arrangement, among others, are listed as follows (see "*The Arrangement – Reasons for the Arrangement*" and "*The Arrangement – Fairness Opinion*" for a more comprehensive discussion of the reasons why the Board is recommending that DeeThree Shareholders vote FOR the DeeThree Arrangement Resolution):

1. the Arrangement will improve operational focus of each of DeeThree and Boulder which will allow for the optimal development plan decisions to be made to maximize long term value from the assets and, as a result, maximize value for Shareholders;

2. the Arrangement will allow Boulder to focus on continued growth through exploration and development of the Belly River assets at Pembina-Brazeau and allow DeeThree to focus on a measured development of and implementation of DeeThree's gas injection enhanced oil recovery project with its Alberta Bakken assets in Southern Alberta. In particular, for DeeThree, the stage of development of the Lethbridge Alberta Bakken assets, the excess free cash flow and the measured production growth expected with the continued implementation of the gas injection enhanced oil recovery project makes this asset best suited to a business model focused on stable growth and the payment of a sustainable dividend. For Boulder, the dominant land and infrastructure position within the Pembina-Brazeau Belly River, combined with a substantial inventory of high impact well locations with very attractive economics, makes this asset best suited to a business model focused on growth;

3. the Arrangement creates two stand-alone companies with distinct investment attributes – Boulder pursuing a dedicated growth strategy and DeeThree pursuing a sustainable dividend plus growth strategy – which offers Shareholders flexibility, as they will hold a direct interest in two publicly listed companies (if the intended listing of the Boulder Common Shares is completed);

4. the Arrangement is expected to improve the market's identification and valuation and allow Shareholders, investors and analysts to more accurately compare, evaluate and value each of the companies on a stand-alone basis against appropriate peers, benchmarks and performance criteria specific to that company;

5. each company will be owned by DeeThree Shareholders on a pro rata basis with reference to the number of DeeThree Common Shares held prior to the Arrangement;

6. the potential for Shareholders to benefit from a diversification and expansion of the combined shareholder base of the two companies;

7. each company will be led by experienced directors and executives who have demonstrated success building DeeThree and who have the requisite experience and ability to grow their respective companies; with each of DeeThree and Boulder maintaining separate and independent management and technical teams from each other, ensuring management remains focused on their respective business objectives;

8. each company will have independent access to capital (equity and debt) which management believes will result in more focused capital allocation practices;

9. the procedures by which the Arrangement is to be approved, including the requirement for approval of the Arrangement by the Court after a hearing at which fairness to the Corporation's securityholders will be considered;

10. Cormark provided the Fairness Opinion which concluded that the consideration to be received by Shareholders pursuant to the Arrangement is fair, from a financial point of view, to Shareholders;

11. the availability of rights of dissent to Shareholders with respect to the Arrangement; and

12. the expected neutral tax treatment of the Arrangement, which would generally occur on a tax-deferred basis for Shareholders resident in Canada who hold their DeeThree Common Shares as capital property and for U.S. holders, subject to certain assumptions.

The DeeThree Board also recommends that Shareholders vote FOR each of the Boulder Stock Option Plan Resolution, the Share Incentive Plan Resolution and the Name Change Resolution. See "*Particulars of the Matters To Be Acted Upon - 6. Approval of Boulder Stock Option Plan*", "*Particulars of the Matters To Be Acted Upon - 7. Approval of Share Incentive Plan*", and "*Particulars of the Matters To Be Acted Upon - 8. Approval of Name Change*".

Who will the directors and executive officers of DeeThree and Boulder be?

Upon completion of the Arrangement (and assuming that the nominated directors are elected at the Meeting), the DeeThree Board will consist of the current seven directors of DeeThree, being Martin Cheyne, Michael Kabanuk, Dennis Nerland, Bradley Porter, Henry Hamm, Brendan Carrigy and Kevin Andrus. Mr. Carrigy will act as Chairman of the DeeThree Board post-Arrangement. The management team of DeeThree post-Arrangement will consist of: Michael Kabanuk (President and CEO), Gail Hannon (CFO), Jonathan Fleming (Executive Vice President), and Tyler Klatt (Vice President Exploration).

Upon completion of the Arrangement, the Boulder Board will consist of the same members as the current DeeThree Board, with Mr. Kabanuk acting as Chairman of the Boulder Board, and the management team of Boulder will consist of: Martin Cheyne (CEO), Clayton Thatcher (President), Casey Paulhus (CFO), Robin Bieraugle (COO), Hayden Knorr (Vice President Production), Trevor Murray (Vice President Land), and Mel Chambers (Vice President Exploration).

Each of the individuals named above are current directors, officers and/or employees of DeeThree.

Will any directors or officers of DeeThree receive any change of control or other payments in connection with the Arrangement Agreement?

No, none of the directors or officers of DeeThree will receive any change of control or other payments in connection with the Arrangement. See "*The Arrangement - Employment Agreements*".

Will there be any acceleration of DeeThree Options in connection with the Arrangement?

No. The DeeThree Board has determined that there will be no accelerated vesting of DeeThree Options in connection with the Arrangement. Under the terms of the Arrangement Agreement and the Option Exercise and Cancellation Agreements entered into by each holder of DeeThree Options, all vested In-the-Money DeeThree Options will be exercised, all unvested In-the-Money DeeThree Options will be exchanged for Replacement Options, and all unvested and vested Out-of-Money DeeThree Options will be surrendered for cancellation in consideration for $0.001 per Out-of-Money DeeThree Option so surrendered. See "*The Arrangement - DeeThree Options*".

How will the aggregate general and administrative expense of Boulder and New DeeThree compare to the general and administrative expenses of DeeThree?

No significant difference is anticipated. DeeThree's general and administrative expenses per BOE has consistently been among the lowest in its peer group. New DeeThree and Boulder intend to continue this practice. On an annualized basis, the aggregate general and administrative expenses for Boulder and New DeeThree together is expected to be approximately the same as that of DeeThree. It is anticipated that DeeThree's current executive officers who will either remain officers of DeeThree or become officers of Boulder will have salaries that generally will be approximately 20% less than the salaries paid to such individuals by DeeThree prior to the completion of the Arrangement. DeeThree has suspended its current bonus plan. These reductions more than offset the increases incurred in operating two publicly trading companies (examples: Audit fees, Exchange fees, etc.).

Will new DeeThree and Boulder have sufficient financial resources to carry out their respective capital programs in 2015 and 2016?

The current 2015 and 2016 capital programs for new DeeThree and Boulder are expected to be fully financed through a combination of internally generated cash flow and funds available under the New DeeThree Credit Facility and the Boulder Credit Facility, respectively. New DeeThree and Boulder have minimal capital commitments and will have the

flexibility to change their respective capital programs in response to changes in commodity prices.

See Appendix "D" - "*Information Concerning DeeThree Post-Arrangement*" - "*Description of the Business - Capital Plans*" and Appendix "E" - "*Information Concerning Boulder Post-Arrangement" - "Description of the Business - Business Objectives and Milestones*" for a description of the capital programs of New DeeThree and Boulder. Also see "Appendix "D" - "*Information Concerning DeeThree Post-Arrangement" - "New DeeThree Credit Facility*" for a description of the New DeeThree Credit Facility and Appendix "E" - "*Information Concerning Boulder Post-Arrangement" - "Boulder Credit Facility*" for a description of the Boulder Credit Facility.

Do any directors or officers of DeeThree have any interests in the Arrangement that are different from, or in addition to, those of the DeeThree Shareholders?

In considering the recommendation of the DeeThree Board to vote FOR the DeeThree Arrangement Resolution, the Boulder Stock Option Plan Resolution, and the Share Incentive Plan Resolution, DeeThree Shareholders should be aware that some of the directors and officers of DeeThree have interests in the Arrangement that are different from, or in addition to, the interests of DeeThree Shareholders generally. It is currently expected that DeeThree's current executive officers who will either remain officers of DeeThree or become officers of Boulder will have salaries that generally will be approximately 20% less than the salaries paid to such individuals by DeeThree prior to the completion of the Arrangement.

See "*The Arrangement – Interests of Certain Persons in the Arrangement – DeeThree Directors and Officers*".

When is the Arrangement expected to be completed?

The Arrangement is expected to close on or about May 15, 2015, assuming that the required shareholder approvals of DeeThree, Court approval and regulatory approvals have been received by such time, and subject to the other terms and conditions set out in the Arrangement Agreement.

I own DeeThree Common Shares. What will I receive if the Arrangement is approved?

If the Arrangement is approved, non-Dissenting Shareholders will receive one-third (0.3333) of one (1) New DeeThree Common Share and one-half (0.5) of one (1) Boulder Common Share for each DeeThree Common Share held.

I own DeeThree Common Shares. Will my interest as a shareholder of DeeThree be diluted as a result of the Arrangement?

No. DeeThree Shareholders will hold the same percentage interest in New DeeThree following the Arrangement as they held in DeeThree immediately prior to the Arrangement and Shareholders will hold the same percentage interest in Boulder following the Arrangement as they held in DeeThree immediately prior to the Arrangement. For example, a shareholder who holds one percent of the outstanding Common Shares of DeeThree immediately prior to the Arrangement will hold one percent of the outstanding Boulder Common Shares and one percent of the outstanding New DeeThree Common Shares following the completion of the Arrangement. The fractional share exchange ratio for the exchange of DeeThree Common Shares for Boulder Common Shares and New DeeThree Common Shares will not result in a change in the percentage shareholder interest of a shareholder.

When can I expect to receive the New DeeThree Common Shares and Boulder Common Shares for my DeeThree Common Shares and What Do I Need to Do?

Assuming completion of the Arrangement, if you hold your DeeThree Common Shares through an intermediary, then you are not required to take any action and the New DeeThree Common Shares and Boulder Common Shares will be delivered to your intermediary through the procedures in place for such purposes between CDS or similar entities and such intermediaries. If you hold your DeeThree Common Shares through an intermediary, you should contact your intermediary if you have questions regarding this process.

In the case of Registered Shareholders, as soon as practicable after the Effective Date, assuming due delivery of the required documentation, including the applicable DeeThree Common Share certificates and a duly and properly completed Letter of Transmittal, DeeThree and Boulder will cause the Depositary to forward DRS Advices representing the New DeeThree Common Shares and Boulder Common Shares to which the Registered Shareholders as shown on the register maintained by the Transfer Agent or at the address set out in the Letter of Transmittal, unless the Registered Shareholder indicates in the Letter of Transmittal that it wishes to pick up the DRS Advices representing the New DeeThree Common Shares

and Boulder Common Shares. See "*Exchange and Distribution of Certificates and DRS Advices*" in the Circular.

Approval of the Arrangement and Other Matters Proposed at the Meeting

What approvals are required for the Arrangement and the other matters proposed at the meeting to be effective?

The various special items of business and the requisite levels of approval from Shareholders for each is set forth below:

Resolution	Requisite Level of Shareholder Approval
Arrangement Resolution	No less than 2/3 of the votes cast by DeeThree Shareholders present in person or voting by proxy
Boulder Stock Option Plan Resolution	No less than 50% + 1 of the votes cast by DeeThree Shareholders present in person or voting by proxy
Share Incentive Plan Resolution	No less than 50% + 1 of the votes cast by DeeThree Shareholders present in person or voting by proxy
Name Change Resolution	No less than 2/3 of the votes cast by DeeThree Shareholders present in person or voting by proxy

It is the intention of the Management Designees to vote FOR each of the aforementioned resolutions.

How will I know when all required approvals have been received?

DeeThree plans to issue a press release describing the timing of the implementation of the Arrangement if the Court grants the Final Order and all other necessary approvals have been received and conditions have been satisfied or waived.

What happens if the Shareholders do not approve the Arrangement or any of the other matters at the Meeting?

If DeeThree does not receive the required vote by Shareholders in favour of the Arrangement Resolution, the Arrangement will not become effective, and neither will the Boulder Stock Option Plan Resolution, the Share Incentive Plan Resolution or the Name Change Resolution.

It is a condition in the Arrangement Agreement that Shareholders approve the Boulder Stock Option Plan Resolution and the Share Incentive Plan Resolution. If either/both of these resolutions are not approved, DeeThree may, in its sole discretion, choose not to proceed with the Arrangement.

Will the New DeeThree Common Shares continue to be listed on the TSX?

Yes, it is expected that the New DeeThree Common Shares will continue to be listed on the TSX. Assuming that the Arrangement is completed on May 15, 2015, trading of the New DeeThree Common Shares is expected to commence three or four Business Days thereafter. See "*Certain Legal and Regulatory Matters - Stock Exchange Listings*".

Will the Boulder Shares be listed on the TSX?

An application has been made to have the Boulder Common Shares listed on the TSX. Listing will be subject to, amongst other things, Boulder meeting the original listing requirements of the TSX, and meeting all conditions of continued listing imposed by the TSX. There can be no assurance as to whether, or when, the Boulder Common Shares will be listed for trading on the TSX or any other designated stock exchange. If Boulder meets the original listing requirements of the TSX and assuming that the Arrangement is completed on May 15, 2015, trading of the Boulder Common Shares is expected to commence three or four Business Days thereafter. See "*Certain Legal and Regulatory Matters - Stock Exchange Listings*".

How will the initial share price of each company be determined?

The initial share price of the New DeeThree Common Shares and the Boulder Common Shares will be determined by the market.

Tax Consequences to Shareholders

What are the tax consequences of the Arrangement to me as a Shareholder of DeeThree?

In general, a Participating Shareholder who is a resident of Canada for purposes of the Tax Act and who holds his or her DeeThree Common Shares as capital property will not realize a capital gain or capital loss for purposes of the Tax Act as a result of the Arrangement unless the Participating Shareholder chooses to realize a capital gain or capital loss pursuant to the provisions of the Tax Act. Assuming that a Participating Shareholder

does not choose to realize a capital gain or a capital loss on the Arrangement, the adjusted cost base of the DeeThree Common Shares immediately prior to the Arrangement will generally be allocated among the Boulder Common Shares and the New DeeThree Common Shares based upon the relative fair market values of such shares at the time of the Arrangement. Following the Arrangement Date, DeeThree will advise Shareholders on its website of its estimate of the appropriate proportionate allocation.

In general, a Participating Shareholder who is not a resident of Canada for purposes of the Tax Act and who holds his or her DeeThree Common Shares as capital property will not be subject to tax under the Tax Act as a result of the Arrangement.

For a more detailed description of the Canadian federal income tax consequences to Shareholders as a result of the Arrangement, see "*Certain Income Tax Consequences - Certain Canadian Federal Income Tax Consequences to Shareholders*".

For U.S. holders, assuming that the Arrangement qualifies as a tax-free transaction under Section 355, Section 368(a)(1)(D) and related provisions of the Code, and subject to certain other assumptions and qualifications: (1) no gain or loss will be recognized by, and no amount will be included in the income of, U.S. holders of DeeThree Common Shares, upon the receipt of the New DeeThree Common Shares and Boulder Common Shares pursuant to the Arrangement; (2) a U.S. holder who receives Boulder Common Shares pursuant to the Arrangement will have an aggregate tax basis in its New DeeThree Common Shares and Boulder Common Shares immediately after the Arrangement equal to the aggregate tax basis of the DeeThree Common Shares that the U.S. holder held immediately before the Arrangement, allocated between such New DeeThree Common Shares and Boulder Common Shares in proportion to their respective fair market values; and (3) the holding period of the Boulder Common Shares received pursuant to the Arrangement by a U.S. holder will include the holding period of its DeeThree Common Shares. See "*Certain U.S. Federal Income Tax Considerations to U.S. Holders*".

Shareholders should consult their own tax advisors with respect to their particular circumstances.

Eligibility for Investment

Will the New DeeThree Common Shares and Boulder Common Shares be eligible for my registered plan(s)?

Yes, provided that the New DeeThree Common Shares continue to be listed on the TSX and once the Boulder Common Shares become listed on the TSX, they will constitute qualified investments under the Tax Act for trusts governed by registered retirement savings plans, registered retirement income funds, registered disability plans, registered education savings plans and tax-free savings accounts. See "*The Arrangement - Eligibility for Investment*".

Questions

Who do I contact if I have questions?

If you have any inquiries, you can contact D.F. King Canada toll free in North America at 1-800-398-2142 or by email at inquiries@dfking.com.

PARTICULARS OF THE MATTERS TO BE ACTED UPON

To the knowledge of the DeeThree Board, the only matters to be brought before the meeting are those matters set forth in the accompanying Notice of Meeting.

1. Report and Financial Statements

At the Meeting, shareholders will receive and consider the audited financial statements of the Corporation for the financial year ended December 31, 2014 and the auditor's report on such statements. The financial statements are also available on the Corporation's SEDAR profile at www.sedar.com and will be tabled at the Meeting.

2. Fixing the Number of Directors

At the Meeting, shareholders will be asked to fix the number of directors for the present time at seven (7), as may be adjusted between meetings of shareholders by way of resolution of the DeeThree Board.

Unless otherwise directed, it is the intention of the Management Designees, if named as proxy, to vote for an ordinary resolution in favour of electing the number of directors to be elected at the Meeting at seven (7).

3. Election of Directors

The Corporation currently has seven (7) directors. The following table sets forth the name of each of the persons proposed to be nominated for election as a director, all positions and offices in the Corporation presently held by such nominee, the nominee's municipality of residence, principal occupation at present and during the preceding five years (where required), the period during which the nominee has served as a director, and the number and percentage of DeeThree Common Shares that the nominee has advised are beneficially owned by the nominee, directly or indirectly, or over which control or direction is exercised, as of the date hereof.

Unless otherwise directed, it is the intention of the Management Designees, if named as proxy, to vote for the election of the persons named in the following table to DeeThree Board. Management does not contemplate that any of such nominees will be unable to serve as directors; however, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, proxies held by Management Designees will be voted for another nominee in their discretion unless the shareholder has specified in his form of proxy that his Common Shares are to be withheld from voting in the election of directors. Each director elected will hold office until the next annual meeting of shareholders or until his successor is duly elected, unless his office is earlier vacated in accordance with the by-laws of the Corporation or the provisions of the ABCA to which the Corporation is subject.

Name, Municipality of Residence, Office and Date Became a Director	Present Occupation and Position Held During the Last Five Years	Number and Percentage of Common Shares Held or Controlled as of the date hereof (5)(6)
Martin Cheyne Calgary, Alberta President, CEO and Director (January 24, 2007)	Mr. Cheyne has been the President, Chief Executive Officer and a director of the Corporation since January 24, 2007. Mr. Cheyne has been a director of Phoenix Oilfield Hauling, a public company listed on the TSX, since May 2006. Mr. Cheyne was President, CEO and a director of Dual Exploration Inc. from July 2005 to December 2006. Prior thereto, Mr. Cheyne was President, CEO and a director of Devlan Exploration Inc. from November 1995 to July 2005.	1,479,593 1.66%

Name, Municipality of Residence, Office and Date Became a Director	Present Occupation and Position Held During the Last Five Years	Number and Percentage of Common Shares Held or Controlled as of the date hereof (5)(6)
Michael Kabanuk Cochrane, Alberta Executive Chairman (July 22, 2008)	Mr. Kabanuk has been a director of the Corporation since July 2008 and Executive Chairman of the Corporation since January 2010. Mr. Kabanuk was Chief Operating Officer and Vice-President, Operations at Cyries Energy Inc. from May 2004 to March 2008. Prior thereto, Mr. Kabanuk was Vice-President, Operations of Cequel Energy Inc. from July 2003 to May 2004, and prior thereto was the Operations Manager of Cequel Energy Inc. from January 24, 2002 to August 7, 2003.	1,161,093 1.30%
Dennis Nerland(1)(2)(3) Calgary, Alberta Director (November 22, 2007)	Mr. Nerland has been a partner with the law firm Shea Nerland Calnan LLP since 1990 practicing primarily in the areas of tax and trust law. Mr. Nerland is a current and past director of a number of private and public companies listed on the TSX and the TSXV and is currently a trustee of a number of private investment trusts. Mr. Nerland has a Bachelor of Laws degree from the University of Calgary, a Master of Arts degree (Economics) from Carleton University and a Bachelor of Science degree (Economics and Mathematics) from the University of Calgary. He is a member of the Law Society of Alberta and holds the ICD.D designation from the Institute of Corporation Directors.	117,800 0.13%
Bradley Porter(1)(2)(3)(4) Okotoks, Alberta Director (January 24, 2007)	Mr. Porter is an independent businessman serving as a board member for a number of private and public corporations in both the service and producing sectors of the oil and gas industry, including DualEx Energy International Inc.	1,232,752 1.39%
Henry Hamm(1)(2)(3)(4) Grand Prairie, Alberta Director (January 25, 2010)	Mr. Hamm owns and operates a number of private companies in the Grande Prairie region including Prudential Lands Corporation, a land development company formed in 1995 and Dirham Homes Inc., a home building company formed in 1976. Mr. Hamm also owns and operates Prudential Energy Services Inc., an oil and gas service company.	2,094,315 2.35%
Brendan Carrigy Nanoose Bay, British Columbia Director (March 23, 2009)	Mr. Carrigy was Vice President Exploration of the Corporation from July 2009 to August 2011 following which he served as Executive Vice President until March 2012. Mr. Carrigy was Vice-President, Exploration for Cyries Energy Inc. from inception in July 2004 to July 2007. Prior thereto, Mr. Carrigy was Exploration Manager of Cequel Energy Inc. from January 2002 to July 2004 and Exploration Manager at Primewest Energy Trust from March 2001 to January 2002.	867,508 0.98%
Kevin Andrus(1)(2)(3)(4) Centennial, Colorado, United States Director (June 21, 2013)	Mr. Andrus is the Portfolio Manager of Energy Investments with GMT Capital Corp., a private investment company based in Atlanta, Georgia.	11,250 0.01%

Notes:
(1) Member of the Audit Committee. Each member of the Audit Committee is considered independent and financially literate.
(2) Member of the Reserves Committee.
(3) Member of the Compensation Committee.

(4) Member of the Nominating Committee.
(5) DeeThree Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as of the date hereof, based upon information furnished to the Corporation by the above individuals.
(6) Based on 88,974,460 DeeThree Common Shares issued and outstanding as of the date hereof.

In accordance with new policies published by the TSX, the DeeThree Board has adopted a majority voting policy in director elections that will apply at any meeting of the Corporation's shareholders where an uncontested election of directors is held. Pursuant to this policy, if the number of proxy votes withheld for a particular director nominee is greater than the votes for such director, the director nominee will be required to submit his or her resignation to the Chairman of the DeeThree Board promptly following the applicable shareholders' meeting. Following receipt of resignation, the Compensation Committee will consider whether or not to accept the offer of resignation and make a recommendation to the DeeThree Board. Within 90 days following the applicable shareholders' meeting, the Board shall publicly disclose their decision whether to accept the applicable director's resignation or not, including the reasons for rejecting the resignation, if applicable. A director who tenders his or her resignation pursuant to this policy will not be permitted to participate in any meeting of the DeeThree Board or the Compensation Committee at which the resignation is considered.

Cease Trade Orders or Bankruptcies

Other than as described below, no proposed director, within 10 years before the date of this Circular, has been a director, chief executive officer or chief financial officer of any company that:

(a) was subject to: (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (collectively, an "**Order**") that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or

(b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Mr. Dennis Nerland, a director of the Corporation, was appointed as a director of Alston Energy Inc. ("**Alston**") on July 17, 2012. Alston, an oil and gas exploration and production company, is a reporting issuer in Alberta, British Columbia and Saskatchewan with its common shares listed on the TSX Venture Exchange. On December 9, 2013, Alston obtained an order under the *Companies Creditors' Arrangement Act* (Canada) from the Court of Queen's Bench of Alberta, protecting Alston from its creditors, with a Monitor being appointed by the Court. On May 6, 2014, and May 8, 2014, the common shares of Alston were cease traded by the Alberta Securities Commission and the British Columbia Securities Commission, respectively, as a result of the failure by Alston to file audited annual financial statements and related management's discussion and analysis for the period ended December 31, 2013, together with the related certification of filings. On May 9, 2014, Alston announced that a receiver has been appointed by the Court of Queen's Bench of Alberta. All of the directors and officers of Alston, including Mr. Nerland, resigned on May 14, 2014.

No proposed director, within 10 years before the date of this Circular, has been a director or executive officer of any company that, while the proposed director was acting in that capacity, or within a year of the proposed director 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.

Personal Bankruptcies

No proposed director has, within 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become 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 such proposed director.

Penalties and Sanctions

No proposed director has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director, other than a settlement agreement entered into before December 31, 2000 that would likely not be important to a reasonable securityholder in deciding whether to vote for a proposed director.

Constitution of the DeeThree Board Post-Arrangement

If the Arrangement Resolution is approved at the Meeting, it is expected that the DeeThree Board will stay the same post-Arrangement and that Mr. Carrigy, an independent director, will be appointed as Chairman of the DeeThree Board. See Appendix "D" - "*Information Concerning DeeThree Post-Arrangement - Directors and Officers*".

4. Appointment of Auditor

The shareholders will be asked to vote for the appointment of KPMG LLP as the auditor of the Corporation to hold office until the next annual meeting of the shareholders at remuneration to be fixed by the directors.

Unless otherwise directed, it is the intention of the Management Designees, if named as proxy to vote in favour of a resolution appointing KPMG LLP as auditor of the Corporation for the next ensuing year, to hold office until the close of the next annual general meeting of shareholders or until KPMG LLP is removed from office or resigns as provided by the Corporation's by-laws, and the Management Designees also intend to vote the Common Shares represented by any such proxy in favour of a resolution authorizing the DeeThree Board to fix the compensation of the auditor. KPMG LLP has been the Corporation's auditor since June 2009.

5. The Arrangement Resolution

At the Meeting, Shareholders will be asked to consider, and if deemed appropriate, approve, with or without variation, the Arrangement Resolution. In order to be approved, the Arrangement Resolution must receive the affirmative vote of at least two-thirds (2/3) of the votes cast in respect of the Arrangement Resolution by the Shareholders, present in person or voting by proxy, at the Meeting. **Unless otherwise directed, it is the intention of the Management Designees, if named as proxy, to vote in favour of the Arrangement Resolution.** See "*General Proxy Matters - Proxy Voting*".

See "*The Arrangement*", "*The Arrangement Resolution*", and "*Procedure for the Arrangement to Become Effective*" for further details regarding the Arrangement and the Arrangement Agreement.

A copy of the Arrangement Agreement is attached hereto as Schedule "B", including a copy of the Plan of Arrangement attached as Appendix "A" to the Arrangement Agreement. A copy of the Arrangement Resolution is attached hereto as Appendix "A".

6. Approval of Boulder Stock Option Plan

As the DeeThree Stock Option Plan will not carry forward to Boulder, and in contemplation of the Arrangement becoming effective, the directors of Boulder have adopted the Boulder Stock Option Plan. At the Meeting, Shareholders will be asked to approve and ratify the Boulder Stock Option Plan. The principal features of the Boulder Stock Option Plan are summarized below. The summary is qualified in its entirety by reference to the full text of the Boulder Stock Option Plan, a copy of which is attached as Appendix "F" to this Circular. The Boulder Stock Option Plan was approved by the Boulder Board on April 7, 2015.

Summary of Boulder Stock Option Plan

Boulder has adopted the Boulder Stock Option Plan in order to provide incentive compensation to directors, officers, employees and consultants of Boulder and its subsidiaries as well as to assist Boulder and its subsidiaries in attracting, motivating and retaining qualified directors, management personnel and consultants. The purpose of the Boulder Stock Option Plan is to provide additional incentive for participants' efforts to promote the growth and success of the business of Boulder. The Boulder Stock Option Plan will be administered by Boulder's directors, or committee thereof, which will designate, from time to time, the recipients of grants and the terms and conditions of each grant, in each case in accordance with applicable securities laws and stock exchange requirements.

The Boulder Option Plan limits the total number of Boulder Common Shares that may be issued on exercise of Boulder Options outstanding at any time under the Boulder Option Plan to 8.5% of the number of Boulder Common Shares outstanding (which equals to 3,781,415 Boulder Common Shares based on 88,974,460 DeeThree Common Shares issued and outstanding as of the date hereof), subject to the following additional limitations:

(i) no single participant may be granted Boulder Options to purchase a number of Boulder Common Shares equaling more than 5% of the issued Boulder Common Shares in any twelve-month period unless Boulder has obtained disinterested shareholder approval in respect of such grant and meets applicable TSX requirements;

(ii) the aggregate number of Boulder Options that may be granted to a director who is not an officer or employee of Boulder (a "**Non-Management Director**") is limited to the lesser of: (a) 0.25% of the issued and outstanding Boulder Common Shares, and (b) an annual equity value of $100,000, with the value of such Boulder Options calculated at the time of grant;

(iii) in the aggregate, no more than 10% of the issued and outstanding Boulder Common Shares (on a non-diluted basis) may be reserved at any time for insiders (as defined in the *Securities Act* (Alberta) and includes an associate, as defined in the *Securities Act* (Alberta) ("**Insider(s)**") under the Boulder Stock Option Plan, together with all other security based compensation arrangements of Boulder; and

(iv) the number of securities of Boulder issued to Insiders, within any one year period, under all security based compensation arrangements, cannot exceed 10% of the issued and outstanding Boulder Common Shares.

Pursuant to the requirements of the TSX, the grant of unallocated Boulder Options pursuant to the Boulder Option Plan is required to be approved by shareholders every three years. The issuance of Boulder Common Shares upon the exercise of Replacement Options will not form part of the allocation under the Boulder Stock Option Plan and will continue to be governed by the new option agreements evidencing such Replacement Options.

The exercise price of any Boulder Options shall be determined by the Boulder Board, subject to TSX approval (if required), at the time such Boulder Options are granted. In no event shall such exercise price be lower than the lesser of: (a) the five (5) day VWAP of the Boulder Common Shares prior to the date of the grant, and (b) the exercise price permitted by the TSX. Subject to any vesting restrictions imposed by the TSX, the Boulder Board may, in its sole discretion, determine the time during which Boulder Options shall vest and the method of vesting, or that no vesting restriction shall exist.

The Boulder Option Plan also includes a black out provision. Pursuant to the policies of Boulder respecting restrictions on trading, there are a number of periods each year during which directors, officers and certain employees are precluded from trading in Boulder's securities. These periods are referred to as "black out periods". A black out period is designed to prevent a person from trading while in possession of material information that is not yet available to other shareholders. The TSX recognizes these black out periods might result in an unintended penalty to employees who are prohibited from exercising their Boulder Options during that period because of their company's internal trading policies. As a result, the TSX provides a framework for extending Boulder Options that would otherwise expire during a black out period. The Boulder Option Plan

includes a provision that should a Boulder Option expiration date fall within a black out period or immediately following a black out period, the expiration date will automatically be extended for 10 business days following the end of the black out period.

The maximum length of any Boulder Option shall be ten (10) years from the date the Boulder Option is granted. Notwithstanding the above, a participant's Boulder Options will expire one (1) year after a participant ceases to act for Boulder, other than by reason of death. Boulder Options of a participant that provides investor relations activities will expire 30 days after the cessation of the participant's services to Boulder. In the event of the death of a participant, the participant's estate shall have twelve (12) months in which to exercise the outstanding Boulder Options. If a participant ceases to be a director, officer, employee of, or consultant to, Boulder for cause, any granted but unexercised Boulder Options shall terminate and become null and void immediately. The Boulder Options are not assignable, other than by reason of death.

If the number of outstanding Boulder Common Shares are increased, decreased, changed into or exchanged for a different number or kind of shares or securities of Boulder or another corporation or entity through a reorganization, amalgamation, arrangement, merger, re-capitalization, re-classification, stock dividend, subdivision, consolidation or similar transaction, or in case of any transfer of all or substantially all of the assets or undertaking of Boulder to another entity (any of which being, a "**Reorganization**"), any adjustments relating to the Boulder Common Shares subject to Boulder Options or issued on exercise of Boulder Options and the exercise price per Boulder Common Share shall be adjusted by the Boulder Board, in its sole and absolute discretion, provided that a participant shall be thereafter entitled to receive the amount of securities or property (including cash) to which such participant would have been entitled to receive as a result of such Reorganization if, on the effective date thereof, he had been the holder of the number of Boulder Common Shares to which he was entitled upon exercise of his Boulder Option(s). The Boulder Stock Option Plan provides for cashless exercise but does not provide for any financial assistance from Boulder to facilitate the exercise of Boulder Options.

Under the rules and policies of the TSX, an option plan should have proper amendment provisions which specifies whether shareholder approval is required for a type of amendment and such amendment procedure must be approved by shareholders. The amendment provisions of the Boulder Option Plan allow the Boulder Board to terminate or discontinue the Boulder Option Plan at any time without the consent of the option holders provided that such termination or discontinuance shall not result in a material adverse change to the terms of any Boulder Options granted under the Boulder Option Plan. The Boulder Board may not amend the Boulder Option Plan and any Boulder Options granted under it without further shareholder approval, to the extent that such amendments relate to among other things:

(i) reducing the exercise price of a Boulder Option;

(ii) canceling any Boulder Options previously granted and re-issuing such Boulder Options;

(iii) extending the original expiry date of a Boulder Option;

(iv) amending the limitations on the maximum number of Boulder Common Shares reserved or issued to Insiders;

(v) amending the limitations on the maximum number of Shares reserved or issued to Non-Management Directors;

(vi) increasing the maximum number of Boulder Options issuable pursuant to the Boulder Stock Option Plan;

(vii) making any amendment to the Boulder Stock Option Plan that would permit a optionee to transfer or assign Boulder Options to a new beneficial holder other than in the case of death of the optionee; or

(viii) amend the amendment provisions of the Plan.

In the cases of (i), (ii), (iii) and (iv) above, the votes attached to Boulder Shares held directly or indirectly by Insiders benefiting from the amendments will be excluded. The foregoing amendments to the Boulder Option Plan are subject to disinterested shareholder approval.

The Resolution

At the Meeting, Shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, an ordinary resolution, the text of which is as follows:

"BE IT RESOLVED THAT:

1. Effective on the Effective Date (as defined in the management information circular of DeeThree Exploration Ltd. dated April 9, 2015), the stock option plan substantially in the form presented to this meeting of shareholders (the "**Boulder Stock Option Plan**"), be and is hereby approved and adopted as the stock option plan of Boulder Energy Ltd. ("**Boulder**"), to be effective until May 14, 2018, with such modifications, if any, as may be required by the Toronto Stock Exchange (the "**TSX**"), or other applicable exchange;

2. any one or more directors or officers of Boulder are authorized to make such amendments to the Boulder Stock Option Plan from time to time as the board of directors of Boulder may, in its discretion, consider to be appropriate, provided that such amendments will be subject to the approval of applicable regulatory authorities and must be in accordance with the terms of the Boulder Stock Option Plan; and

3. the approval of the Boulder Stock Option Plan by the board of directors of Boulder is hereby ratified and confirmed and any one or more directors or officers of Boulder Energy Ltd. be and is hereby authorized to do all such acts and execute and file all instruments and documents necessary or desirable to carry out this resolution, including making appropriate filings with regulatory authorities including the TSX, or other applicable exchange."

Recommendation of the Directors

The DeeThree Board and the Boulder Board have reviewed the Boulder Stock Option Plan and concluded that the Boulder Stock Option Plan is fair and reasonable to the Shareholders and is in the best interest of the Corporation and Boulder. **Unless otherwise directed, it is the intention of the Management Designees, if named as proxy, to vote in favour of the foregoing resolutions to approve the Boulder Stock Option Plan.**

Should the Boulder Stock Option Plan not be approved by the Shareholders, the Boulder Board is of the view that Boulder's ability to attract and retain the best personnel for the continued development of Boulder's business will be extremely limited.

Approval

The resolution approving the Boulder Stock Option Plan will require approval by a majority of votes cast on the matter at the Meeting.

The approval of the Boulder Stock Option Plan Resolution is a condition precedent to the completion of the Arrangement. If the Boulder Stock Option Plan Resolution is not approved, DeeThree may choose, in its sole discretion, to not proceed with the Arrangement.

7. Approval of Share Incentive Plan

As the DeeThree Stock Option Plan will not carry forward after the Arrangement, and in contemplation of the Arrangement becoming effective, the DeeThree Board has adopted the Share Incentive Plan, conditionally upon approval of the Arrangement Resolution and the Share Incentive Plan Resolution. At the Meeting, Shareholders will be asked to approve and adopt the Share Incentive Plan. The principal features of the Share Incentive Plan

are summarized below. The summary is qualified in its entirety by reference to the full text of the Share Incentive Plan, a copy of which is attached as Appendix "G" to this Circular.

The principal purposes of the Share Incentive Plan are: (i) to retain and attract the qualified directors, officers, employees and other service providers that we require; (ii) to promote a proprietary interest in us by such persons and to encourage such persons to remain in DeeThree's employ and put forth maximum efforts for the success of DeeThree's business; and (iii) to focus DeeThree's management on operating and financial performance and long-term total shareholder return.

The purpose of the Share Incentive Plan is intended to maintain DeeThree's competitiveness within the Canadian oil and gas industry and to facilitate the achievement of DeeThree's long-term goals. In addition, this incentive-based compensation program is intended to reward DeeThree's directors, officers, employees and other service providers for meeting certain predefined operational and financial goals which have been identified for increasing long-term total shareholder return.

The Share Incentive Plan will be administered by the DeeThree Board, although the board will have the authority to appoint a committee of the DeeThree Board to administer the Share Incentive Plan.

Two types of share awards may be granted under the Share Incentive Plan: time-based awards and performance-based awards. In determining the persons to whom awards may be granted, the number of common shares to be covered by each award and the allocation of the award between time-based awards and performance-based awards, the DeeThree Board may take into account such factors as it shall determine in its sole discretion, including any one or more of the following factors:

- compensation data for comparable benchmark positions among DeeThree's peer comparison group;
- the duties, responsibilities, position and seniority of the grantee;
- various corporate performance measures for the applicable period compared with internally established performance measures approved by DeeThree's board and/or similar performance measures of members of DeeThree's peer comparison group for such period;
- the individual contributions and potential contributions of the grantee to DeeThree's success;
- any bonus payments paid or to be paid to the grantee in respect of his or her individual contributions and potential contributions to DeeThree's success;
- the fair market value or current market price of DeeThree's common shares at the time of such award; and
- such other factors as DeeThree's board of directors deems relevant in its sole discretion in connection with accomplishing the purposes of the Share Incentive Plan.

Each time-based award entitles the holder to an amount computed by the value of a notional number of common shares designated in the award (plus dividend equivalents). Each performance-based award entitles the holder to an amount computed by the value of a notional number of common shares designated in the award (plus dividend equivalents) multiplied by a payout multiplier.

The payout multiplier for performance-based awards will be determined by the DeeThree Board based on an assessment of the achievement of predefined corporate performance measures in respect of the applicable period. These corporate performance measures may include: relative total shareholder return; activities related to DeeThree's growth; average production volumes; unit costs of production; total proved reserves; recycle ratio, health, safety and environmental performance; the execution of DeeThree's strategic plan and such additional measures as the DeeThree Board considers appropriate in the circumstances. The payout multiplier for a particular period will be determined by DeeThree's board from time to time but is initially expected to be one of 0x (for fourth quartile ranking), 1x (for third quartile ranking), 1.5x (for second quartile ranking) or 2x (for first quartile ranking). On the payment date, the award amount shall also be adjusted for any dividends declared after the initial grant date.

The Share Incentive Plan contains the following restrictions:

1. the maximum number of common shares reserved for issuance from time to time pursuant to outstanding awards under the Share Incentive Plan shall not exceed 5.0% of the aggregate number of DeeThree's issued and outstanding common shares (including common shares issuable upon exchange of exchangeable shares and other fully paid securities of us and DeeThree's affiliates exchangeable into common shares) ("**Total Common Shares**");

2. the number of common shares issuable to insiders at any time, under all of DeeThree's security based compensation arrangements, may not exceed 10% of the Total Common Shares;

3. the number of common shares issued to insiders, within any one year period, under all of DeeThree's security based compensation arrangements, may not exceed 10% of the Total Common Shares;

4. the number of common shares issued to any single holder shall not exceed 1% of the Total Common Shares; and

5. the number of common shares issuable pursuant to non-management directors, in aggregate, to a maximum of 0.25% of the Total Common Shares and the value of all awards granted to any non-management director during a calendar year, as calculated on the date of grant, cannot exceed $100,000 (for purposes of monitoring compliance with these limitations, a payout multiplier of 1x will be assumed for any performance-based awards).

Payment arrangements shall be as follows unless otherwise directed by the board: (i) as to 1/3 of the award value of such award, on the first anniversary of the date of grant of the award; (ii) as to 1/3 of the award value of such award, on the second anniversary of the date of grant of the award; and (iii) as to the remaining 1/3 of the award value of such award, on the third anniversary of the date of grant of the award. If the holder is on a leave of absence before any of the payment dates, such payment date(s) shall be extended by that portion of the duration of the leave of absence that is in excess of three (3) months. In the event that any payment date falls during a black-out period, such payment date shall be amended to the date that is three (3) business days following the date the black-out is lifted. In the event of a change of control (as defined in the Share Incentive Plan), the payment date for the award value of those incentive awards that have not yet been paid as of such time shall be the closing date of the change of control and the payout multiplier applicable to any performance-based awards shall be determined by the board. In no event shall a payment date be later than December 15th of the third year following the year in which the award was granted.

On the payment date, DeeThree has sole and absolute discretion in settling the value of the notional common shares underlying the award, by any of the following methods or by a combination of such methods: (i) payment in common shares issued from treasury; (ii) payment in cash; or (iii) payment in common shares acquired by DeeThree on the Toronto Stock Exchange. The Share Incentive Plan does not contain any provisions for financial assistance by DeeThree in respect of any awards granted thereunder.

Unless otherwise determined by the DeeThree Board or unless otherwise provided in an award agreement pertaining to a particular award or any written employment or consulting agreement, the following provisions apply in the event that a holder ceases to be a director, officer, employee or other service provider:

> Death or Disability – In the case of the death or disability of a holder, all outstanding awards have been made and which have vested shall be terminated on earlier of: (i) the expiry date of the applicable award; and (ii) date that is six months from the date of death or disability. All awards which have not vested at the date of death or disability shall immediately terminate and, in the case of a holder who is not a director or officer, DeeThree's President and CEO and DeeThree's board in all other cases, taking into consideration the performance of such grantee and DeeThree's performance since the date of grant of the award(s), may determine the payout multiplier to be applied to any performance awards held by the holder.
>
> Other Termination – In all other cases, all outstanding awards which have vested shall be terminated and all rights to receive common shares thereunder shall be forfeited by the holder effective as of the date that is 30 days from the cessation date, provided that, upon the termination of any employee for cause, DeeThree's board may, in its sole discretion, determine that all outstanding vested awards shall

immediately terminate and become null and void. All awards which have not vested at the cessation date shall immediately terminate and become null and void.

Except in the case of death, the right to receive common shares pursuant to an award granted to a holder may only be exercised personally. Except as otherwise provided in the Share Incentive Plan, no assignment, sale, transfer, pledge or charge of an award, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such award whatsoever in any assignee or transferee and, immediately upon any assignment, sale, transfer, pledge or charge or attempt to assign, sell, transfer, pledge or charge, such award shall terminate and be of no further force or effect.

The Share Incentive Plan and any awards granted pursuant thereto may, subject to any required approval of the TSX, be amended, modified or terminated without the approval of DeeThree's shareholders. Notwithstanding the foregoing, the Share Incentive Plan or any award may not be amended without the approval of DeeThree's shareholders to: (a) increase the percentage of common shares reserved for issuance pursuant to awards in excess of the 5% limit currently prescribed; (b) extend the expiry date of any awards held by insiders; (c) permit a grantee to transfer awards to a new beneficial holder other than for estate settlement purposes; (d) change the limitations on the granting of awards described above; and (e) change the amending provision of the Share Incentive Plan.

The Share Incentive Plan contains anti-dilution provisions which allow DeeThree's Board to make such adjustments to the Share Incentive Plan, to any awards as DeeThree's Board may, in its sole discretion, consider appropriate in the circumstances to prevent dilution or enlargement of the rights granted to holders thereunder.

The Resolution

At the Meeting, Shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, an ordinary resolution, the text of which is as follows:

"BE IT RESOLVED THAT:

1. Effective on the Effective Date (as defined in the management information circular of DeeThree Exploration Ltd. dated April 9, 2015), the share incentive plan, substantially in the form presented to this meeting of shareholders (the "**Share Incentive Plan**"), be and is hereby approved and adopted as the share incentive plan of DeeThree Exploration Ltd. (the "**Corporation**"), effective until May 14, 2018, with such modifications, if any, as may be required by the Toronto Stock Exchange (the "**TSX**"), or other applicable exchange;

2. any one or more directors or officers of Boulder are authorized to make such amendments to the Share Incentive Plan from time to time as the board of directors of the Corporation may, in its discretion, consider to be appropriate, provided that such amendments will be subject to the approval of applicable regulatory authorities and must be in accordance with the terms of the Share Incentive Plan; and

3. the approval of the Share Incentive Plan by the board of directors of the Corporation is hereby ratified and confirmed and any one or more directors or officers of the Corporation be and is hereby authorized to do all such acts and execute and file all instruments and documents necessary or desirable to carry out this resolution, including making appropriate filings with regulatory authorities including the TSX, or other applicable exchange."

Recommendation of the Directors

The DeeThree Board has reviewed the Share Incentive Plan and concluded that the Share Incentive Plan is fair and reasonable to the Shareholders and in the best interest of the Corporation. **Unless otherwise directed, it is the intention of the Management Designees, if named as proxy, to vote in favour of the foregoing resolutions to approve the Share Incentive Plan.**

Should the Share Incentive Plan not be approved by the Shareholders, the DeeThree Board is of the view that the Corporation's ability to attract and retain the best personnel for the continued development of the Corporation's business will be extremely limited.

Approval

The resolution approving the Share Incentive Plan will require approval by a majority of votes cast on the matter at the Meeting.

The approval of the Share Incentive Plan Resolution is a condition precedent to the completion of the Arrangement. If the Share Incentive Plan Resolution is not approved, DeeThree may choose, in its sole discretion, to not proceed with the Arrangement.

8. Approval of Name Change

If the Arrangement is effected, DeeThree's primary business will be focused on developing the Lethbridge Alberta Bakken Properties. Accordingly, the DeeThree Board believes that it is beneficial to change DeeThree's name to reflect this change in the direction of its business and is recommending that the corporate name of DeeThree be changed to "Granite Oil Corp." upon completion of the Arrangement.

At the Meeting, Shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, a special resolution, the text of which is as follows:

"BE IT RESOLVED THAT:

1. Effective on the Effective Date (as defined in the management information circular of DeeThree Exploration Ltd. dated April 9, 2015), the Corporation is hereby authorized to amend its articles to change the Corporation's name to "Granite Oil Corp." or such other similar name as the directors see fit;

2. notwithstanding that this resolution has been passed (and the change of name of the Corporation approved) by the shareholders of the Corporation, the directors of the Corporation are hereby authorized and empowered without further notice to or approval of the shareholders of the Corporation to not proceed with the change of the Corporation's name to "Granite Oil Corp." or such other similar name as the directors see fit; and

3. any one (or more) director(s) or officer(s) of the Corporation be and is hereby authorized and directed, on behalf of the Corporation, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things that may be necessary or desirable to give effect to this resolution."

Unless otherwise directed, it is the intention of the Management Designees, if named as proxy, to vote in favour of the foregoing resolutions to approve the change of the name of the Corporation. The resolution approving the Name Change must be approved by at least two-thirds of votes cast by the Shareholders, present in person or voting by proxy, at the Meeting.

THE ARRANGEMENT

Background to the Arrangement

DeeThree is a public oil and gas production, exploration and development company with its offices located in Calgary, Alberta with lands and operations primarily located in the Lethbridge area of southern Alberta and in the Pembina-Brazeau area of central Alberta.

DeeThree's management and the DeeThree Board continually review available options to optimize its portfolio of assets and to maximize shareholder value. Periodically during 2014, management and the DeeThree Board undertook a strategic review of the alternatives available to enhance shareholder value.

At a meeting of the DeeThree Board on November 5, 2014, members of management provided the DeeThree Board with management's views as to the feasibility, benefits and considerations of dividing DeeThree and to separate the Corporation's exploration assets and its producing assets between two distinct public companies. The DeeThree Board reviewed, in detail, the anticipated benefits, risks and other matters in connection with the proposed transaction, including implications for future development, implications on employees, tax implications both for the Corporation and for its shareholders, other impact on shareholders, potential market reaction and the financial viability of each entity after giving effect to the proposed transaction. After consideration, the DeeThree Board directed management to continue to evaluate and review matters in respect of this proposal.

At a meeting of the DeeThree Board on January 8, 2015, the DeeThree Board received a report from management regarding its discussions with the Corporation's financial, legal and tax advisors regarding the proposed transaction and reported on, among other things, the strategic, business and tax matters related to the proposed transaction.

The DeeThree Board and management of DeeThree, together with its financial, legal and tax advisors, continued its business, legal and financial review of the feasibility and benefits and consideration of the possible division of the Lethbridge Alberta Bakken assets and the Brazeau Belly River assets into two separate public companies and on January 26, 2015, Cormark was engaged to provide independent financial advice to the DeeThree Board.

Macquarie Capital Markets Canada Ltd. and Raymond James Ltd. were engaged as financial advisors to DeeThree on April 7, 2015 and April 6, 2015 respectively.

At a meeting held on April 7, 2015, the DeeThree Board received a detailed presentation from Cormark regarding the current market overview of DeeThree, an analysis of the pro-forma DeeThree and Boulder assets and business plans, and the anticipated market position of DeeThree and Boulder post-Arrangement relative to likely peers and other quantitative and qualitative considerations. Cormark then provided the DeeThree Board with its verbal opinion that, as of April 7, 2015, the consideration to be received by Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Shareholders. The DeeThree Board also reviewed the strategic rationale for the proposed transaction and received a detailed report from management on the business and tax matters related to the Arrangement, including but not limited to, the proposed constitution of the DeeThree Board and the Boulder Board and respective managements, the proposed credit facilities for each entity, the proposed short and long term business objectives, capital plans and drilling programs, and other operational matters. The DeeThree Board also received advice on, among other things, tax implications for DeeThree, Boulder and DeeThree Shareholders regarding the transaction from DeeThree's legal counsel, Davis LLP. After careful consideration, including the reasons set out below, the DeeThree Board unanimously determined that the Arrangement is fair to the Shareholders and is in the best interests of DeeThree and determined to recommend that Shareholders vote for the approval of the Arrangement Resolution. The DeeThree Board approved the entering into of the Arrangement Agreement with Boulder and the implementation of the Plan of Arrangement and the submission of the Arrangement Resolution to the Shareholders for a vote at the Meeting. The DeeThree Board further approved, among other things, the making of the necessary court applications and regulatory applications in connection with the Arrangement, various matters relating to the Arrangement and the contents of this Circular and the sending of it to the Shareholders. The DeeThree Board also authorized the submission of the resolutions with respect to the Boulder Stock Option Plan, the Share Incentive Plan, and the name change to the Shareholders for their approval. The Arrangement Agreement was then executed on April 7, 2015.

Reasons for the Arrangement

In the course of its evaluation of the Arrangement, the DeeThree Board consulted with DeeThree's senior management, financial advisors and legal counsel, reviewed a significant amount of information and considered a number of factors. As a result of such deliberations, the DeeThree Board believes that the Arrangement is in the best interests of the Corporation for the following reasons:

1. the Arrangement will improve operational focus of each of DeeThree and Boulder which will allow for the optimal development plan decisions to be made to maximize long term value from the assets and, as a result, maximize value for Shareholders;

2. the Arrangement will allow Boulder to focus on continued growth through exploration and development of the Belly River assets at Pembina-Brazeau and allow DeeThree to focus on a measured development of and implementation of DeeThree's gas injection enhanced oil recovery project with its Alberta Bakken assets in Southern Alberta. In particular, for DeeThree, the stage of development of the Lethbridge Alberta Bakken assets, the excess free cash flow and the measured production growth expected with the continued implementation of the gas injection enhanced oil recovery project makes this asset best suited to a business model focused on stable growth and the payment of a sustainable dividend. For Boulder, the dominant land and infrastructure position within the Pembina-Brazeau Belly River, combined with a substantial inventory of high impact well locations with very attractive economics, makes this asset best suited to a business model focused on growth;

3. the Arrangement creates two stand-alone companies with distinct investment attributes – Boulder pursuing a dedicated growth strategy and DeeThree pursuing a sustainable dividend plus growth strategy – which offers Shareholders flexibility, as they will hold a direct interest in two publicly listed companies (if the intended listing of the Boulder Common Shares is completed);

4. each company will be owned by DeeThree Shareholders on a pro rata basis with reference to the number of DeeThree Common Shares held prior to the Arrangement;

5. the Arrangement is expected to improve the market's identification and valuation and allow Shareholders, investors and analysts to more accurately compare, evaluate and value each of the companies on a stand-alone basis against appropriate peers, benchmarks and performance criteria specific to that company;

6. the potential for Shareholders to benefit from a diversification and expansion of the combined shareholder base of the two companies;

7. each company will be led by experienced directors and executives who have demonstrated success building DeeThree and who have the requisite experience and ability to grow their respective companies, with each of DeeThree and Boulder maintaining separate and independent management and technical teams from each other, ensuring management remains focused on their respective business objectives;

8. each company will have independent access to capital (equity and debt) which management believes will result in more focused capital allocation practices;

9. the procedures by which the Arrangement is to be approved, including the requirement for approval of the Arrangement by the Court after a hearing at which fairness to the Corporation's securityholders will be considered;

10. Cormark provided the Fairness Opinion which concluded that the consideration to be received by Shareholders pursuant to the Arrangement is fair, from a financial point of view, to Shareholders;

11. the availability of rights of dissent to Shareholders with respect to the Arrangement; and

12. the expected neutral tax treatment of the Arrangement, which would generally occur on a tax-deferred basis for Shareholders resident in Canada who hold their DeeThree Common Shares as capital property and for U.S. holders, subject to certain assumptions.

In the course of its deliberations, the DeeThree Board also identified and considered a variety of risks and potentially negative factors, including, but not limited to the risks set out under "*Risk Factors to the Arrangement*".

The foregoing discussion summarizes the material information and factors considered by the DeeThree Board in their consideration of the Plan of Arrangement. The DeeThree Board collectively reached its unanimous decision with respect to the Plan of Arrangement in light of the factors described above and other factors that each

member of the DeeThree Board felt were appropriate. In view of the wide variety of factors and the quality and amount of information considered, the DeeThree Board did not find it useful or practicable to quantify, rank or otherwise assign relative weights to or make specific assessments of the specific factors considered in reaching its determination. Individual members of the DeeThree Board may have given different weight to different factors.

Fairness Opinion

In connection with the evaluation by the DeeThree Board of the Arrangement, the DeeThree Board considered, among other things, the Fairness Opinion of Cormark in respect of fairness, from a financial point of view, to Shareholders of the consideration to be received by Shareholders pursuant to the Arrangement. The following summary of the Fairness Opinion is qualified in its entirety by reference to the full text of the Fairness Opinion, a copy of which is attached as Appendix "C" to this Circular. Shareholders are urged to, and should, read the Fairness Opinion in its entirety. The Fairness Opinion is not a recommendation as to how Shareholders should vote in respect of the Arrangement Resolution.

Pursuant to an engagement letter between DeeThree and Cormark dated January 26, 2015, DeeThree engaged Cormark to act as financial advisor to the DeeThree Board to assist in connection with the proposed restructuring of DeeThree into two public entities.

At the meeting of the DeeThree Board on April 7, 2015, Cormark orally delivered the Fairness Opinion to the Board (subsequently confirmed in writing), which states that, in the opinion of Cormark, as of April 7, 2015 and based on and subject to the assumptions, limitations and qualifications set forth therein, the consideration to be received pursuant to the Arrangement is fair, from a financial point of view, to the Shareholders. **This summary is qualified in its entirety by reference to the full text of the Fairness Opinion. The DeeThree Board urges Shareholders to read the Fairness Opinion in its entirety. See Appendix "C" to this Circular.**

The Fairness Opinion does not address the relative merits of the Arrangement as compared to other business strategies or transactions that might be available with respect to DeeThree or DeeThree's underlying business decision to effect the Arrangement. The Fairness Opinion does not address any terms of the Arrangement Agreement or the Plan of Arrangement, except as specifically set forth therein.

Cormark has not been engaged to prepare a Formal Valuation (as such term is defined in MI 61-101) of DeeThree or a valuation of any of the securities or assets of DeeThree and the Fairness Opinion should be construed accordingly.

The full text of the Fairness Opinion, which sets forth, among other things, assumptions made, procedures followed, matters considered and limitations on the review undertaken by Cormark in rendering its opinion, is attached as Appendix "C" to this Information Circular. The Fairness Opinion was provided for the information and assistance of the DeeThree Board in connection with its consideration of the Arrangement. The Fairness Opinion does not address the merits of the underlying decision by DeeThree to enter into the Arrangement Agreement or the Arrangement and does not constitute, nor should it be construed as, a recommendation to any Shareholder as to how such Shareholder should vote with respect to the Arrangement Resolution or any related matter.

Neither Cormark, nor any of its affiliates, is an insider, associate or affiliate (as those terms are defined in the *Securities Act* (Alberta)) of Dee Three, Boulder or any of their respective associates or affiliates.

As of the date of the Fairness Opinion, there are no understandings, agreements or commitments between Cormark and DeeThree, Boulder or any of their respective associates or affiliates, with respect to any future business dealings. Cormark may, in the future, in the ordinary course of its business, perform financial advisory or investment banking services for or participate in financings involving DeeThree or Boulder.

Cormark acts as a securities trader and dealer, both as principal and agent, in major financial markets and, as such, may have had, may have and may in the future have long or short positions in securities of DeeThree, Boulder or any of their respective 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 may have received or may receive compensation. As an investment dealer, Cormark conducts research on securities and may, in the ordinary

course of business, provide research reports and investment advice to its clients on investment matters, including with respect to DeeThree or Boulder or the Arrangement.

Cormark's affiliates, directors, officers and employees may have investments in DeeThree, Boulder and other participants in the Arrangement or the solicitation process or their respective affiliates, subsidiaries, investment funds and portfolio companies.

DeeThree will pay fees to Cormark in connection with its services, a portion of which are contingent upon the completion of the Arrangement. The fees payable to Cormark in connection with the delivery of the Fairness Opinion are not contingent upon the completion of the Arrangement. DeeThree has also agreed to reimburse Cormark for certain expenses and to indemnify it against certain liabilities arising out of or in connection with its engagement.

Recommendation of the DeeThree Board

After careful consideration, the DeeThree Board has unanimously determined that the Arrangement is fair to the Shareholders and is in the best interests of DeeThree. **The DeeThree Board unanimously recommends that Shareholders vote FOR the Arrangement Resolution.**

The officers and directors of DeeThree beneficially own, directly or indirectly, or exercise control or direction over, in the aggregate, 7,437,550 DeeThree Common Shares, representing approximately 8.36% of the DeeThree Common Shares outstanding as of the date hereof. Each of the officers and directors of DeeThree has entered into support agreements to vote in favour of the Arrangement Resolution. All of the DeeThree Common Shares held by the officers and directors of DeeThree will be treated in the same fashion under the Arrangement as DeeThree Common Shares held by any other Shareholders.

Effect of the Arrangement

If the proposed Arrangement is approved by the Shareholders and the Court and the other conditions precedent to completion of the Arrangement are satisfied or waived, DeeThree's assets will be divided between two separate publicly traded companies and each Shareholder (other than a Dissenting Shareholder) will hold, for each DeeThree Common Share held: (i) one-third (0.3333) of one (1) New DeeThree Common Share; and (ii) one-half (0.5) of one (1) Boulder Common Share. The Effective Date is expected to be on or about May 15, 2015.

Upon completion of the Arrangement, all of the Boulder Common Shares will be owned by the Shareholders (other than Dissenting Shareholders) on a pro rata basis. Pursuant to the Arrangement, Boulder will acquire the Spin-Out Assets, which include the Brazeau Belly River Properties and the Northern Properties. The Lethbridge Alberta Bakken Properties will continue to be owned by new DeeThree

For information concerning the Lethbridge Alberta Bakken Properties and the proposed business of the Corporation post-Arrangement, please see Appendix "D" - "*Information Concerning DeeThree Post-Arrangement*", which should be read together with the financial statements of the Corporation incorporated by reference herein.

For information concerning the Brazeau Belly River Properties, the Northern Properties, and the proposed business of Boulder post-Arrangement, please refer to Appendix "E" - "*Information Concerning Boulder Post-Arrangement*", together with the financial information contained therein, as well as the audited financial statements of Boulder contained in Appendix "H", the carve-out financial statements of Boulder contained in Appendix "I" and the pro forma financial statements of Boulder contained in Appendix "J" of this Circular.

Arrangement Mechanics

The following description of the Arrangement is qualified in its entirety by reference to the full text of the Arrangement Agreement, a copy of which is attached as Appendix "B" to this Circular, and the Plan of Arrangement, which forms Schedule A to the Arrangement Agreement. Each of these documents should be read carefully in their entirety.

Pursuant to the Plan of Arrangement, save and except for Dissenting Shares, the following principal steps will occur and be deemed to occur in the following chronological order as part of the Arrangement:

1. the DeeThree Common Shares held by any Dissenting Shareholders, who duly exercise their Dissent Rights and who are ultimately entitled to be paid fair value for those DeeThree Common Shares, will be deemed to have been transferred to DeeThree and cancelled and will cease to be outstanding at the Effective Time, and such Dissenting Shareholders will cease to have any rights as DeeThree Shareholders other than the right to be paid the fair value for their DeeThree Common Shares by DeeThree;

2. all outstanding vested and unvested Out-of-Money DeeThree Options shall be terminated in consideration of $0.001 per each Out-of-Money DeeThree Option so terminated, and neither DeeThree or Boulder shall have any further liabilities or obligations to the former DeeThree Option holders with respect to such terminated Out-of Money Options;

3. the DeeThree Stock Option Plan shall be terminated and all outstanding In-the-Money DeeThree Options shall be exchanged for Replacement Options in such a manner that: (a) holders of DeeThree Options will receive no consideration for the exchange of their DeeThree Options other than the Replacement Options; (b) the original exercise price of each DeeThree Option Holders DeeThree Options will be allocated to the Replacement Option such that an amount equal to the Exercise Price Proportion of such original exercise price (rounded down to the nearest whole cent) will be payable to Boulder for each one-half (0.5) of one (1) Boulder Common Share acquired under the Replacement Options and an amount equal to the remainder of the original exercise price (rounded down to the nearest whole cent) will be payable to DeeThree for each one-third (0.3333) of one (1) New DeeThree Common Share acquired under the Replacement Options; (c) the expiry date of the Replacement Option will be the same as that of the corresponding DeeThree Option; (d) the other material commercial terms and conditions of the Replacement Options will generally parallel those of the DeeThree Options; and (e) all outstanding In-the-Money DeeThree Options shall be cancelled upon the foregoing exchange;

4. the articles of Boulder will be amended to cancel the Boulder Preferred Shares and to create and authorize the issuance of the Boulder Special Shares;

5. the articles of DeeThree will be amended to: (a) change the designation of the DeeThree Common Shares from “Common Shares” to “Class A Common Shares”; (b) to cancel the DeeThree Preferred Shares; and (c) create and authorize the issuance of (in addition to the shares it is authorized to issue immediately before such amendment): (i) an unlimited number of New DeeThree Common Shares; and (ii) an unlimited number of DeeThree Special Shares;

6. each DeeThree Shareholder will exchange one Class A Common Share for one-third (0.3333) of one (1) New DeeThree Common Share and one-half (0.5) of one (1) DeeThree Special Share, such that: (a) the aggregate addition to the stated capital accounts of the New DeeThree Common Shares and the DeeThree Special Shares issued by DeeThree will equal the paid-up capital of the former DeeThree Common Shares. Such paid-up capital amount will be allocated between the New DeeThree Common Shares and DeeThree Special Shares based on the proportion that the fair market value of the New DeeThree Common Shares or DeeThree Special Shares, as the case may be, is the fair market value of all new shares issued by DeeThree on the exchange described in this paragraph; (b) no other consideration will be received by any holder of such DeeThree Common Shares; and (c) the DeeThree Class A Common Shares so exchanged will be cancelled;

7. each DeeThree Shareholder will transfer to Boulder, with good and marketable title and free of any encumbrances, all such Shareholder’s DeeThree Special Shares and as the sole consideration, Boulder will issue one (1) Boulder Common Share for each DeeThree Special Share so transferred. At the time of such transfer the stated capital account for the Boulder Common Shares will be increased by an amount equal to the aggregate paid-up capital of the transferred DeeThree Special Shares;

8. DeeThree will transfer all of Spin-Out Assets to Boulder in consideration for: (a) the Boulder Non-Share Consideration; and (b) the issuance of Boulder Special Shares by Boulder to DeeThree, having an aggregate redemption amount equal to the fair market value of the Spin-Out Assets at the time of transfer less the amount of any Boulder Non-Share Consideration. In respect of such transfer, DeeThree will jointly elect with Boulder, in prescribed form and within the time allowed by subsection 85(6) of the Tax Act to have provisions of subsection 85(1) of the Tax Act apply to the transfer of the Spin-Out Assets. The amount added to the stated capital in respect of the Boulder Special Shares issued as consideration

on the transfer of the Spin-Out Assets will equal the amount DeeThree and Boulder agree to in their election form less any amount equal to the fair market value of the Boulder Non-Share Consideration, if any;

9. Boulder will purchase for cancellation the Boulder Special Shares held by DeeThree and as consideration for the purpose, Boulder will issue a non-interest promissory note to DeeThree with a principal amount equal to the aggregate redemption amount of the Boulder Special Shares;

10. DeeThree will purchase for cancellation the DeeThree Special Shares held by Boulder and as consideration for the purchase, DeeThree will issue a non-interest promissory note to Boulder with a principal amount equal to the aggregate redemption amount of the DeeThree Special Shares;

11. Boulder shall be deemed to have designated the full amount of the dividend that will be deemed under the Tax Act to be paid by it to DeeThree upon the redemption of the Boulder Special Shares to be an eligible dividend for the purposes of subsection 89(4) of the Tax Act;

12. DeeThree shall be deemed to have designated the full amount of the dividend that will be deemed under the Tax Act to be paid by it to Boulder upon the redemption of the DeeThree Special Shares to be an eligible dividend for the purposes of subsection 89(4) of the Tax Act;

13. the promissory notes issued in steps 9 and 10 above will be set-off against each other in full payment;

14. the articles of DeeThree will be amended to remove all of the Class A Common Shares and DeeThree Special Shares from the share capital which DeeThree is authorized to issue such that, following such amendment, DeeThree will be authorized to issue an unlimited number of New DeeThree Common Shares;

15. the articles of Boulder will be amended to remove all of the Boulder Special Shares from the authorized capital of Boulder, such that, following such amendment, Boulder will be authorized to issue an unlimited number of Boulder Common Shares;

16. the directors of Boulder will be those persons listed in Appendix “C” to the Plan of Arrangement, being the current directors of DeeThree;

17. the directors of Boulder will have the authority to appoint one or more additional directors of Boulder, who will hold office for a term expiring not later than the close of the next annual meeting of shareholders of Boulder, but the total number of directors so appointed may not exceed one third of the number of Persons who become directors of Boulder as contemplated by the paragraph above;

18. the by-laws of Boulder will be the by-laws set out in Appendix “D” of the Plan of Arrangement, and such by-laws are hereby deemed to have been confirmed by the shareholders of Boulder;

19. KPMG LLP will be the initial auditors of Boulder, to hold office until the close of the first annual meeting of shareholders of Boulder, or until KPMG LLP resigns as contemplated by Section 164 of the ABCA or are removed from office as contemplated by Section 165 of the ABCA, and the directors of Boulder will be authorized to fix their remuneration; and

20. the registered office of Boulder shall be located at 1000, 250 - 2nd Street S.W., Calgary, Alberta, T2P 0C1.

The DeeThree Board may, in its absolute discretion, determine whether or not to proceed with the Arrangement without further approval, ratification or confirmation by the Shareholders.

DeeThree Options

The current DeeThree Stock Option Plan does not provide for a cashless exercise by the Optionholders. On April 7, 2015, pursuant to the policies of the TSX, the DeeThree Board amended the DeeThree Stock Option Plan to provide for a cashless exercise by the DeeThree Optionholders in connection with the Arrangement. In accordance with the amendment provisions of the DeeThree Stock Option Plan, such amendments were made by

the DeeThree Board without seeking and obtaining shareholder approval. As of the date hereof, each of the DeeThree Optionholders has entered into an Option Exercise and Termination Agreement whereby he/she has agreed to conditionally: (i) exercise his/her vested In-the-Money DeeThree Options on a cash or cashless basis; (ii) exchange his/her unvested In-the-Money DeeThree Options for Replacement Options, and (iii) surrender his/her vested and unvested Out-of-Money DeeThree Options to DeeThree for cancellation in consideration of $0.001 per each such Out-of-Money DeeThree Option so surrendered.

To the extent any vested In-the-Money DeeThree Options are exercised on a cashless basis, the DeeThree Optionholder will be entitled to receive, without any cash payment (other than any taxes required to be paid in connection with the exercise which must be paid by the DeeThree Optionholder to the Corporation), that number of DeeThree Common Shares equal in value (based on the Fair Market Value of the DeeThree Common Shares on the Effective Date) to the difference of the Fair Market Value of the DeeThree Common Shares on the Effective Date less the exercise price of such DeeThree Option. Each Replacement Option entitles the holder to receive, upon due exercise of such Replacement Option (including without limitation, payment of the exercise price thereof to DeeThree and Boulder in accordance with the Exercise Price Proportion), in lieu of one DeeThree Common Share, one-third (0.3333) of one (1) New DeeThree Common Share and one-half (0.5) of one (1) Boulder Common Share.

Based on the Fair Market Value of the DeeThree Common Shares as of the date hereof, there are 3,640,349 vested In-the-Money DeeThree Options, 626,379 DeeThree unvested In-the-Money Options, and 3,404,100 Out-of-Money DeeThree Options issued and outstanding. A total of 216,000 of the vested In-the-Money Options expire on April 27, 2015. It is expected that all of these vested In-the-Money Options will be exercised prior to their expiry. Upon the Arrangement becoming effective and based on the current Fair Market Value of the DeeThree Common Shares as of the date hereof, 626,379 Replacement Options will be issued and outstanding entitling the holders thereon to purchase 208,772 New DeeThree Common Shares and 313,190 Boulder Common Shares. No other options or convertible securities to purchase New DeeThree Common Shares or Boulder Common Shares will be issued and outstanding.

For the purposes of calculating the number of DeeThree Options and Replacement Options, any fractional DeeThree Options have been rounded down to the nearest whole number.

As part of the Arrangement, the DeeThree Stock Option Plan will be terminated and the Replacement Options will be governed by the agreement(s) representing such Replacement Options. No other options or convertible securities to purchase New DeeThree Common Shares or Boulder Common Shares will be issued and outstanding.

Employment Agreements

As at March 31, 2015, DeeThree had approximately 41 employees and 5 full-time and part-time consultants. DeeThree expects approximately 13 employees to remain with DeeThree and its subsidiaries after the Arrangement becomes effective and approximately 26 employees to become employees of Boulder, on equivalent terms of employment, before or upon the Arrangement becoming effective.

DeeThree has agreements with certain senior officers that provide for the payment of certain severance benefits if a change in control of DeeThree occurs. The Arrangement will not cause a "change in control" for purposes of such agreements.

Employee Share Purchase Plan

DeeThree provides its employees the opportunity to participate in an employee share purchase plan (the "**ESPP**"). DeeThree matches employee contributions by purchasing shares on the market at the end of each pay period. For more details regarding the ESPP, please refer to the "*Statement of Executive Compensation for DeeThree – Compensation Discussion and Analysis*" section below.

Directors' and Officers' Liability Insurance

DeeThree presently carries directors' and officers' liability Insurance on behalf of its directors and officers. After the Effective Date, DeeThree will establish a new program of directors' and officers' liability insurance on behalf of

the directors and officers of post-Arrangement DeeThree in respect of acts occurring after the Effective Date. Boulder will also establish its own program of directors' and officers' liability insurance on behalf of its directors and officers in respect of acts occurring after the Effective Date. It is presently expected that the directors' and officers' liability insurance of each of post-Arrangement DeeThree and Boulder will be on substantially the same terms as the current DeeThree directors' and officers' liability insurance.

Interests of Certain Persons in the Arrangement - DeeThree Directors and Officers

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

Pursuant to the Arrangement, the directors and officers of DeeThree will receive, in respect of each outstanding DeeThree Common Share held, one-third (0.3333) of one (1) New DeeThree Common Share and one-half (0.5) of one (1) Boulder Common Share as set out in the Plan of Arrangement on the same terms and conditions as all other Shareholders. As of the date hereof, the directors and officers of DeeThree owned an aggregate of 7,437,550 (8.36%) DeeThree Common Shares.

Each of the DeeThree Optionholders, including directors and officers of DeeThree, has entered into an Option Exercise and Termination Agreement whereby he/she has agreed to conditionally: (i) exercise his/her vested In-the-Money DeeThree Options on a cash or cashless basis; (ii) exchange his/her unvested In-the-Money DeeThree Options for Replacement Options, and (iii) surrender his/her vested and unvested Out-of-Money DeeThree Options to DeeThree for cancellation in consideration of $0.001 per each such Out-of-Money DeeThree Option so surrendered. Based on the Fair Market Value of the DeeThree Common Shares as of the date hereof, directors and officers of DeeThree hold 2,437,947 vested In-the-Money DeeThree Options, 329,485 DeeThree unvested In-the-Money Options, and 1,454,000 Out-of-Money DeeThree Options. Upon the Arrangement becoming effective and based on the current Fair Market Value of the DeeThree Common Shares as of the date hereof, 329,485 Replacement Options will be issued to directors and officers of DeeThree, entitling them to purchase 109,817 New DeeThree Common Shares and 164,743 Boulder Common Shares. See also "*Securities Law Considerations*".

If the Arrangement is consummated, the directors and certain officers and employees of DeeThree are or will become directors, officers or employees of Boulder and will, following completion of the Arrangement, receive remuneration for acting in that capacity and, if the Boulder Stock Option Plan Resolution is passed at the Meeting, will be eligible to participate in the Boulder Stock Option Plan. The directors, certain officers and employees of DeeThree will remain directors, officers and employees of DeeThree will remain directors, officers or employees of DeeThree and will, following completion of the Arrangement, receive remuneration for acting in that capacity and, if the Share Incentive Plan Resolution is passed at the Meeting, will be eligible to participate in the Share Incentive Plan.

It is currently expected that DeeThree's current officers who will either remain officers of DeeThree or become officers of Boulder will have salaries that generally will be approximately 20% less than the salaries paid to such individuals by DeeThree prior to the completion of the Arrangement.

ARRANGEMENT AGREEMENT

The following is a summary of the material terms of the Arrangement Agreement and is qualified in its entirety by the specific terms and conditions of such agreement. A copy of the Arrangement Agreement is attached as Appendix "B" hereto, and should be read carefully in its entirety.

Representations and Warranties

The Arrangement Agreement includes certain representations and warranties of each party to the others including, but not limited, to representations and warranties relating to the authorized capital of each party.

Covenants

The Arrangement Agreement contains covenants of each of the Corporation and Boulder relating to, among other things, using all reasonable efforts and doing all things reasonably required to carry out the Arrangement.

Conditions to the Arrangement Becoming Effective

The obligations of DeeThree to complete the Arrangement (subject to its right to terminate the Arrangement at any time prior to the Effective Date) are subject to the satisfaction, or in certain cases, waiver by DeeThree, of certain conditions precedent, including:

1. the Interim Order shall not have been set aside, amended or varied in a manner unacceptable to DeeThree, in its sole discretion, whether on appeal or otherwise;

2. the Arrangement Resolution shall have been approved by the requisite number of votes cast by the DeeThree Shareholders at the Meeting in accordance with the provisions of the Interim Order and any applicable regulatory requirements;

3. the Boulder Stock Option Plan Resolution shall have been approved by the requisite number of votes cast by the DeeThree Shareholders at the Meeting in accordance with any applicable regulatory requirements;

4. the Share Incentive Plan Resolution shall have been approved by the requisite number of votes cast by the DeeThree Shareholders at the Meeting in accordance with any applicable regulatory requirements

5. each of the holders of DeeThree Options shall have entered into an Option Exercise and Termination Agreement;

6. the Final Order shall have been obtained in form and substance satisfactory to DeeThree, in its sole discretion;

7. the Articles of Arrangement and all necessary related documents, in form and substance satisfactory to DeeThree, in its sole discretion, shall have been accepted for filing by the Registrar together with the Final Order in accordance with Subsection 193(10) of the ABCA;

8. all material consents, orders, rulings, approvals, opinions and assurances, including regulatory, judicial, third party and advisor opinions, approvals and orders, required or necessary, in the sole discretion of DeeThree, for the completion of the transactions provided for in this Agreement, the Plan of Arrangement, shall have been obtained or received, and none of the consents, orders, rulings, approvals, opinions or assurances contemplated herein shall contain terms or conditions or require undertakings or security that are considered unsatisfactory or unacceptable by DeeThree, in its sole discretion;

9. no action shall have been instituted and be continuing on the Effective Date for an injunction to restrain, a declaratory judgment in respect of, or damages on account of or relating to, the Arrangement and there shall not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by this Agreement, and no cease trading or similar order with respect to any securities of any of the Parties shall have been issued and remain outstanding;

10. no law, regulation or policy shall have been proposed, enacted, promulgated or applied that interferes or is inconsistent with the completion of the Arrangement, including any material change to the income tax laws of Canada or any province, state or territory thereof;

11. the New DeeThree Common Shares (including shares issuable on exercise of options issued under the DeeThree Stock Option Plan) shall continue to be listed on the TSX and the Boulder Common Shares (including shares issuable on exercise of options granted under the Boulder Stock Option Plan) to be issued pursuant to the Arrangement shall have been conditionally approved for listing on the TSX, or other designated stock exchange (as defined in the Tax Act) subject to compliance with the normal listing requirements of such exchange;

12. there shall not have developed, occurred or come into effect or existence any event, action or occurrence of national or international consequences, any governmental law or regulation, state, condition or major financial occurrence, including any act of terrorism, war or like event, or other occurrence of any nature, which, in the sole discretion of DeeThree, materially adversely affects, or may materially adversely affect, the financial markets in Canada or the business, financial condition, operations or affairs of DeeThree or Boulder (as defined in the Plan of Arrangement) going forward; and

13. the Arrangement Agreement shall not have been terminated pursuant to the termination provisions contained therein.

Termination

The Arrangement Agreement may, at any time before or after the holding of the Meeting but no later than the Effective Time, be terminated by resolution of the DeeThree Board without further notice to, or action on the part of, the Shareholders, and nothing expressed or implied in the Arrangement Agreement or in the Plan of Arrangement shall be construed as fettering the absolute discretion by the DeeThree Board to elect to terminate the Arrangement Agreement and discontinue efforts to effect the Arrangement for whatever reasons it may consider appropriate.

Upon termination of the Arrangement Agreement, no party thereto shall have any liability or further obligation to any other party thereunder.

Amendment

The Arrangement Agreement and the Plan of Arrangement may, at any time and from time to time before and after the holding of the Meeting but not later than the Effective Time, be amended by written agreement of the parties thereto without, subject to applicable law, further notice to or authorization on the part of the Shareholders.

The Court may also amend the Arrangement Agreement in the Final Order.

PROCEDURE FOR THE ARRANGEMENT TO BECOME EFFECTIVE

Procedure for the Arrangement to Become Effective

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

1. the Arrangement must be approved by the Shareholders in the manner set forth in the Interim Order;

2. if the Arrangement is approved by the Shareholders in the manner set forth in the Interim Order, and assuming all conditions precedent to the Arrangement, as set forth in the Arrangement Agreement, are satisfied or waived by the appropriate party, a hearing before the Court must be held to obtain the Final Order approving the Arrangement; and

3. if the Final Order is granted by the Court, such documents, records and information, including a copy of the entered Final Order must be filed with the Registrar as are required under the ABCA in order to give effect to the Arrangement.

Shareholder Approvals

Pursuant to the terms of the Interim Order, the Arrangement Resolution must, subject to further order of the Court, be approved by at least two-thirds of the votes cast in respect of the Arrangement Resolution by the Shareholders present in person or voting by proxy at the Meeting. The full text of the Arrangement Resolution is set out in Appendix “A” to this Circular.

Notwithstanding the foregoing, the Arrangement Resolution authorizes the DeeThree Board, without further notice to or approval of the Shareholders, and subject to the terms of the Arrangement, to amend the Arrangement

Agreement or to decide not to proceed with the Arrangement and to revoke the Arrangement Resolution at any time prior to the Arrangement becoming effective pursuant to the provisions of the ABCA.

Court Approval of the Arrangement

Under the ABCA, the Corporation is required to obtain the approval of the Court to the calling of the Meeting and to the Arrangement. On April 9, 2015, prior to mailing the material in respect of the Meeting, the Corporation obtained the Interim Order providing for the calling and holding of the Meeting and other procedural matters. A copy of the Interim Order is attached as Appendix "L" to this Circular. A copy of the Originating Application for Final Order approving the Arrangement is attached as Appendix "M" to this Circular.

The Court hearing in respect of the Final Order is scheduled to take place at 2:00 p.m. (Calgary time) on May 15, 2015, or as soon thereafter as the Court may direct or counsel for the Corporation may be heard, at the Courthouse, 601 - 5th Street S.W., Calgary, Alberta, subject to the approval of the Arrangement Resolution at the Meeting.

At the Court hearing, all persons to whom securities would be issued in the Arrangement may participate, be represented or present evidence or argument, subject to the rules of the Court. Such persons should consult with their legal advisors as to the necessary rules and requirements. Although the authority of the Court is very broad under the ABCA, the Corporation has been advised by counsel that the Court must find, among other things, before approving the Arrangement, that its terms and conditions are fair to those to whom securities will be issued. The Court may approve the Arrangement as proposed or as amended in any manner as the Court may direct. The Court's approval is required for the Arrangement to become effective.

The Court will be advised prior to the application for the Final Order that the Court's determination that the Arrangement is fair will form the basis for the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof with respect to the Boulder Common Shares and the securities of the Corporation to be issued pursuant to the Arrangement. See "*Securities Law Considerations - United States Federal Securities Laws*" for additional information.

Stock Exchange Approvals

Currently there is no market for the Boulder Common Shares. It is a condition precedent to the completion of the Arrangement that the Boulder Common Shares be conditionally approved for listing on the TSX or such other designated stock exchange (as defined in the Tax Act) acceptable to DeeThree. An application has been made to have the Boulder Common Shares listed on the TSX. Listing will be subject to, amongst other things, Boulder meeting the original listing requirements of the TSX, and meeting all conditions of listing imposed by the TSX. There can be no assurance as to whether, or when, the Boulder Common Shares will be listed for trading on the TSX or any other designated stock exchange.

EXCHANGE AND DISTRIBUTION OF CERTIFICATES AND DRS ADVICES

Procedure for Exchange of DeeThree Common Shares

Computershare Investor Services Inc. is acting as Depositary under the Arrangement. The Depositary will receive deposits of certificates representing DeeThree Common Shares and an accompanying Letter of Transmittal, at the office specified in the Letter of Transmittal and will be responsible for delivering DRS Advices representing the New DeeThree Common Shares and Boulder Common Shares to which former Shareholders are entitled to under the Arrangement.

At the time of sending this Circular to each Shareholder, DeeThree is also sending the Letter of Transmittal to each Registered Shareholder. The Letter of Transmittal is for use by Registered Shareholders only and is not to be used by Non-Registered Shareholders. Non-Registered Shareholders should contact their broker or other Intermediary for instructions and assistance in receiving the New DeeThree Common Shares and Boulder Common Shares.

Registered Shareholders are requested to tender to the Depositary any share certificates representing their DeeThree Common Shares along with the duly completed Letter of Transmittal. As soon as practicable after the

Effective Date, the Depositary will forward to each Registered Shareholder that submitted an effective Letter of Transmittal to the Depositary, together with the certificate or certificates representing the DeeThree Common Shares held by such DeeThree Shareholder prior to the Effective Date, DRS Advices representing the New DeeThree Common Shares and Boulder Common Shares to which the Registered Shareholder is entitled under the Arrangement, to be sent to or at the direction of such DeeThree Shareholder. DRS Advices representing the New DeeThree Common Shares and Boulder Common Shares will be registered in such name or names as directed in the Letter of Transmittal, and will be either (i) sent to the address or addresses as such Shareholder directed in its Letter of Transmittal; (ii) if no such address is specified in the Letter of Transmittal, sent to the address of the former Shareholder as shown on the register maintained by the Transfer Agent; or (iii) made available for pick up at the offices of the Depositary in accordance with the instructions of the Shareholder in the Letter of Transmittal.

A Registered Shareholder that does not submit an effective Letter of Transmittal prior to the Effective Date may take delivery of the DRS Advice for the New DeeThree Common Shares and Boulder Common Shares which such DeeThree Shareholder is entitled pursuant to the Arrangement, by delivering the certificate(s) representing DeeThree Common Shares formerly held by it to the Depositary at the office indicated in the Letter of Transmittal at any time prior to the sixth anniversary of the Effective Date. Such certificates must be accompanied by a duly completed Letter of Transmittal, together with such other documents as the Depositary may require. DRS Advice for the New DeeThree Common Shares and Boulder Common Shares will be registered in such name or names as directed in the Letter of Transmittal, and will be (i) sent to the address or addresses as such Shareholder directed in its Letter of Transmittal, (ii) if no such address is specified in the Letter of Transmittal, sent to the address of the Shareholder as shown on the register maintained by the Transfer Agent, or (iii) made available for pick up at the office of the Depositary in accordance with the instructions of the Registered Shareholder in the Letter of Transmittal, within five Business Days of receipt by the Depositary of the required certificates and documents, or as soon as practicable.

If any certificate, which immediately before the Effective Time represented one or more outstanding DeeThree Common Shares in respect of which, pursuant to the Arrangement, the holder was entitled to receive the New DeeThree Common Shares and Boulder Common Shares, is lost, stolen or destroyed, upon the making of an affidavit or statutory declaration of that fact by the holder claiming such certificate to be lost, stolen or destroyed, the Depositary will deliver or make available for pick-up at its offices in exchange for such lost, stolen or destroyed certificate, DRS Advice for the New DeeThree Common Shares and Boulder Common Shares to which such Registered Shareholder is entitled to receive pursuant to the Arrangement. When authorizing delivery of DRS Advice for the New DeeThree Common Shares and Boulder Common Shares that a Registered Shareholder is entitled to receive in exchange for any lost, stolen or destroyed certificate, such holders to whom certificates are to be delivered will be required, as a condition precedent to the delivery thereof, to give a bond satisfactory to DeeThree, Boulder and the Depositary in such amount as DeeThree and Boulder may direct, or otherwise indemnify DeeThree, Boulder and the Depositary in a manner satisfactory to them, against any claim that may be made against one or both of them with respect to the certificate alleged to have been lost, stolen or destroyed.

A Registered Shareholder must deliver to the Depositary at the office listed in the Letter of Transmittal:

1. the share certificates representing their DeeThree Common Shares;

2. a Letter of Transmittal in the form provided with this Circular, properly completed and duly executed as required by the instructions set out in the Letter of Transmittal; and

3. any other documentation required by the instructions set out in the Letter of Transmittal.

Except as otherwise provided in the instructions to the Letter of Transmittal, the signature on the Letter of Transmittal must be guaranteed by an Eligible Institution (as defined in the Letter of Transmittal). If a Letter of Transmittal is executed by a person other than the registered holder of the DeeThree Share certificate(s) deposited therewith, the DeeThree Share 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 an Eligible Institution.

Cancellation of Rights after Six Years

Subject to any escheatment or unclaimed property laws, if any certificate formerly representing DeeThree Common Shares is not duly surrendered on or before the sixth anniversary of the Effective Date: (i) the holder of such certificate will be deemed to have donated and forfeited to DeeThree or Boulder, or their respective successors, any New DeeThree Common Shares and Boulder Common Shares held by the Depositary in trust for the holder of the certificate formerly representing DeeThree Common Shares to which such holder is entitled; and (ii) any certificate representing DeeThree Common Shares formerly held by such holder will cease to represent a claim of any nature whatsoever and will be deemed to have been surrendered to DeeThree and Boulder and cancelled. Neither DeeThree or Boulder, or any of their respective successors, will be liable to any person in respect of any New DeeThree Common Share or Boulder Common Share which is forfeited to DeeThree or Boulder, or delivered to any public official pursuant to any applicable abandoned property, escheat or similar law.

Fractional Shares

Any fractional shares issuable pursuant to the Arrangement, including on exercise of the Replacement Options, will be rounded down to the nearest whole number.

DISSENT RIGHTS

The following description of the right to dissent (the "Dissent Rights") and appraisal to which registered Dissenting Shareholders are entitled is not a comprehensive statement of the procedures to be followed by a Dissenting Shareholder who seeks payment of the fair value of such Dissenting Shareholder's DeeThree Common Shares and is qualified in its entirety by reference to the text of Article 3 of the Plan of Arrangement which is attached to this Circular as Appendix "B", to the full text of the Interim Order, which is attached to this Circular as Appendix "L" and the text of section 191 of the ABCA, which is attached to this Circular as Appendix "K". A Dissenting Shareholder who intends to exercise the right to dissent and appraisal should carefully consider and comply with the provisions of the ABCA, as modified by the Interim Order. Failure to strictly comply with the provisions of that section, as modified by the Interim Order, and to adhere to the procedures established therein may result in the loss of all rights thereunder.

A Court hearing the application for the Final Order has the discretion to alter the rights of dissent described herein based on the evidence presented at such hearing. Pursuant to the Interim Order, Dissenting Shareholders are entitled to dissent and to be paid by DeeThree the fair value of the DeeThree Common Shares held by such Dissenting Shareholder in respect of which such Dissenting Shareholder dissents, determined as of the close of business on the last Business Day before the day on which the Arrangement Resolution from which such Dissenting Shareholder dissents was approved by the Shareholders. A Dissenting Shareholder may dissent only with respect to all of the DeeThree Common Shares held by such Dissenting Shareholder or on behalf of any one beneficial owner and registered in the Dissenting Shareholder's name. Only registered Shareholders may dissent. Persons who are beneficial owners of DeeThree Common Shares registered in the name of a broker, custodian, nominee or other intermediary who wish to dissent, should be aware that they may only do so through the registered owner of such securities. A registered Shareholders, such as a broker, who holds DeeThree Common Shares as nominee for beneficial holders, some of whom wish to dissent, must exercise dissent rights on behalf of such beneficial owners with respect to the DeeThree Common Shares held for such beneficial owners. In such case, the demand for dissent should set forth the number of DeeThree Common Shares covered by it.

Dissenting Shareholders must provide a written objection to the Arrangement Resolution to DeeThree, c/o Davis LLP, 1000, 250 - 2nd Street S.W., Calgary, Alberta T2P 0C1, Attention: Daniel Kenney, by 9:00 am. (Calgary time) on May 12, 2015 or the day that is two (2) Business Days immediately preceding the date of any adjourned or postponed Meeting. No Shareholders who has voted in favour of the Arrangement Resolution shall be entitled to dissent with the respect to the Arrangement. A Dissenting Shareholder may not exercise the right of dissent in respect of only a portion of such Dissenting Shareholder's DeeThree Common Shares, but may dissent only with respect to all of the DeeThree Common Shares held by the Dissenting Shareholder.

An application may be made to the Court by DeeThree or by a Dissenting Shareholder after the adoption of the Arrangement Resolution to fix the fair value of the Dissenting Shareholder's DeeThree Common Shares. If such an application to the Court is made by DeeThree, DeeThree must, unless the Court otherwise orders, send to

each Dissenting Shareholder a written offer to pay the Dissenting Shareholder an amount considered by the DeeThree Board to be the fair value of the DeeThree Common Shares. The offer, unless the Court otherwise orders, will be sent to each Dissenting Shareholder at least 10 days before the date on which the application is returnable if DeeThree is the applicant or within 10 days after DeeThree is served with notice of the application if a Dissenting Shareholder is the applicant. The offer will be made on the same terms to each Dissenting Shareholder and will be accompanied by a statement showing how the fair value was determined.

Subject to the terms of the Arrangement Agreement, DeeThree may make an agreement with a Dissenting Shareholder for the purchase of such holder's DeeThree Common Shares in the amount of the offer made by DeeThree (or otherwise) at any time before the Court pronounces an order fixing the fair value of the DeeThree Common Shares.

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

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

All DeeThree Common Shares held by Dissenting Shareholders who exercise their right to dissent will, if the holders are ultimately entitled to be paid the fair value thereof, be deemed to be transferred to DeeThree in exchange for a debt claim against DeeThree to be paid the fair value of such DeeThree Common Shares.

The above summary does not purport to provide a comprehensive statement of the procedures to be followed by a Dissenting Shareholder who seeks payment of the fair value of their DeeThree Common Shares. Section 191 of the ABCA requires adherence to the procedures established therein and failure to do so may result in the loss of all rights thereunder. Accordingly, each Dissenting Shareholder who might desire to exercise the right to dissent and appraisal should carefully consider and comply with the provisions of that section, the full text of which is set out in Appendix "K" to this Circular and consult their own legal advisor.

INCOME TAX CONSIDERATIONS

Certain Canadian Federal Income Tax Considerations

General

The following is, as at the date hereof, in the opinion of Davis LLP, Canadian counsel to DeeThree, a general summary of the principal Canadian federal income tax consequences of the Arrangement generally applicable to Shareholders who, at all relevant times and for purposes of the Tax Act, are residents of Canada, hold their DeeThree Common Shares as capital property, will hold their Boulder Common Shares and New DeeThree Common Shares as capital property and who deal at arm's-length, and are not affiliated, with DeeThree.

For the purposes of the Tax Act, the shares of DeeThree will generally constitute capital property to a holder thereof unless such shares are held in the course of carrying on a business of trading or dealing in securities or otherwise as part of a business of buying and selling securities or such holder has acquired such shares in a transaction or transactions considered to be an adventure in the nature of trade. Certain Shareholders who are

resident in Canada for purposes of the Tax Act and whose shares might not otherwise qualify as capital property may make an irrevocable election in accordance with subsection 39(4) of the Tax Act to have such shares and every other "Canadian security" (as defined in the Tax Act) owned by such Shareholder in the taxation year of the election and in all subsequent taxation years deemed to be capital property. Shareholders contemplating making such an election should first consult their own tax advisors as such an election will affect the income tax treatment for other Canadian securities held. Shareholders who do not hold their DeeThree Common Shares as capital property should consult their own tax advisors regarding their particular circumstances.

The following summary is based on the provisions of the Tax Act as at the date hereof, the Regulations thereunder and counsel's understanding of the current administrative practices of CRA. This summary also takes into account all specific proposals to amend the Tax Act and Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (collectively, the "**Tax Proposals**"). While it has been assumed that all the Tax Proposals will become law, no assurances can be given that the Tax Proposals will be enacted in the form proposed, if at all. This summary does not otherwise take into account or anticipate any changes in law, whether by judicial, governmental or legislative decision or action, or changes in the administrative practices of Canada Revenue Agency. This summary does not take into account provincial, territorial or foreign income tax legislation considerations. Provincial income tax legislation may vary from province to province in Canada and in some cases differ from federal income tax legislation.

The Tax Act contains certain provisions relating to securities held by certain financial institutions (the "**mark-to-market rules**"). This summary does not take into account the mark-to-market rules and Shareholders that are financial institutions for the purposes of those rules should consult their own tax advisors. This summary is not applicable to Shareholders an interest in which would be a "tax shelter investment", as defined in the Tax Act, and any such Shareholders should consult their own tax advisors.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Shareholder about the Canadian income tax consequences of the Arrangement. This summary is not exhaustive of all Canadian federal income tax considerations. Accordingly, each Shareholder is urged to consult with the Shareholder's own tax advisor regarding the income tax consequences of the Arrangement.

Shareholders Resident in Canada

The following portion of the summary is generally applicable to Shareholders who: (i) at all relevant times, are, or are deemed to be, resident in Canada for purposes of the Tax Act; (ii) deal at arm's length with, and are not "affiliated" with DeeThree and Boulder for the purposes of the Tax Act; and (iii) hold their DeeThree Common Shares, and will hold all other shares discussed in the following summary, as "capital property".

Exchange of DeeThree Common Shares for DeeThree Special Shares and New DeeThree Common Shares

Under the Arrangement, a Shareholder will receive one third (0.3333) of one DeeThree Special Share and one half (0.5) of one New DeeThree Common Share in exchange for each DeeThree Common Share currently held (a "**Participating Shareholder**").

A Participating Shareholder who acquires DeeThree Special Shares and New DeeThree Common Shares as a consequence of the Arrangement will be deemed to have disposed of such DeeThree Common Shares for proceeds of disposition equal to the adjusted cost base of such shares at the time of the exchange. Accordingly, a Participating Shareholder will realize neither a capital gain nor a capital loss on the exchange.

The adjusted cost base of the DeeThree Special Shares and of the New DeeThree Common Shares received by a Participating Shareholder, in the aggregate, will be equal to the adjusted cost base of the DeeThree Common Shares exchanged by that Participating Shareholder, but apportioned between DeeThree Special Shares and New DeeThree Common Shares on the basis of their relative fair market value at the time of the exchange. DeeThree has advised counsel that following the Effective Date, it will advise Participating Shareholders of an appropriate proportionate allocation of the adjusted cost bases.

Exchange of DeeThree Special Shares for Boulder Common Shares

Pursuant to the terms of the Arrangement, the holders of DeeThree Special Shares (with the exception of Small Registered Shareholders) will sell such shares to CIM in exchange for consideration consisting solely of 0.5 Boulder Common Share for each DeeThree Special Share so transferred.

A Participating Shareholder who exchanges his or her DeeThree Special Shares pursuant to the Arrangement, will be deemed to have disposed of the DeeThree Special Shares for proceeds of disposition equal to the adjusted cost base of such shares at the time of the exchange.

The Boulder Common Shares received by a Participating Shareholder pursuant to the Arrangement will be deemed to have been acquired at a cost equal to the aggregate adjusted cost base of the Participating Shareholder's former DeeThree Special Shares at the time of the exchange.

Dividends on DeeThree Common Shares or Boulder Common Shares

Dividends received or deemed to be received by a Shareholder on DeeThree Common Shares or Boulder Common Shares after the Arrangement will be included in computing the holder's income for the purposes of the Tax Act. Such dividends received or deemed to be received by a Shareholder that is an individual (including a trust) will generally be subject to the gross-up and dividend tax credit rules in the Tax Act normally applicable to taxable dividends received from corporations resident in Canada, including the enhanced gross-up and dividend tax credit rules applicable to any dividends designated as "eligible dividends" for these purposes. Dividends received or deemed to be received on such shares by an individual and certain trusts may give rise to alternative minimum tax.

Generally, dividends received or deemed to be received on DeeThree Common Shares or Boulder Common Shares after the Arrangement by a Shareholder that is a corporation will be included in computing the corporation's income, but will be deductible in computing the corporation's taxable income, subject to certain limitations in the Tax Act. A holder of DeeThree Common Shares or Boulder Common Shares that is a "private corporation" or a "subject corporation" (as defined in the Tax Act) generally will be subject to a refundable tax of $33^{1}/_{3}$% on dividends received or deemed to be received on such shares to the extent such dividends are deductible in computing the holder's taxable income.

Repurchase Dissenting Shareholders

Shareholders of DeeThree who exercise the Dissent Right pursuant to the Arrangement will be entitled, in the event the Arrangement becomes effective, to be paid by DeeThree an amount equal to the fair value of their DeeThree Common Shares held as at the Effective Date. A Dissenting Shareholder will be deemed under the Arrangement to have transferred such DeeThree Common Shares to DeeThree and such shares will be deemed to have been cancelled by DeeThree, immediately prior to the Effective Date.

A Dissenting Shareholder will be deemed to have received a dividend (subject to the potential application of subsection 55(2) of the Tax Act to Dissenting Shareholders that are corporations) equal to the amount by which the proceeds of disposition (less the amount of any interest awarded by the court) exceed the paid-up capital of the DeeThree Common Shares immediately prior to the disposition of such shares and such deemed dividend will reduce the proceeds of disposition for purposes of computing a capital gain (or capital loss) on the disposition of such shares.

In addition, a Dissenting Shareholder will be considered to have disposed of such DeeThree Common Shares for proceeds of disposition equal to the amount received from DeeThree, less the amount of any dividend deemed to have been received by the Dissenting Shareholder, as described above. A Dissenting Shareholder will realize a capital gain (or capital loss) to the extent that the proceeds of disposition for purposes of the Tax Act of the DeeThree Common Shares, net of any reasonable costs of disposition, exceed (or are exceeded by) the adjusted cost base of such shares immediately before the disposition.

Any interest awarded by a court and paid to a Dissenting Shareholder will be included in its income for a particular taxation year to the extent that the amount is received or receivable in that year, depending upon the method regularly followed by the Dissenting Shareholder in computing income

Disposition of DeeThree Common Shares or Boulder Common Shares (Post-Arrangement)

A disposition by a Participating Shareholder who at all relevant times, are, or are deemed to be resident in Canada for the purposes of the Tax Act ("**Resident Shareholder**") of DeeThree Common Shares or Boulder Common Shares after the Arrangement generally will result in a capital gain (or loss) to such holder to the extent that the proceeds of disposition received, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost of such shares to such holder immediately before the disposition. The tax treatment of capital gains and capital losses is discussed below under the heading "*Certain Income Tax Consequences - Shareholders Resident in Canada - Taxation of Capital Gains and Losses*".

Taxation of Capital Gains and Losses

A Resident Shareholder will be required to include in income one half of the amount of any capital gains (a taxable capital gain) and generally will be entitled to deduct one half of the amount of any capital loss (an allowable capital loss) against taxable capital gains realized by such holder in the year of the disposition. Allowable capital losses in excess of taxable capital gains in a particular year may be carried back and deducted in any of the three preceding years or carried forward and deducted in any following year against taxable capital gains realized in such year to the extent and under the circumstances described in the Tax Act. In certain circumstances, a capital loss otherwise arising on the disposition of shares by a Resident Shareholder that is a corporation may be reduced by dividends previously received or deemed to have been received on such shares or shares for which the particular shares were issued in exchange. Analogous rules apply to a partnership or trust of which a corporation, partnership or trust is a member or beneficiary. Resident Shareholders to whom these rules may be relevant should consult their own tax advisors.

A "Canadian controlled private corporation" (as defined in the tax Act) may be liable to pay, in addition to tax otherwise payable under the Tax Act, a refundable tax of 62/3% of its "aggregate investment income". For this purpose, aggregate investment income will include taxable capital gains.

Capital gains realized by individuals and certain trusts may give rise to alternative minimum tax under the Tax Act.

Shareholders Not Resident in Canada

The following portion of the summary is applicable to Participating Shareholders who, at all relevant times, for purposes of the Tax Act and any applicable income tax treaty or convention, are neither resident nor deemed to be resident in Canada (a "**Non-Resident Shareholder**").

Generally, a Shareholder (other than a Dissenting Shareholder) who is not resident in Canada and whose DeeThree Common Shares do not constitute "taxable Canadian property" to such Shareholder will not be subject to income tax under the Tax Act as a result of the Arrangement.

Generally, the DeeThree Common Shares will not constitute "taxable Canadian property" at a particular time provided that (i) the Shareholder does not use or hold, and is not deemed to use or hold, the DeeThree Common Shares in connection with a business carried on in Canada; and (ii) the Shares are listed on a prescribed stock exchange (which includes the TSX) at that time, and the Shareholder, persons with whom the Shareholder does not deal at arm's length, or the Shareholder together with persons with whom the Shareholder does not deal at arm's length, have not owned 25% or more of the issued shares of any class of DeeThree at any time during the 60-month period preceding the Effective Date.

Any dividends deemed to be paid to a Dissenting Shareholder who is not resident in Canada will be subject to Canadian withholding tax at a rate of 25%. Such withholding tax rates may be reduced under the provisions of an applicable income tax treaty or convention.

Disposition of DeeThree Common Shares or Boulder Common Shares (Post Arrangement)

On a disposition of DeeThree Common shares or Boulder Common Shares after the Arrangement, a Non-Resident Shareholders will not be subject to tax under the Tax Act unless, at the time of disposition, the particular shares are "taxable Canadian property" to the Non-Resident Shareholder. Generally, DeeThree Common Shares and Boulder common Shares respectively will not be "taxable Canadian property" to a Non-Resident Shareholder

at a particular time unless at any time during the 60 month period immediately preceding that time: (A) the Non-Resident Shareholder, persons with whom the Non-Resident Shareholder did not deal at arm's length, or the Non-Resident Shareholder together with all such persons, owned 25% or more of the issued shares of any class or series of the capital stock of DeeThree or Boulder, as applicable, whether the particular shares are listed on a designated stock exchange (which currently includes the TSX) at that particular time; and (B) more than 50% of the fair market value of the particular shares was derived directly or indirectly from one or any combination of: (i) real or immovable properties situated in Canada, (ii) "Canadian resource properties" (as defined in the Tax Act), (iii)"timber resource properties" (as defined in the Tax Act), and (iv) options in respect of, or interests in, property described in (i) to (iii). In certain circumstances set out in the Tax Act, the DeeThree Common Shares or the Boulder Common Shares or a particular Non-Resident Shareholder could be deemed to be "taxable Canadian property."

Generally, a Non-Resident Shareholder who realises a capital gain on a disposition of DeeThree Common Shares or Boulder Common Shares which constitute "taxable Canadian property" of the Non-Resident Shareholder and which is not exempt form tax under an applicable income tax treaty or convention will be subject to the tax treatment described above under the heading "Certain Income Tax Consequences - Shareholders Resident in Canada - Taxation of Capital Gains and Capital Losses. Under the US Treaty, capital gains realized on the disposition of DeeThree Common Shares or Boulder Common Shares by a Non-Resident Shareholder that is a resident of the United States for the purposes of and entitled to the benefits of the US Treaty generally will be exempt from tax under the Tax Act where at the time of disposition the DeeThree Common Shares or Boulder Common Shares, as applicable, do not derive their value principally from real property situated in Canada. Non-Resident Shareholders who will hold DeeThree Common Shares or Boulder Common Shares as "taxable Canadian property" should consult their own tax advisors.

Dissenting Non-Resident Shareholders

A Non-Resident Shareholder that exercises Dissent Rights (a "**Dissenting Non-Resident Shareholder**") will be deemed under the Arrangement to have transferred such holder's DeeThree Common Shares to DeeThree for a payment equal to the fair value of such shares. A Dissenting Non-Resident Shareholder generally will be deemed to have received a dividend equal to the amount by which such proceeds exceed the paid-up capital of such shares. A deemed dividend received by a Dissenting Non-Resident Shareholder will be subject to Canadian withholding tax as described under the heading "*Certain Income Tax Consequences - Shareholders Not Resident in Canada - Dividends on DeeThree Common Shares or Boulder Common Shares (Post-Arrangement)*".

A Dissenting Non-Resident Shareholder will also realize a capital gain to the extent that the proceeds of disposition for such shares, as reduced by the amount of any deemed dividend as discussed above and net of any reasonable costs of disposition, exceed the adjusted cost base of such shares immediately before the disposition. A Dissenting Non-Resident Shareholder generally will not be subject to income tax under the Tax Act in respect of any such capital gain provided such shares do not constitute "taxable Canadian property" to the Dissenting Non-Resident Shareholder. See above under the heading "*Certain Income Tax Consequences - Shareholders Not Resident in Canada - Dividends on DeeThree Common Shares or Boulder Common Shares (Post-Arrangement)*" for a general discussion of the tax treatment of capital gains realized on shares which constitute "taxable Canadian property" to the Dissenting Non-Resident Shareholder.

Eligibility for Investment

Provided the New DeeThree Common Shares and provided Boulder files the election under subsection 89(1) of the Tax Act within the prescribed period to be listed on a designated stock exchange (which includes the TSX) are and continue to be listed on a designated stock exchange (which includes the TSX), such shares will be qualified investments under the Tax Act for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, deferred profit sharing plans, registered disability savings plans and tax-free savings accounts. New DeeThree Common Shares and Boulder Common Shares will not be prohibited investments for trusts governed by tax-free savings accounts, provided that the holder thereof deals at arm's length with DeeThree and Boulder, as applicable, and does not have a significant interest (within the meaning of the Tax Act) in DeeThree or Boulder, as applicable, or in a corporation, partnership or trust with which DeeThree or Boulder, as applicable does not deal at arm's length for purposes of the Tax Act. Tax Proposals contain similar rules regarding prohibited investments for registered retirement savings plans and registered retirement income funds.

Certain U.S. Federal Income Tax Consequences to U.S. Holders

The following discussion is a summary of certain U.S. federal income tax consequences of the Arrangement and the ownership and disposition of Boulder Common Shares to Shareholders who are U.S. holders (as defined below).

This discussion is based on the Code, applicable regulations of the U.S. Department of the Treasury ("**Treasury regulations**,") judicial authority, and administrative rulings and practice, all as in effect as of the date of this document. Such authorities are subject to change or differing interpretations at any time, possibly with retroactive effect.

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 consequences that may apply to a U.S. holder as a result of the Arrangement or the ownership and disposition of Boulder Common Shares. This discussion is limited to Shareholders that are U.S. holders (as defined below), and that hold their DeeThree Common Shares and Boulder Common Shares as capital assets within the meaning of Section 1221 of the Code. Further, this discussion does not discuss all tax considerations that may be relevant to Shareholders in light of their particular circumstances, nor does it address any tax consequences to Shareholders that are subject to special treatment under the U.S. federal income tax laws, such as tax-exempt entities, qualified retirement plans, individual retirement accounts or other tax-deferred accounts, partnerships (including entities treated as partnerships for U.S. federal income tax purposes), persons who acquired such DeeThree Common Shares or Boulder Common Shares pursuant to the exercise of employee stock options or otherwise as compensation, financial institutions, insurance companies, dealers or traders in securities, U.S. holders who are U.S. expatriates or are former long-term residents of the United States, U.S. holders that own (directly, indirectly or constructively) 10% or more of the total combined voting power of all classes of shares of DeeThree or Boulder entitled to voting, and persons who hold their DeeThree Common Shares or Boulder Common Shares as part of a straddle, hedge, conversion, constructive sale, synthetic security, integrated investment, or other risk-reduction transaction for U.S. federal income tax purposes. This discussion does not address any U.S. federal estate, gift, Medicare contribution tax or other non-income tax consequences or any state, local, or non-U.S. tax consequences.

Shareholders are urged to consult with their tax advisors as to the specific tax consequences of the Arrangement and the ownership and disposition of Boulder Common Shares to them in light of their particular circumstances.

For purposes of this section, a "U.S. holder" is a beneficial owner of DeeThree Common Shares or Boulder Common Shares that is, for U.S. federal income tax purposes:

- an individual who is a citizen or a resident of the United States;
- a corporation, or other entity taxable as a corporation for U.S. federal income tax purposes, created, or organized under the laws of the United States or any state or political subdivision thereof;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust, if (i) a court within the United States is able to exercise primary jurisdiction over its administration and one or more U.S. persons have the authority to control all of its substantial decisions, or (ii) it has a valid election in place under applicable Treasury regulations to be treated as a U.S. person.

If a partnership (including any entity treated as a partnership for U.S. federal income tax purposes) holds DeeThree Common Shares or Boulder Common Shares, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. A partner in a partnership holding DeeThree Common Shares or Boulder Common Shares should consult its tax advisor regarding the tax consequences of the Arrangement and the ownership and disposition of Boulder Common Shares.

U.S. Federal Income Tax Treatment of the Arrangement

DeeThree expects, and the following discussion assumes, that for U.S. federal income tax purposes, (i) the mechanics of the Arrangement will be disregarded and treated as if (A) DeeThree had formed Boulder, (B)

DeeThree had transferred the Spin-Out Assets to Boulder in exchange for Boulder Common Shares and the assumption of Boulder Liabilities by Boulder, and (C) DeeThree had distributed all of the stock of Boulder to the Shareholders, (ii) each of DeeThree and Boulder has been engaged in an "active trade or business," as such term is defined in Section 355 of the Code, for at least five years immediately prior to the Arrangement and such trade or business has produced income, and (iii) as a result, the Arrangement will qualify as a tax-free transaction under Section 355, Section 368(a)(1)(D) and related provisions of the Code. Among other requirements analyzed for U.S. federal income tax purposes (including DeeThree's ownership of stock representing "control" of Boulder immediately before the distribution, with a distribution to shareholders, in connection with the Arrangement, of stock representing "control"), DeeThree believes that: (a) there is a bona fide corporate business purpose for the distribution of the Boulder Common Shares; (b) the distribution of Boulder Common Shares is not principally a device for the distribution of earnings and profits of DeeThree, Boulder or both DeeThree and Boulder; (c) each of DeeThree and Boulder will be engaged in the active conduct of a trade or business immediately after the spin-off, with each such post-distribution trade or business actively conducted throughout the five year period preceding the distribution within the meaning of applicable authorities; (d) no person, immediately after the distribution, will hold stock possessing fifty percent or more of the total combined voting power of all classes of DeeThree stock entitled to vote, or fifty percent or more of the total value of shares of all classes of DeeThree stock, that was acquired by purchase during the five year period ending on the date of the spin-off; (e) no person, immediately after the distribution, will hold stock possessing fifty percent or more of the total combined voting power of all classes of Boulder stock entitled to vote, or fifty or more of the total value of shares of all classes of Boulder stock, that was either acquired by purchase or attributable to distributions on DeeThree stock or securities that were acquired by purchase during the five year period ending on the date of the distribution; (f) neither DeeThree nor Boulder are disqualified investment companies with any person holding a fifty percent or greater equity interest; and (g) the DeeThree shareholders do not have, to the knowledge of DeeThree, a current plan or intent to maintain a sufficient continuity of proprietary interest in both DeeThree and Boulder. However, the Arrangement will be effected under the applicable provisions of Canadian law which are technically different from analogous provisions of U.S. corporate law. No legal opinion from U.S. legal counsel or ruling from IRS has been requested, or will be obtained, regarding the U.S. federal income tax consequences of the Arrangement to U.S. holders, and there can be no assurance that the IRS will not challenge the foregoing treatment or that a court would not sustain such a challenge.

Assuming that the Arrangement qualifies as a tax-free transaction under Section 355, Section 368(a)(1)(D) and related provisions of the Code, then:

- no gain or loss will be recognized by, and no amount will be included in the income of, U.S. holders of DeeThree Common Shares upon the receipt of New DeeThree Common Shares and Boulder Common Shares pursuant to the Arrangement;

- a U.S. holder who receives Boulder Common Shares pursuant to the Arrangement will have an aggregate tax basis in its New DeeThree Common Shares and Boulder Common Shares immediately after the Arrangement equal to the aggregate tax basis of the DeeThree Common Shares that the U.S. holder held immediately before the Arrangement, allocated between such New DeeThree Common Shares and Boulder Common Shares in proportion to their respective fair market values; and

- the holding period of the Boulder Common Shares received pursuant to the Arrangement by a U.S. holder will include the holding period of its DeeThree Common Shares.

U.S. holders who have acquired different blocks of DeeThree Common Shares at different times or at different prices should consult their tax advisors regarding the allocation of their aggregate tax basis among, and the holding period of, the Boulder Common Shares received with respect to such blocks of DeeThree Common Shares.

U.S. holders that have a significant ownership in DeeThree and receive Boulder Common Shares pursuant to the Arrangement are required to attach a statement to their U.S. federal income tax return for the taxable year in which the Boulder Common Shares are received pursuant to the Arrangement, setting forth information showing the applicability of Section 355 of the Code to the receipt of the Boulder Common Shares. U.S. holders should consult their tax advisors regarding the foregoing requirement.

If the Arrangement does not qualify under Section 355, Section 368(a)(1)(D) and related provisions of the Code, a U.S. holder who receives Boulder Common Shares pursuant to the Arrangement would (subject to the passive foreign investment company, or "PFIC", rules discussed below) be treated as receiving a taxable distribution in an amount equal to the total fair market value of such Boulder Common Shares (without reduction for any tax withheld from such distribution). In general, the distribution would be taxable as a dividend to the extent of DeeThree's current and accumulated earnings and profits, as determined under U.S. federal income tax principles, and would be treated as foreign source dividend income. Any amount of the distribution in excess of DeeThree's earnings and profits would be treated first as a non-taxable return of capital to the extent of the U.S. holder's tax basis in its DeeThree Common Shares, with any remaining amount taxed as capital gain (subject to the PFIC rules discussed below). A U.S. holder would have a tax basis in its Boulder Common Shares immediately after the Arrangement equal to their fair market value. DeeThree has not determined, and does not intend to determine, its earnings and profits under U.S. federal income tax principles. Therefore, if the Arrangement does not qualify under Section 355, Section 368(a)(1)(D) and related provisions of the Code, U.S. holders should assume that the entire amount of the distribution will be treated as a dividend. It is uncertain whether any such dividend would qualify for the reduced U.S. federal income tax rates applicable to "qualified dividend income" since DeeThree has not determined whether or not it is a PFIC for the current taxable year or was a PFIC for any prior taxable year. Any such dividend generally would not be eligible for the "dividends received deduction" in the case of corporate U.S. holders.

Dissenting U.S. Holders

Subject to the discussion of PFIC rules below, a U.S. holder that exercises the right to dissent from the Arrangement and receives cash for such U.S. holder's DeeThree Common Shares generally will recognize taxable gain or loss in an amount equal to the difference, if any, between (a) the amount of cash received by such U.S. holder in exchange for the DeeThree Common Shares and (b) such U.S. holder's tax basis in the DeeThree Common Shares, provided such U.S. holder does not actually or constructively own any DeeThree Common Shares after the Arrangement. Subject to the discussion of PFIC rules below, such gain or loss will generally be capital gain or loss. Capital gains of non-corporate U.S. holders (including individuals) currently are eligible for the preferential U.S. federal income tax rates applicable to long-term capital gains if such holder has held the relevant property for more than one year as of the date of the disposition. The deductibility of capital losses is subject to limitations. Any gain or loss recognized by a U.S. holder upon the exercise its right to dissent will generally be treated as a U.S. source gain or loss.

If a U.S. holder that exercises the right to dissent from the Arrangement and receives cash for such U.S. holder's DeeThree Common Shares actually or constructively owns DeeThree Common Shares after the Arrangement, all or a portion of the cash received by such U.S. holder may be taxable as a dividend to the extent of DeeThree's current and accumulated earnings and profits, as determined under U.S. federal income tax principles, and would be treated as foreign source dividend income. To the extent that the amount of cash received exceeds DeeThree's current and accumulated earnings and profits, a U.S. holder's receipt of cash would be treated first as a non-taxable return of capital to the extent of the U.S. holder's tax basis in the DeeThree Common Shares with any remaining amount being taxed as a capital gain (subject to the PFIC rules discussed below). DeeThree has not determined, and does not intend to determine, its earnings and profits under U.S. federal income tax principles. Therefore, U.S. holders should assume that the entire amount of the cash received upon the exercise of the right to dissent will be treated as a dividend. It is uncertain whether any such dividend would qualify for the reduced U.S. federal income tax rates applicable to "qualified dividend income" since DeeThree has not determined whether or not it is a PFIC for the current taxable year or was a PFIC for any prior taxable year. Any such dividend generally would not be eligible for the "dividends received deduction" in the case of corporate U.S. holders.

Passive Foreign Investment Company

In general, a non-U.S. corporation will be treated as a PFIC with respect to a U.S. holder if, for any taxable year in which such holder held shares of the non-U.S. corporation, either:

- at least 75% of its gross income for such taxable year consists of passive income (e.g., dividends, interest, capital gains and rents derived other than in the active conduct of a rental business); or

- at least 50% of the average value of its assets (determined on a quarterly basis) during such taxable year produce, or are held for the production of, passive income.

For purposes of determining whether a non-U.S. corporation is a PFIC, it will be treated as earning and owning its proportionate share of the income and assets, respectively, of any of its subsidiary corporations in which it owns at least 25% of the value of the subsidiary's stock. A U.S. holder of shares in a PFIC will be required to file an annual information return containing information regarding the PFIC as required by applicable Treasury regulations.

If DeeThree or Boulder is, was or becomes a PFIC at any time during a U.S. holder's holding period of the DeeThree Common Shares or Boulder Common Shares, as applicable, a U.S. holder would be subject to different taxation rules depending on whether the U.S. holder makes an election to treat DeeThree or Boulder, as applicable, as a "qualified electing fund" (a "QEF election") under Section 1295 of the Code or a mark-to-market election under Section 1296 of the Code. DeeThree has not satisfied, and neither DeeThree nor Boulder anticipates satisfying, the record keeping and information disclosure requirements that are necessary for a U.S. Holder to make a QEF election. As a result, if DeeThree or Boulder is, was or becomes a PFIC at any time during a U.S. holder's holding period of the DeeThree Common Shares or Boulder Common Shares, as applicable, the U.S. tax treatment of such U.S. holder would depend on whether the U.S. holder makes a mark-to-market election.

Taxation of U.S. Holders Making a Mark-to-Market Election. If DeeThree or Boulder were treated as a PFIC for any taxable year and, as expected to be the case, DeeThree Common Shares or Boulder Common Shares, as applicable, are treated as "marketable stock," a U.S. holder would be allowed to make a "mark-to-market" election with respect to such shares, provided the U.S. holder completes and files IRS Form 8621 in accordance with the relevant instructions and related Treasury regulations. A U.S. holder that makes a mark-to-market election generally would include as ordinary income in each taxable year the excess, if any, of the fair market value of the DeeThree Common Shares or Boulder Common Shares, as applicable, at the end of the taxable year over such holder's adjusted tax basis in such shares. The U.S. holder would also be permitted an ordinary loss in respect of the excess, if any, of the U.S. holder's adjusted tax basis in the DeeThree Common Shares or Boulder Common Shares, as applicable, over its fair market value at the end of the taxable year, but only to the extent of the net amount previously included in income as a result of the mark-to-market election. A U.S. holder's tax basis in its DeeThree Common Shares or Boulder Common Shares, as applicable, would be adjusted to reflect any such income or loss amount. Gain realized on the sale, exchange or other disposition of the DeeThree Common Shares or Boulder Common Shares, as applicable, would be treated as ordinary income, and any loss realized on the sale, exchange or other disposition of the DeeThree Common Shares or Boulder Common Shares, as applicable, would be treated as ordinary loss to the extent that such loss does not exceed the net mark-to-market gains previously included by the U.S. holder.

Taxation of U.S. Holders Not Making a Timely QEF Election or Mark-to-Market Election. If DeeThree or Boulder were treated as a PFIC for any taxable year, a U.S. holder who does not make either a QEF election or a mark-to-market election for that year would be subject to special rules with respect to (i) any excess distribution (i.e., the portion of any distributions received by the U.S. holder on DeeThree Common Shares or Boulder Common Shares, as applicable, in a taxable year in excess of 125% of the average annual distributions received by such U.S. holder in the three preceding taxable years, or, if shorter, such U.S. holder's holding period for such shares), and (2) any gain realized on the sale, exchange or other disposition of DeeThree Common Shares or Boulder Common Shares, as applicable. Under these special rules:

- the excess distribution or gain would be allocated ratably over the U.S. holder's aggregate holding period for the DeeThree Common Shares or Boulder Common Shares, as applicable;

- the amount allocated to the current taxable year and any taxable year before DeeThree or Boulder, as applicable, became a PFIC would be taxed as ordinary income; and

- the amount allocated to each of the other taxable years would be subject to tax at the highest rate of tax in effect for the applicable class of taxpayer for that year, and an interest charge for the deemed deferral benefit would be imposed with respect to the resulting tax attributable to each such other taxable year.

If DeeThree or Boulder were treated as a PFIC for any taxable year in which it pays a dividend or the immediately preceding taxable year, dividends paid by DeeThree or Boulder, as applicable, would not be eligible for the preferential rates of U.S. federal income tax discussed below under "Taxation of Distributions on Boulder Common Shares." If DeeThree were treated as a PFIC during any taxable year in which a U.S. holder held DeeThree Common Shares, such U.S. holder has not made a mark-to-market election and the Arrangement does not qualify for a tax-free treatment discussed above, the rules above regarding an excess distribution would apply to the distribution of Boulder Common Shares.

Taxation of Distributions on Boulder Common Shares

In general, the gross amount of cash distributions on Boulder Common Shares would be taxable as a dividend to the extent paid out of Boulder's current and accumulated earnings and profits, as determined under U.S. federal income tax principles, and would be treated as foreign source dividend income. With respect to non-corporate U.S. holders (including individuals), subject to the discussion of PFIC rules above, certain dividends received from a qualified foreign corporation may be subject to reduced rates of taxation. A qualified foreign corporation includes a foreign corporation that is eligible for the benefits of a comprehensive income tax treaty with the United States which the U.S. Treasury Department determines to be satisfactory for these purposes and which includes an exchange of information provision. A foreign corporation is also treated as a qualified foreign corporation with respect to dividends paid by that corporation on shares that are readily tradable on an established securities market in the United States. Boulder Common Shares are not listed on an established securities market in the United States. Boulder expects to be eligible for the benefits of an income tax treaty between the United States and Canada, but no assurance can be given that Boulder qualifies or will continue to qualify for the income tax treaty. Non-corporate U.S. holders that do not meet a minimum holding period requirement during which they are not protected from the risk of loss or that elect to treat the dividend income as "investment income" pursuant to Code Section 163(d)(4) (dealing with the deduction for investment interest expense) will not be eligible for the reduced rates of taxation regardless of Boulder's status as a qualified foreign corporation. In addition, the rate reduction will not apply to dividends if the recipient of a dividend is obligated to make related payments with respect to positions in substantially similar or related property. This disallowance applies even if the minimum holding period has been met.

Any amount of distributions in excess of Boulder's earnings and profits would be treated first as a non-taxable return of capital to the extent of the U.S. holder's tax basis in its Boulder Common Shares, with any remaining amount taxed as capital gain (subject to the PFIC rules discussed above). Boulder does not intend to determine its earnings and profits under U.S. federal income tax principles. Therefore, U.S. holders should assume that the entire amount of distributions will be treated as a dividend (subject to the discussion of PFIC rules above). Any such dividend generally would not be eligible for the "dividends received deduction" in the case of corporate U.S. holders.

Sale, Exchange or Other Taxable Disposition of Boulder Common Shares

For U.S. federal income tax purposes, subject to the discussion of PFIC rules above, a U.S. holder will recognize taxable gain or loss on any sale, exchange or other taxable disposition of Boulder Common Shares in an amount equal to the difference between the amount realized for the Boulder Common Shares and such U.S. holder's tax basis in the Boulder Common Shares. Subject to the discussion of PFIC rules above, the gain or loss recognized by a U.S. holder on the sale, exchange or other taxable disposition of Boulder Common Shares will generally be capital gain or loss. Capital gains of non-corporate U.S. holders (including individuals) currently are eligible for the preferential U.S. federal income tax rates applicable to long-term capital gains if such holder has held the relevant property for more than one year as of the date of the sale, exchange or other taxable disposition. The deductibility of capital losses is subject to limitations. Any gain or loss recognized by a U.S. holder on the sale, exchange or other taxable disposition of Boulder Common Shares will generally be treated as U.S. source gain or loss.

Information Reporting and Backup Withholding

DeeThree and Boulder may be required in certain circumstances to withhold U.S. federal backup withholding tax on certain payments made to non-corporate U.S. holders who do not furnish their correct taxpayer identification number and certain certifications (generally on an IRS Form W-9) or who are otherwise subject to backup withholding. Backup withholding is not an additional tax. Any amounts withheld from payments made to a U.S.

holder may be refunded or credited against the U.S. holder's U.S. federal income tax liability, if any, provided that the required information is timely furnished to the IRS.

CERTAIN LEGAL AND REGULATORY MATTERS

Canadian Securities Laws

The following discussion is only a general overview of the requirements of Canadian securities laws for the resale of the New DeeThree Common Shares and Boulder Common Shares. Holders of New DeeThree Common Shares or Boulder Common Shares should seek legal advice prior to any resale of such securities to ensure the resale is made in compliance with the requirements of applicable securities legislation.

Distribution of New DeeThree Common Shares and Boulder Common Shares

The issuance pursuant to the Arrangement of the New DeeThree Common Shares and the Boulder Common Shares, as well as all other issuances, trades and exchanges of securities under the Arrangement, will be made pursuant to exemptions from the prospectus requirements contained in applicable Canadian provincial securities legislation or, where required, exemption orders or rulings from various securities regulatory authorities in the provinces and territories of Canada where Shareholders are resident. DeeThree is currently a "reporting issuer" under the applicable securities legislation in each of the provinces of Canada, other than Quebec. Under National Instrument 45-102 - *Resale of Securities* (and if required, orders and rulings from various securities regulatory authorities in the provinces and territories of Canada where Shareholders are resident), the New DeeThree Common Shares and Boulder Common Shares received by Shareholders pursuant to the Arrangement may be resold through registered dealers in Canadian provinces or territories without any "hold period" restriction (provided that no unusual effort is made to prepare the market or create a demand for these securities, no extraordinary commission or consideration is paid in respect of the sale and, if the seller is an insider or officer of the issuer, the seller has no reasonable grounds to believe that the issuer is in default of securities legislation). Resales of New DeeThree Common Shares and Boulder Common Shares will, however, be subject to resale restrictions where the sale is made from the holdings of any person or combination of persons holding a sufficient number of New DeeThree Common Shares or Boulder Common Shares, as the case may be, to affect materially the control of the Corporation or Boulder, respectively.

United States Federal Securities Laws

The New DeeThree Common Shares and the Boulder Common Shares issuable to Shareholders resident in the United States in exchange for their securities pursuant to the Arrangement 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. Such securities will be issued in reliance upon the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof and the exemptions under applicable U.S. state securities laws.

Section 3(a)(10) of the U.S. Securities Act exempts from registration a security which is issued in exchange for bona fide outstanding securities where the terms and conditions of such issuance and exchange are approved by any court or by a governmental authority expressly authorized by law to grant such approval, after a hearing upon the fairness of such terms and conditions at which all persons to whom it is proposed to issue securities in such exchange have the right to appear. The fairness hearing must be open to everyone to whom securities would be issued in the proposed exchange, and timely and adequate notice of the hearing must be given to these persons. There cannot be any improper impediments to the appearance by these persons at the hearing. The court or governmental authority must (1) be advised before the hearing that the issuer will rely on the Section 3(a)(10) exemption based on the court's or governmental authority's approval of the transaction, (2) hold a hearing before approving the fairness of the terms and conditions of the transaction, (3) find, before approving the transaction, that the terms and conditions of the exchange are fair (procedurally and substantively) to those to whom securities will be issued, and (4) approve the fairness of the terms and conditions of the exchange.

Accordingly, the Final Order will, if granted, constitute the basis for the exemption from the registration requirements of the U.S. Securities Act with respect to the New DeeThree Common Shares and the Boulder Common Shares issued pursuant to the Arrangement.

The New DeeThree Common Shares and Boulder Common Shares issuable pursuant to the Arrangement will be freely transferable under U.S. federal securities laws, except by persons who are "affiliates" of the Corporation or Boulder, as applicable, after the Effective Time or were affiliates of the Corporation or Boulder, as applicable, within 90 days prior to the Effective Time. Persons who may be deemed to be "affiliates" of an issuer generally include individuals or entities that control, are controlled by, or are under common control with, the issuer, whether through the ownership of voting securities, by contract or otherwise, and generally include executive officers and directors of the issuer as well as principal shareholders of the issuer.

Any resale of such New DeeThree Common Shares or Boulder Common Shares by such an affiliate (or, if applicable, former affiliate) may be subject to the registration requirements of the U.S. Securities Act, absent an exemption therefrom. Subject to certain limitations, such affiliates (and former affiliates) may immediately resell such New DeeThree Common Shares or Boulder Common Shares outside the United States without registration under the U.S. Securities Act pursuant to Regulation S under the U.S. Securities Act. If available, such affiliates (and former affiliates) may also resell such New DeeThree Common Shares or Boulder Common Shares pursuant to Rule 144 under the U.S. Securities Act. In general, Rule 144 requires an affiliate of a non-U.S. reporting company to have held the subject securities for at least 12 months, after which time the securities may be resold only if there is current public information about the issuer, compliance with volume limitations and manner of sale requirements, and filing of a Form 144.

The foregoing discussion is only a general overview of the requirements under the U.S. Securities Act for the resale of the New DeeThree Common Shares and Boulder Common Shares. Holders of New DeeThree Common Shares and Boulder Common Shares are urged to seek legal advice prior to any resale of such securities to ensure that the resale is made in compliance with the requirements of applicable securities legislation. Certain re-sales of securities acquired pursuant to the Arrangement may be required to be made through properly registered securities brokers or dealers.

Stock Exchange Listings

It is expected that the New DeeThree Common Shares will continue to be listed on the TSX. Assuming that the Arrangement is completed on May 15, 2015, trading of the New DeeThree Common Shares is expected to commence three or four Business Days thereafter.

An application has been made to have the Boulder Common Shares listed on the TSX. Listing will be subject to, amongst other things, Boulder meeting the original listing requirements of the TSX, and meeting all conditions of continued listing imposed by the TSX. If Boulder meets the original listing requirements of the TSX and assuming that the Arrangement is completed on May 15, 2015, trading of the Boulder Common Shares is expected to commence three or four Business Days thereafter.

RISK FACTORS TO THE ARRANGEMENT

In evaluating the Arrangement, you should carefully consider, in addition to the other information contained in this Circular, the risks and uncertainties described below before deciding to vote in favour of the Arrangement. In addition to the risk factors relating to the Arrangement, Shareholders should also carefully consider the risk factors relating to the Corporation's business and Boulder's business following the Arrangement as described under "*Risk Factors*" in the AIF, Appendix "D" - "*Information Concerning DeeThree Post-Arrangement*" and Appendix "E" - "*Information Concerning Boulder Post-Arrangement*", respectively, which risk factors should be considered in conjunction with the other information included in this Circular. While this Circular has described the risks and uncertainties that management of the Corporation believes to be material to the Corporation's and Boulder's business, and therefore the value of their common shares, it is possible that other risks and uncertainties affecting the Corporation's and/or Boulder's business will arise or become material in the future.

Risks of Not Proceeding with the Arrangement

Impact on Share Price and Future Business Operations

If the Arrangement is not completed, there may be a negative impact on our share price, future business and operations to the extent that the current trading price of DeeThree Common Shares reflects an assumption that

the Arrangement will be completed. The price of DeeThree Common Shares may decline if the Arrangement is not completed.

Existing Operational Risk

If the Arrangement is not completed, we will continue to face all of the existing operational and financial risks of our business as described under "*Risk Factors*" in the AIF.

Costs of the Arrangement

There are various costs related to the Arrangement, such as legal, accounting and certain fees incurred, that must be paid even if the Arrangement is not completed. There are also opportunity costs associated with the diversion of management attention away from the conduct of our business in the ordinary course.

Risks of Proceeding with the Arrangement

Fluctuation in Market Value of the Boulder Common Shares

There is currently no market for the Boulder Common Shares and there can be no assurance that an active market will develop or be sustained after the Effective Date. The lack of an active public market could have a material adverse effect on the price of the Boulder Common Shares.

The market price of a publicly-traded stock is affected by many variables not directly related to the corporate performance of the company, including the market in which it is traded, the strength of the economy generally, the availability and attractiveness of alternative investments, and the breadth of the public market for the stock. The effect of these and other factors on the future market price of the Boulder Common Shares on any stock exchange cannot be predicted.

Trading Prices

The trading price of the New DeeThree Common Shares is expected to be lower following the Arrangement than the trading price of the DeeThree Common Shares prior thereto, reflecting the disposition of the Spin-Out Assets and such price may fluctuate significantly for a period of time following the Arrangement. The combined trading prices of the New DeeThree Common Shares and the Boulder Common Shares received pursuant to the Arrangement may be less than, equal to or greater than the trading price of the DeeThree Common Shares prior to the Arrangement.

Pre-Arrangement Consents and Approvals

DeeThree continues to seek and obtain certain necessary consents and approvals, including those relating to certain of the agreements relating to the Spin-Out Assets, in order to implement the Arrangement and related transactions as currently structured. DeeThree believes that it will obtain such consents and approvals prior to the Effective Date. However, if certain approvals and consents are not received prior to the Effective Date, the Corporation may decide to proceed nonetheless, or it may either delay or amend the implementation of all or part of the Arrangement, including possibly delaying the completion of the Arrangement in order to allow sufficient time to receive such consents.

The Arrangement Agreement may be terminated in certain circumstances

DeeThree has the right to terminate the Arrangement Agreement in certain circumstances. Accordingly, there is no certainty, nor can DeeThree provide any assurance, that the Arrangement Agreement will not be terminated by DeeThree before the completion of the Arrangement.

INFORMATION CONCERNING DEETHREE POST-ARRANGEMENT

For further information concerning DeeThree post-Arrangement, see Appendix "D" attached to this Circular.

INFORMATION CONCERNING BOULDER POST-ARRANGEMENT

For further information concerning Boulder post-Arrangement, see Appendix "E" attached to this Circular, as well as the financial statements of Boulder contained in Appendix "H", the carve-out financial statements of the Spin-Out Assets contained in Appendix "I" and the unaudited pro forma carve-out financial statements of Boulder contained in Appendix "J" to this Circular.

STATEMENT OF EXECUTIVE COMPENSATION FOR DEETHREE

Compensation Discussion and Analysis

Role and Composition of the Corporate Governance and Compensation Committee

The Corporation's executive compensation program is administered by the Corporate Governance and Compensation Committee (the "**Compensation Committee**") of the DeeThree Board. The Compensation Committee's mandate includes reviewing and making recommendations to the DeeThree Board in respect of the compensation matters relating to the Corporation's executive officers, employees and directors, including the "named executive officers" who are identified in the "*Summary Compensation Table*" below. For the year ended December 31, 2014, the Compensation Committee was composed of Messrs. Dennis Nerland, Bradley Porter, Henry Hamm and Kevin Andrus, all of whom are independent within the meaning of Canadian securities legislation. All of the members of the Compensation Committee are experienced participants in the business world who have sat on the board of directors of other companies, charities or business associations, in addition to the DeeThree Board. Mr. Nerland has been a partner with the law firm Shea Nerland Calnan LLP since 1990 and holds the ICD.D designation from the Institute of Corporation Directors. Mr. Nerland has also been a member of a number of compensation committees for companies that are listed on the TSXV and TSX, including Crew Energy Inc., Critical Control Solutions Inc., Reliable Energy Inc., Invicta Energy Corp., Savanna Energy Services Corp. and Baytex Energy Ltd. Mr. Porter, Mr. Hamm and Mr. Andrus are experienced businessmen and are well versed in the areas of corporate governance and compensation matters.

The responsibilities of the Compensation Committee in respect of compensation matters include reviewing and recommending to the DeeThree Board the compensation policies and guidelines for supervisory management and personnel, corporate benefits, bonuses and other incentives, reviewing and approving corporate goals and objectives relevant to CEO compensation; non-CEO officer and director compensation; the review of executive compensation disclosure; succession plans for officers and for key employees; and material changes and trends in human resources policy, procedure, compensation and benefits. See "*Corporate Governance Disclosure*" section below for additional information regarding the responsibilities of the Compensation Committee. The Compensation Committee has unrestricted access to the Corporation's personnel and documents and is provided with the resources necessary, including, as required, the engagement and compensation of outside advisors, to carry out its responsibilities.

Compensation Principles and Objectives

The Corporation's compensation program supports its commitment to deliver strong performance for its shareholders. The compensation policies are designed to attract, recruit and retain quality and experienced people. In addition, the compensation program is intended to create an alignment of interests between the Corporation's executive officers and other employees with the long term interests of the Corporation's shareholders and enhance share value. In this way, a significant portion of each executive's compensation is linked to maximizing shareholder value.

At the same time, the Compensation Committee also recognizes that the executive compensation program must be sufficiently flexible in order to adapt to unexpected developments in the oil and gas industry and the impact of internal and market related occurrences from time to time and as such, the Compensation Committee is given the discretion to award compensation absent attainment of specific performance goals and to increase or reduce the size of any such payouts in alignment with the overall pay-for-performance philosophy.

The compensation program supports the Corporation's long-term growth strategy and is designed to accomplish the following objectives:

- align executive compensation with corporate performance and appropriate peer group comparisons;
- produce long-term, positive results for the Corporation's shareholders;
- provide market competitive compensation and benefits to attract and retain highly qualified management; and
- provide incentives that encourage superior corporate performance to support the Corporation's overall business strategy and objectives.

The Compensation Committee has adopted a compensation program that covers the following key short term elements: (i) a base fixed amount of salary and benefits; (ii) a performance based cash bonus; and the following key long term elements: (iii) stock options; and (iv) an employee share purchase plan.

The Corporation has reviewed the public disclosure available for other comparable oil and gas companies to assist in determining the competitiveness of base salary, bonuses, benefits and stock options paid to each of the executive officers of the Corporation. In particular, the Corporation selected the following peer group as measured by market capitalization and production volume and with operations in the Western Canadian Sedimentary Basin: RMP Energy Inc., Whitecap Resources Inc., Artek Exploration Ltd., Manitok Energy Inc., Delphi Energy Corp., Zargon Oil & Gas Ltd. and Painted Pony Petroleum Ltd. The Corporation believes the aforementioned peer group list is comprised of companies that have similar characteristics in common with the Corporation and that would compete for similar executive talent and as such, provides a good basis for assessing the competitiveness of the Corporation's compensation.

While the Compensation Committee does not formally consider the implications of the risks associated with the Corporation's compensation policies and practices, the Compensation Committee takes into consideration the various components of the Corporation's compensation program when assessing whether the program supports the Corporation's principles and objectives and reviews the Corporation's compensation policies on a regular basis. In 2014, the Corporation's Insider Trading and Reporting Policy was amended to specify that the Corporation's directors, officers and employees shall not, directly or indirectly, engage in any hedging activities, and are barred from purchasing financial instruments, including buying or selling a call or put, any other prepaid forward contracts, equity swaps, collars, or units of exchange funds, in respect of the Company's securities. Notwithstanding these prohibitions, the Corporation's directors, officers and employees may sell a security which such person does not own if such person owns another security convertible into the security sold or an option or right to acquire the security sold and, within 10 days after the sale, such person: (i) exercises the conversion privilege, option or right and delivers the security so associated to the purchaser; or (ii) transfers the convertible security, option or right, if transferable, to the purchaser.

The Corporation does not expect to make any significant changes to its compensation policies and practices in the coming financial year. If the Arrangement is effected, it is currently expected that DeeThree will continue to use its current compensation policies and practices.

Base Salary

The objective of base salary compensation is to reward and retain Named Executive Officers. The program is designed to reward Named Executive Officers for maximizing shareholder value in a volatile commodity based business in a safe, environmentally responsible, regulatory compliant and ethical manner. In setting base compensation levels, consideration is given to such factors as level of responsibility, experience, expertise and the amount of time devoted to the affairs of the Corporation. Subjective factors such as leadership, commitment and attitude are also considered. It is the goal of the Corporation to pay base salary compensation to retain the Named Executive Officers in the range of industry peers, while maintaining the overall goal that total compensation should be weighted toward variable and long term performance based components as well.

Bonus Compensation Plan

The objective of performance based bonuses is to incent the maximization of shareholder value by the Named Executive Officers, taking into consideration the operating and financial performance by both the Corporation and the efforts and results of the Named Executive Officers. Increases in the value of the Corporation will result in increases in the amounts paid to the Named Executive Officers.

In March 2012, the Corporation adopted a new bonus compensation plan which consists of a total bonus pool as well as individual discretionary bonuses for all employees of the Corporation. Pursuant to this structure, the CEO, CFO and the Compensation Committee establishes a total bonus pool on an annual basis based on the Corporation's overall performance and taking into factors such as the Corporation's growth in production, reserves, cash flow, its debt level in comparison with other oil and gas companies, and its record in meeting or exceeding budgeted targets and published public guidance. Once the total bonus pool is established, it is distributed on both a team basis and on an individual basis based on the overall performance of the team and the individual in question. The CEO and CFO are responsible for making recommendations to the Compensation Committee with respect to the amount of bonus that should be paid to an individual and the Compensation Committee is responsible for recommending to the Board the bonuses that shall be awarded to the CEO and CFO. In making its recommendations to the Board with respect to the bonuses to be paid to the CEO and CFO, the Compensation Committee not only considers the overall performance of the Corporation and the leadership demonstrated by these individuals, but also considers market and economic trends, any extraordinary internal and market-driven events, unanticipated developments and other circumstances for an analysis of the total mix of available information on a qualitative and quantitative basis. The Corporation's bonus compensation plan also permits the granting of individual bonuses at the discretion of the CEO, provided that the CEO may not grant any single employee with a discretionary bonus of more than $25,000 per year or grant discretionary bonuses in an aggregate amount of greater than $150,000 per year without prior approval from the Compensation Committee.

DeeThree Options

The objective of granting stock options to the Named Executive Officers is to incent the maximization of shareholder value on a long term basis as stock options closely link the interests of the Named Executive Officers to those of the Corporation.

The maximization of shareholder value is encouraged by the granting of stock options (previously defined as the "**DeeThree Options**") at all levels. The Corporation has in place a stock option plan (previously defined as the **"DeeThree Stock Option Plan**") under which awards have been made to executive officers in amounts relative to positions, performance, and what is considered competitive in the industry. The objective of the DeeThree Stock Option Plan is to reward and retain Named Executive Officers. The program is designed to reward Named Executive Officers for maximizing shareholder value in a volatile commodity based business in a safe, environmentally responsible, regulatory compliant and ethical manner. Increasing the value of DeeThree Common Shares increases the value of the stock options. This incentive closely links the interests of the officers and directors to shareholders of the Corporation, and encourages a long term commitment to the Corporation.

The Corporation has reviewed the public disclosure available for other comparable oil and gas companies to assist in determining the competitiveness of stock option awards. The Compensation Committee assesses such information and then makes recommendations to the DeeThree Board who then ratify the recommendations. In general, stock options are granted to executive officers upon their commencement of service. Additional grants are made periodically to recognize the exemplary performance of, or the special contribution by eligible individuals. An annual grant may be made to eligible individuals based on individual performance and performance of the Corporation during the most recently completed financial year in relation to performance expected.

The compensation program provides incentives to its management and directors to achieve long term objectives through grants of stock options under the DeeThree Stock Option Plan.

The DeeThree Stock Option Plan permits the granting of DeeThree Options to purchase DeeThree Common Shares to directors, officers, employees of, and consultants to, the Corporation (the "**Participants**"). The DeeThree Stock Option Plan limits the total number of DeeThree Common Shares that may be issued on exercise of DeeThree Options outstanding at any time under the DeeThree Stock Option Plan to 10% of the number of DeeThree Common Shares outstanding, subject to the following additional limitations:

- the aggregate number of DeeThree Common Shares reserved for issuance to any one person under the DeeThree Stock Option Plan, together with all other security based compensation arrangements of the Corporation, must not exceed 5% of the then outstanding DeeThree Common Shares (on a non-diluted basis);

- DeeThree Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued DeeThree Common Shares in any 12 month period to any one consultant of the Corporation (or any of its subsidiaries); and

- DeeThree Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued DeeThree Common Shares in any 12 month period to persons employed to provide investor relations activities. DeeThree Options granted to consultants performing investor relations activities will contain vesting provisions such that vesting occurs over at least 12 months with no more than ¼ of the DeeThree Options vesting in any three month period.

As of the date hereof, 7,670,828 DeeThree Options (representing 8.62% of the issued and outstanding DeeThree Common Shares) are issued and outstanding to directors, officers, employees of, and consultants to, the Corporation, leaving 1,226,618 DeeThree Options (1.37%) remaining available for issue. Pursuant to the requirements of the TSX, the grant of unallocated DeeThree Options pursuant to the DeeThree Stock Option Plan is required to be approved by shareholders every three years. The Corporation last received approval by the shareholders on May 16, 2013.

The exercise price of any DeeThree Options shall be determined by the DeeThree Board, subject to TSX approval (if required), at the time such DeeThree Options are granted. In no event shall such exercise price be lower than the lesser of: (a) the five (5) day VWAP of the DeeThree Common Shares prior to the date of the grant, and (b) the exercise price permitted by the TSX. Subject to any vesting restrictions imposed by the TSX, the Board may, in its sole discretion, determine the time during which DeeThree Options shall vest and the method of vesting, or that no vesting restriction shall exist.

The DeeThree Stock Option Plan also includes a black out provision. Pursuant to the policies of the Corporation respecting restrictions on trading, there are a number of periods each year during which directors, officers and certain employees are precluded from trading in the Corporation's securities. These periods are referred to as "black out periods". A black out period is designed to prevent a person from trading while in possession of material information that is not yet available to other shareholders. The TSX recognizes these black out periods might result in an unintended penalty to employees who are prohibited from exercising their DeeThree Options during that period because of their company's internal trading policies. As a result, the TSX provides a framework for extending options that would otherwise expire during a black out period. The DeeThree Stock Option Plan includes a provision that should an DeeThree Option expiration date fall within a black out period or immediately following a black out period, the expiration date will automatically be extended for 10 business days following the end of the black out period.

The maximum length of any DeeThree Option shall be ten (10) years from the date the DeeThree Option is granted. Notwithstanding the above, a participant's DeeThree Options will expire one (1) year after a participant ceases to act for the Corporation, other than by reason of death. DeeThree Options of a participant that provides investor relations activities will expire 30 days after the cessation of the participant's services to the Corporation. In the event of the death of a participant, the participant's estate shall have twelve (12) months in which to exercise the outstanding DeeThree Options. If a participant ceases to be a director, officer, employee of, or consultant to, the Corporation for cause, any granted but unexercised DeeThree Options shall terminate and become null and void immediately. The DeeThree Options are not assignable, other than by reason of death.

If the number of outstanding DeeThree Common Shares are increased, decreased, changed into or exchanged for a different number or kind of shares or securities of the Corporation or another corporation or entity through a reorganization, amalgamation, arrangement, merger, re-capitalization, re-classification, stock dividend, subdivision, consolidation or similar transaction, or in case of any transfer of all or substantially all of the assets or undertaking of the Corporation to another entity (any of which being, a "**Reorganization**") any adjustments relating to the DeeThree Common Shares subject to DeeThree Options or issued on exercise of DeeThree Options and the exercise price per DeeThree Common Share shall be adjusted by the Board, in its sole and absolute discretion, provided that a Participant shall be thereafter entitled to receive the amount of securities or property (including cash) to which such Participant would have been entitled to receive as a result of such Reorganization if, on the effective date thereof, he had been the holder of the number of DeeThree Common Shares to which he was entitled upon exercise of his DeeThree Option(s).

Under the rules and policies of the TSX, an option plan should have proper amendment provisions which specifies whether shareholder approval is required for a type of amendment and such amendment procedure must be approved by shareholders. The amendment provisions of the DeeThree Stock Option Plan allow the DeeThree Board to terminate or discontinue the DeeThree Stock Option Plan at any time without the consent of the option holders provided that such termination or discontinuance shall not result in a material adverse change to the terms of any options granted under the DeeThree Stock Option Plan. The DeeThree Board may not amend the DeeThree Stock Option Plan and any DeeThree Options granted under it without further shareholder approval, to the extent that such amendments relate to among other things:

(a) reducing the exercise price of any option held by an insider of the Corporation;

(b) extending the expiry date of any DeeThree Option held by an insider of the Corporation;

(c) amending the limitations on the maximum number of shares reserved or issued to insiders;

(d) increasing the maximum number of options issuable pursuant to the DeeThree Option DeeThree Stock Option Plan; or

(e) amend the amendment provision of the DeeThree Stock Option Plan.

In the cases of items (a) through (c) above, disinterested shareholder approval would be required.

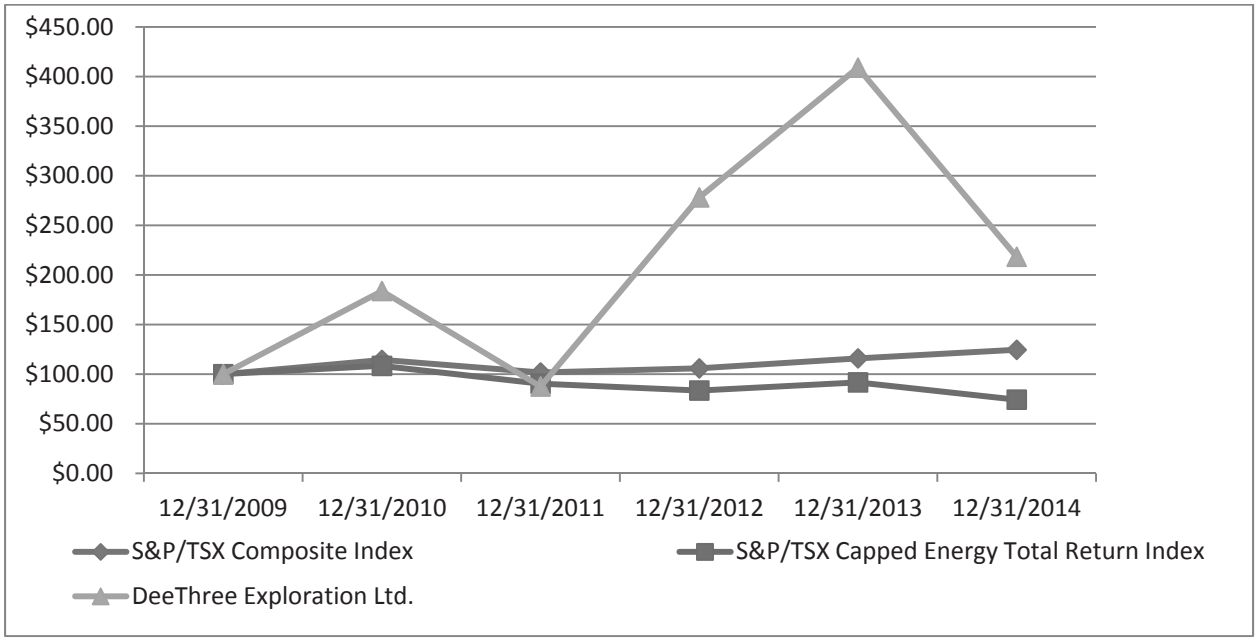
The foregoing amendments to the DeeThree Stock Option Plan are subject to disinterested shareholder approval. Such shareholder approval must be obtained by a majority of the votes cast at a meeting of the shareholders, other than votes attaching to DeeThree Common Shares beneficially owned by "insiders" of the Corporation who are entitled to receive a benefit under the DeeThree Stock Option Plan. "Insiders" include all directors and executive officers of the Corporation and their associates.

Employee Share Purchase Plan

In March 2013, the DeeThree Board approved the implementation of the ESPP, which provides that all full-time employees, including executive officers and directors, are eligible to participate in the ESPP by acquiring the Corporation's common shares through regular payroll deductions and the Corporation's matching contribution, so that participating directors, officers and employees can have the opportunity to benefit from the growth in the value of the Corporation through ongoing share ownership. Participants may contribute up to 7% of their gross annual salary to the ESPP, with the Corporation matching on a 100% basis. For Outside Directors (as defined below), the annual maximum contribution is $6,300, with the Corporation matching on a 100% basis. The contributions are used to acquire DeeThree Common Shares through open market purchases. The corporate contributions to the ESPP for the NEOs and directors are included in "*All Other Compensation*" in the summary compensation tables below.

Performance Graph

The DeeThree Common Shares were posted for trading on the TSXV on June 17, 2008 upon completion of its initial public offering. Trading in the DeeThree Common Shares was immediately halted pending announcing of a Qualifying Transaction (as such term is defined in the policies of the TSXV). DeeThree Common Shares did not resume trading until June 25, 2009 upon completion of its Qualifying Transaction (as such term is defined under the policies of the TSXV). On October 20, 2010, DeeThree Common Shares began trading on the TSX. The following graph compares the yearly change in cumulative shareholder return over the periods indicated (assuming a $100 investment was made on June 25, 2009, the first day that the DeeThree Common Shares traded) on the DeeThree Common Shares of the Corporation with the cumulative total return of the S&P/TSX Composite Index and S&P/TSX Capped Energy Total Return Index from December 31, 2009 to December 31, 2014.



The Corporation's executive compensation programs are designed to align the financial, operating and market performance of the Corporation, both long-term and short-term, with the compensation that the NEOs ultimately receive. Over the period from December 31, 2011 to December 31, 2014, total compensation for all of the NEOs increased approximately 38% while the total shareholder return was a gain of over 149% (compared to a negative return of approximately 18% for the S&P/TSX Capped Energy Total Return Index).

DeeThree Option-Based Awards

The DeeThree Board granted an aggregate of 665,000 DeeThree Options to its Named Executive Officers (as defined below) and directors during the financial year ended December 31, 2014. The allocation of the number of these option-based awards granted among the directors and officers of the Corporation was determined by the entire DeeThree Board, upon recommendation by the Compensation Committee.

Summary Compensation Table

The following table sets forth all annual and long term compensation for the financial year ended December 31, 2014 for services in all capacities to the Corporation and its subsidiaries, if any, in respect of individual(s) who were acting as, or were acting in a capacity similar to, a CEO, CFO and the three most highly compensated executive officers whose total compensation exceeded $150,000 per annum (previously defined as the "**Named Executive Officers**" or "**NEOs**").

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year Ended December 31	Consulting Fees/ Salary ($)	Share-Based Awards[1] ($)	Option-Based Awards[2] ($)	Non-Equity Incentive Plan Compensation[3] ($)		Pension Value[4] ($)	All Other Compen-sation[5] ($)	Total Compen-sation ($)
					Annual Compen-sation Plans	Long-Term Incentive Plans			
Martin Cheyne *President and CEO*	2014	267,100	N/A	380,000	133,500	N/A	N/A	27,141	807,741
	2013	210,000	N/A	218,000	152,500	N/A	N/A	17,938	598,438
	2012	200,000	N/A	152,123	150,000	N/A	N/A	Nil	502,123

Name and Principal Position	Year Ended December 31	Consulting Fees/ Salary ($)	Share-Based Awards[1] ($)	Option-Based Awards[2] ($)	Non-Equity Incentive Plan Compensation[3] ($)		Pension Value[4] ($)	All Other Compensation[5] ($)	Total Compensation ($)
					Annual Compensation Plans	Long-Term Incentive Plans			
Gail Hannon *CFO*	2014	220,000[7]	N/A	330,000	106,609	N/A	N/A	24,414	681,023
	2013	194,250	N/A	175,000	141,063	N/A	N/A	17,854	528,167
	2012	185,000	N/A	152,123	136,250	N/A	N/A	Nil	473,373
Michael Kabanuk *Executive Chairman*	2014	267,100	N/A	413,000	233,500	N/A	N/A	23,703	937,303
	2013	210,000	N/A	218,000	152,500	N/A	N/A	14,249	594,749
	2012	153,334[6]	N/A	152,123	150,000	N/A	N/A	Nil	455,457
Trevor *Murray VP, Land*	2014	206,700	N/A	330,000	106,475	N/A	N/A	22,910	666,085
	2013	178,500	N/A	161,000	129,625	N/A	N/A	15,436	484,561
	2012	170,000	N/A	152,123	132,500	N/A	N/A	Nil	454,623
Clayton Thatcher[6] *VP Exploration*	2014	225,000	N/A	413,000	210,475	N/A	N/A	22,930	871,405
	2013	178,500	N/A	161,000	129,625	N/A	N/A	15,780	484,905
	2012	170,000	N/A	152,123	132,500	N/A	N/A	Nil	454,623

Notes:

(1) The Corporation does not have any Share-Based Awards. "**Share-Based Award**" means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units and stock.

(2) "**DeeThree Option-Based Award**" means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights and similar instruments that have option-like features. Value based on the fair market value of the stock options granted having a value of approximately $3.30 based on the Black-Scholes pricing model using weighted average assumptions of: risk-free interest rate – 1.29%; expected volatility – 49.04%; dividend yield – 0%; and expected life of each option granted – 3.10 years.

(3) The Corporation does not currently have any non-equity long-term incentive plans. The Corporation's only non-equity incentive plan is its bonus plan. See "*Bonus Compensation Plan*" discussion above.

(4) The Corporation does not currently have any pension plans or pension awards.

(5) Includes Corporation paid contributions to the ESPP, parking, health benefits and fitness club memberships.

(6) Mr. Kabanuk received an average monthly consulting fee of $12,000 until November 1, 2012 at which time he became an employee with the Company with an average monthly amount of $16,667.

(7) Ms. Hannon's salary is prorated to 90% effective September 1, 2014.

Mr. Martin Cheyne was paid an average monthly salary of $22,258 and a discretionary bonus of $133,500 during 2014. Mr. Cheyne was granted 75,000 DeeThree Options with an exercise price of $9.30 per DeeThree Common Share and 40,000 DeeThree Options with an exercise price of $10.19 per DeeThree Common Share in 2014.

Ms. Gail Hannon was paid an average monthly amount of $18,333 and a discretionary bonus of $106,609 during 2014. Ms. Hannon was granted 60,000 DeeThree Options with an exercise price of $9.30 per DeeThree Common Share and 40,000 DeeThree Options with an exercise price of $10.19 per DeeThree Common Share in 2014.

Mr. Michael Kabanuk was paid an average monthly salary of $22,258 and a discretionary bonus of $233,500 during 2014. Mr. Kabanuk was granted 85,000 DeeThree Options with an exercise price of $9.30 per DeeThree Common Share and 40,000 DeeThree Options with an exercise price of $10.19 per DeeThree Common Share in 2014.

Mr. Trevor Murray was paid an average monthly salary of $18,334 and a discretionary bonus of $106,475 during 2014. Mr. Murray was granted 60,000 DeeThree Options with an exercise price of $9.30 per DeeThree Common Share and 40,000 DeeThree Options with an exercise price of $10.19 per DeeThree Common Share in 2014.

Mr. Clayton Thatcher was paid an average monthly salary of $18,750 and a discretionary bonus of $210,475 during 2014. Mr. Thatcher was granted 85,000 DeeThree Options with an exercise price of $9.30 per DeeThree

Common Share and 40,000 DeeThree Options with an exercise price of $10.19 per DeeThree Common Share in 2014.

Incentive DeeThree Stock Option Plan Awards

Outstanding Share-Based Awards and DeeThree Option-Based Awards

The following table sets forth details of all awards outstanding for each Named Executive Officer of the Corporation as of the financial year ended December 31, 2014, including awards granted before the most recently completed financial year. The Corporation has not granted any Share-Based Awards.

DeeThree Option-Based Awards

Name and Title	Number of DeeThree Common Shares Underlying Unexercised Option-Based Awards (#)	Exercise Price ($)	Expiration Date	Value of Unexercised In-the-Money Option-Based Awards [2] ($)
Martin Cheyne	30,000	2.40	April 27, 2015	81,300
President and CEO	60,000	2.89	September 10, 2015	133,200
	125,000	4.08	May 13, 2016	128,750
	115,000	2.57	October 17, 2016	292,100
	77,220	3.85	February 16, 2017	97,297
	65,000	7.78	May 3, 2018	N/A
	75,000	9.30	April 1, 2019	N/A
	40,000	10.19	July 18, 2019	N/A
Gail Hannon	9,000	2.89	September 10, 2015	19,980
CFO	100,000	4.08	May 13, 2016	103,000
	72,000	2.57	October 17, 2016	182,880
	77,220	3.85	February 16, 2017	97,297
	52,000	7.78	May 3, 2018	N/A
	60,000	9.30	April 1, 2019	N/A
	40,000	10.19	July 18, 2019	N/A
Michael Kabanuk,	30,000	2.40	April 27, 2015	81,300
Executive Chairman	50,000	2.89	September 10, 2015	111,000
	60,000	4.08	May 13, 2016	61,800
	100,000	2.57	October 17, 2016	254,000
	77,220	3.85	February 16, 2017	97,297
	65,000	7.78	May 3, 2018	N/A
	85,000	9.30	April 1, 2019	N/A
	40,000	10.19	July 18, 2019	N/A
Trevor Murray	40,000	2.40	April 27, 2015	108,400
VP Land	45,000	2.89	September 10, 2015	99,900
	75,000	4.08	May 13, 2016	77,250
	85,000	2.57	October 17, 2016	215,900
	77,220	3.85	February 16, 2017	97,297
	48,000	7.78	May 3, 2018	N/A
	60,000	9.30	April 1, 2019	N/A
	40,000	10.19	July 18, 2019	N/A

DeeThree Option-Based Awards

Name and Title	Number of DeeThree Common Shares Underlying Unexercised Option-Based Awards (#)	Exercise Price ($)	Expiration Date	Value of Unexercised In-the-Money Option-Based Awards [2] ($)
Clayton Thatcher	135,000	2.01	June 13, 2015	418,500
VP Exploration	75,000	4.08	May 13, 2016	77,250
	100,000	2.57	October 17, 2016	254,000
	77,220	3.85	February 16, 2017	97,297
	48,000	7.78	May 3, 2018	N/A
	85,000	9.30	April 1, 2019	N/A
	40,000	10.19	July 18, 2019	N/A

Notes:
(1) The Corporation does not currently have any Share-Based Awards.
(2) Calculated based on the difference between the closing price of $5.11 per DeeThree Common Share on the TSX on December 31, 2014, the last day the DeeThree Common Shares were traded before the year end, and the exercise price of the option-based award, multiplied by the number of DeeThree Common Shares available for the purchase under the option-based award.

Incentive DeeThree Stock Option Plan Awards - Value Vested or Earned During the Year

The following table sets forth the value of option-based awards which vested or were earned during the financial year ended December 31, 2014 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2014, for each Named Executive Officer.

Name and Title	Option-Based Awards - Value of in-the-money vested during the year[2] ($)	Non-Equity Incentive Plan Compensation - Value Earned During the Year[3]
Martin Cheyne *President and CEO*	534,948	133,500
Gail Hannon *CFO*	480,088	106,609
Michael Kabanuk *Executive Chairman*	422,158	233,500
Trevor Murray *VP, Land*	426,838	106,475
Clayton Thatcher *VP Exploration*	561,518	210,475

Notes:
(1) The Corporation does not have any share-based awards.
(2) Calculated based on the difference between the market price of the DeeThree Common Shares underlying the option-based award at the vesting date and the exercise price of the option-based award on the vesting date.
(3) The Corporation's only non-equity incentive plan is its bonus plan. See "*Bonus Compensation Plan*" discussion above.

Pension Plan Benefits

The Corporation does not have in place any deferred compensation plan or pension plan that provides for payments or benefits at, following or in connection with retirement.

Termination and Change of Control Benefits

The Corporation has entered into executive employment agreements with the NEOs (the "**Employment Agreements**"), namely Michael Kabanuk, Martin J. Cheyne, Gail Hannon, Trevor Murray and Clayton Thatcher,

with such Employment Agreements bearing an effective date of January 1, 2012 (with the exception of the Employment Agreement with Mr. Kabanuk, which bears an effective date of November 1, 2012). Each of the Employment Agreements provides for the NEO's annual base salary, vacation entitlement and benefits. The Employment Agreements have entitlements on a termination without cause and change of control as follows: each of Mr. Kabanuk and Mr. Cheyne is entitled to 18 months of compensation and each of Ms. Hannon, Mr. Murray and Mr. Thatcher is entitled to twelve months of compensation in the event of termination without cause. In the event of a change of control, the NEOs are also entitled to a lump sum payment equal to the total bonus paid to the NEO in the twenty-four month period preceding the change of control divided by two.

For the financial year ended December 31, 2014, the NEOs would have been entitled to the following payments upon termination without cause: Michael Kabanuk - $450,000, Martin J. Cheyne - $450,000, Gail Hannon - $225,000, Trevor Murray - $220,000, Clayton Thatcher - $240,000. In the event of a change of control, the NEOs would have been entitled to the following payments: Michael Kabanuk - $400,650, Martin J. Cheyne - $400,650, Gail Hannon - $220,000, Trevor Murray - $206,700, Clayton Thatcher - $225,000.

Each of the Employment Agreements also contain non-competition and non-solicitation clauses.

Statement of Director Compensation

For the financial year ended December 31, 2014, the Corporation had seven (7) directors, two (2) of whom, Michael Kabanuk (Executive Chairman) and Martin Cheyne (President and CEO) were also executive officers as at December 31, 2014.

NEOs of the Corporation who also act as directors of the Corporation do not receive any additional compensation for services rendered in such capacity. For a description of the compensation paid to the NEO of the Corporation who also acts as director of the Corporation, see "*Statement of Executive Compensation*" section above.

Director Compensation Table

The following table sets forth all compensation provided to directors who are not also NEOs ("**Outside Directors**") of the Corporation for the financial year ended December 31, 2014.

Name	Fees Earned ($)	Option-Based Awards[(1)] ($)	All Other Compensation ($)[(2)]	Total ($)
Brendan Carrigy	42,000	65,300	6,663	113,963
Dennis Nerland	42,000	65,300	6,125	113,425
Bradley Porter	42,000	65,300	6,663	113,963
Henry Hamm	42,000	65,300	6,125	113,425
Kevin Andrus	42,000	65,300	6,125	113,425

Notes:

(1) Value based on the fair market value of the stock options granted having a value of approximately $3.27 based on the Black-Scholes pricing model using weighted average assumptions of: risk-free interest rate – 1.31%; expected volatility – 49.90%; dividend yield – 0%; and expected life of each option granted – 3.1 years.

(2) Includes Corporation paid contributions to the ESPP.

(3) The Corporation does not have any share-based awards, non-equity incentive plans or pension plans for Outside Directors.

Incentive DeeThree Stock Option Plan Awards

Outstanding Share-Based Awards and DeeThree Option-Based Awards

The following table sets forth details of all awards outstanding for each Outside Director of the Corporation as of the financial year ended December 31, 2014, including awards granted before the most recently completed financial year. The Corporation does not have currently any share-based awards.

DeeThree Option-Based Awards

Name	Number of Securities Underlying Unexercised DeeThree Options (#)	Option Exercise Price ($)	DeeThree Option Expiration Date	Value of Unexercised in-the-money DeeThree Option[(1)] ($)
Brendan Carrigy	30,000	2.40	April 27, 2015	81,300
	50,000	2.89	September 10, 2015	111,000
	50,000	4.08	May 13, 2016	51,500
	45,000	2.57	October 17, 2016	114,300
	30,888	3.85	February 15, 2017	38,918
	69,112	4.07	May 14, 2017	71,876
	20,000	7.78	May 3, 2018	N/A
	20,000	9.30	April 1, 2019	N/A
Dennis Nerland	30,000	2.40	April 27, 2015	81,300
	30,000	2.89	September 10, 2015	66,600
	30,000	4.08	May 13, 2016	30,900
	45,000	2.57	October 17, 2016	114,300
	15,444	3.85	February 15, 2017	19,459
	84,556	4.07	May 14, 2017	87,938
	20,000	7.78	May 3, 2018	N/A
	20,000	9.30	April 1, 2019	N/A
Bradley Porter	40,000	4.08	May 13, 2016	41,200
	9,000	2.57	October 17, 2016	22,860
	14,166	3.85	February 15, 2017	17,849
	76,834	4.07	May 14, 2017	79,907
	20,000	7.78	May 3, 2018	N/A
	20,000	9.30	April 1, 2019	N/A
Henry Hamm	30,000	2.40	April 27, 2015	81,300
	30,000	2.89	September 10, 2015	66,600
	30,000	4.08	May 13, 2016	30,900
	45,000	2.57	October 17, 2016	114,300
	15,444	3.85	February 15, 2017	19,459
	84,556	4.07	May 14, 2017	87,938
	20,000	7.78	May 3, 2018	N/A
	20,000	9.30	April 1, 2019	N/A
Kevin Andrus	20,000	8.99	May 3, 2018	N/A
	20,000	9.30	April 1, 2019	N/A

Note:

(1) Calculated based on the difference between the closing price of $5.11 per DeeThree Common Share on the TSX on December 31, 2014, the last day the DeeThree Common Shares were traded before the year end, and the exercise price of the option-based award, multiplied by the number of DeeThree Common Shares available for the purchase under the option-based award.

None of the awards disclosed in the table above have been transferred at other than fair market value.

Incentive DeeThree Stock Option Plan Awards - Value Vested or Earned During the Year

The following table sets forth the value of option-based awards and share-based awards which vested or were earned during the financial year ended December 31, 2014, for Outside Directors of the Corporation.

Name	DeeThree Option-Based Awards – In-the-money value vested during the year ($)
Brendan Carrigy	368,429
Dennis Nerland	316,526
Bradley Porter	342,476
Henry Hamm	316,526
Kevin Andrus	9,320

Notes:
(1) Calculated based on the difference between the market price of the DeeThree Common Shares underlying the option-based award at the vesting date and the exercise price of the option-based award on the vesting date.
(2) The Corporation does not have any non-equity incentive plans for Outside Directors.

Other Compensation

Other than as set forth herein, the Corporation did not pay any other compensation to executive officers or directors (including personal benefits and securities or properties paid or distributed which compensation was not offered on the same terms to all full time employees) during the financial year ended December 31, 2014, other than benefits and perquisites which did not amount to $10,000 or greater per individual.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth securities of the Corporation that are authorized for issuance under equity compensation plans as at the end of the Corporation's financial year ended December 31, 2014.

Plan Category	Number of Securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for issuance under equity compensation plans (excluding outstanding securities reflected in Column 1)
Equity compensation plans approved by securityholders[(1)]	7,676,328	$5.94	1,221,118
Equity compensation plans not approved by securityholders	Nil	N/A	N/A
Total	7,676,328	$5.94	1,221,118

Note:
(1) The maximum number of Common Shares reserved for issuance under the Plan is set at 10% of the outstanding DeeThree Common Shares at any time. Accordingly, the number of DeeThree Common Shares remaining available for future issuance will increase as the outstanding number of DeeThree Common Shares increases. At December 31, 2014, 88,974,460 DeeThree Common Shares were issued and outstanding.

AUDIT COMMITTEE DISCLOSURE

Audit Committee Charter

A copy of the Corporation's Audit Committee Charter can be found in the AIF.

Audit Committee Composition

As at the Effective Date, the Audit Committee is comprised of the following members:

Dennis Nerland	Independent[(1)]	Financially literate[(1)]
Bradley Porter	Independent[(1)]	Financially literate[(1)]
Henry Hamm	Independent[(1)]	Financially literate[(1)]
Kevin Andrus	Independent[(1)]	Financially literate[(1)]

Note:
(1) As defined by National Instrument 52-110 ("**NI 52-110**").

Relevant Education and Experience

Dennis Nerland

Mr. Nerland has been a partner with the law firm Shea Nerland Calnan LLP since 1990 practicing primarily in the areas of tax and trust law. Mr. Nerland is a current and past director of a number of private and public companies listed on the TSXV and the TSX and is currently a trustee of a number of private investment trusts. Mr. Nerland has a Bachelor of Laws degree from the University of Calgary, a Master of Arts degree (Economics) from Carleton University and a Bachelor of Science degree (Economics and Mathematics) from the University of Calgary. He is a member of the Law Society of Alberta and holds the ICD.D designation from the Institute of Corporate Directors. See "*Board of Directors*" in the Section titled "*Disclosure of Corporate Governance Procedures – 1. Board of Directors*" for a discussion of Mr. Nerland's independence.

Bradley Porter

Mr. Porter is an independent businessman and has been a founder, director and senior executive of several Calgary based private and public oil and gas companies, including Devlan Exploration Inc. and Dual Exploration Inc. Mr. Porter is currently a member of the Audit Committee and the Corporate Governance and Compensation Committee of the DeeThree Board, and of the Board of Directors of DualEx Energy International Inc., a company listed on the TSXV.

Henry Hamm

Mr. Hamm owns and operates a number of private companies in the Grande Prairie region including Prudential Lands Corporation, a land development company formed in 1995 and Dirham Homes Inc., a home building company formed in 1976. Mr. Hamm also owns and operates Prudential Energy Services Inc., an oil and gas service company.

Kevin Andrus

Mr. Andrus is the Portfolio Manager of Energy Investments with GMT Capital Corp., a private investment company based in Atlanta, Georgia. A graduate of the Masters of Business Administration program from Regis University, Mr. Andrus is also a Chartered Financial Analyst charter holder who has spent the past two decades with various investment management companies.

Audit Committee Oversight

At no time since the commencement of the Corporation's financial year ended December 31, 2014, was a recommendation of the Committee to nominate or compensate an external auditor not adopted by the DeeThree Board.

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's financial year ended December 31, 2014, has the Corporation relied on the exemption from NI 52-110, including Section 2.4 of NI 52-110 (De Minimis Non-audit Services), or an exemption granted under Part 8 of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services other than the general requirements under the heading "External Auditors" of the Audit Committee Charter which states that the Audit Committee must pre-approve any non-audit services to the Corporation and the fees for those services.

External Auditor Service Fees

The aggregate fees billed by the Corporation's external auditors in each of the two fiscal years noted below for audit and other fees are as follows:

Financial Year Ending	Audit Fees($)[1]	Audit Related Fees ($)[2]	Tax Fees ($)[3]	All Other Fees ($)[4]
2014	281,000	Nil	40,125	Nil
2013	251,500	Nil	10,655	Nil

Notes:
(1) "**Audit Fees**" include fees necessary to perform the annual audit and quarterly reviews of our financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
(2) "**Audit-Related Fees**" for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's financial statements and are not reported as audit fees. The services provided in this category include due diligence assistance, accounting consultations on proposed transactions, and consultation on International Financial Reporting Standards conversion.
(3) "**Tax Fees**" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice.
(4) "**All Other Fees**" include all other non-audit services.

DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES

National Instrument 58-101, entitled "Disclosure of Corporate Governance Practices" ("**NI 58-101**") requires that if management of an issuer solicits proxies from its security holders for the purpose of electing directors that certain prescribed disclosure respecting corporate governance matters be included in its management information circular. The TSX also requires listed companies to provide, on an annual basis, the corporate governance disclosure which is prescribed by NI 58-101.

The prescribed corporate governance disclosure for the Corporation is that contained in Form 58-101F1 which is attached to NI 58-101 ("**Form 58-101F1 Disclosure**").

Set out below is a description of the Corporation's current corporate governance practices, relative to the Form 58-101F1 Disclosure. For the purposes of this section, all references to "Board" means the "DeeThree Board".

1. **Board of Directors**

(a) **Disclose the identity of directors who are independent.**

The following directors of the Corporation are independent (for purposes of NI 58-101):

Kevin Andrus
Henry Hamm
Dennis Nerland
Bradley Porter
Brendan Carrigy

Mr. Dennis Nerland was the President, CEO and a Director of Royal Capital Corp. ("**Royal**"), a Capital Pool Company and a predecessor entity to DeeThree. Royal had a market capitalization of $1 million and pursuant to the TSXV policies governing Capital Pool Companies, Royal had no

active business or operations, other than to look for a Qualifying Transaction. In 2009, Royal completed its Qualifying Transaction by combining with DeeThree. At the time of the transaction, Mr. Nerland had no relationships with DeeThree or any of its directors, officers or principal shareholders other than the relationship with DeeThree resulting from his service as the President and CEO of Royal, Mr. Nerland has not at any time had a relationship with DeeThree that could be considered material.

(b) **Disclose the identity of directors who are not independent, and describe the basis for that determination.**

Mr. Martin Cheyne is not independent as he is the President and CEO. Mr. Michael Kabanuk is not independent as he is the Executive Chairman.

(c) **Disclose whether or not a majority of directors are independent. If a majority of directors are not independent, describe what the board of directors (the board) does to facilitate its exercise of independent judgement in carrying out its responsibilities.**

Currently, the Corporation has a majority of independent directors.

(d) **If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.**

The following directors are presently directors of other issuers that are reporting issuers (or the equivalent):

Name	Name of Reporting Issuer
Martin Cheyne	Maple Leaf Royalties Corp.
Bradley Porter	DualEx Energy International Inc.
Dennis L. Nerland	Acceleware Ltd. Arkadia Capital Corp. Avagenesis Corp. Crew Energy Inc. Critical Control Solutions Corp. Manitok Energy Inc. Rosa Capital Inc. Strata-X Energy Ltd.
Kevin Andrus	Blackbird Energy Inc.

Mr. Nerland has notified the Corporation that the size and operations of each Accelware Ltd., Arkadia Capital Corp., Avagenesis Corp. and Rosa Capital Corp. are very small at present and that the time requirements for his service to these companies as a director are limited when considered individually and when considered as a whole. As such, Mr. Nerland's service as a director of these companies has not, and is not expected to, limit his ability to carry out his duties and responsibilities as a director of the Corporation and of Boulder upon the completion of the Arrangement.

(e) **Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year. If the independent directors do not hold such meetings, describe what the board does to facilitate open and candid discussion among its independent directors.**

The independent directors do not hold regularly scheduled meetings and no such meetings were held in the year ended December 31, 2014. The Board has adopted the practice of following each

meeting with an independent directors discussion. The Board ensures open and candid discussion among its independent directors by continuously monitoring situations where a conflict of interest or perceived conflict of interest with respect to a director may exist. In cases where such a conflict of interest or perceived conflict of interest is identified, it is addressed in accordance with the ABCA and the Board Mandate. The Board may determine that it is appropriate to hold an *in camera* session excluding a director with a conflict of interest or perceived conflict of interest or such director may consider that it is appropriate to recuse himself from considering and voting with respect to the matter under consideration. In February, 2014, the Board appointed a lead independent director (the "**Lead Director**"), being Mr. Henry Hamm, who is responsible for holding discussions among the independent directors of the Corporation and also developed a lead independent director charter, which outlines the role and responsibilities of the Lead Director and includes, but is not limited to, the following:

(i) serve as the principal liaison between the independent directors and the CEO and between the independent directors and senior management of the Corporation;

(ii) ensure that independent directors have adequate opportunities to meet and discuss issues in sessions of the independent directors without management of the Corporation present;

(iii) communicate to management of the Corporation, as appropriate, the results of meeting sessions among independent directors;

(iv) in conjunction with the Chairman of the DeeThree Board, ensure that an appropriate system is in place to evaluate the performance of the DeeThree Board and each of its committees, to review critically each director's continuation on the Board every year considering, among other things, a director's service on other boards and the time involved in such other service and to establish a process for the evaluation of the performance of the DeeThree Board and each of its committees, which should include a solicitation of comments from all directors and a report annually to the Board on the results of the evaluation and making recommendations for changes when appropriate;

(v) assist the Chairman to endeavour to ensure Board leadership responsibilities are conducted in a manner that will ensure that the Board is able to function independently of management;

(vi) call meetings of independent directors when considered necessary or appropriate and be the primary contact for stakeholders who wish to contact independent directors; and

(vii) assess, on an annual basis, the Board's compliance with laws and policies relating to the independence of certain Board members.

(f) **Disclose whether or not the chair of the board is an independent director. If the board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the board has neither a chair that is independent nor a lead director that is independent, describe what the board does to provide leadership for its independent directors.**

Mr. Michael Kabanuk is the Executive Chairman of the DeeThree Board and is not independent. In accordance with the mandate of the Chairman, the Chairman presides at all meetings of the DeeThree Board and, unless otherwise determined and at all meetings of shareholders. Among other things, the Chairman is to endeavour to fulfill his Board responsibilities in a manner that will ensure that the Board is able to function independently of management and is to consider, and allow for, when appropriate, a meeting of independent directors, so that Board meetings can take place without management being present. Mr. Henry Hamm, as the Lead Director, is responsible for fulfilling the duties and responsibilities of a Lead Director as outlined above, including the calling of a meeting consisting of independent directors.

Both the Chairman and the Lead Director are responsible in ensuring that reasonable procedures are in place to allow directors to engage outside advisors at the expense of the Corporation in appropriate circumstances.

(g) **Disclose the attendance record of each director for all board meetings held since the beginning of the issuer's most recently completed financial year.**

The attendance record of each of the directors of the Corporation for meetings and committee meetings held from January 1, 2014 is as follows:

Name	Board Meetings Attended / Held	Audit Committee Meetings Attended / Held	Reserves Committee Meetings Attended / Held	Corporate Governance and Compensation Committee Meetings Attended / Held	Nominating Committee Meetings Attended/Held
Martin Cheyne	4/4	N/A	N/A	N/A	N/A
Michael Kabanuk	4/4	N/A	N/A	N/A	N/A
Henry Hamm	4/4	4/4	2/2	2/2	1/1
Dennis Nerland	3/4	3/4	2/2	2/2	N/A
Bradley Porter	4/4	4/4	2/2	2/2	1/1
Brendan Carrigy	4/4	N/A	N/A	N/A	N/A
Kevin Andrus	4/4	N/A	N/A	N/A	1/1

2. Board Mandate – Disclose the text of the board's written mandate. If the board does not have a written mandate, describe how the board delineates its role and responsibilities.

The mandate of the DeeThree Board is attached as Exhibit I to the Corporation's management information circular dated April 8, 2014, a copy of which is available on SEDAR at www.sedar.com.

3. **Position Descriptions**

(a) **Disclose whether or not the board has developed written position descriptions for the chair and the chair of each board committee. If the board has not developed written position descriptions for the chair and/or the chair of each board committee, briefly describe how the board delineates the role and responsibilities of each such position.**

The Board has developed a written position description for the Chairman and also developed a written position description for the Lead Director.

The Corporation has no written description for its committee chair positions; however, the Corporation has a mandate for each committee and the roles and responsibilities of each committee chair position are implied therein.

(b) **Disclose whether or not the board and CEO have developed a written position description for the CEO. If the board and CEO have not developed such a position description, briefly describe how the board delineates the role and responsibilities of the CEO.**

The Board, with the input of the President and CEO of the Corporation, has developed a written position description for the President and CEO.

4. **Orientation and Continuing Education**

(a) **Briefly describe what measures the board takes to orient new directors regarding (i) the role of the board, its committees and its directors, and (ii) the nature and operation of the issuer's business.**

While the Corporation does not currently have a formal orientation and education program for new recruits to the Board, the Corporation has historically provided such orientation and education on an informal basis. As new directors have joined the Board, management has provided these individuals with corporate policies, historical information about the Corporation, as well as information on the Corporation's performance and its strategic plan with an outline of the general duties and responsibilities entailed in carrying out their duties. The Board believes that these procedures have proved to be a practical and effective approach in light of the Corporation's particular circumstances, including the size of the Corporation, limited turnover of the directors and the experience and expertise of the members of the DeeThree Board.

(b) **Briefly describe what measures, if any, the board takes to provide continuing education for its directors. If the board does not provide continuing education, describe how the board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.**

No formal continuing education program currently exists for the directors of the Corporation. The Corporation encourages directors to attend, enrol or participate in courses and/or seminars dealing with financial literacy, corporate governance and related matters and has agreed to pay the cost of such courses and seminars. Each director of the Corporation has the responsibility for ensuring that he maintains the skill and knowledge necessary to meet his obligations as a director. The Corporation has adopted a formal director evaluation process which is conducted on an annual basis.

5. **Ethical Business Conduct**

(a) **Disclose whether or not the board has adopted a written code for the directors, officers and employees. If the board has adopted a written code:**

The Corporation has a Code of Business Conduct and Ethics (the "**Code**") for directors, officers and employees, which is available under the Corporation's profile on SEDAR at www.sedar.com

(i) **disclose how a person or company may obtain a copy of the code;**

A copy of the Code may be obtained under the Corporation's profile on SEDAR at www.sedar.com.

(ii) **describe how the board monitors compliance with its code, or if the board does not monitor compliance, explain whether and how the board satisfies itself regarding compliance with its code; and**

The Corporation's Corporate Governance and Compensation Committee (previously defined as the "**Compensation Committee**") is responsible for administering the Code. The day-to-day responsibility for administering and interpreting the Code is delegated to the CFO, who is responsible for reporting to the Compensation Committee.

(iii) **provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.**

Not applicable.

(b) **Describe any steps the board takes to ensure directors exercise independent judgement in considering transactions and agreements in respect of which a director or executive officer has a material interest.**

In accordance with the ABCA, directors who are a party to, or are a director or an officer of a person which is a party to, a material contract or material transaction or a proposed material contract or proposed material transaction 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, the Corporation has a lead independent director and in certain cases, an independent committee of the DeeThree Board may be formed to deliberate on such matters in the absence of the interested party.

(c) **Describe any other steps the board takes to encourage and promote a culture of ethical business conduct.**

The Board has adopted a "Whistleblower Policy" wherein employees and consultants of the Corporation are provided with the mechanics by which they may raise concerns with respect to falsification of financial records, unethical conduct, harassment and theft in a confidential, anonymous process.

6. **Nomination of Directors**

(a) **Describe the process by which the board identifies new candidates for board nomination.**

The Nominating Committee Terms of Reference states that the Nominating Committee is tasked with identifying qualified persons to serve as directors of the Corporation should the need or a vacancy arise. The Nominating Committee may engage a candidate search firm in assisting with identifying potential nominees. In selecting a candidate for recommendation to the Board, the Nominating Committee will consider the following attributes: high standards of personal and professional ethics, integrity and values, commitment to representing the long-term interest of shareholders, board experience at the policy-making level in business, government, education, technology or public interest, and sufficient time to effectively fulfill duties as a Board member.

(b) **Disclose whether or not the board has a nominating committee composed entirely of independent directors. If the board does not have a nominating committee composed entirely of independent directors, describe what steps the board takes to encourage an objective nomination process.**

The Corporation has a Nominating Committee comprised of independent directors, namely Messrs. Bradley Porter, Henry Hamm and Kevin Andrus.

(c) **If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.**

See item 6(a) above.

7. **Compensation**

(a) **Describe the process by which the board determines the compensation for the issuer's directors and officers.**

See "*Statement of Executive Compensation for DeeThree – Compensation Discussion and Analysis*" in the case of officers and "*Statement of Executive Compensation – Director Compensation*" in respect of directors.

(b) **Disclose whether or not the board has a compensation committee composed entirely of independent directors. If the board does not have a compensation committee composed**

entirely of independent directors, describe what steps the board takes to ensure an objective process for determining such compensation.

The Compensation Committee is comprised of four independent directors, namely Messrs. Dennis Nerland, Henry Hamm, Bradley Porter and Kevin Andrus.

(c) **If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.**

The Compensation Committee's responsibility is to formulate and make recommendations to the Board in respect of compensation issues relating to directors and employees of the Corporation. Without limiting the generality of the foregoing, the Committee has the following duties:

(i) to review the compensation philosophy and remuneration policy for employees of the Corporation and to recommend to the Board changes to improve the Corporation's ability to recruit, retain and motivate employees;

(ii) to review and recommend to the Board the retainer and fees to be paid to members of the DeeThree Board;

(iii) to review and approve corporate goals and objectives relevant to the compensation of the CEO, evaluate the CEO's performance in light of those corporate goals and objectives, and determine (or make recommendations to the Board with respect to) the CEO's compensation level based on such evaluation;

(iv) to determine (or make recommendations) to the Board with respect to non-CEO officer and director compensation including to review management's recommendations for proposed stock option, share purchase plans and other incentive-compensation plans and equity-based plans for non-CEO officer and director compensation and make recommendations in respect thereof to the Board;

(v) to administer the stock option plan approved by the Board in accordance with its terms including the recommendation to the Board of the grant of stock options in accordance with the terms thereof;

(vi) to determine (or make recommendations) to the Board with respect to bonuses to be paid to officers and employees of the Corporation and to establish targets or criteria for the payment of such bonuses, if appropriate; and

(vii) review the disclosure as to compensation matters included in the information circular and proxy statement of the Corporation as mandated by applicable securities laws including, without limitation, the Compensation Discussion and Analysis included therein, prior to the Corporation publicly disclosing the same.

The Compensation Committee is comprised of at least two directors, or such greater number as the Board may determine from time to time and a majority of the members of the Committee are required to be independent, as such term is defined for this purpose under applicable securities requirements. Pursuant to the mandate and terms of reference of the Compensation Committee, meetings of the Compensation Committee are to take place at least one time per year and at such other times as the Chair of the Compensation Committee may determine.

(d) **If a compensation consultant or advisor has, at any time since the beginning of the issuer's most recently completed financial year, been retained to assist in determining compensation for any of the issuer's directors and officers, disclose the identity of the consultant or advisor and briefly summarize the mandate for which they have been retained. If the consultant or advisor has been retained to perform any other work for the issuer, state that fact and briefly describe the nature of the work.**

A compensation consultant or advisor has not, at any time since the beginning of the Corporation's most recently completed financial year, been retained to assist in determining compensation for any of the Corporation's directors and officers.

8. **Other Board Committees – If the board has standing committees other than the audit, compensation and nominating committees identify the committees and describe their function.**

Other than the Audit Committee, the Compensation Committee and the Nominating Committee, the Corporation has established a Reserves Committee.

The Reserves Committee is responsible for various matters relating to reserves of the Corporation that may be delegated to the Reserves Committee pursuant to NI 51-101, including:

(a) reviewing the Corporation's procedures relating to the disclosure of information with respect to oil and gas activities including reviewing its procedures for complying with its disclosure requirements and restrictions set forth under applicable securities requirements;

(b) reviewing the Corporation's procedures for providing information to the independent evaluator;

(c) meeting, as considered necessary, with management and the independent evaluator to determine whether any restrictions placed by management affect the ability of the evaluator to report without reservation on the Reserves Data (as defined in NI 51-101) (the "Reserves Data") and to review the Reserves Data and the report of the independent evaluator thereon (if such report is provided);

(d) reviewing the appointment of the independent evaluator and, in the case of any proposed change to such independent evaluator, determining the reason therefor and whether there have been any disputes with management;

(e) providing a recommendation to the Board as to whether to approve the content or filing of the statement of the Reserves Data and other information that may be prescribed by applicable securities requirements including any reports of the independent engineer and of management in connection therewith;

(f) reviewing the Corporation's procedures for reporting other information associated with oil and gas producing activities; and

(g) generally reviewing all matters relating to the preparation and public disclosure of estimates of the Corporation's reserves.

9. **Assessments – Disclose whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the board satisfies itself that the board, its committees, and its individual directors are performing effectively.**

The Board has not implemented a process for assessing its effectiveness and contribution. The Board has adopted a formal process whereby each director is required to assess his own effectiveness and contributions to the Board and the response to such assessment is reviewed by the Chairman and Lead Director. The Audit Committee and Compensation Committee must also assess, on an annual basis, its effectiveness.

GENERAL PROXY MATTERS

Solicitation of Proxies

This Circular is furnished in connection with the solicitation of proxies by the management of DeeThree to be used at the Meeting. Solicitations of proxies will be primarily by mail, but may also be by newspaper publication, in

person or by telephone, fax or oral communication by directors, officers, employees or agents of DeeThree who will be specifically remunerated therefor. DeeThree has retained D.F. King Canada to act as proxy solicitation agent at a fee of approximately $40,000, plus out-of-pocket expenses. All costs of the solicitation for the Meeting will be borne by DeeThree.

Record Date

The Record Date for determination of Shareholders entitled to receive notice of and to vote at the Meeting is April 9, 2015. Only Shareholders whose names have been entered in the register of DeeThree Common Shares on the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting, provided that holders of DeeThree Common Shares who acquire DeeThree Common Shares after the Record Date will be entitled to vote such DeeThree Common Shares at the Meeting if, after the Record Date, a holder of record transfers his or her DeeThree Common Shares and the transferee, upon producing properly endorsed certificates evidencing such DeeThree Common Shares or otherwise establishing that he or she owns such DeeThree Common Shares, requests at least 10 days before the Meeting that the transferee's name is included in the list of Shareholders entitled to vote.

Appointment and Revocation of Proxies

Accompanying this Circular is a form of proxy for holders of DeeThree Common Shares. The persons named in the enclosed form of proxy are directors and officers of DeeThree.

A Shareholder may appoint another person (who need not be a Shareholder) to represent such shareholder at the Meeting, other than the persons designated in the accompanying form of proxy, and may do so either by inserting such person's name in the blank space provided in the accompanying form of proxy or by completing another form of proxy and, in either case, sending or delivering the completed proxy to the offices of Computershare Trust Company of Canada, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1.

The proxy will not be valid for the Meeting or any adjournment or postponement thereof unless it is completed and delivered to the Corporation's transfer agent, Computershare Trust Company of Canada, Proxy Tabulation Department, 8th Floor, 100 University Avenue, Toronto, ON M5J 2Y1, by 9:00 am (Calgary time) on Tuesday, May 12, 2105 or the day that is two (2) Business Days immediately preceding the date of any adjourned or postponed Meeting or any adjournment or postponement thereof. Late proxies may be accepted or rejected by the Chairman of the Meeting in his discretion, and the Chairman is under no obligation to accept or reject any particular late proxy.

A Shareholder who has given a form of proxy may revoke it as to any matter on which a vote has not already been cast pursuant to its authority by an instrument in writing executed by such shareholder or by his attorney duly authorized in writing or, if the Shareholder is a corporation, by a director, officer or attorney thereof duly authorized, and deposited either at the above mentioned office of Computershare Trust Company of Canada or at the registered office of the Corporation at 1000, 250 2nd Street S.W., Calgary, Alberta, T2P, 0C1 no later than 9:00 a.m. (Calgary time) on May 12, 2015 or the day that is two (2) Business Days immediately preceding the date prior to any postponed or adjourned Meeting. The time limit for deposit of proxies may be waived or extended by the Chairman of the Meeting at his or her discretion, without notice.

Signature of Proxy

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

Exercise of Discretion by Proxy Holders

All DeeThree Common Shares represented at the Meeting by properly executed proxies will be voted. Where a choice with respect to any matter to be acted upon has been specified in the instrument of proxy, the DeeThree Common Shares represented by the proxy will be voted in accordance with such specification. **In the absence of such specification, such DeeThree Common Shares will be voted in favour of each resolution**. **The enclosed forms of proxy confer discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the time of printing of this Circular, management of DeeThree knows of no such amendment, variation or other matter.**

Advice to Beneficial Holders of Shares

The information set forth in this section is of significant importance to many Shareholders, as a substantial number of Shareholders do not hold their DeeThree Common Shares in their own name. Shareholders who do not hold their DeeThree Common Shares in their own name ("**Beneficial Shareholders**") should note that only proxies deposited by Shareholders whose names appear on the records of the registrar and transfer agent for DeeThree as the registered holders of DeeThree Common Shares can be recognized and acted upon at the Meeting. If DeeThree Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those DeeThree Common Shares will not be registered in the Shareholder's name on the records of DeeThree. Such DeeThree Common Shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such DeeThree Common Shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominees for many Canadian brokerage firms). DeeThree Common Shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, the broker/nominees are prohibited from voting DeeThree Common Shares for their clients. DeeThree does not know for whose benefit the DeeThree Common Shares registered in the name of CDS & Co. are held. The majority of DeeThree Common Shares held in the United States are registered in the name of Cede & Co., the nominee for the Depository Trust Company, which is the United States equivalent of CDS Clearing and Depository Services Inc.

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

Although you may not be recognized directly at the Meeting for the purposes of voting DeeThree Common Shares registered in the name of your broker or other intermediary, you may attend at the Meeting as a proxyholder for the registered holder and vote your DeeThree Common Shares in that capacity. If you wish to attend the Meeting and vote your own DeeThree Common Shares you must do so as proxyholder for the registered holder. To do this, you should enter your own name in the blank space on the applicable form of proxy provided to you and return the document to your broker or other intermediary (or the agent of such broker or other intermediary) in accordance with the instructions provided by such broker, intermediary or agent well in advance of the Meeting.

Beneficial Shareholders of DeeThree Common Shares should also instruct their broker or other intermediary to complete the letter of transmittal regarding the Arrangement with respect to the Beneficial Shareholders of

DeeThree Common Shares as soon as possible in order to receive the consideration payable pursuant to the Arrangement in exchange for such holder's DeeThree Common Shares. See "*Exchange and Distribution of Certificates and DRS Advices*".

Voting Securities and Principal Holders Thereof

DeeThree is authorized to issue an unlimited number of DeeThree Common Shares without nominal or par value and an unlimited number of preferred shares, issuable in series. As of the date hereof, 88,974,460 DeeThree Common Shares were issued and outstanding and no preferred shares were outstanding. On all matters to be considered and acted upon at the Meeting, holders of DeeThree Common Shares are entitled to one vote for each DeeThree Common Share held.

To the knowledge of the directors and the executive officers of the Corporation, as at the Effective Date, no person or company beneficially owns, directly or indirectly, or controls or directs, voting securities carrying ten percent (10%) or more of the voting rights attached to any class of voting securities of the Corporation.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

DeeThree is not aware of any individuals who are, or who at any time during the most recently completed financial year were, a director or executive officer of DeeThree, a proposed nominee for election as a director of the Corporation, or an associate of any of those directors, executive officers or proposed nominees, who are, or have been at any time since the beginning of the most recently completed financial year of DeeThree, indebted to DeeThree or any of its subsidiaries or whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year of DeeThree has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by DeeThree or any of its subsidiaries.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Other than as set forth in this Circular, none of DeeThree's directors or executive officers, nor any person who has held such a position since the beginning of our last completed financial year, nor any of their respective associates or affiliates, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth herein, or as previously disclosed, no informed person of DeeThree, or any associate or affiliate of any informed person, has had any material interest in any transaction, or proposed transaction, which has materially affected or would materially affect DeeThree or any of its subsidiaries since the commencement of the most recently completed financial year of DeeThree.

INTEREST OF EXPERTS

Other than as set forth elsewhere herein (including the Appendices hereto and the documents incorporated by reference therein) and below, there is no person or company who is named as having prepared or certified a report, valuation, statement or opinion described, included or incorporated by reference herein and whose profession or business gives authority to the report, valuation, statement or opinion made by the person or company, other than Davis LLP. Certain legal matters in connection with the Arrangement have been passed upon on behalf of DeeThree by Davis LLP. As at the date hereof, the partners and associates at Davis LLP, as a group, beneficially owned, directly or indirectly, less than one percent (1%) of the outstanding DeeThree Common Shares.

Reserve estimates of DeeThree set forth elsewhere herein (including the Appendices hereto and the documents incorporated by reference therein) are based upon the Sproule Lethbridge Report and the Sproule Boulder Report. As at the date hereof, the directors, officers and employees of Sproule, as a group, own, directly or indirectly, less than 1% of the outstanding DeeThree Common Shares.

KPMG LLP are the auditors of DeeThree and Boulder and have confirmed that they are independent of DeeThree and Boulder within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations.

ADDITIONAL INFORMATION

Other Material Facts

DeeThree is not aware of any material facts concerning the securities of DeeThree or any other matter not described in this Circular that has not been previously disclosed and is known to DeeThree but which would reasonably be expected to affect the decision of the Shareholders with respect to the matters to be voted upon at the Meeting.

Additional Information

Additional financial information is provided in DeeThree's comparative financial statements and management's discussion and analysis ("**MD&A**") for the year ended December 31, 2014. Copies of DeeThree's financial statements and MD&A are available on written request to the Corporation by: (i) mail to DeeThree Exploration Ltd., 520 3 Ave SW, Calgary, AB T2P 0R3, Attention: President; (ii) telephone: (403) 263-6658; or (iii) fax to (403) 263-6683. Additional information relating to DeeThree is available on SEDAR at www.sedar.com.

Other Matters

Management knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. However, if any other matters which are not known to management shall properly come before the said Meeting, the form of proxy given pursuant to the solicitation by management will be voted on such matters in accordance with the best judgment of the persons voting the proxy.

APPENDIX "A"
Arrangement Resolution

RESOLUTIONS OF THE HOLDERS OF COMMON SHARES
OF DEETHREE EXPLORATION LTD.

BE IT RESOLVED, AS A SPECIAL RESOLUTION, THAT:

1. The arrangement (the "**Arrangement**") under section 193 of the *Business Corporations Act* (Alberta) (the "**ABCA**") involving DeeThree Exploration Ltd. (the "**Corporation**"), all as more particularly described and set forth in Information Circular (the "**Circular**") of the Corporation dated April 9, 2015, accompanying the notice of the meeting (as the Arrangement may be, or may have been, modified or amended in accordance with its terms), is hereby authorized, approved and adopted.

2. The plan of arrangement (the "**Plan of Arrangement**") of the Corporation implementing the Arrangement, the full text of which is set out in Appendix "B" to the Circular (as the Plan of Arrangement may be, or may have been, modified or amended in accordance with its terms), is hereby authorized, approved and adopted.

3. The arrangement agreement (the "**Arrangement Agreement**") between the Corporation and Boulder Energy Ltd., dated April 7, 2015, attached as Appendix "B" to the Circular accompanying the notice of meeting and all the transactions contemplated therein, the actions of the directors of the Corporation in approving the Arrangement and the actions of the directors and officers of the Corporation in executing and delivering the Arrangement Agreement and any amendments thereto are hereby confirmed, ratified and approved.

4. Notwithstanding that this resolution has been passed (and the Arrangement approved) by the shareholders of the Corporation or that the Arrangement has been approved by the Court of Queen's Bench of Alberta, the directors of the Corporation are hereby authorized and empowered, without further notice to, or approval of, the securityholders of the Corporation:

   (a) to amend the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement or the Plan of Arrangement; and

   (b) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement.

5. Any officer or director of the Corporation is hereby authorized and directed for and on behalf of the Corporation to execute, under the seal of the Corporation or otherwise, and to deliver articles of arrangement and/or such other documents as are necessary or desirable to the Registrar of Corporations under the ABCA in accordance with the Arrangement Agreement for filing and to take all such other steps or actions as may be necessary or desirable in connection with the Arrangement and the transactions described in the Circular and to execute under the seal of the Corporation or otherwise, all such other certificates, instruments, agreements, documents and notices, and to take such further actions in such officer's or director's opinion as may be necessary or desirable to carry out the purposes and intent of the foregoing resolutions.

APPENDIX "B"
Arrangement Agreement

ARRANGEMENT AGREEMENT

DEETHREE EXPLORATION LTD.

and

BOULDER ENERGY LTD.

Dated as of April 7, 2015

TABLE OF CONTENTS

ARRANGEMENT AGREEMENT

THIS AGREEMENT is made as of the 7th day of April, 2015.

AMONG:

DEETHREE EXPLORATION LTD., a corporation amalgamated under the laws of the Province of Alberta ("**DeeThree**" or the "**Corporation**")

- and -

BOULDER ENERGY LTD., a corporation incorporated under the laws of the Province of Alberta ("**Boulder**")

WHEREAS DeeThree and Boulder have agreed to proceed with a proposed transaction by way of Plan of Arrangement (as hereinafter defined) whereby, among other things, DeeThree and Boulder will reorganize their respective share capital, certain assets of DeeThree will be acquired and certain liabilities will be assumed by Boulder and a series of share exchanges and redemptions will take place as a result of which each shareholder of DeeThree will have the same percentage shareholding in each of DeeThree and Boulder at the effective time of the Arrangement (as hereinafter defined) on the Effective Date (as hereinafter defined); and

WHEREAS DeeThree proposes to ask the shareholders of DeeThree to consider the Arrangement on the terms set out in the Plan of Arrangement;

NOW THEREFORE THIS AGREEMENT WITNESSES that, in consideration of the premises and the respective covenants and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by DeeThree and Boulder, the parties hereto hereby covenant and agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement, including the recitals hereto:

"**ABCA**" means the *Business Corporations Act* (Alberta), as amended, including the regulations promulgated thereunder;

"**Affiliate**" means, in respect of any Person, another Person if:

(a) one of them is the subsidiary of the other; or

(b) each of them is Controlled by the same Person;

"**Agreement**" means this arrangement agreement, including its recitals and Schedule "A", as the same may be amended, modified or supplemented from time to time in accordance with the terms hereof;

"**Applicable Law**" means: (i) any applicable domestic or foreign law including any statute, subordinate legislation or treaty; and (ii) any applicable guideline, directive, rule, standard, requirement, policy, order, judgment, injunction, award or decree of a Governmental Authority having the force of law;

"**Arrangement**" means the arrangement under Section 193 of the ABCA 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 this Agreement or the Plan of Arrangement, or made at the direction of the Court in the Final Order;

"**Arrangement Resolution**" means the special resolution of the DeeThree Shareholders approving the Arrangement in accordance with the Interim Order;

"**Articles of Arrangement**" means the articles of arrangement in respect of the Arrangement required under subsection 193(10) of the ABCA to be filed with the Registrar after the Final Order has been made to give effect to the Arrangement;

"**Boulder**" means Boulder Energy Ltd., a corporation incorporated under the ABCA;

"**Boulder Common Shares**" means the common shares in the capital of Boulder;

"**Boulder Credit Facility**" means the credit facility to be entered into with the Lender effective at the Effective Time in order for Boulder to assume its respective share of the existing DeeThree indebtedness to its Lender;

"**Boulder Special Shares**" means the voting, redeemable, retractable preferred shares in the capital of Boulder and having the rights, privileges, restrictions and conditions currently set out in the Articles of Boulder set out in Appendix "B" to the Plan of Arrangement;

"**Boulder Stock Option Plan**" means the stock option plan of Boulder adopted prior to the Effective Date;

"**Boulder Stock Option Plan Resolution**" means the ordinary resolution of DeeThree Shareholders approving the Boulder Stock Option Plan to be considered at the Meeting;

"**Business Day**" means any day other than a Saturday, Sunday or statutory holiday in Calgary, Alberta under the laws of the Province of Alberta or the federal laws of Canada;

"**Certificate of Arrangement**" means the certificate of arrangement or proof of filing to be issued by the Registrar, pursuant to subsection 193(11) or subsection 193(12) in respect of the Articles of Arrangement and giving effect to the Arrangement;

"**Conveyance Agreement**" means the agreement made as of the Effective Date among the Parties, as it may be amended, modified or supplemented from time to time in accordance with its terms;

"**Circular**" means the management information circular of DeeThree, together with all appendices thereto, to be sent to DeeThree Shareholders in connection with the Meeting;

"**Closing**" means the completion of the transactions contemplated by this Agreement;

"**Control**" means, when applied to a relationship between two Persons, that a Person (the "**first Person**") is considered to control another Person (the "**second Person**") if:

(a) the first Person, directly or indirectly, beneficially owns or exercises control or direction over securities, interests or contractual rights of the second Person carrying votes which, if exercised, would entitle the first Person to elect a majority of the directors of the second Person, or a majority of any other Persons who have the right to manage or supervise the management of the business and

affairs of the second Person, unless that first Person holds the voting securities only to secure a debt or similar obligation;

(b) the second Person is a partnership, other than a limited partnership, and the first Person, together with any Person Controlled by the first Person, holds more than 50% of the interests (measured by votes or by value) of the partnership; or

(c) the second Person is a limited partnership and the general partner of the limited partnership is the first Person or any Person Controlled by the first Person,

and the term "Controlled" has a corresponding meaning;

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

"**DeeThree Common Shares**" means the currently existing common shares in the capital of DeeThree and having the rights, privileges, restrictions and conditions as currently set forth in the Articles of DeeThree and as set out in the Appendix "A" to the Plan of Arrangement;

"**DeeThree Option**" means an option to acquire a DeeThree Common Share granted by DeeThree to an employee, consultant, director or officer pursuant to the DeeThree Stock Option Plan, that is outstanding immediately prior to the Effective Time;

"**DeeThree Optionholder**" means a holder of DeeThree Options;

"**DeeThree Shareholder**" means a holder of DeeThree Common Shares;

"**DeeThree Special Shares**" means the non-voting, redeemable, retractable preference shares in the capital of DeeThree created pursuant to the Plan of Arrangement and having the rights, privileges, restrictions and conditions set out in Appendix "A" to the Plan of Arrangement;

"**DeeThree Stock Option Plan**" means the stock option plan of DeeThree as constituted on the date hereof;

"**Effective Date**" means the date shown on the confirmation of filing to be issued under the ABCA giving effect to the Arrangement, which date shall be determined in accordance with the Arrangement Agreement;

"**Effective Time**" means the time at which the steps to complete the Arrangement will commence, which will be 12:01 a.m. (Calgary time) on the Effective Date, subject to any amendment or variation in accordance with the terms of the Arrangement Agreement;

"**Encumbrance**" means any mortgage, charge, pledge, lien, hypothec, security interest, encumbrance, adverse claim or right of any third party to acquire or restrict the use of property;

"**Exercise Price**" means the exercise price of a DeeThree Option;

"**Exercise Price Proportion**" means the fraction A/B where:

A is the VWAP of the Boulder Common Shares on the first five (5) trading days where the Boulder Common Shares are traded on the TSX; and

B is the aggregate of: (i) the VWAP of the Boulder Common Shares on the first five (5) trading days where the Boulder Common Shares are traded on the TSX, and (ii) the VWAP of the New DeeThree Common Shares on the first five (5) Trading Days where the New DeeThree Common Shares are traded the TSX;

"**Fair Market Value**" with respect to DeeThree Common Shares, as at any date means the weighted average of the prices at which the DeeThree Common Shares traded on the TSX for the five (5) trading days on which the DeeThree Common Shares traded immediately preceding such date

"**Final Order**" means the final order of the Court approving the Arrangement, as such order may be amended or varied at any time prior to the Effective Time or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or amended, with or without variation, on appeal;

"**Governmental Authority**" means any: (a) multinational, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, court, tribunal, commission, board or agency, domestic or foreign; or (b) regulatory authority, including any securities commission or stock exchange;

"**IFRS**" means International Financial Reporting Standards, as incorporated in the Handbook of the Canadian Institute of Chartered Accounts at the relevant time applied on a consistent basis;

"**In-the-Money DeeThree Option**" means a DeeThree Option that has an Exercise Price lesser than the Fair Market Value of the DeeThree Common Shares;

"**Interim Order**" means the interim order of the Court dated April 10, 2015 concerning the Arrangement containing declarations and directions with respect to the Arrangement and the holding of the Meeting, as such order may be amended or varied by the Court;

"**Lender**" means National Bank of Canada, as administrative agent for a syndicate of lenders;

"**Material Adverse Effect**" means, with respect to a Party, any fact or state of facts, circumstance, change, occurrence, event or effect that individually or in the aggregate is, or would reasonably be expected to be, material and adverse to the business, operations, results of operations, prospects, assets, properties, capitalization, condition (financial or otherwise), liabilities (contingent or otherwise), cash flows or value of a Party, other than a fact or state of facts, circumstance, change, occurrence, event or effect relating to or resulting from: (a) any matter which has, prior to the date hereof, been publicly disclosed in a Party's public disclosure record (if applicable); (b) conditions affecting the oil and gas industry as a whole; (c) general economic, financial, currency exchange, securities, credit or commodity market conditions in Canada, United States of America or elsewhere; (d) the announcement of the execution of this Agreement or the transactions contemplated hereby; (e) any change in Applicable Laws or IFRS; (f) any action or inaction taken by a Party that is consented to by the other Party in this Agreement or expressly in writing; or (g) in the case of DeeThree, any changes in the trading price or trading volumes of DeeThree Common Shares (provided, in the case of (b) and (c), such effect relating to or resulting from the foregoing does not have a disproportionate Material Adverse Effect on the business, operations, results of operations, assets, properties, capitalization, condition (financial or otherwise), liabilities (contingent or otherwise) or cash flows of a Party, as compared to the corresponding effect on Persons engaged in the oil and gas industry generally);

"**Meeting**" means the special meeting of DeeThree Shareholders (including any adjournment or postponement thereof) to be called and held in accordance with the Interim Order to consider and, if deemed advisable, among other items of business, to approve the Arrangement Resolution, the Boulder Stock Option Plan Resolution, the Share Incentive Plan Resolution and the Name Change Resolution;

"**misrepresentation**" has the meaning attributed to such term in the Securities Act;

"**Name Change Resolution**" means the special resolution of DeeThree Shareholders approving the change of name of the Corporation to "Granite Oil Corp." to be considered at the Meeting;

"**New DeeThree Common Shares**" means the new class of common shares in the capital of DeeThree created pursuant to the Plan of Arrangement, designated as "Common Shares" and having the rights, privileges, restrictions and conditions set out in Appendix "A" to the Plan of Arrangement;

"**Option Exercise and Termination Agreement**" means those agreements entered into between DeeThree and each DeeThree Optionholder pursuant to which such DeeThree Optionholder has agreed to: (i) conditionally exercise all of the holder's vested In-the-Money DeeThree Options, effective as of the Effective Time on a cash or cashless basis, effective as of the Effective Time; (ii) conditionally exchange all of the holder's unvested In-the-Money Options for Replacement Options; and (iii) conditionally surrender all of the holder's unvested and vested Out-of-Money DeeThree Options to DeeThree for cancellation in consideration for $0.001 per each vested and unvested Out-of-Money DeeThree Option so surrendered;

"**Out-of-Money DeeThree Option**" means a DeeThree Option that has an Exercise Price greater than the Fair Market Value of the DeeThree Common Shares;

"**Party**" means a party to this Agreement;

"**Person**" means and includes an individual, limited or general partnership, limited liability company, limited liability partnership, trust, joint venture, association, body corporate, unlimited liability corporation, trustee, executor, administrator, legal representative, government (including any governmental authority) or any other entity, whether or not having legal status, except that, for the purposes of the definition of "Eligible Holder" in this Plan of Arrangement, a "person" shall have the same meaning as for the purposes of the Tax Act and, where DeeThree Common Shares are held by a trustee under a bare trust arrangement, the beneficiary and not the trustee shall be regarded as the holder of such DeeThree Common Shares and any property substituted therefor;

"**Plan of Arrangement**" means the plan of arrangement, including its Appendices, as it may be amended, modified or supplemented from time to time in accordance with the terms thereof, in substantially the form set out as Schedule "A" to this Agreement;

"**Prime Rate**" means the floating rate of interest established from time to time by the Lender (and reported to the Bank of Canada) as the reference rate of interest the Lender will use to determine rates of interest payable by its borrowers on Canadian dollar commercial loans made by the Lender to such borrowers in Canada and designated by the Lender as its "prime rate";

"**Registrar**" means the Registrar of Corporations for the Province of Alberta duly appointed under the ABCA;

"**Replacement Option**" means an option entitling the holder to receive, upon due exercise of such Replacement Option (including without limitation, payment of the exercise price thereof to DeeThree and Boulder in accordance with the Exercise Price Proportion), in lieu of one DeeThree Common Share, one-third (0.3333) of one (1) New DeeThree Common Share and one-half (0.5) of one (1) Boulder Common Share;

"**Representatives**" means, collectively, the current and future directors, officers, employees, agents and advisors of a Party and their respective heirs, executors, administrators, successors and assigns;

"**Securities Act**" means the *Securities Act* (Alberta), as amended, including the regulations promulgated thereunder;

"**Share Incentive Plan**" means the restricted share incentive plan of DeeThree;

"**Share Incentive Plan Resolution**" means the ordinary resolution of DeeThree Shareholders approving the Share Incentive Plan to be considered at the Meeting;

"**Specified Corporation**" has the meaning attributed to such term in Subsection 55(1) of the Tax Act;

"**Subsidiary**" means, at any particular time, a Person controlled, directly or indirectly, by DeeThree or Boulder, as applicable;

"**Tax**" or "**Taxes**" includes all taxes, surtaxes, duties, levies, imposts, rates, fees, assessments, withholdings, dues and other charges of any nature imposed by any Governmental Authority (including, without limitation, income, capital (including large corporations), withholding, consumption, sales, use, transfer, goods and services or other value-added, excise, customs, net worth, stamp, registration, franchise, payroll, employment, Canada Pension Plan contributions, Employment Insurance premiums, health, education, business, school, property, local improvement, development, education, development and occupation taxes, surtaxes, duties, levies, imposts, rates, fees, assessments, withholdings, dues and charges), together with all fines, interest, penalties on or in respect of, or in lieu of or for non-collection or non-remittance of, those taxes, surtaxes, duties, levies, imposts, rates, fees, assessments, withholdings, dues and other charges;

"**Tax Act**" means the *Income Tax Act* (Canada), as amended, including the regulations promulgated thereunder;

"**Trading Price**" means the trading price of a DeeThree Common Share, New DeeThree Common Share or Boulder Share, as the case may be, on the TSX on the applicable date and, for greater certainty, such trading price may be determined by reference to trading of the New DeeThree Common Shares or Boulder Common Shares, as the case may be, on an "if, as and when issued" basis;

"**TSX**" means the Toronto Stock Exchange; and

"**VWAP**" means volume-weighted average Trading Price.

1.2 Schedule

The following schedule is attached to this Agreement and forms part hereof:

Schedule "A" - Plan of Arrangement

1.3 Construction

In this Agreement, unless otherwise expressly stated or the context otherwise requires:

(a) the division of this Agreement into Articles, Sections and Subsections and the use of headings are for convenience of reference only and do not affect the construction or interpretation hereof;

(b) the words "hereunder", "hereof" and similar expressions refer to this Agreement and not to any particular Article, Section or Subsection and references to

"Articles", "Sections" and "Subsections" are to Articles, Sections and Subsections of this Agreement;

(c) words importing the singular include the plural and vice versa, and words importing any gender include all genders and the neuter;

(d) the word "including", when following any general term or statement, is not to 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 referring to all other items or matters that could reasonably fall within the broadest possible scope of the general term or statement;

(e) a reference to a statute or code includes every regulation made pursuant thereto, all amendments to the statute or code or to any such regulation in force from time to time, and any statute, code or regulation which supplements or supersedes such statute, code or regulation;

(f) if any date on which any action is required to be taken under this Agreement is not a Business Day, such action will be required to be taken on the next succeeding Business Day;

(g) a reference to the knowledge of a Party means to the best of the knowledge of any of the officers of such Party after due inquiry;

(h) in this Agreement, unless something in the subject matter or context is inconsistent therewith or unless otherwise herein provided, a reference to any statute is to that statute as now enacted or as the same may from time to time be amended, re-enacted or replaced and includes any regulations made thereunder;

(i) unless otherwise stated, all references in this Agreement to sums of money are expressed in lawful money of Canada and "$" refers to Canadian dollars; and

(j) unless otherwise stated, all accounting terms used in this Agreement shall have the meanings attributable thereto under IFRS and all determinations of an accounting nature required to be made hereunder shall be made in a manner consistent with IFRS for the applicable reporting period, consistently applied.

ARTICLE 2
THE ARRANGEMENT

2.1 Arrangement

As soon as reasonably practicable, DeeThree and Boulder shall apply to the Court pursuant to Section 193 of the ABCA for an order approving the Arrangement and in connection with such application shall:

(a) subject to obtaining all necessary approvals of the DeeThree Shareholders as contemplated in the Interim Order and as may be directed by the Court in the Interim Order, take all steps necessary or desirable to submit the Arrangement to the Court and apply for the Final Order; and

(b) subject to the satisfaction or waiver of the conditions set forth herein, deliver to the Registrar the Articles of Arrangement and such other documents as may be required to give effect to the Arrangement, whereupon the transactions comprising the Arrangement shall occur and shall be deemed to have occurred in

the order set out in the Plan of Arrangement without any further act or formality, except as contemplated in the Plan of Arrangement.

2.2 Effective Date and Effective Time

The Arrangement will become effective on the Effective Date and the steps to be carried out pursuant to the Plan of Arrangement will become effective commencing as at the Effective Time and in the order set out therein or as otherwise specified in the Plan of Arrangement. Immediately prior to the implementation of the Plan of Arrangement, Boulder shall purchase for cancellation the one Boulder Common Share owned by DeeThree for its issue price of one dollar ($1.00), which Boulder Common Share shall then be cancelled.

2.3 DeeThree Approval

(a) DeeThree represents to and in favour of Boulder that its board of directors has determined unanimously that:

(i) the Arrangement is fair, from a financial point of view, to the DeeThree Shareholders and is in the best interests of DeeThree; and

(ii) they will recommend that the DeeThree Shareholders vote in favour of the Arrangement Resolution and Boulder Stock Option Plan Resolution.

(b) DeeThree represents to and in favour of Boulder that each of its directors has advised DeeThree that he intends to vote all of the DeeThree Common Shares beneficially owned, directly or indirectly, or over which direction or control is exercised, by him in favour of the Arrangement Resolution and Boulder Stock Option Plan Resolution and will, accordingly, so represent in the Circular.

(c) For greater certainty, nothing in the foregoing or elsewhere in this Agreement shall limit the ability of the board of directors of DeeThree to act in accordance with its view of its fiduciary duties, including withdrawing, modifying or changing any such determination, recommendation or intention to vote.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES

3.1 Mutual Representations and Warranties

Each Party represents and warrants to and in favour of each other Party that:

(a) it is duly incorporated, amalgamated or continued and is validly existing under the laws of its governing jurisdiction and has the corporate power and authority to enter into this Agreement and, subject to obtaining the requisite approvals contemplated hereby, to perform its obligations hereunder;

(b) the execution and delivery of this Agreement by it and the completion by it of the transactions contemplated herein do not and will not:

(i) result in the breach of, or violate any term or provision of, its articles or by-laws;

(ii) conflict with, result in the breach of, constitute a default under, or accelerate or permit the acceleration of the performance required by, any agreement, instrument, license, permit or authority to which it is a party

or by which it is bound, or to which any assets of such Party are subject, or result in the creation of any Encumbrance upon any of its assets under any such agreement or instrument, or give to others any interest or right, including rights of purchase, termination, cancellation or acceleration, under any such agreement, instrument, license, permit or authority, which in any case would have a Material Adverse Effect on it; or

(iii) violate any provisions of any Applicable Law or any judicial or administrative award, judgment, order or decree applicable and known to it, the violation of which would have a Material Adverse Effect on it;

(c) no dissolution, winding-up, bankruptcy, liquidation or similar proceeding has been commenced or is pending or, to such Party's knowledge, is proposed in respect of it, except as contemplated by the Plan of Arrangement; and

(d) the execution and delivery of this Agreement and the completion of the transactions contemplated herein have been duly approved by its board of directors, and this Agreement constitutes a valid and binding obligation of such Party enforceable against it in accordance with its terms, subject to bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights generally and to general principles of equity and limitations upon the enforcement of indemnification for fines or penalties imposed by law.

3.2 Representations and Warranties of DeeThree

DeeThree represents and warrants to and in favour of Boulder that the authorized capital of DeeThree consists of an unlimited number of DeeThree Common Shares and an unlimited number of preferred shares, issuable in series and as of the date hereof, 88,974,460 DeeThree Common Shares no other shares are issued and outstanding.

3.3 Representations and Warranties of Boulder

Boulder represents and warrants to and in favour of DeeThree that:

(a) the authorized capital of Boulder consists of an unlimited number of Boulder Common Shares, and an unlimited number of preferred shares, of which, as of the date hereof, one Boulder Common Share is issued and outstanding; and

(b) it has no assets, no liabilities and it has carried on no business other than relating to, and contemplated by, this Agreement and the Plan of Arrangement.

3.4 Survival of Representations, Warranties and Covenants

(a) Subject to Subsection 3.4(b), all representations, warranties and covenants made by the Parties contained in this Agreement will remain operative and in full force and effect and, notwithstanding any investigation made by or on behalf of any Party or any other Person, or any knowledge of the beneficiaries of such representations, warranties and covenants or the knowledge of any other Person, until the earlier of the termination of this Agreement in accordance with Section 6.2 or the Effective Date, whereupon such representations, warranties and covenants will expire and be of no further force or effect.

(b) The covenants made by each Party contained in Section 4.4 of this Agreement will survive the Effective Date and the completion of the Arrangement and shall continue in full force and effect for the benefit of each other Party.

ARTICLE 4
COVENANTS

4.1 General Covenant

Boulder will, and DeeThree will, so long as its board of directors has not withdrawn its recommendation referred to in Subsection 2.3(a), use all commercially reasonable efforts and do all things reasonably required of it to cause the Arrangement to become effective on or before June 30, 2015, or such later date as DeeThree may determine in its sole discretion.

4.2 Covenants of DeeThree

DeeThree will:

(a) not on or before the Effective Date perform any act or enter into any transaction that could interfere or be inconsistent with the completion of the Arrangement;

(b) as soon as practicable, convene the Meeting;

(c) in a timely and expeditious manner:

(i) forthwith carry out the terms of the Interim Order;

(ii) prepare the Circular and proxy solicitation materials and any amendments or supplements thereto, and file such materials in all jurisdictions where the same are required to be filed, and distribute the same as ordered by the Interim Order and in accordance with all Applicable Laws, and solicit proxies to be voted at the Meeting in favour of the Arrangement Resolution and Boulder Stock Option Plan Resolution and related matters; and

(iii) conduct the Meeting in accordance with the Interim Order, the by-laws of DeeThree, as applicable, and as otherwise required by Applicable Laws;

(d) subject to obtaining all necessary approvals of the DeeThree Shareholders as contemplated in the Interim Order and as may be directed by the Court in the Interim Order, forthwith proceed with and diligently prosecute an application for the Final Order;

(e) take all steps necessary to ensure that (i) the Final Order approves the Arrangement after a hearing upon the fairness of such terms and conditions at which all persons to whom it is proposed to issue securities have the right to appear (and such persons have received timely and adequate notice of the hearing), without any improper impediments to their appearance at the hearing, (ii) the Court is advised before the hearing that DeeThree will rely on the exemption from U.S. securities registration set forth in Section 3(a)(10) of the U.S. Securities Act of 1933, as amended, based on the Court's approval of the Arrangement, and (iii) the Court finds, before approving the Arrangement, that the terms and conditions of the Arrangement are fair (procedurally and substantively) to those to whom securities will be issued, and approves the fairness of the terms and conditions of the Arrangement;

(f) subject to the receipt of the Final Order and the satisfaction or waiver of the conditions precedent in favour of DeeThree set out in Article 5, deliver to and file with the Registrar the Articles of Arrangement and the Final Order at such time as DeeThree deems appropriate in its sole discretion in order to give effect to the Arrangement;

(g) on or before the Effective Date, assist and cooperate in the preparation and filing with all applicable securities commissions or similar securities regulatory authorities in Canada of all necessary applications to seek exemptions, if required, from the prospectus, registration and other requirements of the applicable securities laws of jurisdictions in Canada for the issue by DeeThree of New DeeThree Common Shares and DeeThree Special Shares, and by Boulder of Boulder Common Shares and Boulder Special Shares, and other exemptions that are necessary or desirable in connection with the Arrangement;

(h) prior to the Effective Date, obtain confirmation from the TSX of the continued listing of the New DeeThree Common Shares, and jointly with Boulder, make application to list the Boulder Common Shares, issuable pursuant to the Arrangement, on the TSX; and

(i) on or before the Effective Date, perform the obligations required to be performed by DeeThree under the Plan of Arrangement and do all such other acts and things, and execute and deliver all such agreements, assurances, notices and other documents and instruments, as may be necessary or desirable and are within its power and control in order to carry out and give effect to the Arrangement and any transactions necessary for the effectiveness of the Arrangement, including using all commercially reasonable efforts to obtain:

(i) the approval of DeeThree Shareholders required for the implementation of the Arrangement;

(ii) the approval of DeeThree Shareholders required for the adoption of the Boulder Stock Option Plan;

(iii) such other consents, orders, rulings or approvals and assurances as are necessary or desirable for the implementation of the Arrangement, including those referred to in Section 5.1; and

(iv) satisfaction of the other conditions precedent referred to in Sections 5.1 and 5.2.

4.3 Covenants of Boulder

Boulder will:

(a) not, on or before the Effective Date, except as specifically provided for hereunder or in connection with the Arrangement, alter or amend its constating documents, articles or by-laws as the same exist as at the date of this Agreement;

(b) prior to the Effective Date, cooperate in agreeing to make such amendments to this Agreement and the Plan of Arrangement, as may be reasonably necessary to implement the Plan of Arrangement, or as may be determined by DeeThree, in its sole discretion, to enable DeeThree to carry out any transactions deemed advantageous by DeeThree for the Arrangement;

(c) not on or before the Effective Date perform any act or enter into any transaction that could interfere or could be inconsistent with the completion of the Arrangement; and

(d) on or before the Effective Date, perform the obligations required to be performed by it under the Plan of Arrangement and do all such other acts and things, and execute and deliver all such agreements, assurances, notices and other documents and instruments, as may be necessary or desirable and are within its power and control in order to carry out and give effect to the Arrangement, including co-operating with DeeThree to obtain:

(i) the Final Order;

(ii) the approval of the listing of the Boulder Common Shares on the TSX;

(iii) such other consents, rulings, orders, approvals and assurances as are necessary or desirable for the implementation of the Arrangement, including those referred to in Section 5.1; and

(iv) satisfaction of the other conditions precedent referred to in Sections 5.1 and 5.2.

4.4 Tax-Related Covenants

(a) Each Party covenants and agrees with and in favour of each other Party that: (i) it and any successor thereto and subsidiaries will not, on or before the Effective Date, perform any act or enter into any transaction or permit any transaction within its control to occur that could reasonably be considered to interfere or be inconsistent with the tax planning in respect of the Arrangement (which is intended by the parties to be consistent with the butterfly provisions of the Tax Act); and (ii) neither it nor any successor thereto will perform any act or enter into any transaction or permit any transaction, in each such case, within its control to occur that would cause DeeThree or any Affiliate of DeeThree that is a corporation to cease to be a Specified Corporation on or prior to the Effective Date, except as contemplated herein;

(b) Each Party covenants and agrees with and in favour of each other Party that it will not take any actions, omit to take any action, or enter into any transaction that could cause the Arrangement or any related transaction to be taxed in a manner inconsistent with the butterfly provisions of the Tax Act for a period of three years after the Effective Date without obtaining the consent of DeeThree and Boulder, such consent not to be unreasonably withheld or delayed;

(c) Each Party covenants and agrees with and in favour of each other Party to file its tax returns and make all other filings, notifications, designations and elections, including Section 85 elections, pursuant to the Tax Act and to make adjustments to its stated capital accounts in accordance with the terms of the Plan of Arrangement following the Effective Date. Where an agreed amount is to be included in any such election, such amount will be within the range contemplated by the Tax Act (or applicable provincial or foreign legislation), the Plan of Arrangement and this Agreement;

(d) Each Party covenants and agrees with and in favour of each other Party to cooperate in the preparation and filing, in the form and within the time limits prescribed or otherwise contemplated in the Tax Act, of all tax returns, filings,

notifications, designations and elections under the Tax Act as contemplated in the Plan of Arrangement and this Agreement (and any similar tax returns, elections, notifications or designations that may be required under applicable provincial or foreign legislation); and

(e) Boulder covenants and agrees that it will, on or before its filing due date for its first taxation year, and pursuant to the post-amble of the definition of public corporation in subsection 89(1) of the Tax Act, elect in its federal return of income for that taxation year to be a public corporation from the beginning of the year until the time it will become a public corporation.

ARTICLE 5
CONDITIONS

5.1 Conditions Precedent

The obligations of DeeThree to complete the transactions contemplated by this Agreement and to file Articles of Arrangement to give effect to the Arrangement are subject to the satisfaction of the following conditions (which may be waived by DeeThree without prejudice to its right to rely on any other condition in its favour):

(a) the Interim Order shall not have been set aside, amended or varied in a manner unacceptable to DeeThree, in its sole discretion, whether on appeal or otherwise;

(b) the Arrangement Resolution shall have been approved by the requisite number of votes cast by the DeeThree Shareholders at the Meeting in accordance with the provisions of the Interim Order and any applicable regulatory requirements;

(c) the Boulder Stock Option Plan Resolution shall have been approved by the requisite number of votes cast by the DeeThree Shareholders at the Meeting in accordance with any applicable regulatory requirements;

(d) the Share Incentive Plan Resolution shall have been approved by the requisite number of votes cast by the DeeThree Shareholders at the Meeting in accordance with any applicable regulatory requirements

(e) each of the holders of DeeThree Options shall have entered into an Option Exercise and Termination Agreement;

(f) the Final Order shall have been obtained in form and substance satisfactory to DeeThree, in its sole discretion, provided that the requirements of Section 4.2(e) have been met with respect to the Final Order;

(g) the Articles of Arrangement and all necessary related documents, in form and substance satisfactory to DeeThree, in its sole discretion, shall have been accepted for filing by the Registrar together with the Final Order in accordance with Subsection 193(10) of the ABCA;

(h) all material consents, orders, rulings, approvals, opinions and assurances, including regulatory, judicial, third party and advisor opinions, approvals and orders, required or necessary, in the sole discretion of DeeThree, for the completion of the transactions provided for in this Agreement, the Plan of Arrangement, shall have been obtained or received, and none of the consents, orders, rulings, approvals, opinions or assurances contemplated herein shall

contain terms or conditions or require undertakings or security that are considered unsatisfactory or unacceptable by DeeThree, in its sole discretion;

(i) no action shall have been instituted and be continuing on the Effective Date for an injunction to restrain, a declaratory judgment in respect of, or damages on account of or relating to, the Arrangement and there shall not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by this Agreement, and no cease trading or similar order with respect to any securities of any of the Parties shall have been issued and remain outstanding;

(j) no law, regulation or policy shall have been proposed, enacted, promulgated or applied that interferes or is inconsistent with the completion of the Arrangement, including any material change to the income tax laws of Canada or any province, state or territory thereof;

(k) the New DeeThree Common Shares (including shares issuable on exercise of options issued under the DeeThree Stock Option Plan) shall continue to be listed on the TSX and the Boulder Common Shares (including shares issuable on exercise of options granted under the Boulder Stock Option Plan) to be issued pursuant to the Arrangement shall have been conditionally approved for listing on the TSX, or other designated stock exchange (as defined in the Tax Act) subject to compliance with the normal listing requirements of such exchange;

(l) there shall not have developed, occurred or come into effect or existence any event, action or occurrence of national or international consequences, any governmental law or regulation, state, condition or major financial occurrence, including any act of terrorism, war or like event, or other occurrence of any nature, which, in the sole discretion of DeeThree, materially adversely affects, or may materially adversely affect, the financial markets in Canada or the business, financial condition, operations or affairs of DeeThree or Boulder (as defined in the Plan of Arrangement) going forward; and

(m) the Arrangement Agreement shall not have been terminated pursuant to the termination provisions contained in Section 6.2.

5.2 Conditions to Obligation of Each Party

The obligation of each Party to complete the transactions contemplated by this Agreement is further subject to the conditions (which may be waived by such Party without prejudice to its right to rely on any other condition in its favour) that: (i) the covenants of each other Party to be performed on or before the Effective Date pursuant to the terms of this Agreement will have been duly performed in all material respects; (ii) except as set forth in this Agreement, the Plan of Arrangement, the representations and warranties of each other Party will be true and correct in all material respects as at the Effective Date, with the same effect as if such representations and warranties had been made at, and as of, such date; and (iii) the Parties shall have entered into the Conveyance Agreement before the Effective Date and each such Party will receive a certificate, dated the Effective Date, of a senior officer of each other Party confirming the matters in (i) and (ii) above.

5.3 Merger/Waiver of Conditions

The conditions set out in Sections 5.1 and 5.2 will be conclusively deemed to have been satisfied, waived or released on the filing by DeeThree of Articles of Arrangement under the ABCA to give effect to the Plan of Arrangement.

ARTICLE 6
AMENDMENT AND TERMINATION

6.1 Amendment

This Agreement may, at any time and from time to time before and after the holding of the Meeting, but not later than the Effective Date, be amended by written agreement of the Parties without, subject to Applicable Law, further notice to or authorization on the part of their respective shareholders. Without limiting the generality of the foregoing, any such amendment may:

(a) change the time for performance of any of the obligations or acts of the Parties;

(b) waive any inaccuracies or modify any representation contained herein or in any document to be delivered pursuant hereto;

(c) except as otherwise provided herein, waive compliance with or modify any of the covenants contained herein or waive or modify performance of any of the obligations of the Parties; or

(d) make such alterations, modifications or amendments to this Agreement as the Parties may consider necessary or desirable in connection with the Interim Order or the Final Order.

6.2 Termination

This Agreement may, at any time before or after the holding of the Meeting but prior to the issue of the Certificate of Arrangement, be terminated by DeeThree in its sole discretion at any time without the approval of the DeeThree Shareholders or Boulder and nothing expressed or implied herein or in the Plan of Arrangement shall be construed as fettering the absolute discretion of DeeThree to elect to terminate this Agreement and discontinue efforts to effect the Plan of Arrangement for whatever reason it may consider appropriate. This Agreement will terminate without any further action by the Parties if the Effective Date has not occurred on or before June 30, 2015, or such later date as DeeThree may determine in its sole discretion.

ARTICLE 7
GENERAL

7.1 Notices

Any demand, notice or other communication to be given in connection with this Agreement must be given in writing and delivered personally or by courier or by facsimile addressed to the recipient as follows:

To DeeThree:

2200, 520 - 3rd Avenue SW
Calgary, AB T2P 0R3
Attention: Martin Cheyne
Facsimile: (403) 263-9710

To Boulder:

2200, 520 - 3rd Avenue SW

Calgary, AB T2P 0R3
Attention: Michael Kabanuk
Facsimile: (403) 263-9710

in each case with a copy to:

Davis LLP
Suite 1000, 250 – 2nd Street S.W.
Calgary, AB T2P 0C1
Attention: Daniel Kenney
Facsimile: (403) 213-4460

or such other address that a Party may, from time to time, advise the other Parties by notice in writing given in accordance with the foregoing. The date of receipt of any such notice will be deemed to be the date of actual delivery thereof or, if given by facsimile, on the day of transmittal thereof if given during the normal business hours of the recipient with written confirmation of receipt by fax and verbal confirmation of same and on the next Business Day, if not given during such hours.

7.2 Time of Essence

Time is of the essence of this Agreement.

7.3 Further Assurances

Each of the Parties will from time to time execute and deliver such further documents and instruments and do all acts and things as any other Party may before the Effective Date reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

7.4 Assignment

No Party may assign its rights or obligations under this Agreement or the Arrangement without the prior written consent of the other Parties (which consent will not be unreasonably withheld or delayed), provided that no such consent will be required for any Party to assign its rights and obligations under this Agreement and the Arrangement to a corporate successor to such Party or to a purchaser of all or substantially all of the assets of such Party.

7.5 Binding Effect

This Agreement will be binding upon and enure to the benefit of the Parties and their respective successors and permitted assigns, and specific references to “successors” elsewhere in this Agreement will not be construed to be in derogation of the foregoing.

7.6 Waiver

Any waiver or release of any of the provisions of this Agreement, to be effective, must be in writing executed by the Party granting the same.

7.7 No Personal Liability

(a) No Representative of DeeThree shall have any personal liability whatsoever to any other Party on behalf of DeeThree under this Agreement, the Plan of Arrangement, or any other document delivered in connection with any of the foregoing; and

(b) No Representative of Boulder shall have any personal liability whatsoever to any other Party on behalf of Boulder under this Agreement, the Plan of Arrangement, or any other document delivered in connection with any of the foregoing.

7.8 Invalidity of Provisions

If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule or Applicable Law, or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

7.9 Entire Agreement

This Agreement, the Plan of Arrangement and the other agreements and instruments contemplated hereby and thereby or entered into or delivered in connection herewith or therewith, including the Conveyance Agreement constitute the entire agreement between the Parties pertaining to the subject matter hereof and thereof. There are no warranties, conditions, or representations (including any that may be implied by statute), and there are no agreements, in connection with such subject matter except as specifically set forth or referred to in this Agreement, the Plan of Arrangement and such other agreements and instruments contemplated hereby and thereby or entered into or delivered in connection herewith or therewith including the Agreement, or as otherwise set out in writing and delivered at Closing.

7.10 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein without regard to conflicts of law principles. Each of the Parties agrees that any action or proceeding arising out of or relating to this Agreement may be instituted in the courts of Alberta, waives any objection which it may have now or later to the venue of that action or proceeding, irrevocably submits to the non-exclusive jurisdiction of those courts in that action or proceeding and agrees to be bound by any judgment of those courts.

7.11 No Third Party Beneficiaries

Except as otherwise provided in Sections 7.4, 7.5 and 7.7, this Agreement is not intended to confer on any Person other than the Parties any rights or remedies.

7.12 Counterparts

This Agreement may be executed in any number of original, facsimile or “pdf” counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF the Parties have executed this Agreement.

DEETHREE EXPLORATION LTD.

Per: "*Martin J. Cheyne*"
MARTIN J. CHEYNE
President and Chief Executive Officer

Per: "*Gail Hannon*"
GAIL HANNON
Chief Financial Officer

BOULDER ENERGY LTD.

Per: "*Martin J. Cheyne*"
MARTIN J. CHEYNE
Chief Executive Officer

SCHEDULE "A"

PLAN OF ARRANGEMENT UNDER SECTION 193 OF THE BUSINESS CORPORATIONS ACT (ALBERTA)

ARTICLE 1 - INTERPRETATION

1.1 Definitions

In this Plan of Arrangement, other than the Appendices:

"**ABCA**" means the *Business Corporations Act* (Alberta), as amended, including the regulations promulgated thereunder;

"**arm's length**" has the meaning attributed to such term in Subsection 251(1) of the Tax Act;

"**Arrangement**" means the arrangement under Section 193 of the ABCA on the terms and subject to the conditions set forth in this Plan of Arrangement, subject to any amendments or variations thereto made in accordance with the Arrangement Agreement or this Plan of Arrangement, or made at the direction of the Court in the Final Order;

"**Arrangement Agreement**" means the arrangement agreement made as of April 7, 2015 among the Parties, as it may be amended, modified or supplemented from time to time in accordance with its terms;

"**Arrangement Resolution**" means the special resolution of the DeeThree Shareholders approving the Arrangement in accordance with the Interim Order;

"**Articles of Arrangement**" means the articles of arrangement in respect of the Arrangement required under subsection 193(10) of the ABCA to be filed with the Registrar after the Final Order has been made to give effect to the Arrangement;

"**Boulder**" means Boulder Energy Ltd., a corporation incorporated under the ABCA;

"**Boulder Common Shares**" means the common shares in the capital of Boulder;

"**Boulder Non-Share Consideration**" means any non-share consideration paid by Boulder for the Spin-Out Assets and, without limitation, includes the excess, if any, of the aggregate fair market value of benefits obtained by DeeThree pursuant to the exchange of the DeeThree Options for Replacement Options and includes any liabilities assumed by Boulder on the transfer of the Spin-Out Assets;

"**Boulder Preferred Shares**" means the preferred shares in the capital of Boulder and having the rights, privileges, restriction and conditions as currently set forth in the Articles of Boulder and as set out in Appendix "B" to this Plan of Arrangement;

"**Boulder Redemption Note**" has the meaning set out in Subsection 3.1(1)(j);

"**Boulder Special Shares**" means the voting, redeemable, retractable preferred shares in the capital of Boulder and having the rights, privileges, restrictions and conditions set out in Appendix "B" to this Plan of Arrangement;

"**Boulder Stock Option Plan**" means the stock option plan of Boulder adopted prior to the Effective Date;

"**Boulder Stock Option Plan Resolution**" means the ordinary resolution of DeeThree Shareholders approving the Boulder Stock Option Plan to be considered at the Meeting;

"**Business Day**" means any day other than a Saturday, Sunday or Statutory holiday in Calgary, Alberta under the laws of the Province of Alberta or the federal laws of Canada;

"**Butterfly Proportion**" means an amount to be determined by the Board of Directors of DeeThree as the fraction A/B where:

> **A** is the net fair market value of the Spin-Out Assets to be transferred by DeeThree to Boulder determined immediately before the transfer under section 3.1(1)(i) of this Plan of Arrangement, and
>
> **B** is the net fair market value of all property owned by DeeThree immediately before the transfer under section 3.1(1)(i) of this Plan of Arrangement.

"**Certificate of Arrangement**" means the certificate of arrangement or proof of filing to be issued by the Registrar, pursuant to subsection 193(11) or subsection 193(12) in respect of the Articles of Arrangement and giving effect to the Arrangement;

"**Conveyance Agreement**" means the conveyance agreement to be entered into between DeeThree and Boulder on the Effective Date, providing for, among other things, the transfer by DeeThree to Boulder of the Spin-Out Assets;

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

"**DeeThree**" means DeeThree Exploration Ltd., a corporation amalgamated under the ABCA;

"**DeeThree Common Shares**" means the currently existing common shares in the capital of DeeThree and having the rights, privileges, restrictions and conditions as currently set forth in the Articles of DeeThree and as set out in the Appendix "A" to this Plan of Arrangement;

"**DeeThree Option**" means an option to acquire a DeeThree Common Share granted by DeeThree to an employee, consultant, director or officer pursuant to the DeeThree Stock Option Plan, that is outstanding immediately prior to the Effective Time;

"**DeeThree Optionholder**" means a holder of DeeThree Options;

"**DeeThree Preferred Shares**" means the preferred shares in the capital of DeeThree and having the rights, privileges, restriction and conditions as currently set forth in the Articles of DeeThree and as set out in Appendix "A" to this Plan of Arrangement;

"**DeeThree Redemption Note**" has the meaning set out in Subsection 3.1(1)(k);

"**DeeThree Shareholder**" means a holder of DeeThree Common Shares;

"**DeeThree Special Shares**" means the non-voting, redeemable, retractable preference shares in the capital of DeeThree created pursuant to this Plan of Arrangement and having the rights, privileges, restrictions and conditions set out in Appendix "A" to this Plan of Arrangement;

"**DeeThree Stock Option Plan**" means the stock option plan of DeeThree, as constituted on the date hereof;

"**Depositary**" means Computershare Investor Services Inc., engaged for the purpose of, among other things, exchanging certificates representing DeeThree Common Shares for New DeeThree Common Shares and Boulder Common Shares in connection with the Arrangement;

"**Dissent Rights**" means the right of a DeeThree Shareholder to dissent in respect of the Arrangement pursuant to the procedures set forth in Section 191 of the ABCA, as modified by Article 3 of this Plan of Arrangement, the Interim Order and any other order of the Court;

"**Dissenting Shareholder**" means a DeeThree Shareholder who validly dissents from the Arrangement Resolution in compliance with the Dissent Rights and who has not withdrawn the exercise of such Dissent Rights and is ultimately determined to be paid fair value in respect of the DeeThree Common Shares held by such DeeThree Shareholder;

"**DRS**" means the direct registration system;

"**DRS Advice**" means a DRS advice which details the shares held in a book position;

"**Effective Date**" means the date shown on the confirmation of filing to be issued under the ABCA giving effect to the Arrangement, which date shall be determined in accordance with the Arrangement Agreement;

"**Effective Time**" means the time at which the steps to complete the Arrangement will commence, which will be 12:01 a.m. (Calgary time) on the Effective Date, subject to any amendment or variation in accordance with the terms of the Arrangement Agreement;

"**Eligible Dividend**" has the meaning attributed to such term in Subsection 89(1) of the Tax Act;

"**Encumbrance**" means any mortgage, charge, pledge, lien, hypothec, security interest, encumbrance, adverse claim or right of any third party to acquire or restrict the use of property;

"**Exercise Price**" means the exercise price of a DeeThree Option;

"**Exercise Price Proportion**" means the fraction A/B where:

> **A** is the VWAP of the Boulder Common Shares on the first five (5) trading days where the Boulder Common Shares are traded on the TSX; and
>
> **B** is the aggregate of: (i) the VWAP of the Boulder Common Shares on the first five (5) trading days where the Boulder Common Shares are traded on the TSX, and (ii) the VWAP of the New DeeThree Common Shares on the first five (5) Trading Days where the New DeeThree Common Shares are traded the TSX;

"**Fair Market Value**" with respect to DeeThree Common Shares, as at any date means the weighted average of the prices at which the DeeThree Common Shares traded on the TSX for the five (5) trading days on which the DeeThree Common Shares traded immediately preceding such date;

"**Final Order**" means the final order of the Court approving the Arrangement, as such order may be amended or varied at any time prior to the Effective Time or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or amended, with or without variation, on appeal;

"**In-the-Money DeeThree Option**" means a DeeThree Option that has an Exercise Price lesser than the Fair Market Value of the DeeThree Common Shares;

"**Interim Order**" means the interim order of the Court dated April 10, 2015 concerning the Arrangement containing declarations and directions with respect to the Arrangement and the holding of the Meeting, as such order may be amended or varied by the Court;

"**Lands**" means the lands, formations and associated Petroleum Substances set out in Schedule "A" to the Conveyance Agreement and any lands pooled or unitized therewith, but only to the extent that rights relating thereto are granted under the Leases;

"**Leases**" means, collectively, the petroleum and natural gas leases, licences, permits, reservations and other agreements described in Schedule "A" to the Conveyance Agreement, by virtue of which DeeThree is entitled to explore for, recover, remove or dispose of Petroleum Substances within, upon or under the Lands;

"**Letter of Transmittal**" means the letter of transmittal to be delivered by the DeeThree Shareholders to the Depository providing for the delivery of DeeThree Common Shares to the Depositary;

"**Major Facilities**" means the plant, machinery, equipment, facilities and other tangible depreciable property and assets located in the White Map Area;

"**Meeting**" means the annual general and special meeting of DeeThree Shareholders (including any adjournment or postponement thereof) to be called and held in accordance with the Interim Order to consider and, if deemed advisable, among other items of business, to approve the Arrangement Resolution, the Boulder Stock Option Plan Resolution, the Share Incentive Plan Resolution and the Name Change Resolution;

"**Miscellaneous Interests**" means, subject to the limitations and exclusions below in this definition, all of DeeThree's right, title and interest in and to all property, assets, interests and rights pertaining to the Petroleum and Natural Gas Rights or the Tangibles (excluding the Petroleum and Natural Gas Rights or the Tangibles themselves), including:

(i) the Title Documents and other contracts and agreements relating to the Petroleum and Natural Gas Rights, including without limitation gas purchase contracts, processing agreements, transportation agreements and agreements for the construction, ownership and operation of facilities, royalty agreements, joint operating agreements, gas balancing agreements and common stream agreements;

(ii) all Surface Rights;

(iii) all geological, production and engineering data and other information;

(iv) all Seismic Data;

(v) all records, books, documents, licences, (including well licenses and pipeline licenses) permits, authorizations, reports and data which relate to the Petroleum and Natural Gas Rights;

(vi) the Wells, including the wellbores and any all casing;

(vii) all subsisting rights to carry out any operations relating to the Petroleum and Natural Gas Rights or Tangibles and all well licences for the Wells; and

(viii) all extensions, renewals, replacements, substitutions or amendments of or to any of the agreements and instruments described in paragraphs (i), (ii) and (v) above.

Unless otherwise agreed in writing by DeeThree and Boulder, however, the Miscellaneous Interests shall not include agreements, documents or data to the extent that: (i) they are owned or licensed by third parties with restrictions on their deliverability or disclosure by DeeThree to any assignee which is not an affiliate of DeeThree; or (ii) they pertain to records required to be maintained under applicable laws;

"**Name Change Resolution**" means the special resolution of DeeThree Shareholders approving the change of name of the Corporation to "Granite Oil Corp." to be considered at the Meeting;

"**New DeeThree Common Shares**" means the new class of common shares in the capital of DeeThree created pursuant to this Plan of Arrangement, designated as "Common Shares" and having the rights, privileges, restrictions and conditions set out in Appendix "A" to this Plan of Arrangement;

"**Out-of-Money DeeThree Option**" means a DeeThree Option that has an Exercise Price greater than the Fair Market Value of the DeeThree Common Shares;

"**Party**" means a party to this Plan of Arrangement;

"**Participating Shareholder**" means a DeeThree Shareholder, other than a Dissenting Shareholder;

"**Person**" means and includes an individual, limited or general partnership, limited liability company, limited liability partnership, trust, joint venture, association, body corporate, unlimited liability corporation, trustee, executor, administrator, legal representative, government (including any governmental authority) or any other entity, whether or not having legal status, except that, for the purposes of the definition of "Eligible Holder" in this Plan of Arrangement, a "person" shall have the same meaning as for the purposes of the Tax Act and, where DeeThree Common Shares are held by a trustee under a bare trust arrangement, the beneficiary and not the trustee shall be regarded as the holder of such DeeThree Common Shares and any property substituted therefor;

"**Petroleum and Natural Gas Rights**" means all of DeeThree's right, title and interest in and to:

(i) rights in, or rights to drill for and to produce, save and market, Petroleum Substances;

(ii) fee simple interests and other estates in Petroleum Substances in situ;

(iii) working interests, carried working interests, royalty interests, revenue interests, net profit interests, production payments and similar interests in Petroleum Substances or the proceeds of the sale of Petroleum Substances or to payments calculated by reference thereto; and

(iv) rights to acquire any of the foregoing in paragraphs (i), (ii) and (iii);

but, in each case, only insofar as the foregoing relate to Lands within the White Map Area;

"**Petroleum Substances**" means any of crude oil, oil sands, crude bitumen and products derived therefrom, synthetic crude oil, petroleum, natural gas, natural gas liquids, natural gas derived from or associated with coal deposits, sulphur, and any and all other substances and minerals related to any of the foregoing, whether liquid, solid or gaseous and whether hydrocarbons or not;

"**Plan of Arrangement**" means this plan of arrangement, including its Appendices, as it may be amended, modified or supplemented from time to time in accordance with the terms hereof;

"**PUC**" means paid-up capital, and has the meaning attributed to such term in Subsection 89(1) of the Tax Act;

"**Registrar**" means the Registrar of Corporations for the Province of Alberta duly appointed under the ABCA;

"**Replacement Option**" means an option entitling the holder to receive, upon due exercise of such Replacement Option (including without limitation, payment of the exercise price thereof to DeeThree and Boulder in accordance with the Exercise Price Proportion), in lieu of one DeeThree Common Share, one-third (0.3333) of one (1) New DeeThree Common Share and one-half (0.5) of one (1) Boulder Common Share;

"**Seismic Data**" means any and all interpretive geological, geophysical, technical or seismic data whatsoever including all 2D seismic lines and 3D seismic surveys and all associated field tapes, stack tapes, processed record sections, operator's reports, survey notes, shot point location maps and any other original seismic material associated with them;

"**Share Incentive Plan**" means the restricted share incentive plan of DeeThree;

"**Share Incentive Plan Resolution**" means the ordinary resolution of DeeThree Shareholders approving the Share Incentive Plan to be considered at the Meeting;

"**Spin-Out Assets**" means, collectively, the Petroleum and Natural Gas Rights, the Tangibles and the Miscellaneous Interests;

"**Subsidiary**" means, at any particular time, a Person controlled, directly or indirectly, by DeeThree or Boulder, as applicable;

"**Surface Rights**" means all rights of DeeThree to enter upon, use, occupy and enjoy the surface of any lands for purposes related to the use, ownership or operation of the Petroleum and Natural Gas Rights, the Tangibles or the Wells, or in order to gain access thereto, whether the same are held by lease, right-of-way or otherwise;

"**Tangibles**" means all of DeeThree's right, title and interest in and to:

(i) the Major Facilities; and

(ii) all tangible depreciable property, apparatus, plant, equipment, machinery, field inventory and facilities other than the Major Facilities, used or intended for use in, or otherwise useful in exploiting any Petroleum Substances from or within the Lands (whether the Petroleum and Natural Gas Rights to which such Petroleum Substances are allocated are owned by DeeThree or by others or both) and located within, upon or in the vicinity of the Lands (or any lands pooled or unitized therewith), including all gas plants, oil batteries, buildings, structures, fresh and produced water facilities, production equipment, production storage facilities, pipelines, flow lines, gathering lines and systems, pipeline connections, meters, generators, motors, compressors, treaters, scrubbers, dehydrators, separators, pumps, tanks, boilers, communication equipment and all salvageable equipment pertaining to any Wells located on the White Map Area;

"**Tax Act**" means the *Income Tax Act* (Canada), as amended, including the regulations promulgated thereunder;

"**Tax Convention**" means any bilateral tax convention to which Canada is a party that is in force as at the Effective Time;

"**Tax Proposals**" means all specific proposals to amend the Tax Act that have been announced or published by or on behalf of the Minister of Finance (Canada) prior to the Effective Time;

"**Title Documents**" means, collectively, any and all certificates of title, leases, reservations, permits, licences, assignments, trust declarations, operating agreements, royalty agreements, gross overriding royalty agreements, participation agreements, farm-in and farmout agreements, sale and purchase agreements, pooling agreements, net profits agreements, net carried interest agreements and any other documents and agreements granting, reserving or otherwise conferring rights to (i) explore for, drill for, produce, take, use or market Petroleum Substances, (ii) share in the production of Petroleum Substances, (iii) share in the proceeds from, or measured or calculated by reference to the value or quantity of, Petroleum Substances which are produced, and (iv) rights to acquire any of the rights described in items (i) to (iii) of this definition; but only if and to the extent the foregoing pertain in whole or in part to Petroleum Substances within, upon or under the Lands;

"**Trading Day**" means a day, other than a Saturday or a Sunday, when the TSX is open for trading;

"**Trading Price**" means the trading price of a DeeThree Common Share, New DeeThree Common Share or Boulder Share, as the case may be, on the TSX on the applicable date and, for greater certainty, such trading price may be determined by reference to trading of the New DeeThree Common Shares or Boulder Common Shares, as the case may be, on an "if, as and when issued" basis;

"**Transfer Agent**" means Computershare Trust Company of Canada, as registrar and transfer agent of DeeThree, or such other Person as may be designated by DeeThree;

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

"**VWAP**" means volume-weighted average Trading Price;

"**Wells**" means all producing, shut-in, water source, observation, suspended, abandoned, capped, injection, reclaimed, disposal and other wells located in the White Map Area; and

"**White Map Area**" means the areas outlined in red on the map attached as Schedule "A-1" of the Conveyance Agreement.

1.2 Construction

In this Plan of Arrangement, unless otherwise expressly stated or the context otherwise requires:

(a) the division of this Plan of Arrangement into Articles, Sections and Subsections and the use of headings are for convenience of reference only and do not affect the construction or interpretation hereof;

(b) the words "hereunder", "hereof" and similar expressions refer to this Plan of Arrangement and not to any particular Article, Section or Subsection and references to "Articles", "Sections" and "Subsections" are to Articles, Sections and Subsections of this Plan of Arrangement;

(c) words importing the singular include the plural and vice versa, and words importing any gender include all genders and the neuter;

(d) the word "including", when following any general term or statement, is not to 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 referring to all other items or matters that could reasonably fall within the broadest possible scope of the general term or statement; and

(e) a reference to a statute or code includes every regulation made pursuant thereto, all amendments to the statute or code or to any such regulation in force from time to time, and any statute, code or regulation which supplements or supersedes such statute, code or regulation.

1.3 Schedules

The following are the Schedules to this Plan of Arrangement:

Appendix "A" - Share Conditions attaching to DeeThree Common Shares, DeeThree Preferred Shares, New DeeThree Common Shares, and DeeThree Special Shares
Appendix "B" - Share Conditions attaching to Boulder Common Shares, Boulder Preferred Shares, and the Boulder Special Shares
Appendix "C" - Directors of Boulder
Appendix "D" - By-laws of Boulder

ARTICLE 2 - ARRANGEMENT AGREEMENT

2.1 Arrangement Agreement

(1) This Plan of Arrangement is made pursuant to, is subject to the provisions of and forms part of, the Arrangement Agreement.

(2) This Plan of Arrangement, upon the filing of the Articles of Arrangement and the issuance of the Certificate of Arrangement, will become effective at, and be binding at and after, the Effective Time.

(3) The Articles of Arrangement and the Certificate of Arrangement shall be filed and issued, respectively, with respect to the Arrangement in its entirety. The Certificate of Arrangement shall be conclusive evidence that the Arrangement has become effective and that each of the provisions of Article 3 has become effective in the sequence and at the times set out therein.

(4) Other than as expressly provided for herein, no portion of this Plan of Arrangement shall take effect with respect to any Party or Person until the Effective Time. Further, each of the events listed in Article 3 shall be, without affecting the timing set out in Article 3, mutually conditional, such that no event described in Article 3 may occur without all steps occurring, and those events shall effect the integrated transaction which constitutes the Arrangement.

ARTICLE 3 - THE ARRANGEMENT

3.1 Arrangement

(1) Commencing at the Effective Time, the events and transactions set out in Subsections 3.1(1)(a) to 3.1(1)(t), inclusive, will occur and be deemed to occur, unless otherwise provided, in the order set out below, without any further act or formality, and with each event or transaction occurring and being deemed to occur immediately after the occurrence of the immediately preceding event or transaction:

(a) the DeeThree Common Shares held by any Dissenting Shareholders, who duly exercise their Dissent Rights and who are ultimately entitled to be paid fair value for those DeeThree Common Shares, will be deemed to have been transferred to DeeThree and cancelled and will cease to be outstanding at the Effective Time, and such Dissenting Shareholders will cease to have any rights as DeeThree Shareholders other than the right to be paid the fair value for their DeeThree Common Shares by DeeThree;

(b) all outstanding Out-of-Money DeeThree Options shall be terminated in consideration of $0.001 per each Out-of-Money DeeThree Option so terminated, and neither DeeThree or Boulder shall have any further liabilities or obligations to the former DeeThree Option holders thereof with respect thereto;

(c) the DeeThree Stock Option Plan shall be terminated and all outstanding In-the-Money DeeThree Options shall be exchanged for Replacement Options in such a manner that:

(i) holders of DeeThree Options will receive no consideration for the exchange of their DeeThree Options other than the Replacement Options;

(ii) the original exercise price of each DeeThree Option Holders DeeThree Options will be allocated to the Replacement Option such that an amount equal to the Exercise Price Proportion of such original exercise price (rounded up to the nearest whole cent) will be payable to Boulder for each one-half (0.5) of a Boulder Common Share acquired under the Replacement Options and an amount equal to the remainder of the original exercise price (rounded down to the nearest whole cent) will be payable to DeeThree for each one-third (0.3333) of a New DeeThree Common Share acquired under the Replacement Options;

(iii) the expiry date of the Replacement Option will be the same as that of the corresponding DeeThree Option;

(iv) the other material commercial terms and conditions of the Replacement Options will generally parallel those of the DeeThree Options; and

(v) all outstanding In-the-Money DeeThree Options shall be cancelled upon the foregoing exchange;

(d) the articles of Boulder will be amended to cancel the Boulder Preferred Shares, and to create and authorize the issuance of the Boulder Special Shares with the rights, privileges, restrictions and conditions set out in Appendix “B” to this Plan of Arrangement;

(e) the articles of DeeThree will be amended to change the designation of the DeeThree Common Shares from “Common Shares” to “Class A Common Shares”, to cancel the DeeThree Preferred Shares, and to create and authorize the issuance of (in addition to the shares that DeeThree is authorized to issue immediately before such amendment) the following two new classes of shares:

(i) an unlimited number of New DeeThree Common Shares; and

(ii) an unlimited number of DeeThree Special Shares,

each new class having the rights, privileges, restrictions and conditions as set out in Appendix "A" to this Plan of Arrangement;

(f) each Class A Common Share outstanding at the Effective Date held by a Participating Shareholder will be exchanged (without any action on the part of the holder of the Class A Common Shares) for one-third (0.3333) of one (1) New DeeThree Common Share and one-half (0.5) of one (1) DeeThree Special Share, such that:

(i) the aggregate addition to the stated capital accounts of the New DeeThree Common Shares and the DeeThree Special Shares issued by DeeThree will equal the PUC of the former Class A Common Shares (excluding any DeeThree Common Shares transferred to DeeThree pursuant to Section 3.1(1)(a)) immediately before the exchanged described in this Section 3.1(1)(f). Such PUC amount will be allocated between the New DeeThree Common Shares and the DeeThree Special Shares based on the proportion that the fair market value of the New DeeThree Common Shares or the DeeThree Special Shares, as the case may be, is of the fair market value of all new shares issued by DeeThree on the exchange described in this Section 3.1(1)(f);

(ii) no other consideration will be received by any holder of such DeeThree Common Shares; and

(iii) the Class A Common Shares so exchanged will be cancelled.

(g) the New DeeThree Common Shares will, outside and not as part of this Plan of Arrangement, continue to be listed for trading on the TSX, and, for greater certainty, such continued listing will be effective before the redemption of the DeeThree Special Shares pursuant to Section 3.1(1)(k) and the redemption of the Boulder Special Shares pursuant to Section 3.1(1)(j);

(h) each Participating Shareholder will transfer to Boulder, with good and marketable title thereto and free from any Encumbrances, all such Participating Shareholder's DeeThree Special Shares and, as the sole consideration therefor, Boulder will issue in exchange one (1) Boulder Common Share for each one (1) DeeThree Special Share so transferred and at the time of such transfer the stated capital amount for the Boulder Common Shares will be increased by an amount equal to the aggregate PUC of the transferred DeeThree Special Shares;

(i) DeeThree will transfer the Spin-Out Assets to Boulder in consideration for (A) the Boulder Non-Share Consideration and (B) the issuance of Boulder Special Shares by Boulder to DeeThree, having an aggregate redemption amount equal to the fair market value of the Spin-Out Assets at the time of transfer less the amount of any Boulder Non-Share Consideration;

(i) in respect of such transfer DeeThree will jointly elect with Boulder in prescribed and within the time allowed by subsection 85(6) of the Tax Act, to have the provisions of subsection 85(1) of the Tax Act apply to the transfer of the Spin-Out Assets;

(ii) the amount added to the stated capital in respect of the Boulder Special Shares issued as consideration on the transfer of the Spin-Out Assets will equal the amount DeeThree and Boulder agree to in their election

referred to above less an amount equal to the fair market value of the Boulder Non-Share Consideration; if any,

(j) Boulder will redeem for cancellation all of the outstanding Boulder Special Shares held by DeeThree for an amount equal to the aggregate redemption amount (as determined pursuant to the articles of Boulder) for such Boulder Special Shares and will issue to DeeThree as the sole consideration therefor a non-interest bearing demand promissory note (the "**Boulder Redemption Note**") in a principal amount equal to such aggregate redemption amount. The amount of any deemed dividend resulting from the application of subsection 84(3) of the Tax Act to the redemption of all of the outstanding Boulder Special Shares is hereby designated by Boulder as an Eligible Dividend;

(k) DeeThree will redeem for cancellation all of the outstanding DeeThree Special Shares held by Boulder for an amount equal to the aggregate redemption amount (as determined pursuant to the articles of DeeThree) for such DeeThree Special Shares and will issue to Boulder as the sole consideration therefor a non-interest bearing demand promissory note (the "**DeeThree Redemption Note**") in a principal amount equal to such aggregate redemption amount. The amount of any deemed dividend resulting from the application of subsection 84(3) of the Tax Act to the redemption of all of the outstanding DeeThree Special Shares is hereby designated by DeeThree as an Eligible Dividend;

(l) DeeThree will repay the principal amount of the DeeThree Redemption Note by transferring to Boulder the Boulder Redemption Note, and the Boulder Redemption Note will be accepted by Boulder in full and absolute payment, satisfaction and discharge of DeeThree's obligations under the DeeThree Redemption Note. Simultaneously, Boulder will repay the principal amount of the Boulder Redemption Note by transferring to DeeThree the DeeThree Redemption Note, and the DeeThree Redemption Note will be accepted by DeeThree in full and absolute payment, satisfaction and discharge of Boulder's obligations under the Boulder Redemption Note. The DeeThree Redemption Note and the Boulder Redemption Note will thereupon be cancelled;

(m) the articles of DeeThree will be amended to remove all of the DeeThree Special Shares and Class "A" Common Shares from the authorized capital of DeeThree (and to remove all references to the DeeThree Special Shares and Class "A" Common Shares), such that, following such amendment, DeeThree will be authorized to issue an unlimited number of New DeeThree Common Shares;

(n) the articles of Boulder will be amended to remove all of the Boulder Special Shares from the authorized capital of Boulder (and to remove all references to the Boulder Special Shares), such that, following such amendment, Boulder will be authorized to issue an unlimited number of Boulder Common Shares;

(o) the directors of Boulder will be those persons listed in Appendix "C" to this Plan of Arrangement;

(p) the directors of Boulder will have the authority to appoint one or more additional directors of Boulder, who will hold office for a term expiring not later than the close of the next annual meeting of shareholders of Boulder, but the total number of directors so appointed may not exceed one third of the number of Persons who become directors of Boulder as contemplated by subsection 3.1(1)(o);

(q) the by-laws of Boulder will be the by-laws set out in Appendix "D" to this Plan of Arrangement, and such by-laws are hereby deemed to have been confirmed by the shareholders of Boulder;

(r) KPMG LLP will be the initial auditors of Boulder, to hold office until the close of the first annual meeting of shareholders of Boulder, or until KPMG LLP resigns as contemplated by Section 164 of the ABCA or are removed from office as contemplated by Section 165 of the ABCA, and the directors of Boulder will be authorized to fix their remuneration;

(s) the registered office of Boulder shall be located at 1000, 250 - 2nd Street S.W., Calgary, Alberta, T2P 0C1; and

(t) while each DeeThree Shareholder's fractional Boulder Common Shares will be combined, no fractional shares will be issued and DeeThree Shareholders will not receive any compensation in lieu thereof. The name of each DeeThree Shareholder who is so deemed to exchange his, her or its DeeThree Common Shares, shall be removed from the central securities register of DeeThree Common Shares with respect to the DeeThree Common Shares so exchanged and shall be added to the central securities registers of New DeeThree Common Shares and Boulder Common Shares as the holder of the number of New DeeThree Common Shares and Boulder Common Shares, deemed to have been received on the exchange. The aggregate PUC of the New DeeThree Common Shares will be equal to the paid up capital of the DeeThree Common Shares immediately prior to the reorganization less the fair market value of the Boulder Common Shares.

(2) All amounts of stated capital for purposes of the ABCA to be determined under this Plan of Arrangement will be determined in accordance with the authorization of the board of directors of the applicable corporation, subject to the limitations in this Plan of Arrangement.

(3) Outside and not as part of this Plan of Arrangement, the articles of Boulder will be restated and the restated articles of Boulder will be filed with the Registrar pursuant to Section 180 of the ABCA.

(4) Outside and not as part of this Plan of Arrangement, the articles of DeeThree will be restated and the restated articles of DeeThree will be filed with the Registrar pursuant to Section 180 of the ABCA.

ARTICLE 4 - CERTIFICATES AND PAYMENTS

4.1 Entitlement to Share Certificates and Payments

(1) Upon the Arrangement becoming effective, from and including the Effective Date, share certificates previously representing DeeThree Common Shares that were exchanged in accordance with the provisions of this Plan of Arrangement will represent the New DeeThree Common Shares and Boulder Common Shares to be issued to DeeThree Shareholders under this Plan of Arrangement.

(2) As soon as practicable following the later of the Effective Date and the surrender to the Depositary for cancellation of a certificate that immediately prior to the Effective Time representing outstanding DeeThree Common Shares, together with a duly completed Letter of Transmittal and such additional documents and instruments as the Depositary may reasonably require and such other documents and instruments as would have been

required to effect such transfer under the ABCA, the *Securities Transfer Act* (Alberta) and the articles of DeeThree, the former holder of such DeeThree Common Shares shall be entitled to receive in exchange therefor, and the Depositary shall deliver to such holder following the Effective Time, or, if requested by such former holder in the Letter of Transmittal, make available for pick up at its offices during normal business hours, the DRS Advices representing the New DeeThree Common Shares and Boulder Common Shares.

(3) Subject to Section 4.3, until surrendered as contemplated by this Section, each certificate which immediately prior to the Effective Time represented DeeThree Common Shares will be deemed after the time described 4.1(1) to represent only the right to receive from the Depositary upon such surrender the DRS Advices representing the New DeeThree Common Shares and Boulder Common Shares.

(4) DeeThree will cause the Depositary, as soon as practicable after the Effective Date, to:

(a) forward or cause to be forwarded by first class mail (postage paid) to such former holder at the address specified in the Letter of Transmittal;

(b) if requested by such former holder in the Letter of Transmittal make available at the offices of the Depositary specified in the Letter of Transmittal; or

(c) if the Letter of Transmittal neither specifies an address as described in 4.1(4)(a) nor contains a request as described in 4.1(1)(4)(b), forward or cause to be forwarded by first class mail (postage paid) to such former holder at the address of such former holder as shown on the applicable securities register maintained by or on behalf of DeeThree immediately prior to the Effective Time;

a DRS Advice representing the New DeeThree Common Shares and a DRS Advice representing the Boulder Common Shares in accordance with the provisions hereof.

4.2 Loss of Certificates

(1) If any certificate which immediately prior to the Effective Time represented an interest in outstanding DeeThree Common Shares that were exchanged for New DeeThree Common Shares and Boulder Common Shares pursuant to the provisions of this Plan of Arrangement has been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such certificate to have been lost, stolen or destroyed, the Depositary will issue and deliver in exchange for such lost, stolen or destroyed certificate the consideration to which the holder is entitled pursuant to the Arrangement (and any dividends or distributions with respect thereto) as determined in accordance with the Arrangement. The Person who is entitled to receive such consideration shall, as a condition precedent to the receipt thereof, give a bond to each of DeeThree and Boulder and the Depositary, which bond is in form and substance satisfactory to each of DeeThree and Boulder and their respective transfer agents, or shall otherwise indemnify DeeThree and Boulder and their respective transfer agents against any claim that may be made against any of them with respect to the certificate alleged to have been lost, stolen or destroyed.

4.3 Extinction of Rights

(1) If any former DeeThree Shareholder fails to deliver to the Depositary the certificates, documents or instruments required to be delivered to the Depositary under Section 4.1 or Section 4.2 in order for such former DeeThree Shareholder to receive the New DeeThree Common Shares and Boulder Common Shares which such former holder is entitled to

receive pursuant to Section 3.1, on or before the sixth anniversary of the Effective Date, on the sixth anniversary of the Effective Date (i) such former holder will be deemed to have donated and forfeited to DeeThree and Boulder or their respective successors any New DeeThree Common Share and Boulder Common Share held by the Depositary in trust for such former holder to which such former holder is entitled and (ii) any certificate representing DeeThree Common Shares formerly held by such former holder will cease to represent a claim of any nature whatsoever and will be deemed to have been surrendered to DeeThree and Boulder and will be cancelled. Neither DeeThree nor Boulder, or any of their respective successors, will be liable to any person in respect of any New DeeThree Common Share or Boulder Common Share which is forfeited to DeeThree or Boulder or delivered to any public official pursuant to any applicable abandoned property, escheat or similar Law.

ARTICLE 5 - AMENDMENTS

5.1 Amendments

(1) Subject to compliance with the terms of this Article 5, DeeThree and Boulder may amend, modify or supplement this Plan of Arrangement at any time provided that each such amendment must be: (i) set out in writing; (ii) approved by the other parties; and (iii) filed with the Court.

(2) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by DeeThree and Boulder at any time prior to or at the Meeting (provided that the other parties to the Arrangement Agreement shall have consented thereto) with or without any other prior notice or communication to Shareholders, and if so proposed and accepted by the Persons voting at the Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.

(3) DeeThree and Boulder may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time after the Meeting but prior to the Effective Time with the approval of the Court and, if and as required by the Court, after communication to Shareholders.

(4) Any amendment, modification or supplement to this Plan of Arrangement may be made at any time following the Effective Time, but prior to the restatement of the articles of DeeThree and Boulder, by DeeThree and Boulder without the approval of the Court, the DeeThree Shareholders or the shareholders of Boulder, provided that it concerns a matter which, in the reasonable opinion of DeeThree and Boulder, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement or is not adverse to the financial or economic interests of any holder or former holder of DeeThree Common Shares or any holder of Boulder Common Shares.

APPENDIX "A"

Share Conditions attaching to DeeThree Common Shares, DeeThree Preferred Shares New DeeThree Common Shares, and DeeThree Special Shares at the time of the amendment contemplated in Subsection 3.1(1)(e)

1. The rights, privileges, restrictions and conditions attaching to the DeeThree Common Shares (hereinafter in this Appendix "A" referred to as the "Common Shares") are as follows:

   (a) The Corporation is authorized to issue an unlimited number of Common Shares without nominal or par value to which shares shall be attached the right to:

      (i) vote at any meeting of shareholders of the Corporation;

      (ii) receive any dividend declared by the Corporation; and

      (iii) receive the remaining property of the Corporation upon dissolution.

2. The Corporation is authorized to issue an unlimited number of DeeThree Preferred Shares (hereinafter in this Appendix "A" referred to as the "Preferred Shares") which, as a class, have attached thereto the following attributes:

   (a) the Preferred Shares may from time to time be issued in one or more series, and the Directors may fix from time to time before such issue the number of Preferred Shares which is to comprise each series and the designation, rights, privileges, restrictions and conditions attaching to each series of Preferred Shares including, without limiting the generality of the foregoing, any voting rights, the rate or amount of dividends or the method of calculating dividends, the dates of payment thereof, the terms and conditions of redemption, purchase and conversion, if any, and any sinking fund or other provisions;

   (b) the Preferred Shares of each series shall, with respect to the payment of dividends and the distribution of assets or return of capital in the event of liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other return of capital or distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, be entitled to preference over the Common Shares, and over any other shares of the Corporation ranking by their terms junior to the Preferred Shares. The Preferred Shares of any series may also be given such other preferences, not inconsistent with these Articles, over the Common Shares, and any other shares of the Corporation ranking by their terms junior to the Preferred Shares as may be fixed in accordance with subclause (a) above; and

   (c) if any cumulative dividends or amounts payable on the return of capital in respect of a series of Preferred Shares are not paid in full, all series of Preferred Shares shall participate rateably in respect of accumulated dividends and return of capital.

3. The rights, privileges, restrictions and conditions attaching to the New DeeThree Common Shares are as follows:

   (a) **Dividends:** Subject to the prior rights of the holders of any shares ranking senior to the New DeeThree Common Shares or the Common Shares with respect to priority in the payment of dividends, the holders of the New Class A Common Shares and Common Shares shall be entitled to receive dividends and the Corporation shall pay dividends thereon as and when declared by the board of directors of the Corporation out of moneys properly applicable to the payment of dividends in such amount and in such form as the directors may from time to time determine.

(b) **Dissolution:** In the event of the dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, or any other distribution of property of the Corporation among its shareholders for the purpose of winding up its affairs and subject to the prior rights of the holders of any shares ranking senior to the New DeeThree Common Shares or the Common Shares with respect to priority in the distribution of property upon dissolution, liquidation, winding up or distribution for the purposes of winding up, the holders of the New DeeThree Common Shares and the Common Shares at the time outstanding shall be equally entitled to receive the remaining property and assets of the Corporation on an equal basis per share.

(c) **Voting:** The holders of the New DeeThree Common Shares shall be entitled to receive notice of and to attend all meetings of the shareholders of the Corporation and shall have one vote for each New DeeThree Common Share held at all meetings of the shareholders of the Corporation, except for meetings at which or for matters with respect to which only holders of another specified class or series of shares of the Corporation are entitled to vote separately as a class or series.

(d) **Restriction on Subdivision, Consolidation:** Neither the New DeeThree Common Shares nor the Common Shares shall be subdivided, consolidated, reclassified or otherwise changed unless, contemporaneously therewith, the other class of shares is subdivided, consolidated, reclassified or otherwise changed in the same proportion or in the same manner.

(e) **Equality:** With the exception of voting privileges, the New DeeThree Common Shares and the Common Shares shall have the same rights and attributes and be the same in all respects.

4. The rights, privileges, restrictions and conditions attaching to the DeeThree Special Shares (hereinafter in this Appendix "A" referred to as the "Special Shares") are as follows:

(a) **Dividends:** The holders of Special Shares shall be entitled to receive non-cumulative cash dividends if, as and when declared by the board of directors of the Corporation out of the assets of the Corporation lawfully applicable to the payment of dividends in such amounts and payable in such manner as the board of directors may from time to time determine. Subject to the rights of the holders of any other class of shares of the Corporation entitled to receive dividends in priority to or concurrently with the holders of the Special Shares, the board of directors may, in its sole discretion, declare dividends on the Special Shares to the exclusion of any other class of shares of the Corporation. No dividends may be paid on any other class of shares of the Corporation if the realizable value of the net assets of the Corporation after the payment of the dividends would be less than the aggregate of the DeeThree Special Share Redemption Amount (as defined below) relating to all the Special Shares then outstanding.

(b) **Liquidation:** In the event of the liquidation, dissolution or winding up of the Corporation, or other distribution of the property and assets of the Corporation among its shareholders for the purpose of winding up its affairs, whether on a voluntary or involuntary basis, the holders of Special Shares shall be entitled to a payment in priority to all other classes of shares of the Corporation of an amount per Special Share equal to the DeeThree Special Share Redemption Amount (as defined below) to the extent of the amount of value of the property and assets of the Corporation lawfully available for distribution to its shareholders. Except for a distribution in the amount of the DeeThree Special Share Redemption Amount as aforesaid, the holders of Special Shares shall not as such be entitled to receive or participate in any distribution of the property and assets of the Corporation among its shareholders.

(c) **Redemption:** Subject to the provisions of the *Business Corporations Act* (Alberta), the Corporation may at any time and from time to time redeem all of any part of the Special Shares at an amount per share (which shall be paid in money or, at the discretion of the Corporation, by the issuance of one or more promissory notes) equal to the DeeThree Special Share Redemption Amount (as hereinafter defined). The DeeThree Special Share Redemption Amount shall be an amount equal to: (i) the aggregate of the fair market value of the Class A Common Shares outstanding immediately before the exchange of such shares pursuant to section 3.1(1)(f) of the plan of arrangement involving the Corporation, its shareholders, Boulder Energy Ltd. (the "Plan"); multiplied by (ii) the Butterfly Proportion; then divided by (iii) the number of issued and outstanding Special Shares; and plus (iv) the amount of any declared but unpaid dividends per issued and outstanding Special Share.

(d) **Retraction:** Subject to the provisions of the *Business Corporations Act* (Alberta), every registered holder of Special Shares may at any time, at the option of such holder, require the Corporation to redeem the whole or any part of the Special Shares registered in such holder's name by depositing with the Corporation an irrevocable written request for the same, together with the share certificate or certificates, if any, representing the Special Shares to be redeemed. Upon receipt of such request and certificate or certificates the Corporation shall, subject to the provisions of the *Business Corporations Act* (Alberta), redeem such Specials Shares and pay such holder the DeeThree Special Share Redemption Amount for each Special Share so redeemed.

(e) **Cancellation:** Any Special Shares that are redeemed by the Corporation pursuant to any of the provisions hereof shall for all purposes be considered to have been redeemed on, and shall be cancelled concurrently with, the payment by the Corporation to or to the benefit of the holder thereof of the DeeThree Special Share Redemption Amount.

(f) **Voting:** Subject to the provisions of the *Business Corporations Act* (Alberta), the holders of Special Shares shall not be entitled to receive notice of or attend or vote at any meetings of the shareholders of DeeThree.

(g) **Specified Amount:** For purposes of Subsection 191(4) of the *Income Tax Act* (Canada) the amount specified in respect of each Special Share shall be the amount specified by an officer or director of the Corporation in a certificate that is made (i) effective concurrently with the issuance of such Special Share and (ii) pursuant to a resolution of the board of directors of the Corporation authorizing the issuance of such Special Share, such amount to be expressed as a dollar amount (and not as a formula) that is equal to the fair market value of the consideration for which such Special Share is issued.

APPENDIX "B"

Share Conditions attaching to the Boulder Common Shares, Boulder Preferred Shares, and Boulder Special Shares at the time of the amendment contemplated in subsection 3.1(1)(d)

1. The rights, privileges, restrictions and conditions attaching to the Boulder Common Shares (hereinafter in this Appendix “B” referred to as the “Common Shares”) are as follows:

   (a) an unlimited number of Common Shares, the holders of which are entitled:

      (i) to receive notice of and to attend and vote at all meetings of shareholders, except meetings at which only holders of a specified class of shares are entitled to vote;

      (ii) to receive any dividend declared by the Corporation on this class of share; provided that the Corporation shall be entitled to declare dividends on the Preferred Shares, or on any of such classes of shares without being obliged to declare any dividends on the Common Shares of the Corporation; and

      (iii) subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Corporation, to receive the remaining property of the Corporation upon dissolution in equal rank with the holders of all other Common Shares of the Corporation.

2. The Board of Directors is authorized to issue an unlimited number of Boulder Preferred Shares (hereinafter in this Appendix “B” referred to as the “Preferred Shares”), which as a class, have attached thereto the following rights, privileges, restrictions and conditions:

   (a) the Preferred Shares may from time to time be issued in one or more series, and the Directors may fix from time to time before such issue the number of Preferred Shares which is to comprise each series and the designation, rights, privileges, restrictions and conditions attaching to each series of Preferred Shares including, without limiting the generality of the foregoing, any voting rights, the rate or amount of dividends or the method of calculating dividends, the dates of payment thereof, the terms and conditions of redemption, purchase and conversion if any, and any sinking fund or other provisions;

   (b) the Preferred Shares of each series shall, with respect to the payment of dividends and the distribution of assets or return of capital in the event of liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other return of capital or distribution of the assets of the Corporation amongst its shareholders for the purpose of winding up its affairs, be entitled to preference over the voting and non-voting Common Shares and over any other shares of any series may also be given such other preferences, not inconsistent with these Articles, over the Common Shares and any other such Preferred Shares as may be fixed in accordance with clause (2)(a); and

   (c) if any cumulative dividends or amounts payable on the return of capital in respect of a series of Preferred Shares are not paid in full, all series of Preferred Shares shall participate rateably in respect of accumulated dividends and return of capital.

3. The rights, privileges, restrictions and conditions attaching to the Boulder Special Shares (hereinafter in this Appendix “B” referred to as the “Special Shares”) are as follows:

(a) **Dividends:** The holders of Special Shares shall be entitled to receive non-cumulative cash dividends if, as and when declared by the board of directors of the Corporation out of the assets of the Corporation lawfully applicable to the payment of dividends in such amounts and payable in such manner as the board of directors may from time to time determine. Subject to the rights of the holders of any other class of shares of the Corporation entitled to receive dividends in priority to or concurrently with the holders of the Special Shares, the board of directors may, in its sole discretion, declare dividends on the Special Shares to the exclusion of any other class of shares of the Corporation. No dividends may be paid on any other class of shares of the Corporation if the realizable value of the net assets of the Corporation after the payment of the dividends would be less than the aggregate of the Boulder Special Share Redemption Amount (as defined below) relating to all the Special Shares then outstanding.

(b) **Liquidation:** In the event of the liquidation, dissolution or winding up of the Corporation, or other distribution of the property and assets of the Corporation among its shareholders for the purpose of winding up its affairs, whether on a voluntary or involuntary basis, the holders of Special Shares shall be entitled to a payment in priority to all other classes of shares of the Corporation of an amount per Special Share equal to the Boulder Special Share Redemption Amount (as defined below) to the extent of the amount of value of the property and assets of the Corporation lawfully available for distribution to its shareholders. Except for a distribution in the amount of the Boulder Special Share Redemption Amount as aforesaid, the holders of Special Shares shall not as such be entitled to receive or participate in any distribution of the property and assets of the Corporation among its shareholders.

(c) **Redemption:** Subject to the provisions of the *Business Corporations Act* (Alberta), the Corporation may at any time and from time to time redeem all of any part of the Special Shares at an amount per share (which shall be paid in money or, at the discretion of the Corporation, by the issuance of one or more promissory notes) equal to the Boulder Special Share Redemption Amount (as hereinafter defined). The Boulder Special Share Redemption Amount shall be an amount equal to: (i) the aggregate of the fair market value of the Spin-Out Assets, as defined in the Plan of Arrangement, (ii) less the amount of any Boulder Non-Share Consideration (as defined in the Plan of Arrangement) (iii) divided by the number of issued and outstanding Special Shares and plus (iv) the amount of any declared but unpaid dividends per issued and outstanding Special Share;

(d) **Retraction:** Subject to the provisions of the *Business Corporations Act* (Alberta), every registered holder of Special Shares may at any time, at the option of such holder, require the Corporation to redeem the whole or any part of the Special Shares registered in such holder's name by depositing with the Corporation an irrevocable written request for the same, together with the share certificate or certificates, if any, representing the Special Shares to be redeemed. Upon receipt of such request and certificate or certificates the Corporation shall, subject to the provisions of the *Business Corporations Act* (Alberta), redeem such Specials Shares and pay such holder the Boulder Special Share Redemption Amount for each Special Share so redeemed.

(e) **Cancellation:** Any Special Shares that are redeemed by the Corporation pursuant to any of the provisions hereof shall for all purposes be considered to have been redeemed on, and shall be cancelled concurrently with, the payment by the Corporation to or to the benefit of the holder thereof of the Boulder Special Share Redemption Amount.

(f) **Voting:** The holders of Special Shares shall be entitled to receive notice of and to attend all meetings of the shareholders of the Corporation and shall have ten votes for each Special Share held at all meetings of the shareholders of the Corporation, except for meetings at which or for matters with respect to which only holders of another specified

class or series of shares of the Corporation are entitled to vote separately as a class or series vote at any meetings of the shareholders of the Corporation.

(g) **Specified Amount:** For purposes of Subsection 191(4) of the *Income Tax Act* (Canada) the amount specified in respect of each Special Share shall be the amount specified by an officer or director of the Corporation in a certificate that is made (i) effective concurrently with the issuance of such Special Share and (ii) pursuant to a resolution of the board of directors of the Corporation authorizing the issuance of such Special Share, such amount to be expressed as a dollar amount (and not as a formula) that is equal to the fair market value of the consideration for which such Special Share is issued.

APPENDIX "C"

Directors of Boulder

Name	Canadian Resident
Martin Cheyne	Yes
Michael Kabanuk	Yes
Dennis Nerland	Yes
Bradley Porter	Yes
Henry Hamm	Yes
Brendan Carrigy	Yes
Kevin Andrus	No

APPENDIX "D"

By-Laws of Boulder

BY-LAW NO. 1

A by-law relating generally to the conduct of the business and affairs of Boulder Energy Ltd.

DIRECTORS AND OFFICERS

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, chief executive officer 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. 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) **Quorum** - Subject to the residency requirements contained in the Business Corporations Act, the quorum for the transaction of business at any meeting of the board shall consist of a majority of the number of directors then elected or appointed or such greater or lesser number of directors as the board may from time to time determine.

3) **Place of Meeting** - Meetings of the board may be held in or outside Canada.

4) **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.

5) **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 Business Corporations Act.

6) **Appointment of Officers** - Subject to the articles of the Corporation (the “Articles”) and any unanimous shareholder agreement, the board may from time to time appoint a president, chief executive officer, chief financial officer, one or more vice-presidents (to which title may be added words indicating seniority or function), a secretary, a treasurer and such other officers as the board may determine, including one or more assistants to any of the officers so appointed. The board may specify the duties of and, in accordance with this by-law and subject to the provisions of the Business Corporations Act, delegate to such officers powers to manage the business and affairs of the Corporation. Subject to the provisions of this by-law, an officer may but need not be a director and one person may hold more than one office.

7) **Chairman of the Board** - The board may from time to time also appoint a chairman of the board who shall be a director. If appointed, the board may assign to him any of the powers and duties that are by any provisions of this by-law assigned to the managing director or to the president; and he shall, subject to the provisions of the Business Corporations Act, have such other powers and duties as the board may specify. During the absence or disability of the chairman of the board, his duties shall be performed and his powers exercised by the managing director, if any, or by the president.

8) **Managing Director** - The board may from time to time appoint a managing director who shall be a resident Canadian and a director. If appointed, he shall have such powers and duties as the board may specify.

9) **President** - If appointed, the president shall be the chief operating officer and, subject to the authority of the board, shall have general supervision of the business of the Corporation; and he shall have such other powers and duties as the board may specify. During the absence or disability of the president, or if no president has been appointed, the managing director shall also have the powers and duties of that office.

10) **Vice-President** - A vice-president shall have such powers and duties as the board or the chief executive officer may specify.

11) **Secretary** - The secretary shall attend and be the secretary of all meetings of the board, shareholders and committees of the board and shall enter or cause to be entered in records kept for that purpose minutes of all proceedings thereat; he shall give or cause to be given, as and when instructed, all notices to shareholders, directors, officers, auditors and members of committees of the board; he shall be the custodian of the stamp or mechanical device generally used for affixing the corporate seal of the Corporation and of all books, papers, records, documents and instruments belonging to the Corporation, except when some other officer or agent has been appointed for that purpose; and he shall have such other powers and duties as the board or the chief executive officer may specify.

12) **Treasurer** - The treasurer shall keep proper accounting records in compliance with the Business Corporations Act and shall be responsible for the deposit of money, the safekeeping of securities and the disbursement of the funds of the Corporation; he shall render to the board whenever required an account of all his transactions as treasurer and of the financial position of the Corporation; and he shall have such other powers and duties as the board or the chief executive officer may specify.

13) **Agents and Attorneys** - The board shall have the power from time to time to appoint agents and attorneys for the Corporation in or outside Canada with such powers as the board sees fit.

SHAREHOLDERS' MEETINGS

14) **Quorum** - Subject to the requirements of the Business Corporations Act, a quorum for the transaction of business at any meeting of the shareholders, irrespective of the number of persons actually present at the meeting, shall be one person present in person being a shareholder entitled to vote thereat or a duly appointed representative or proxyholder for an absent shareholder so entitled, and holding or representing in the aggregate not less than a majority of the outstanding shares of the Corporation entitled to vote at the meeting.

At such time as shares of the Corporation have been sold to the public, the quorum for the transaction of business at any meeting of the shareholders shall consist of at least two persons holding or representing by proxy not less than five (5%) percent of the outstanding shares of the Corporation entitled to vote at the meeting.

15) **Nomination of Directors** – Subject only to the 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 a special meeting was called was the election of directors:

i) by or at the direction of the board or an authorized officer of the Corporation, including pursuant to a notice of meeting;

ii) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Business Corporations Act, or a requisition of the shareholders made in accordance with the provisions of the Business Corporations Act; or

iii) by any person (a "Nominating Shareholder"): (A) who, at the close of business on the date of the giving of the notice provided for in this Section 15 and on the record date for the notice of such meeting, is entered in the securities register 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 (B) who complies with the notice procedures set forth in this Section 15.

(a) **Timely Notice** - In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the corporate secretary of the Corporation at the registered office of the Corporation in accordance with this Section 15.

b) **Manner of Timely Notice** - To be timely, a Nominating Shareholder's notice to the corporate secretary of the Corporation must be made

i) in the case of an annual meeting of shareholders, not less than 30 nor more than 65 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 tenth (10th) day following the Notice Date; and

ii) 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 fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made. In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder's notice as described above.

c) **Proper Form of Timely Notice** - To be in proper written form, a Nominating Shareholder's notice to the corporate secretary of the Corporation must set forth:

i) 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 or employment of the person; (iii) the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record 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; (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 Business Corporations Act and Applicable Securities Laws; and

ii) 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 share 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 Business Corporations Act and Applicable Securities Laws.

The Corporation may requires any proposed nominee to furnish such other information, including a written consent to act, as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent 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.

d) **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 this Section 15; provided, however that nothing in this Section 15 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 it would have been entitled to submit a proposal pursuant to the provisions of the 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.

e) **Terms** - For purposes of this Section 15:

i) "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 of Electronic Document Analysis and Retrieval at *www.sedar.com*; and

ii) "Applicable Securities Laws" means the Securities Act (British Columbia) and the equivalent legislation in the other provinces and in the territories 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 of the provinces and territories of Canada.

f) **Delivery of Notice** - Notwithstanding any other provision of this Section 15, notice given to the corporate secretary of the Corporation pursuant to this Section 15 may only be given by personal delivery, facsimile transmission or by email (at such email address as stipulated from time to time by the 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 secretary at the address of the registered 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 a delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

g) **Board Discretion** - Notwithstanding the foregoing, the board may, in its sole discretion, waive any requirement in this Section 15.

16) **Votes to Govern** - At any meeting of shareholders every question shall, unless otherwise required by the Business Corporations Act, be determined by the majority of votes cast on the question. In case of an equality of votes either upon a show of hands or upon a poll, the chairman of the meeting shall not be entitled a second or casting vote.

17) **Show of Hands** - Subject to the provisions of the Business Corporations Act, any question at a meeting of shareholders shall be decided by a show of hands unless a ballot thereon is required or demanded as hereinafter provided. Upon a show of hands every person who is present and entitled to vote shall have one vote per share. Whenever a vote by show of hands shall have been taken upon a question, unless a ballot thereon is so required or demanded, a declaration by the chairman of the meeting that the vote upon the question has been carried or carried by a particular majority or not carried and an entry to that effect in the minutes of the meeting shall be prima facie evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against any resolution or other proceeding in respect of the said question, and the result of the vote so taken shall be the decision of the shareholders upon the said question.

18) **Ballots** - On any question proposed for consideration at a meeting of shareholders, and whether or not a show of hands has been taken thereon, any shareholder or proxyholder entitled to vote at the meeting may require or demand a ballot. A ballot so required or demanded shall be taken in such manner as the chairman shall direct. A requirement or demand for a ballot may be withdrawn at any time prior to the taking of the ballot. If a ballot is taken each person present shall be entitled, in respect of the shares which he is entitled to vote at the meeting upon the question, to that number of votes provided by the Business Corporations Act or the Articles, and the result of the ballot so taken shall be the decision of the shareholders upon the said question.

MEETING BY TELEPHONE

19) **Directors and Shareholders** - A director may participate in a meeting of the board or of a committee of the board and a shareholder or any other person entitled to attend a meeting of shareholders may participate in a meeting of shareholders by means of telephone or other communication facilities that permit all persons participating in any such meeting to hear each other.

INDEMNIFICATION

20) **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 Business Corporations Act.

21) **Indemnity of Others** - Except as otherwise required by the Business Corporations Act and subject to paragraph 20, 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 contemplated 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.

22) **Right of Indemnity Not Exclusive** - The provisions for indemnification contained in 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.

23) **No liability of Directors or Officers for Certain Matters** - To the extent permitted by law, no director or officer 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.

DIVIDENDS

24) **Dividends** - Subject to the provisions of the Business Corporations Act, the board may from time to time declare dividends payable to the shareholders according to their respective rights and interests in the Corporation. Dividends may be paid in money or property or by issuing fully paid shares of the Corporation.

25) **Dividend Cheques** - A dividend payable in cash shall be paid by cheque drawn on the Corporation's bankers or one of them to the order of each registered holder of shares of the class or series in respect of which it has been declared and mailed by prepaid ordinary mail to such registered holder at his recorded address, unless such holder otherwise directs. In the case of joint holders the cheque shall, unless such joint holders otherwise direct, be made payable to the order of all such joint holders and mailed to them at their recorded address. The mailing of such cheque as aforesaid, unless the same is not paid on due presentation, shall satisfy and discharge the liability for the dividend to the extent of the sum represented thereby plus the amount of any tax which the Corporation is required to and does withhold.

26) **Non-Receipt of Cheques** - In the event of non-receipt of any dividend cheque by the person to whom it is sent as aforesaid, the Corporation shall issue to such person a replacement cheque for a like amount on such terms as to indemnify, reimbursement of expenses and evidence of non-receipt and of title as the board may from time to time prescribe, whether generally or in any particular case.

27) **Unclaimed Dividends** - Any dividend unclaimed after a period of 6 years from the date on which the same has been declared to be payable shall be forfeited and shall revert to the Corporation.

BANKING ARRANGEMENTS, CONTRACTS, DIVISIONS ETC.

28) **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.

29) **Execution of Instruments** - Contracts, documents or instruments in writing requiring execution by the Corporation may be signed by any one officer or director 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 either contracts, documents or instruments in writing generally or to sign either manually or by facsimile signature and/or counterpart signature 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 and all paper writings.

30) **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.

31) **Creation and Consolidation of Divisions** - The board may cause the business and operations of the Corporation or any part thereof to be divided or to be segregated into one or more divisions upon such basis, including without limitation, character or type of operation, geographical territory, product manufactured or service rendered, as the board may consider appropriate in each case. The board may also cause the business and operations of any such division to be further divided into sub-units and the business and operations of any such divisions or sub-units to be consolidated upon such basis as the board may consider appropriate in each case.

32) **Name of Division** - Any division or its sub-units may be designated by such name as the board may from time to time determine and may transact business, enter into contracts, sign cheques and other documents of any kind and do all acts and things under such name. Any such contracts, cheque or document shall be binding upon the Corporation as if it had been entered into or signed in the name of the Corporation.

33) **Officers of Divisions** - From time to time the board or a person designated by the board, may appoint one or more officers for any division, prescribe their powers and duties and settle their terms of employment and remuneration. The board or a person designated by the board, may remove at its or his pleasure any officer so appointed, without prejudice to such officers rights under any employment contract. Officers of divisions or their sub-units shall not, as such be officers of the Corporation.

MISCELLANEOUS

34) **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.

35) **Share Certificates, Acknowledgements and Direct Registration System** - Every shareholder of one or more shares of the Corporation shall be entitled, at the shareholder's option, to a share certificate that complies with the Business Corporations Act, or a non-transferable written acknowledgment that complies with the Business Corporations Act of the shareholder's right to obtain a share certificate from the Corporation in respect of the shares of the Corporation held by such shareholder in an amount as shown on the securities register of the Corporation. Any share certificate issued pursuant to this paragraph 35 shall be in such form as the board may from time to time approve, shall be signed by the Corporation in accordance with paragraph 29 and need not be under the corporate seal.

For greater certainty, but subject to paragraph 35, a registered shareholder may have his holdings of shares of the Corporation evidenced by an electronic, book-based, direct registration system or other non-certificated entry or position on the register of shareholders to be kept by the Corporation in place of a physical share certificate pursuant to such a registration system that may be adopted by the Corporation, in conjunction with its transfer agent. This by-law shall be read such that a registered holder of shares of the Corporation pursuant to any such electronic, book-based, direct registration service or other non-certificated entry or position shall be entitled to all of the same benefits, rights, entitlements and shall incur the same duties and obligations as a registered holder of shares evidenced by a physical share certificate. The Corporation and its transfer agent may adopt such policies and procedures and require such documents and evidence as they may determine necessary or desirable in order to facilitate the adoption and maintenance of a share registration system by electronic, book-based, direct registration system or other non-certificated means.

36) **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

37) **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; “Business Corporations Act” shall mean the *Business Corporations Act* (Alberta), R.S.A. 2000, c. B-9, 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 29.

APPENDIX "C"
Fairness Opinion of Cormark Securities Inc.

CORMARK SECURITIES INC.

April 7, 2015

Board of Directors
DeeThree Exploration Ltd.
2200, 520 - 3rd Avenue SW
Calgary, AB T2P 0R3

To the Board of Directors:

Cormark Securities Inc. ("Cormark Securities") understands that DeeThree Exploration Ltd. ("DeeThree" or the "Company") has entered into an arrangement agreement with Boulder Energy Ltd. ("Boulder") dated April 7, 2015 (the "Arrangement Agreement") whereby, among other things, DeeThree and Boulder will reorganize their respective share capital, certain assets of DeeThree will be acquired and certain liabilities will be assumed by Boulder and a series of share exchanges and redemptions will take place as a result of which each shareholder of DeeThree will have the same percentage shareholding in each of DeeThree and Boulder upon completion of the aforementioned transactions (the "Arrangement").

Under the terms of the Arrangement Agreement, Cormark Securities understands:

(a) each shareholder of DeeThree (a "DeeThree Shareholder") will be entitled to receive in respect of each outstanding DeeThree common share ("DeeThree Share") held: one-third (0.3333) of one (1) of a new class of common share of DeeThree and one-half (0.5) of one (1) common share of Boulder;

(b) the completion of the Arrangement will be conditional upon approval by:

(i) at least two-thirds (2/3) of the votes cast by the DeeThree Shareholders, present in person or voting by proxy, at a meeting of such holders;

(ii) the Alberta Court of Queen's Bench; and

(iii) the receipt of required regulatory, stock exchange and third party approvals.

The specific terms and conditions of, and other matters related to, the Arrangement are set forth in the Arrangement Agreement and will be more fully described in an information circular and proxy statement of DeeThree (the "Circular") to be mailed to DeeThree Shareholders in connection with a meeting of such holders.

Cormark Securities understands that members of the board of directors of the Company (the "Board"), officers of the Company and certain DeeThree Shareholders owning an aggregate of 15,315,169 DeeThree Shares representing approximately 17.21% of the issued and outstanding DeeThree Shares have entered into support agreements (the "Support Agreements") pursuant to which such persons have agreed to vote the DeeThree Shares held by them in favour of the Arrangement.

The Board has retained Cormark Securities to provide financial advice and assistance to the Board and the Company in connection with the Arrangement, including the preparation and delivery to the Board of Cormark Securities' opinion as to the fairness of the consideration to be received by the DeeThree Shareholders pursuant to the Arrangement, from a financial point of view, to DeeThree Shareholders (the "Fairness Opinion").

Stock Exchange Tower
300 – 5th Avenue SW
Suite 1800
Calgary, AB T2P 3C4

Phone: (403) 266.4240
Fax: (403) 266.4250
Toll Free: (800) 461.9491
Website: www.cormark.com

Participating Organization: Montreal Exchange, Toronto Stock Exchange TSX Venture Exchange

CORMARK SECURITIES' ENGAGEMENT

Cormark Securities was engaged pursuant to a letter agreement dated January 26, 2015 (the "Engagement Agreement") with respect to acting as financial advisor to the Company. In its capacity as financial advisor to DeeThree, Cormark Securities provided financial advice in connection with the potential reorganization of DeeThree. Pursuant to the terms of the Engagement Agreement, Cormark Securities is to be paid a fee for its services as financial advisor, including the delivery of the Fairness Opinion, and such fees, excluding the fees associated with the delivery of the Fairness Opinion, are contingent on the completion of the Arrangement. In addition, Cormark Securities is to be reimbursed for its reasonable out-of-pocket expenses and is to be indemnified by the Company, in certain circumstances, against certain expenses, losses, claims, actions, damages and liabilities incurred in connection with the provision of its services under the Engagement Agreement.

CREDENTIALS OF CORMARK SECURITIES

Cormark Securities is an independent Canadian investment dealer providing investment research, equity sales and trading and investment banking services to a broad range of institutions and corporations. Cormark Securities has participated in a significant number of transactions involving public and private companies and income funds and has extensive experience in preparing fairness opinions.

The Fairness Opinion expressed herein represents the opinion of Cormark Securities and its form and content have been approved for release by a committee of its directors and officers, each of whom are experienced in merger, acquisition, divestiture, fairness opinion and capital market matters.

RELATIONSHIP WITH INTERESTED PARTIES

Neither Cormark Securities, nor any of its affiliates, is an insider, associate or affiliate (as those terms are defined in the *Securities Act* (Alberta)) of DeeThree, Boulder or any of their respective associates or affiliates (collectively, the "Interested Parties").

As of the date of this Fairness Opinion, Cormark Securities has not been engaged to provide any financial advisory services nor has it participated in any financings involving DeeThree, Boulder or any of their respective affiliates or associates, within the past two years, other than: (i) pursuant to the Engagement Agreement; (ii) DeeThree's common and flow-through share financing that closed May 27, 2014; and (iii) DeeThree's common share financing that closed December 6, 2013.

As of the date of this Fairness Opinion, there are no understandings, agreements or commitments between Cormark Securities and DeeThree, Boulder or any other Interested Party, with respect to any future business dealings. Cormark Securities may, in the future, in the ordinary course of its business, perform financial advisory or investment banking services for or participate in financings involving DeeThree, Boulder or any other Interested Party.

Cormark Securities acts as a securities trader and dealer, both as principal and agent, in major financial markets and, as such, may have had, may have and may in the future have long or short positions in securities of DeeThree, Boulder or other Interested Parties and, from time to time, may have executed or may execute transactions on behalf of such companies or clients for which it may have received or may receive compensation. As an investment dealer, Cormark Securities conducts research on securities and may, in the ordinary course of business, provide research reports and investment advice to its clients on investment matters, including with respect to DeeThree, Boulder or the Arrangement.

SCOPE OF REVIEW

In connection with this Fairness Opinion, Cormark Securities has reviewed and relied upon (without verifying or attempting to verify independently the completeness or accuracy thereof) or carried out, among other things and as appropriate, the following:

(a) the Arrangement Agreement (including, without limitation, the representations and warranties of

DeeThree and Boulder therein) dated April 7, 2015;

(b) the form of Support Agreement entered into by each member of the Board, each officer of DeeThree and certain DeeThree Shareholders;

(c) the independent evaluations of the oil and gas reserves of DeeThree prepared by Sproule Associates Limited ("Sproule") as at December 31, 2013 and as at December 31, 2014;

(d) the independent evaluation of the oil and gas reserves of DeeThree's Lethbridge property prepared by Sproule as at January 1, 2015;

(e) the independent evaluation of the oil and gas reserves related to the properties to be acquired by Boulder, pursuant to the Arrangement, prepared by Sproule as at January 1, 2015;

(f) the independent resource evaluation of the discovered and undiscovered Bakken oil initially-in-place in Lethbridge prepared by Sproule as at July 31, 2012;

(g) the independent resource evaluation of the discovered and undiscovered Belly River oil initially-in-place in Brazeau prepared by Sproule as at July 31, 2013;

(h) the audited financial statements of DeeThree for each of the years ended December 31, 2013 and December 31, 2014;

(i) the management discussion and analysis of DeeThree for each of the years ended December 31, 2013 and December 31, 2014;

(j) the unaudited interim financial statements and management discussion and analysis of DeeThree for each of the quarters ended September 30, 2014, June 30, 2014 and March 31, 2014;

(k) the annual information forms for DeeThree for each of the years ended December 31, 2013 and December 31, 2014;

(l) the management information circulars for DeeThree in connection with the annual meeting of DeeThree Shareholders held in each of 2014 and 2013;

(m) all press releases issued by DeeThree since January 1, 2013;

(n) all other public filings submitted by DeeThree to the securities commissions or similar regulatory authorities in Canada which are available on the System for Electronic Document Analysis and Retrieval ("SEDAR") since January 1, 2013;

(o) certain discussions with and confidential information made available by DeeThree concerning the business, operations, assets, liabilities and prospects of DeeThree;

(p) corporate presentations by the management of DeeThree concerning its assets and business plans;

(q) certificates dated April 7, 2015 as to certain factual matters and the completeness and accuracy of the information upon which this Fairness Opinion is based, addressed to us and provided by senior officers of DeeThree;

(r) the forecasts for oil price, natural gas price and foreign exchange rates of Sproule, effective January 1, 2015;

(s) the current prices of oil, natural gas and foreign exchange futures contracts;

(t) public information (including corporate presentations and information prepared by industry research analysts) related to the business, operations, financial performance and trading history of DeeThree and such other selected oil and gas companies as we considered relevant;

(u) public information with respect to precedent transactions which we considered relevant; and

(v) such other information, made such other investigations, prepared such other analyses and had such other discussions as we considered appropriate in the circumstances.

Cormark Securities has not, to the best of its knowledge, been denied access by the Company to any information requested by Cormark Securities.

PRIOR VALUATIONS

The Company has represented to Cormark Securities that it has no knowledge of any other prior valuations or appraisals (as defined in Multilateral Instrument 61-101) of the Company or its material assets or its securities in the past twenty-four month period.

ASSUMPTIONS AND LIMITATIONS

Cormark Securities has not been asked to prepare and has not prepared a formal valuation of DeeThree or Boulder or any of their respective securities or assets, and the Fairness Opinion should not be construed as such. Cormark Securities has, however, conducted such analyses as it considered necessary in the circumstances. In addition, the Fairness Opinion is not, and should not be construed as, advice as to the price at which the DeeThree Shares may trade at any future date. Cormark Securities was similarly not engaged to review any legal, tax or accounting aspects of the Arrangement. Cormark Securities has relied upon, without independent verification or investigation, the assessment by the Company and its legal, tax, regulatory and accounting advisors with respect to legal, tax, regulatory and accounting matters. In addition, the Fairness Opinion does not address the relative merits of the Arrangement as compared to any other transaction involving the Company, the prospects or likelihood of any alternative transaction or any other possible transaction involving the Company, its assets or its securities.

With the approval of the Board and as is provided for in the Engagement Agreement, Cormark Securities has relied upon the completeness, accuracy and fair presentation of all of the financial and other information, data, advice, opinions and representations obtained by it from public sources or provided to it by or on behalf of the Company and its directors, officers, agents and advisors or otherwise and Cormark Securities has assumed that such information did not omit to state any material fact or any fact necessary to be stated to make such information not misleading. The Fairness Opinion is conditional upon the completeness, accuracy and fair presentation of such information including as to the absence of any undisclosed material change. Subject to the exercise of professional judgment and except as expressly described herein, Cormark Securities has not attempted to independently verify or investigate the completeness, accuracy or fair presentation of any of such information.

With respect to financial and operating forecasts, projections, estimates and/or budgets provided to Cormark Securities and used in the analyses supporting the Fairness Opinion, Cormark Securities has noted that projecting future results of any company is inherently subject to uncertainty. Cormark Securities has assumed that such forecasts, projections, estimates and/or budgets were reasonably prepared consistent with industry practice on a basis reflecting the best currently available assumptions, estimates and judgments of management of the Company as to the future financial performance of the Company and are (or were at the time and continue to be) reasonable in the circumstances. In rendering the Fairness Opinion, Cormark Securities expresses no view as to the reasonableness of such forecasts, projections, estimates and/or budgets or the assumptions on which they are based.

Senior officers of the Company have represented to Cormark Securities, on behalf of the Company and not in any personal capacity, in certificates delivered as of the date hereof, among other things, that:

(a) with the exception of Forward Oriented Information referred to paragraph (b) below, the information, data and other material (financial and otherwise) (the "Information") provided orally by, or in the

presence of, an officer of the Company or in writing by the Company or any of its subsidiaries (as such term is defined in the Securities Act (Alberta)) or their respective agents to Cormark Securities relating to the Company or any of its subsidiaries or the Arrangement for the purpose of preparing the Fairness Opinion was, at the date the Information was provided to Cormark Securities, 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 Arrangement and did not and does not omit to state a material fact in respect of the Company, its subsidiaries or the Arrangement necessary to make the Information (taken as a whole) not misleading in light of the circumstances under which the Information was made or provided (except to the extent that any such Information has been superceded by Information subsequently delivered to Cormark Securities);

(b) with respect to any portions of the Information provided pursuant to paragraph (a) that constitutes budgets, forecasts, projections, estimates or other future-oriented information ("Forward Oriented Information"), Information (i) was prepared using the assumptions identified therein, which in their reasonable belief and taken as a whole are (or were at the time of preparation) reasonable in the circumstances, and (ii) is not, in their reasonable belief and taken as a whole, misleading in any material respect in light of the assumptions used therefor;

(c) since the dates on which the Information was provided to Cormark Securities, except as disclosed in writing to Cormark Securities or in a public filing with securities regulatory authorities, 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 and its subsidiaries (taken as a whole) 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 Fairness Opinion;

(d) to the best of their knowledge, information and belief after due inquiry, there are no independent appraisals or valuations or material non-independent appraisals or valuations relating to the Company or any of its subsidiaries or any of their respective material assets or liabilities which have been prepared as of a date within the two years preceding the date hereof and which have not been provided to Cormark Securities;

(e) since the dates on which the Information was provided to Cormark Securities, no material transaction has been entered into by the Company or any of its subsidiaries or contemplated by the Company or any of its subsidiaries except for transactions that have been disclosed to Cormark Securities or generally disclosed;

(f) the assumptions contained in any forecasts, projections or budgets prepared and provided by the Company to Cormark Securities were reasonable as of the date thereof; and

(g) except as disclosed to Cormark Securities, there are no actions, suits, proceedings or inquiries pending or threatened against or affecting the Company or its affiliates, at law or in equity or before or by any federal, provincial, municipal or other governmental department, commission, board, bureau, agency or instrumentality which in any way materially affect the Company or the value of any of its securities.

In its analyses and in preparing the Fairness Opinion, Cormark Securities has made numerous assumptions with respect to expected industry performance, general business and economic conditions and other matters, many of which are beyond the control of Cormark Securities or any party involved in the Arrangement. Cormark Securities has also assumed that the disclosure provided or incorporated by reference in the Circular, and any other documents in connection with the Arrangement, will be accurate in all material respects and will comply with the requirements of all applicable laws, that all of the conditions required to implement the Arrangement will be met, that the procedures being followed to implement the Arrangement are valid and effective, and that the Circular will be distributed to DeeThree Shareholders in accordance with applicable laws.

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 affiliates, as they were reflected in the Information and any other information contemplated herein and as they have been represented to Cormark Securities in discussions with management of the Company.

The Fairness Opinion is not to be reproduced, disseminated, quoted from or referred to (in whole or in part) without the express prior written consent of Cormark Securities. Cormark Securities hereby consents to the reference to Cormark Securities and the description of, reference to and reproduction of the Fairness Opinion in the Circular prepared in connection with the Arrangement for delivery to DeeThree Shareholders and filing with the securities commissions or similar regulatory authorities in each relevant province and territory of Canada.

Cormark Securities believes that the Fairness Opinion must be considered and reviewed as a whole and that selecting portions of the analyses or factors considered by Cormark Securities, without considering all the analyses and factors 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 amenable to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis. The Fairness Opinion is not to be construed as a recommendation to any DeeThree Shareholder as to whether or not to vote in favour of the Arrangement.

The Fairness Opinion is given as of the date hereof and Cormark Securities 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 Cormark Securities' 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, Cormark Securities reserves the right to change, modify or withdraw the Fairness Opinion.

FAIRNESS OPINION

Based upon and subject to the foregoing, Cormark Securities is of the opinion that, as of the date hereof, the consideration to be received by the DeeThree Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the DeeThree Shareholders.

Yours very truly,

CORMARK SECURITIES INC.

APPENDIX "D"
Information Concerning DeeThree Post-Arrangement

APPENDIX "D"

INFORMATION CONCERNING DEETHREE POST-ARRANGEMENT

TABLE OF CONTENTS

NOTICE TO THE READER

Unless the context indicates otherwise, capitalized terms which are used in this Appendix "D" and not otherwise defined in this Appendix "D" have the meanings given to such terms under "Glossary of Terms" in the main body of the Circular.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Appendix "D" from documents filed with the securities commissions or similar authorities in each of the provinces of Canada, other than Québec. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of the Corporation, at 2200, 520 – 3rd Avenue S.W., Calgary, Alberta T2P 0R3, Telephone (403) 263-3361, and are also available electronically on SEDAR at www.sedar.com.

The following documents of the Corporation are specifically incorporated by reference into and form an integral part of this Circular:

1. audited annual financial statements of the Corporation as at and for the years ended December 31, 2014 and December 31, 2013, together with the notes thereto and the auditors' report thereon, filed on SEDAR on March 26, 2015;

2. management discussion and analysis of the Corporation for the year ended December 31, 2014, filed on SEDAR on March 26, 2015;

3. annual information form for the year ended December 31, 2014 (previously defined as the "**AIF**") of the Corporation, filed on SEDAR on March 26, 2015; and

4. notice of meeting and management information circular of the Corporation dated April 8, 2014 regarding the annual general and special meeting of shareholders of the Corporation, filed on SEDAR on April 22, 2014.

Any documents of the type required by National Instrument 44-101 - *Short Form Prospectus Distributions* to be incorporated by reference in a short form prospectus including any material change reports (excluding confidential reports), interim financial statements, annual financial statements and the auditors' report thereon, management's discussion and analysis of financial conditions and results of operations, information circulars, annual information forms, marketing materials and business acquisition reports filed by the Corporation with the securities commissions or similar authorities in the each of the provinces of Canada, other than Québec, subsequent to the date of this Circular and prior to the Effective Date, shall be deemed to be incorporated by reference in this Circular.

Any statement contained in this Circular or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Appendix "D" to the extent that a statement contained herein or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Appendix "D".

DESCRIPTION OF THE BUSINESS

Information concerning DeeThree's current business, including information with respect to its assets, operations and history (including certain recent developments), is provided in the accompanying Circular including under the

heading "*The Arrangement*" and the documents incorporated by reference into this Appendix "D". Readers are encouraged to thoroughly review these documents.

Corporate Strategy

It is expected that post-Arrangement, new DeeThree will be a dividend-and-growth oil producer focused on the core Lethbridge Alberta Bakken Enhanced Oil Recovery ("**EOR**") gas re-injection project in Southern Alberta. DeeThree owns 100% of its land and infrastructure, thereby providing maximum operational control and enabling the company to develop the project with a long term, value maximizing focus. DeeThree will aim to organically grow production but at a measured, sustained pace, matching production growth with voidage replacement, demonstrated by data and results from the EOR project. It is expected that DeeThree will maintain financial flexibility through a conservatively managed balance sheet.

Background

After giving effect to the Arrangement, DeeThree will continue to operate the DeeThree Bakken Assets located on the Lethbridge Alberta Bakken Properties.

The Lethbridge Alberta Bakken properties are located in Southern Alberta, approximately 70 kilometers south of Lethbridge (TWP 3, Range 17 W4M). This operated property consists of approximately 100 percent working interest ownership in 357,114 gross (355,365 net) undeveloped acres and 54,112 gross (51,818 net) developed acres.

Production from the area averaged 4,284 BOE/d in 2014, comprised of 89% crude oil and liquids and 11% natural gas. At January 1, 2015, proved reserves were 10.4 MMBOE and proved plus probable reserves were 17.0 MMBOE.

DeeThree made its original Bakken discovery in the Regan strike area in 2011. Following this, in 2012, DeeThree discovered the Ferguson Bakken pool and drilled 17 gross (17.0 net) horizontal wells into the play in that year. DeeThree's independent reserve engineer, Sproule, completed a resource assessment and concluded that the Bakken assets held significant potential.

In 2013, DeeThree drilled 17 gross (17.0 net) horizontal wells in the Bakken and constructed a new oil battery.

2014 activities included an exploration well to the west side of the pool and an associated land transaction for 34.5 sections which consolidated DeeThree's lands to 100% working interest on the entire pool.

The property currently has 49 horizontal wells and includes a 100% working interest oil processing infrastructure capacity of 8,000 bbls/d and on-site storage capacity of 20,000 bbls.

Gas Re-injection EOR Scheme

DeeThree began a pilot EOR natural gas re-injection scheme in mid-2013 with a single gas injector. Offsetting wells experienced material improvements to decline rates. The EOR scheme was expanded in September 2014 with the addition of two injectors and the installation of permanent and scalable gas injection facilities. Results from the expanded EOR scheme have continued to mitigate decline rates on offsetting wells. A fourth injection well has been approved by the regulator with a fifth injector well currently awaiting approval.

In the fourth quarter of 2014 through to the first quarter of 2015, DeeThree commissioned a Petrel computer model study of the effects of EOR on its Lethbridge Alberta Bakken Properties. Results from the study indicate the potential for an increase up to 200% in recovery factors with gas re-injection beyond the recovery factors from primary drilling alone.

The development plan for the DeeThree Bakken Assets will be driven by the data and results from the EOR scheme, with production growth managed to a level which can be matched with natural gas voidage replacement. DeeThree is currently injecting approximately 70% of the associated gas from the Bakken play. DeeThree has identified additional shallow natural gas supplies in zones located over its Alberta Bakken properties to supplement future injection volumes.

In 2015, drilling activity has been altered to best develop the play with an expanded gas injection EOR. The Company has begun drilling deeper into the reservoir with the goal of maximizing recoveries while injecting gas into the highest parts of the pool. In addition, cost control has been prioritised with new initiatives such as monobore drilling, helping to improve capital efficiencies.

The gas re-injection EOR scheme will play a key part in the development of the play going forward. The pace of development will be measured and will be dependent on EOR data and results. With lower decline rates and improved capital efficiencies, DeeThree will be able to fund a steady growth profile and it is expected that DeeThree would be able to pay a dividend with commodity prices down to US$50 WTI.

Capital Plans

If the Arrangement is completed, DeeThree's initial forecast targets production of 4,000 BOE/d in the second half of 2015 and 4,500 BOE/d in 2016 with capital spending of $20.0 million and $32.0 million in those periods, respectively. This budget assumes a WTI forecast of US$50/bbl in the second half of 2015 and US$60/bbl in 2016.

It is expected that post-Arrangement, DeeThree's share of the oil hedge position will be on 2,000 bbls/d hedged for calendar year 2015, including 1,500 bbls/d swapped at an average of WTI C$99.46 and 500 bbls/d hedged with a costless collar WTI US$85.00 x WTI US$100.80. In addition, it is expected that DeeThree will have 250 bbls/d swapped until mid-2016 at WTI C$72.92 and 250 bbls/d swapped for calendar 2016 at WTI C$78.00.

Employees

After giving effect to the Arrangement, it is expected that DeeThree will have 13 full-time employees (including officers).

STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION

Disclosure of Reserves Data

In accordance with NI 51-101, the reserves data associated with the DeeThree oil and gas assets that form part of DeeThree Bakken Assets are set forth below is based upon an evaluation by Sproule and a report (the "**Sproule Lethbridge Report**") for the DeeThree Bakken Assets. The effective date of the information provided in the Sproule Lethbridge Report is January 1, 2015 and the report has a preparation date of March 23, 2015. The Sproule Lethbridge Report evaluated, as at January 1, 2015, the crude oil, natural gas and NGL reserves associated with the DeeThree Bakken Assets. As compared to the evaluation of the DeeThree Bakken Assets undertaken by Sproule effective December 31, 2014, the reserves (total proved plus probable) and the present value of the reserves (total proved plus probable at a 10% discount rate) of the DeeThree Bakken Assets as set out in the Sproule Lethbridge Report have decreased by 0.02 MMBOE and $29.7 MM respectively. This is due to adjusting the royalty from a Crown royalty to a freehold royalty on a portion of the wells evaluated in the Sproule Lethbridge Report. The tables below summarize the reserves and the net present value of future net revenue attributable to the reserves as evaluated in the Sproule Lethbridge Report based on the Sproule Price Forecast, cost assumptions and supplied operating expenses. The tables summarize the data contained in the Sproule Lethbridge Report and, as a result, may contain slightly different numbers than such report due to rounding. Also due to rounding, certain columns may not add exactly.

The net present value of future net revenue attributable to the reserves is stated without provision for interest costs, but after providing for estimated royalties, production costs, capital, production taxes, development costs, other income and future capital expenditures. It should not be assumed that the undiscounted or discounted net present value of future net revenue attributable to the reserves estimated by Sproule represent the fair market value of the reserves. Other assumptions and qualifications relating to costs, prices for future production and other matters are summarized herein. The recovery estimates of the reserves provided herein are estimates only and there is no guarantee that the reserves, as estimated, will be recovered. Actual reserves may be greater than or less than the estimates provided herein.

In preparing the Sproule Lethbridge Report, Sproule relied on certain information provided by DeeThree and third parties associated with the DeeThree Bakken Assets, which included working and net revenue interest data,

public data, well information, geological information, reservoir studies, estimates of on-stream dates, contract information, current hydrocarbon product prices, operating cost data, financial data and future development and operating plans for the DeeThree Bakken Assets, as applicable. Other engineering, historical production, geological or economic data required to conduct the evaluations and upon which the Sproule Lethbridge Report is based was obtained from public records and from non-confidential files. The extent and character of ownership and the accuracy of all factual data supplied for the independent evaluation, from all sources, was accepted by Sproule as represented.

Summary of Oil and Gas Reserves Effective January 1, 2015

The following table outlines the light crude oil and gas reserves of the Corporation, assuming completion of the Arrangement, on a forecasted pricing basis, by product type on a gross (before royalties) and net (after royalties) basis:

	Light Oil		Natural Gas		NGLs		BOE	
	Gross (mbbls)	Net (mbbls)	Gross (MMcf)	Net (MMcf)	Gross (mbbls)	Net (mbbls)	Gross (MBOE)	Net (MBOE)
Proved								
Developed producing	4,701.9	3,556.4	3,888	3,327	--	--	5,349.9	4,111.0
Developed non-producing	68.2	46.1	6,908	4,768	240.0	163.2	1,459.6	1,004.0
Undeveloped	3,363.5	2,547.8	1,264	1,107	--	--	3,574.3	2,732.2
Total proved	8,133.7	6,150.2	12,061	9,203	240.0	163.2	10,383.8	7,847.2
Probable	5,584.8	4,149.2	5,238	3,818	114.0	77.5	6,571.8	4,863.1
Total proved plus probable	13,718.5	10,299.4	17,298	13,021	354.0	240.7	16,955.6	12,710.3

Figures may not add due to rounding.

Net Present Values of Future Net Revenue

The net present values of future net revenue of the Corporation's reserves at January 1, 2015, assuming completion of the Arrangement, at various discount rates on a before tax and after tax basis and on a forecasted pricing basis, are outlined below:

	Before Income Taxes[(1)] Discounted At				
	0%	5%	10%	15%	20%
(000s)	*($)*	*($)*	*($)*	*($)*	*($)*
Proved					
Developed producing	194,400	153,224	126,798	108,574	95,313
Developed non-producing	48,862	19,567	9,066	4,960	3,181
Undeveloped	101,657	74,047	55,621	42,646	33,141
Total proved	344,920	246,838	191,485	156,181	131,635
Probable	259,307	163,756	115,024	86,580	68,221
Total proved plus probable	604,227	410,594	306,509	242,760	199,856

Note:
(1) Estimates of future net revenue do not represent fair market value.

	After Income Taxes[(1)] Discounted At				
	0%	5%	10%	15%	20%
(000s)	*($)*	*($)*	*($)*	*($)*	*($)*
Proved					
Developed producing	194,400	153,224	126,798	108,574	95,313
Developed non-producing	48,862	19,567	9,066	4,960	3,181
Undeveloped	91,257	70,427	54,289	42,132	32,933

	After Income Taxes[1] Discounted At				
	0%	5%	10%	15%	20%
(000s)	*($)*	*($)*	*($)*	*($)*	*($)*
Total proved	334,519	243,218	190,154	155,666	131,428
Probable	194,497	127,374	92,614	71,811	57,985
Total proved plus probable	529,016	370,592	282,768	227,477	189,413

Note:
(1) Estimates of future net revenue do not represent fair market value.

Total Future Net Revenue

The following table provides a breakdown of the various components of total future net revenue on an undiscounted basis for proved and proved plus probable reserves:

	Revenue	Royalties	Operating Costs	Capital Develop-ment Costs	Well Abandon-ment and Disconnect Costs[2]	Future Net Revenue Before Income Taxes	Future Income Tax Expenses	Future Net Revenue After Income Taxes[1]
(000s)	*($)*	*($)*	*($)*	*($)*	*($)*	*($)*	*($)*	*($)*
Proved	788,718	174,298	202,598	64,198	2,705	344,920	10,400	334,519
Probable	575,431	136,727	139,329	38,011	2,057	259,307	64,810	194,497
Total proved plus probable	1,364,148	311,025	341,927	102,208	4,761	604,227	75,211	529,016

Notes:
(1) Estimates of future net revenue do not represent fair market value.
(2) Undeveloped locations only.

Net Present Value of Future Net Revenue by Production Group (Forecast Prices and Costs)

Reserves Category	Production Group	Future Net Revenue Before Income Taxes[3] (discounted at 10%/year) ($000s)	Future Net Revenue Before Income Taxes[3] (discounted at 10%/year) ($/BOE)
Proved	Light Oil and NGLs[1]	182,643	25.98
	Natural Gas[2]	6,843	10.84
Proved plus probable	Light Oil and NGLs [1]	295,300	25.49
	Natural Gas[2]	11,209	9.95

Notes:
(1) Including solution gas and other by-products.
(2) Including by-products but excluding solution gas.
(3) Unit values of $/BOE are based on Corporation net reserves. Estimates of future net revenue do not represent fair market value.

Pricing Assumptions

Forecast Prices Used in Estimates

The following tables set forth the benchmark reference prices, as at December 31, 2014 used in preparing the reserves data relating to the DeeThree Bakken Assets. These price assumptions were provided to DeeThree by Sproule and were Sproule's then current forecasts at the date of the Sproule Lethbridge Report.

	Light Oil			Natural Gas	NGL				
Year	WTI Cushing Oklahoma 40° API (US$/bbl)	Edmonton Par Price 40° API (Cdn$/bbl)	Western Canada Select 20.5° API (Cdn$/bbl)	AECO Gas Price ($/MMBtu)	Pentanes Edmonton Cdn$/bbl)	Butanes FOB Field Gate ($/bbl)	Propane Edmonton ($/bbl)	Inflation rates (%/Yr)	Exchange rate ($US/$Cdn)
2015	65.00	70.35	60.50	3.32	78.60	50.34	34.77	1.5	0.85
2016	80.00	87.36	75.13	3.71	97.60	62.51	43.17	1.5	0.87
2017	90.00	98.28	84.52	3.90	109.80	70.32	48.57	1.5	0.87
2018	91.35	99.75	85.79	4.47	111.80	71.37	49.30	1.5	0.87
2019	92.72	101.25	87.07	5.05	113.12	72.44	50.04	1.5	0.87
2020	94.11	103.85	89.31	5.13	116.02	74.31	51.32	1.5	0.87
2021	95.52	105.40	90.65	5.22	117.76	75.42	52.09	1.5	0.87
2022	96.96	106.99	92.01	5.31	119.53	76.55	52.87	1.5	0.87
2023	98.41	108.59	93.39	5.40	121.32	77.70	53.67	1.5	0.87
2024	99.89	110.22	94.79	5.49	123.14	78.87	54.47	1.5	0.87
2025	101.38	111.87	96.21	5.58	124.99	80.05	55.29	1.5	0.87

ADDITIONAL INFORMATION RELATING TO RESERVES DATA

Undeveloped Reserves

Proved and probable undeveloped reserves have been estimated in accordance with procedures and standards contained in the COGE Handbook.

If the Arrangement was completed on or prior to January 1, 2015, then as at January 1, 2015, 3,574 MBOE or 34% of DeeThree's total proved reserves belonging to the DeeThree Bakken Assets and 3,333 MBOE or 51% of DeeThree's total probable reserves belonging to the DeeThree Bakken Assets were undeveloped.

The timing of initial undeveloped reserves assignments as at January 1, 2015 over the prior three years in the forecast prices and costs case is indicated in the attached table from the Sproule Lethbridge Report.

Corporation Gross Undeveloped Reserves First Attributed By Year					
Product Type	Units	Prior Years[(1)]	2012[(2)]	2013[(2)]	2014
Proved Undeveloped					
Light Oil	mbbls	0.0	3,810.0	1,189.5	632.9
Natural Gas	MMcf	0	2,104	471	7
Natural Gas Liquids	mbbls	0.0	16.5	58.5	0.0
Total: Oil Equivalent	MBOE	0.0	4,177.2	1,326.5	634.1
Probable Undeveloped					
Light Oil	mbbls	350.0	1,313.3	2,034.1	1,084.9
Natural Gas	MMcf	46	755	705	4
Natural Gas Liquids	mbbls	0.0	5.4	42.6	0.0
Total: Oil Equivalent	MBOE	357.7	1,444.5	2,194.2	1,085.6

Notes:
(1) Figures in this column represent cumulative undeveloped reserves attributed prior to 2011.
(2) Estimates based on closing balances for 2012 and 2013.

Proved and probable undeveloped reserves are attributed by Sproule in accordance with standards and procedures contained in the COGE Handbook. In general, once proved and/or probable undeveloped reserves are identified they are scheduled into the Corporation's development plans. Currently, the Corporation plans to develop the majority of its proved and probable undeveloped reserves within two years. However, if the economic climate is not conducive to developing these reserves within two years, the Corporation may, in its discretion, defer the development into the future. There are a number of factors that could result in delays or cancelled development plans. These factors would include, but are not limited to, changing economic and technical conditions, surface access issues and the availability of services.

Significant Factors or Uncertainties

The process of evaluating reserves is inherently complex. It requires significant judgment and decision-making on the basis of the available geological, geophysical, engineering and economic data. These estimates may change substantially as additional data from ongoing development activities and production performance become available and as economic conditions impacting oil and gas prices and costs change. The reserve estimates contained herein are based on current production forecasts, prices and economic conditions. Factors and assumptions that affect these reserve estimates include, among other things: (i) historical production in the area compared with production rates from analogous producing areas; (ii) initial production rates; (iii) production decline rates; (iv) ultimate recovery of reserves; (v) success of future development activities; (vi) marketability of production; (vii) effects of government regulations; and (viii) other government levies imposed over the life of the reserves.

As circumstances change and additional data become available, reserve estimates also change. Estimates are reviewed and revised, either upward or downward, as warranted by the new information. Revisions are often required due to changes in well performance, prices, economic conditions and governmental restrictions. Revisions to reserve estimates can arise from changes in year-end prices, reservoir performance and geologic conditions or production. These revisions can be either positive or negative.

The evaluated oil and gas properties forming part of the DeeThree Bakken Assets have no material extraordinary risks or uncertainties beyond those that are inherent in an oil and gas producing company.

Future Development Costs

The following table provides information regarding the development costs deducted in the estimation of future net revenue attributable to the Corporation's reserves belonging to the DeeThree Bakken Assets.

($000s) Year	Total Proved Reserves using forecast prices and costs	Total Proved Plus Probable Reserves using forecast prices and costs
2015	18,235	36,571
2016	35,948	49,395
Remaining	10,014	16,242
Total Undiscounted	64,198	102,208
Total Discounted at 10%	56,212	90,393

The Corporation's source of funding for future development costs of its reserves will be derived from a combination of working capital, funds from operations, debt and new equity. Management does not anticipate that the costs of funding referred to above will materially affect the Corporation's disclosed reserves and future net revenues or will make the development of any of the Corporation's properties uneconomic.

OTHER OIL AND GAS INFORMATION

Oil and Gas Wells

The following table sets forth the number and status of wells forming part of the DeeThree Bakken Assets in which the Corporation had a working interest as at April 1, 2015:

	Light Crude Oil Wells				Natural Gas Wells			
	Producing		Non-Producing		Producing		Non-Producing	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Alberta	55	54.4	10	10	100	96	46	45
Total	55	54.4	10	10	100	96	46	45

Note:
(1) Non-producing well count does not include abandoned wells, cut and capped wells, injection or disposal wells.

Properties with No Attributed Reserves

The following table summarizes, as of January 1, 2015, the undeveloped lands and the net acreage of undeveloped lands where the rights to explore, develop and exploit are expected to expire within one year which belong to the DeeThree Bakken Assets.

	Acres		
	Gross	Net	Net Acres Expiring Within One Year
Alberta	357,114	355,365	8,692

Additional Information Concerning Abandonment and Restoration Costs

DeeThree estimates the costs associated with abandonment and reclamation costs for surface leases, wells and facilities based on previous experience or by estimating such costs. Abandonment and disconnect costs are included in the Sproule Lethbridge Report as deductions in arriving at future net revenue for undeveloped wells. No allowances for reclamation or salvage values were made. The additional abandonment and reclamation costs of the Corporation not deducted in the reserves data in determining future net revenue, are estimated to be $15.9 million (undiscounted) at December 31, 2014 and the salvage value is estimated to be $10.1 million. This estimate includes expected reclamation costs for surface leases. The Corporation currently anticipates incurring abandonment and reclamation costs on 234 net wells. The Corporation will be liable for its share of ongoing environmental obligations and for the ultimate reclamation of the properties held by it upon abandonment. Ongoing environmental obligations are expected to be funded out of cash flow.

Tax Horizon

DeeThree is not expected to pay income taxes for 2014, its most recently completed financial year. DeeThree is unlikely to be taxable in 2015 and 2016 given the current price environment and its capital spending plans.

Costs Incurred

The following table summarizes certain expenditures attributable to the DeeThree Bakken Assets during the year ended December 31, 2014. All costs were incurred in Alberta, Canada.

Nature of Cost Incurred	Year Ended December 31, 2014 ($000)
Property Acquisition Costs	
Proved Properties	15
Unproved Properties	658
Exploration	13,301
Development	72,347
Total	86,321

Exploration and Development Activities

In the year ended 2014, the Corporation participated in the drilling and completion of 18 gross (18.0 net) wells that form part of the DeeThree Bakken Assets. The following table summarizes DeeThree's drilling results.

	Exploration		Development		Total	
	Gross	Net	Gross	Net	Gross	Net
Natural gas	--	--	--	--	--	--
Crude oil and NGLs	2	2.00	13	13.00	15	15.00
Dry and abandoned	3	3.00	--	--	3	3.00
Total wells	5	5.00	13	13.00	18	18.00

	Exploration		Development		Total	
	Gross	Net	Gross	Net	Gross	Net
Success rate (%)		40		100		83
Average working interest (%)		100		100		100

Future Development Costs

The following table sets forth development costs deducted in the estimation of our future net revenue attributable to the DeeThree Bakken Assets reserve categories noted below.

	Forecast Prices and Costs	
Year	Proved Reserves ($000s)	Proved Plus Probable Reserves ($000s)
2015	18,235	36,571
2016	35,948	49,395
2017	9,341	15,569
2018	--	--
2019	--	--
Remaining	673	673
Total (Undiscounted)	64,198	102,208
Total (Discounted at 10%)	56,212	90,393

Production Estimates

The following table is a summary of the working interest (prior to royalties) volume of the Corporation's estimated production for 2015 for the DeeThree Bakken Assets, which is reflected in the estimate of future net revenue in the Sproule Lethbridge Report based on the forecast price tables contained above.

Reserve Category	Light and Medium crude Oil (bbls/d)	Natural Gas (mcf/d)	Natural Gas Liquids (bbls/d)	Oil Equivalent (BOE/d)	%
Proved					
Lethbridge	3,044	1,375	--	3,273	100
Total Proved	3,044	1,375	--	3,273	100
Proved plus Probable					
Lethbridge	4,052	1,416	--	4,288	100
Total Proved plus Probable	4,052	1,416	--	4,288	100

Production History

The following tables summarize certain information in respect of the Corporation's production, product prices received, royalties paid, operating expenses and resulting netback for the indicated periods during the financial year ended December 31, 2014 attributable to the DeeThree Bakken Assets.

	Q1 31-Mar-14	Q2 30-Jun-14	Q3 30-Sep-14	Q4 31-Dec-14
Average Daily Production				
Oil (Bbls/d)	3,344	3,560	4,343	3,444
Gas (mcf/d)	2,964	2,895	3,244	2,551
NGL (Bbls/d)	134	126	157	78
BOE/d	3,972	4,168	5,041	3,947

	Q1 31-Mar-14	Q2 30-Jun-14	Q3 30-Sep-14	Q4 31-Dec-14
Average Price Received				
Oil ($/Bbl)	85.79	94.02	88.19	72.48
Gas ($/mcf)	5.66	4.71	4.02	3.64
NGL ($/Bbl)	52.49	50.44	47.07	40.20
Combined ($/BOE)	78.49	85.36	80.23	66.59
Royalties				
Combined ($/BOE)	24.42	26,78	24.46	20.25
Operating Expenses				
Combined ($/BOE)	8.92	5.58	5.37	8.74
Transportation ($/BOE)	1.87	2.25	2.20	2.04
Netback Received				
Combined ($/BOE)	43.28	50.75	48.20	35.56

The following table summarizes the Corporation's average daily net production volumes during the year ended December 31, 2014 attributable to the DeeThree Bakken Assets.

	Light Oil *(Bbls/d)*	Conventional Natural Gas *(Mcf/d)*	NGLs *(Bbls/d)*	Equivalent Barrels *(BOE/d)*
Alberta				
Lethbridge	3,688	2,832	124	4,284
Total	3,688	2,832	124	4,284

Land Holdings

The Corporation's developed and undeveloped landholdings attributable to the DeeThree Bakken Assets as at January 1, 2015 are set forth in the following table:

	Undeveloped		Developed		Total	
	Gross *(acres)*	Net *(acres)*	Gross *(acres)*	Net *(acres)*	Gross *(acres)*	Net *(acres)*
2014						
Lethbridge	357,114	355,365	54,112	51,818	411,226	407,183
Total	357,114	355,365	54,112	51,818	411,226	407,183

DESCRIPTION OF SHARE CAPITAL

The following is a summary of the rights, privileges, restrictions and conditions which will be attached to the New DeeThree Common Shares on the Effective Date after giving effect to the Arrangement. At that time, DeeThree will be authorized to issue an unlimited number of New DeeThree Common Shares. As of the date hereof, no New DeeThree Common Shares have been issued. Upon completion of the Arrangement, based on 88,974,460 DeeThree Common Shares outstanding as of the date hereof, approximately 29,655,188 New DeeThree Common Shares will be issued and outstanding.

Additionally, pursuant to the Arrangement and the Option Exercise and Termination Agreements, holders of DeeThree Options have also agreed to conditionally exercise their vested In-the-Money DeeThree Options, exchange their unvested In-the-Money DeeThree Options for Replacement Options, and surrender for cancellation their vested and unvested Out-of-Money DeeThree Options. Based on the Fair Market Value of the DeeThree Common Shares as of the date hereof, 3,640,349 vested In-the-Money DeeThree Options, 626,379 unvested In-the-Money DeeThree Options, and 3,404,100 vested and unvested Out-of-Money Options are issued and outstanding. A total of 216,000 of the vested In-the-Money Options expire on April 27, 2015. It is expected that all of these vested In-the-Money Options will be exercised prior to their expiry. If all holders of vested In-the-Money DeeThree Options exercise such options on a cashless basis, and based on the Fair Market Value of the

DeeThree Common Shares as of the date hereof, an additional 1,585,636 DeeThree Common Shares will be issued and outstanding immediately prior to the Effective Time, resulting in the issuance of an additional 528,493 New DeeThree Common Shares. See "*the Arrangement - DeeThree Options*" in the body of the Circular.

Pursuant to the Plan of Arrangement, all Class A Common Shares and DeeThree Special Shares which are issued pursuant to the Plan of Arrangement will be redeemed for cancellation by DeeThree. Subsequent to such redemption and pursuant to the Arrangement, the articles of DeeThree will be amended to remove the Class A Common Shares and DeeThree Special Shares as a class of shares eligible for issuance by DeeThree. See "*The Arrangement – Arrangement Mechanics*" in this Circular.

New DeeThree Common Shares

The holders of New DeeThree Common Shares will be entitled to receive dividends if, as and when declared by the DeeThree Board. The holders of New DeeThree Common Shares are entitled to receive notice of and to attend all meetings of shareholders and are entitled to one vote per DeeThree Common Share held at all such meetings. In the event of the liquidation, dissolution or winding up of DeeThree or other distribution of assets of DeeThree among its shareholders for the purpose of winding up its affairs, the holders of New DeeThree Common Shares will be entitled to participate rateably in any distribution of the assets of DeeThree.

The DeeThree Board has approved for adoption the Share Incentive Plan. If ratified and approved at the Meeting, the Share Incentive Plan will permit the DeeThree Board to grant to directors, officers and employees and consultants of DeeThree and its subsidiaries restricted share awards. For more details regarding the Share Incentive Plan, please refer to "*Particulars of the Matters to be Acted Upon - 7. Approval of Share Incentive Plan*" section of the Circular.

If the Arrangement becomes effective on May 15, 2015, it is expected that the New DeeThree Common Shares will begin trading on the TSX for regular settlement at the opening of trading three or four Business Days thereafter.

See "*Certain Legal and Regulatory Matters – Stock Exchange Listings*" in this Circular.

DIVIDENDS

The DeeThree Board is expected to establish a dividend policy pursuant to which DeeThree will pay a monthly dividend, initially estimated to be in the amount of $0.03 per New DeeThree Common Share, which will be financed from internally-generated free cash flow. The amount of cash to be distributed will be determined at the discretion of the DeeThree Board. The payment of dividends will be established after considering the overall dividend policy of Spinco and after consideration of numerous factors including: (i) the earnings of DeeThree; (ii) financial requirements for DeeThree's operations; (iii) the satisfaction by DeeThree of liquidity and insolvency tests described in the ABCA; and (iv) any agreements relating to DeeThree's indebtedness that restrict the declaration and payment of dividends. DeeThree intends to pay dividends monthly to shareholders of record as of the close of business on the last Business Day of each calendar month, which dividends are expected to be paid to shareholders on or about the 15th day (or next Business Day) of each month. Management has advised that DeeThree anticipates that the dividends expected to be paid on the New DeeThree Common Shares will be designated as "eligible dividends" for Canadian income tax purposes, unless otherwise notified, and that DeeThree will include disclosure on its website to this effect.

Assuming completion of the Arrangement occurs on May 18, 2015, the first dividend is expected to be paid on or about July 15, 2015 to shareholders of record on June 30, 2015 in the amount of $0.03 per New DeeThree Common Share.

CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of DeeThree effective December 31, 2014, prior to giving effect to the Arrangement and effective December 31, 2014, after giving effect to the Arrangement.

Designation	As at December 31, 2014	As at December 31, 2014 after giving effect to the Arrangement
Credit Facility		
Authorized	$310,000,000[(1)]	$115,000,000[(2)]
Drawn	$139,234,000	$19,577,000
Shareholder Capital		
Common Shares (unlimited)[(3)]	$381,540,000 88,974,460 DeeThree Common Shares[(3)]	$127,700,000 (29,655,188 New DeeThree Common Shares[(4)(5)])

Notes:

(1) As at December 31, 2014 the Corporation had the old credit facility with a syndicate of lenders with an authorized borrowing base of $310,000,000 (the "**2014 Credit Facility**"), consisting of a $280 million extendible revolving facility and a $30 million operating facility. Interest on the 2014 Credit Facility is charged at a rate per annum equal to the Canadian prime rate during said period plus the applicable margin, being a range of 0.1% to 2.5%, as determined by the Corporation's debt to cash flow ratio. Standby fees associated with the 2014 Credit Facility are charged based on the applicable rate, being within a range of 0.05% to 0.875% per annum on the undrawn portion of the facility, as determined by the Corporation's debt to cash flow ratio. The 2014 Credit Facility does not have a current ratio requirement. For a more detailed discussion of the 2014 Credit Facility, including the non-financial covenants thereunder, please refer to Note 7 of the Corporation's annual audited financial statements.

(2) Concurrently with the completion of the Arrangement, DeeThree expects to enter into the New DeeThree Credit Facility. Amounts will be drawn from the new DeeThree Credit Facility and the Boulder Credit Facility to pay down the 2014 Credit Facility. See "*New DeeThree Credit Facility*" below.

(3) Does not include the 7,676,328 DeeThree Options issued and outstanding as at December 31, 2014 having a weighted average exercise price of $5.94 per share. As part of the Arrangement, all DeeThree Options will be exercised, exchanged into Replacement Options, or cancelled. See "*The Arrangement - DeeThree Options*".

(4) Does not include 72,000 New DeeThree Shares which would be issued as a result of the exercise of 216,000 vested In-the-Money DeeThree Options which otherwise expire on April 27, 2015. Does not include the additional 528,493 New DeeThree Common Shares which would be issued as a result of the cashless exercise of vested In-the-Money DeeThree Options immediately prior to the Effective Time (with the number of vested In-the-Money DeeThree Options determined based on the Fair Market Value of the DeeThree Common Shares as of the date hereof and the number of DeeThree Common Shares issuable upon the cashless exercise based on the Fair Market Value of the DeeThree Common Shares as of the date hereof. See "*Description of Share Capital*" above.

(5) Also does not include the 208,772 New DeeThree Common Shares issuable upon the exercise of the Replacement Options (with the number of Replacement Options determined based on the Fair Market Value of the DeeThree Common Shares as of the date hereof.

NEW DEETHREE CREDIT FACILITY

In order to provide ongoing liquidity, including working capital requirements, DeeThree has begun preliminary discussions with its lead lender to make available to DeeThree the New DeeThree Credit Facility, which early indications suggest would consist of an authorized borrowing base of $115 million revolving demand loan. The terms of the New DeeThree Credit Facility would commence on the Effective Date, pending credit approval from the syndicate. The credit agreement is expected to contain customary representations, warranties, covenants and events of default for credit facilities of this type. The commitment from the DeeThree lender to make advances available under the New DeeThree Credit Facility is conditional on the Arrangement becoming effective and are subject to customary conditions for credit facilities of this type, including, among others, no material adverse change in the financial condition or operations of DeeThree shall have occurred, there shall not have occurred a material disruption of or material adverse change in conditions in the financial, banking or capital markets that would reasonably be expected to materially impair the syndication of the credit facility, the DeeThree lender shall not have become aware of information affecting DeeThree or the Arrangement that is inconsistent in a material and adverse manner with information previously disclosed to the DeeThree lender and that would reasonably be expected to materially impair the syndication of the credit facility and the Arrangement shall become effective by the latter part of May, 2015.

PRIOR SALES

The following table summarizes the issuances of DeeThree Common Shares or securities convertible into DeeThree Common Shares from January 1, 2014 to the date hereof.

Date of Issuance	Description of Transaction	Number of Securities Issued	Number of Securities Granted	Price per Security / Exercise Price
January 3, 2014	Stock Option Exercise	16,000	-	$2.57
January 10, 2014	Stock Option Exercise	24,000	-	$2.57
January 21, 2014	Stock Option Exercise	400,000	-	$2.00
January 22, 2014	Stock Option Exercise	20,000	-	$2.47
February 12, 2014	Stock Option Exercise	15,000	-	$2.00
March 3, 2014	Stock Option Grant(1)	-	40,000	$8.79
March 4, 2014	Stock Option Exercise	14,480	-	$3.11
March 28, 2014	Stock Option Exercise	15,678	-	$2.00
April 1, 2014	Stock Option Grant	-	1,300,000	$9.30
April 1, 2014	Stock Option Exercise	32,012	-	$3.17
April 2, 2014	Stock Option Exercise	32,638	-	$2.00
April 3, 2014	Stock Option Exercise	6,000	-	$2.17
April 7, 2014	Stock Option Exercise	16,658	-	$2.00
April 10, 2014	Stock Option Exercise	20,000	-	$6.07
April 17, 2014	Stock Option Exercise	45,733	-	$3.65
April 30, 2014	Stock Option Exercise	12,000	-	$4.01
May 1, 2014	Stock Option Grant[(1)]	-	100,000	$11.74
May 29, 2014	Stock Option Exercise	18,000		$6.03
June 2, 2014	Stock Option Exercise	5,000		$2.57
June 4, 2014	Stock Option Grant[(1)]	-	140,000	$10.53
June 6, 2014	Stock Option Exercise	6,000		$3.64
June 16, 2014	Stock Option Exercise	20,000		$4.16
June 17, 2014	Stock Option Exercise	43,500		$2.67
June 18, 2014	Stock Option Exercise	25,607		$2.55
June 19, 2014	Stock Option Exercise	17,638		$2.00
July 18, 2014	Stock Option Grant[(1)]	-	495,000	$10.19
August 1, 2014	Stock Option Grant[(1)]	-	20,000	$11.84
August 6, 2014	Stock Option Grant[(1)]	-	20,000	$11.35
September 2, 2014	Stock Option Grant[(1)]	-	50,000	$11.29
October 15, 2014	Stock Option Exercise	7,000		$2.45
December 8, 2014	Stock Option Exercise	20,000		$2.13
December 18, 2014	Stock Option Exercise	115,000		$2.74

Note:

(1) The options were issued in accordance with the DeeThree Stock Option Plan and the expiration date is five years from the date of issuance.

TRADING PRICE AND VOLUME

The DeeThree Common Shares are traded on the TSX under the symbol "DTX" and on the OTCQX under the symbol "DTHRF". The following table sets forth the price range (high and low closing prices) in Canadian dollars of DeeThree Common Shares and volume traded on the TSX, as applicable, for the periods indicated (as reported by the TSX).

	High ($)	Low ($)	Volume
2014			
January	9.80	8.44	13,528,089
February	9.32	8.43	10,275,252
March	9.89	8.63	15,166,485
April	12.04	9.39	19,047,788
May	11.85	9.8	14,760,324
June	11.85	10.35	10,782,142
July	12.18	10.06	18,274,642
August	11.845	10.6	11,560,550
September	10.93	8.88	17,957,609
October	9.26	6.08	38,063,567
November	7.36	5.31	32,791,275
December	5.55	4.02	24,904,454

	High ($)	Low ($)	Volume
2015			
January	5.76	4.19	15,036,159
February	7.20	5.53	22,631,282
March	6.89	5.23	23,631,577
April 1 - 8	7.35	6.47	10,962,688

DIRECTORS AND SENIOR OFFICERS OF DEETHREE POST-ARRANGEMENT

Board of Directors

Upon completion of the Arrangement and assuming all directors proposed by DeeThree are elected at the Meeting, the DeeThree Board will continue to consist of the same members as the current DeeThree Board, being Martin Cheyne, Michael Kabanuk, Dennis Nerland, Bradley Porter, Henry Hamm, Brendan Carrigy, and Kevin Andrus. See "*Particulars of the Matters To Be Acted Upon - 3. Election of Directors*". It is expected that Brendan Carrigy will be appointed as Chairman of the Board.

Senior Officers

A diverse and experienced management team has been assembled to lead DeeThree post-Arrangement and will continue to assess DeeThree's longer-term strategy and organizational needs. All senior officers of DeeThree will meet the high standards to be set by the DeeThree Board which are expected to include, but not be limited to, strong business ethics, adherence to proper corporate governance and knowledge of public company compliance.

The following are brief biographies of each of the senior officers of DeeThree post-Arrangement, including a description of their present occupations and their principal occupations during the last five years.

Michael Kabanuk, President and CEO

Mr. Kabanuk has been a director of DeeThree since July 2008 and Executive Chairman of the Corporation since January 2010. Mr. Kabanuk was Chief Operating Officer and Vice-President, Operations at Cyries Energy Inc. from May 2004 to March 2008. Prior thereto, Mr. Kabanuk was Vice-President, Operations of Cequel Energy Inc. from July 2003 to May 2004, and prior thereto was the Operations Manager of Cequel Energy Inc. from January 24, 2002 to August 7, 2003.

Gail Hannon, CFO

Ms. Hannon has been the CFO of DeeThree since July 2, 2009. Ms. Hannon was the Controller with Artek Exploration Ltd. From March 2006 to May 2009. Prior thereto, Ms. Hannon was the Controller with White Fire Energy Ltd. From April 2005 to February 2006 and prior thereto was Accounting Manager/Controller with Lightning Energy Inc. from June 2002 to March 2005.

Jonathan Fleming, Executive Vice President

Prior to joining DeeThree in spring 2014, Mr. Fleming was an oil and natural gas equity analyst in Calgary for 10 years. Prior to that he worked in the planning and commercial group at Talisman Energy Inc. for five years. Mr. Fleming holds an MBA from Dalhousie University in Halifax, Nova Scotia.

Tyler Klatt, Vice President Exploration

Mr. Klatt has been employed with DeeThree since March 15, 2011 as a Senior Geologist. Prior thereto, Mr. Klatt worked within oil & gas consulting then development and exploration at Canadian independent oil producers Cenovus Energy and Encana Corp. from December 5, 2005 to February 28, 2011. A graduate of the Geology program at the University of Saskatchewan, Mr. Klatt is a professional Geologist and brings over 15 years' experience working in the Western Canadian Seminary Basin.

It is currently expected that the salaries of current executive officers of DeeThree who will remain as executive officers of DeeThree post-Arrangement will have salaries that will generally be approximately 20% less than salaries paid to such individuals by DeeThree prior to the completion of the Arrangement.

It is anticipated that the directors and senior officers of DeeThree post-Arrangement, as a group, will beneficially own, directly or indirectly, or exercise control or direction over less than 2,744,684 New DeeThree Common Shares or approximately 9.07% of the number of New DeeThree Common Shares that will be outstanding immediately following completion of the Arrangement, based upon the number of DeeThree Common Shares so owned or controlled by such persons as of the date hereof.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Management of DeeThree is not aware of any existing or contemplated legal proceedings material to DeeThree, to which DeeThree is, or was a party to or to which any of its properties are, or were subject.

There are no penalties or sanctions imposed against DeeThree by a court relating to securities legislation or by a securities regulatory authority material to DeeThree to which DeeThree is a party or of which any of its property is the subject matter, and there are no such proceedings known to DeeThree to be contemplated.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as described elsewhere herein, DeeThree is not aware of any material interest, direct or indirect, of any directors or executive officers of DeeThree, any person or company which beneficially owns or controls or directs, directly or indirectly, more than 10% of any class or series of DeeThree's outstanding voting securities, or any known associate or affiliate of such persons, in any transaction within the three years before the date of this Appendix (other than through their interests as securityholders of DeeThree) that has materially affected or is reasonably expected to materially affect Spinco since incorporation.

AUDITORS, REGISTRAR AND TRANSFER AGENT

The auditors of DeeThree are KPMG LLP, Calgary, Alberta.

Computershare Trust Company of Canada, at its principal offices in Calgary, Alberta, is expected to be the transfer agent and registrar of the New DeeThree Common Shares.

MATERIAL CONTRACTS

Except for contracts entered into by DeeThree in the ordinary course of business, the only material contract entered into by DeeThree since the beginning of the most recently completed financial year or that are still in effect, is the Arrangement Agreement, a copy of which is available on SEDAR under DeeThree's profile. The Arrangement Agreement contains obligations of DeeThree that will survive the Arrangement.

SCHEDULE "A"
FORM 51-101F2

REPORT ON RESERVES DATA BY INDEPENDENT QUALIFIED RESERVES EVALUATOR

Form 51-101F2

Report on Reserves Data
by Independent Qualified Reserves Evaluator or Auditor

Report on Reserves Data

To the Board of Directors of DeeThree Exploration Ltd. (the "Company"):

1. We have evaluated the Company's reserves data in the Lethbridge area as at January 1, 2015. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at January 1, 2015, estimated using forecast prices and costs.

2. The reserves data are the responsibility of the Company's management. Our responsibility is to express an opinion on the reserves data based on our evaluation.

   We carried out our evaluation in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook (the "COGE Handbook"), prepared jointly by the Society of Petroleum Evaluation Engineers (Calgary Chapter) and the Canadian Institute of Mining, Metallurgy & Petroleum (Petroleum Society).

3. Those standards require that we plan and perform an evaluation to obtain reasonable assurance as to whether the reserves data are free of material misstatement. An evaluation also includes assessing whether the reserves data are in accordance with principles and definitions presented in the COGE Handbook.

4. The following table sets forth the estimated future net revenue (before deduction of income taxes) attributed to proved plus probable reserves, estimated using forecast prices and costs and calculated using a discount rate of 10 percent, included in the reserves data of the Company in the Lethbridge area evaluated by us as of January 1, 2015, and identifies the respective portions thereof that we have audited, evaluated and reviewed and reported on to the Company's management and Board of Directors:

Independent Qualified Reserves Evaluator or Auditor	Description and Preparation Date of Evaluation Report	Location of Reserves (Country)	Net Present Value of Future Net Revenue Before Income Taxes (10% Discount Rate)			
			Audited (M$)	Evaluated (M$)	Reviewed (M$)	Total (M$)
Sproule	Evaluation of the P&NG Reserves of DeeThree Exploration Ltd. in the Lethbridge area of Alberta, As of January 1, 2015, prepared December 2014 to March 2015	Canada				
Total			**Nil**	**306,509**	**Nil**	**306,509**

5. In our opinion, the reserves data respectively evaluated by us have, in all material respects, been determined and are presented in accordance with the COGE Handbook, consistently applied. We express no opinion on the reserves data that we reviewed but did not audit or evaluate.

6. We have no responsibility to update the report referred to in paragraph 4 for events and circumstances occurring after its preparation date.

7. Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be material.

Executed as to our report referred to above:

Sproule Associates Limited
Calgary, Alberta
March 23, 2015

Original Signed by Geoff W. Beatson, P.Eng.

Geoff W. Beatson, P.Eng.
Manager, Engineering and Partner

Original Signed by Douglas O. McNichol, P.Eng.

Douglas O. McNichol, P.Eng.
Senior Petroleum Engineer and Partner

Original Signed by Ian K. Kirkland, P.Geol.

Ian K. Kirkland, P.Geol.
Senior Petroleum Geologist and Partner

Original Signed by Nora T. Stewart, P.Eng.

Nora T. Stewart, P.Eng.
Senior Vice-President, Canada and Director

SCHEDULE "B"
FORM 51-101F3

REPORT OF MANAGEMENT AND DIRECTORS ON OIL AND GAS DISCLOSURE

Management of DeeThree Exploration Ltd. (the "**Company**") is responsible for the preparation and disclosure of information with respect to the Company's oil and gas activities in accordance with securities regulatory requirements. This information includes reserves data which are estimates of proved reserves and probable reserves and related future net revenue as at January 1, 2015, estimated using forecast prices and costs.

Sproule Associates Limited ("**Sproule**"), independent qualified reserves evaluators, have evaluated and reviewed the Company's reserves data. The report of Sproule will be filed with securities regulatory authorities concurrently with this report.

The board of directors of the Company has:

(a) reviewed the Company's procedures for providing information to Sproule;

(b) met with Sproule to determine whether any restrictions affected the ability of Sproule to report without reservation; and

(c) reviewed the reserves data with management and Sproule.

The board of directors has reviewed the Company's procedures for assembling and reporting other information associated with oil and gas activities and has reviewed that information with management. The board of directors has approved:

(a) the content and filing with securities regulatory authorities of Form 51-101F1 containing reserves data and other oil and gas information;

(b) the filing of Form 51-101F2 which is the report of Sproule on the reserves data; and

(c) the content and filing of this report.

Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be material. However, any variations should be consistent with the fact that reserves are categorized according to the probability of their recovery.

Dated this 9th day of April, 2015.

"Martin Cheyne"
MARTIN CHEYNE
Chief Executive Officer

"Gail Hannon"
GAIL HANNON
Chief Financial Officer

"Michael Kabanuk"
MICHAEL KABANUK
Director

"Bradley Porter"
BRADLEY PORTER
Director

APPENDIX "E"
Information Concerning Boulder Post-Arrangement

APPENDIX "E"

INFORMATION CONCERNING BOULDER POST-ARRANGEMENT

TABLE OF CONTENTS

NOTICE TO THE READER

Unless the context indicates otherwise, capitalized terms which are used in this Appendix "E" and not otherwise defined in this Appendix "E" have the meanings given to such terms under "Glossary of Terms" in the main body of the Circular.

As at the date hereof, Boulder has not carried on any active business. Pursuant to the Arrangement, Boulder will become an independent, public corporation. Unless otherwise indicated, the disclosure in this Appendix "E" has been prepared assuming that the Arrangement has become effective and that Boulder has become an independent, public corporation. In particular, the disclosure in respect of the business and assets of Boulder contained in this Appendix "E" is presented on the assumption that the Arrangement has become effective and the Spin-Out Assets have been transferred to Boulder prior to the date in respect of which such disclosure relates. References to the "Spin-Out Assets" in this Appendix "E" are to such assets as held by DeeThree prior to the Arrangement and to be held by Boulder upon the Arrangement becoming effective. Financial information included in this Appendix "E" has, unless otherwise indicated, been derived from the historical financial statements of DeeThree for each of the relevant periods and is presented in this Appendix "E" on a carve-out basis from such historical financial statements of DeeThree for the relevant period.

Unless otherwise indicated, references herein to the programs, policies, procedures, practices, guidelines, mandates and plans (collectively, the "**Programs and Policies**") of Boulder refer, in each case, to the Programs and Policies of Boulder which are expected to be formally ratified and adopted by the Boulder Board subsequent to the Arrangement. Each of the Programs and Policies are expected to be in substantially the same form as those presently in place at DeeThree and, unless otherwise indicated, the disclosure in respect thereof contained in this Appendix "E" is presented on the assumption that the Programs and Policies have been formally ratified by the Boulder Board in such form and have been instituted at Boulder. Notwithstanding the foregoing, prior to the formal ratification and adoption of each of the Programs and Policies, it is expected that the Boulder Board will review and adjust such Programs and Policies to the extent necessary to ensure that the specific requirements of Boulder and its operations are met. Accordingly, the disclosure contained in this Appendix "E" in respect of such Programs and Policies remains subject to revision prior or subsequent to the Effective Date.

CORPORATE STRUCTURE

Boulder was incorporated under the ABCA on December 19, 2014 as "1867656 Alberta Ltd." On April 7, 2015, Boulder amended its articles to change its name to "Boulder Energy Ltd." and to remove restrictions on the transfer of its shares. Boulder's registered address is 1000, 250 2nd Street SW., Calgary, Alberta. Boulder's head office will be located at 2200, 520 – 3rd Avenue SW, Calgary, AB T2P 0R3. Boulder does not have any subsidiaries.

DESCRIPTION OF THE BUSINESS

Incorporation and History

As described in further detail in this Circular, the proposed Arrangement is expected to create a new publicly traded oil and gas exploration and development company called "Boulder Energy Ltd.". Boulder will acquire the Spin-Out Assets from DeeThree. Boulder has not carried on any active business since incorporation other than the entering into of the Arrangement Agreement. Boulder is currently not a reporting issuer (or the equivalent) in any jurisdiction and is not listed on any stock exchange. See "*Market for Securities*" in this Appendix.

If the proposed Arrangement is approved by the Shareholders and the Court and the other conditions precedent to the completion of the Arrangement are satisfied or waived, DeeThree will be divided into two separate publicly traded companies and each Shareholder (other than a Dissenting Shareholder) will receive one-third (0.3333) of one (1) New DeeThree Common Share and one-half (0.5) of one (1) Boulder Common Share in exchange for each DeeThree Common Share held. See "*The Arrangement - Effect of the Arrangement*" and "*The Arrangement - Arrangement Mechanics*" sections in this Circular. It is expected that the Arrangement will occur on a tax-deferred basis for DeeThree and Boulder. Canadian tax counsel to DeeThree and Boulder has opined that the Arrangement generally will occur on a tax-deferred basis for Shareholders resident in Canada who hold their DeeThree Common Shares as capital property and who do not choose to recognize a capital gain or a capital loss.

The Boulder Board is anticipated to be composed of seven (7) members, all of whom are current directors of DeeThree. It is proposed that certain of the current officers of DeeThree will become officers of Boulder and that Boulder will have 26 employees. See "*Directors and Executive Officers of Boulder*" in this Appendix.

There is currently no market for the Boulder Common Shares. Boulder has applied to list the Boulder Common Shares on the TSX. Listing of the Boulder Common Shares on the TSX will be subject to Boulder meeting the original listing requirements of the TSX. See "*Market for Securities*" section of this Appendix.

Business Objectives and Milestones

Boulder has been formed to participate in the Arrangement pursuant to which it will acquire from DeeThree the Spin-Out Assets, namely the Brazeau Belly River Properties and the Northern Properties as described in further details below.

Boulder's strategy is to organically grow production by drilling on the multi-zone Belly river oil play on its Brazeau Belly River Properties, while managing corporate decline rates at less than 30% annually. Over 400 horizontal drilling locations have been identified on these lands which will provide Boulder with a multi-year development inventory. Boulder will maintain financial flexibility by maintaining a conservative balance sheet.

Boulder presently plans to drill 9 wells, spending $45 million of capital during the second half of 2015, with estimated production averaging 8,500 BOE/d. Assuming the price of oil is WTI US$50.00/bbl, it is anticipated that Boulder will generate approximately $33 million of cash flow throughout the second half of 2015. In 2016, 23 wells are planned to be drilled with an overall capital budget of approximately $118 million and estimated production of 9,402 BOE/d. Assuming the price of oil is WTI US$60.00/bbl, it is anticipated that Boulder will generate approximately $96 million of cash flow in 2016.

Description of Properties

The principal property of Boulder will be the Brazeau Belly River Properties. The Brazeau Belly River Properties are located in west central Alberta, approximately 160 kilometres southwest of Edmonton (TWP 47, Range 14, W5M). This operated property consists of an average working interest of approximately 82 percent in approximately 76,960 gross (63,072 net) undeveloped acres and 47,400 gross (32,413 net) developed acres, as at December 31, 2014.

The Northern Properties will be minor properties of Boulder. The Northern Properties are located in the Peace River Arch area of northern Alberta and are comprised of six different producing properties. The property located in the Valhalla/Rycroft area is the single largest producing property of the Northern Properties. Other Northern Properties are located in the Gordondale, Basset Lake and Rainbow Lake areas of Alberta. The Northern Properties include 29,600 gross acres (17,589 net) of undeveloped land and 48,082 gross acres (24,453 net) of developed land. The Valhalla/Rycroft area is located 35 kilometers north of the city of Grande Prairie in northwest Alberta. The Gordondale property is a natural gas property located approximately 75 kilometers northwest of the city of Grande Prairie in northwestern Alberta. The Basset Lake property is a winter access area located approximately 50 kilometers southwest of Rainbow Lake in northern Alberta, DeeThree has a 50% working interest in the area

Background

DeeThree acquired the Brazeau Belly River Properties from Fairborne Energy in March, 2011. At the time of purchase the production within the Brazeau River area was approximately 700 bbls/d of liquids and 2.1 MMcf/d of natural gas, totalling 1,060 BOE/d. DeeThree has subsequently increased production in the Brazeau area to over 8,000 bbls/d, representing an increase of nearly 800%.

In 2011 DeeThree drilled 4 horizontal wells within the Belly River Formation, all wells were drilled in the existing Unitized area and into the single "basal" sand zone. During that year, DeeThree purchased Gamet Resources' interest out of the Unit to increase its working interest.

2012 saw significant delineation and land expansion activity on the Brazeau Belly River Properties with 8 gross (7.1 net) wells drilled. Delineating the size of the Belly River light oil resource was executed by testing 4 separate

sands within the Belly River formation, all of which were deemed economical. At the end of the year, DeeThree entered into a farm-in agreement with a senior oil and gas producer pursuant to which DeeThree earned a 100% working interest in 34 additional sections of Belly River petroleum and natural gas rights, directly offsetting DeeThree's existing core Brazeau Belly River Properties. DeeThree committed to drilling a minimum of three horizontal wells on the farm-in lands with a continuing rolling option thereafter in return for a 15% non-convertible overriding royalty.

In 2013, DeeThree drilled 17 gross (16.86 net) producing Belly River horizontal wells, which was a shift from the 2013 guidance of 11 gross (10.7 net) wells due to profound drilling success in the area.

In the summer of 2013, DeeThree completed a resource study of the Belly River oil play with an independent reserve engineer, Sproule. The resource assessment concluded that the Belly River assets contained significant potential.

2014 was the most active year for drilling on the Brazeau Belly River Properties with 28 gross (27.93 net) wells drilled and completed with 100% success rate, including the testing of three additional sand zones for a total of 7 confirmed economical sands in the play. Facilities were upsized in the field to handle the additional production of up to 12,000 bbls/d.

In 2014, DeeThree acquired an additional 12,000 net acres in Brazeau and identified an additional 40 horizontal drilling locations in the Brazeau area, bringing the total inventory to approximately 440 drilling locations and its land base to a total of 116,800 net acres.

Boulder is unhedged and fully exposed to the market rebound in commodity prices.

Employees

As at the date of this Circular, Boulder had no employees. After giving effect to the Arrangement, it is expected that Boulder will have 26 full time employees (including officers).

Competitive Conditions

The oil and natural gas industry is intensely competitive in all its phases. Boulder will compete with various other participants in the search for, and the acquisition of, oil and natural gas royalty properties. Boulder's competitors will include royalty companies which have greater financial resources, staff and facilities than those of Boulder. Boulder believes that its competitive position will be equivalent to that of other oil and gas or resources issuers of similar size and at a similar stage of development. See "*Risk Factors - Competition*" in this Appendix.

STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION

Disclosure of Reserves Data

In accordance with NI 51-101, the reserves data associated with the Spin-Out Assets set forth below is based upon an evaluation by Sproule and the Sproule Boulder Report. The effective date of the Sproule Boulder Report is January 1, 2015 and the report has a preparation date of April 7, 2015. The Sproule Boulder Report evaluated, as at January 1, 2015, the crude oil, natural gas and NGL reserves associated with the Spin-Out Assets. As compared to the evaluation of the Spin-Out Assets undertaken by Sproule effective December 31, 2014, the reserves (total proved plus probable) and the present value of the reserves (total proved plus probable at a 10% discount rate) of the Spin-Out Assets as set out in the Sproule Boulder Report have decreased by 0.11 MMBOE and $34.0 MM respectively. This is due to adjustments made to the gross overriding royalty on a portion of the wells evaluated in the Sproule Boulder Report. The tables below summarize the reserves and the net present value of future net revenue attributable to the reserves as evaluated in the Sproule Boulder Report based on the Sproule Price Forecast, cost assumptions and supplied operating expenses. The tables summarize the data contained in the Sproule Boulder Report and, as a result, may contain slightly different numbers than such report due to rounding. Also due to rounding, certain columns may not add exactly.

The net present value of future net revenue attributable to the reserves is stated without provision for interest costs, but after providing for estimated royalties, production costs, capital, production taxes, development costs,

other income and future capital expenditures. It should not be assumed that the undiscounted or discounted net present value of future net revenue attributable to the reserves estimated by Sproule represent the fair market value of the reserves. Other assumptions and qualifications relating to costs, prices for future production and other matters are summarized herein. The recovery estimates of the reserves provided herein are estimates only and there is no guarantee that the reserves, as estimated, will be recovered. Actual reserves may be greater than or less than the estimates provided herein.

In preparing the Sproule Boulder Report, Sproule relied on certain information provided by DeeThree and third parties associated with the Spin-Out Assets, which included working and net revenue interest data, public data, well information, geological information, reservoir studies, estimates of on-stream dates, contract information, current hydrocarbon product prices, operating cost data, financial data and future development and operating plans for the Spin-Out Assets, as applicable. Other engineering, historical production, geological or economic data required to conduct the evaluations and upon which the Sproule Boulder Report is based was obtained from public records and from non-confidential files. The extent and character of ownership and the accuracy of all factual data supplied for the independent evaluation, from all sources, was accepted by Sproule as represented.

Boulder intends to retain independent qualified reserves evaluators to evaluate and prepare reports on 100 percent of Boulder's natural gas, crude oil and NGLs reserves annually. Boulder also intends to have a Reserves Committee (see "*Disclosure of Corporate Governance Practices*" section of this Appendix) of independent board members which will review the qualifications and appointment of the independent qualified reserves evaluators. The Boulder Reserves Committee will also review the procedures of providing information to the evaluators.

Summary of Oil and Gas Reserves

The following table outlines the light crude oil and gas reserves attributable to the Spin-Out Assets, as at January 1, 2015, assuming completion of the Arrangement, on a forecasted pricing basis, by product type on a gross (before royalties) and net (after royalties) basis:

	Light Oil		Natural Gas		NGLs		BOE	
	Gross *(mbbls)*	Net *(mbbls)*	Gross *(MMcf)*	Net *(MMcf)*	Gross *(mbbls)*	Net *(mbbls)*	Gross *(MBOE)*	Net *(MBOE)*
Proved								
Developed producing	6,118.4	4,455.1	20,894	18,653	1,057.2	690.5	10,657.9	8,254.4
Developed non-producing	123.6	109.2	901	836	46.7	32.5	320.5	281.0
Undeveloped	8,992.6	7228.1	21,736	19,382	1,308.5	957.0	13,923.8	11,415.4
Total proved	15,234.7	11,792.4	43,531	38,871	2,412.4	1,680.0	24,902.3	19,950.8
Probable	6,193.0	4,151.9	16,438	14,333	909.0	586.5	9,841.6	7,127.3
Total proved plus probable	21,427.6	15,944.3	59,968	53,204	3,321.4	2,266.5	34,743.8	27,078.1

Note:
(1) Figures may not add due to rounding.

Net Present Values of Future Net Revenue

The net present values of future net revenue of reserves attributable to the Spin-Out Assets at January 1, 2015, assuming completion of the Arrangement, at various discount rates on a before tax and after tax basis and on a forecasted pricing basis, are outlined below:

	Before Income Taxes[1] Discounted At				
	0%	5%	10%	15%	20%
(000s)	*($)*	*($)*	*($)*	*($)*	*($)*
Proved					
Developed producing	314,535	254,199	214,622	186,914	166,522
Developed non-producing	7,859	6,342	5,250	4,436	3,813
Undeveloped	361,321	236,404	163,450	116,777	84,760
Total proved	683,715	496,944	383,322	308,127	255,095

	Before Income Taxes[1] Discounted At				
	0%	5%	10%	15%	20%
(000s)	*($)*	*($)*	*($)*	*($)*	*($)*
Probable	302,689	194,992	140,336	108,545	88,065
Total proved plus probable	986,404	691,937	523,657	416,672	343,160

Note:
(1) Estimates of future net revenue do not represent fair market value.

	After Income Taxes[1] Discounted At				
	0%	5%	10%	15%	20%
(000s)	*($)*	*($)*	*($)*	*($)*	*($)*
Proved					
Developed producing	301,245	242,510	204,143	177,376	157,733
Developed non-producing	5,957	4,770	3,922	3,294	2,815
Undeveloped	276,039	173,384	113,528	75,308	49,161
Total proved	583,241	420,664	321,593	255,978	209,709
Probable	227,938	145,211	103,219	78,791	63,064
Total proved plus probable	811,178	565,875	424,811	334,769	272,773

Note:
(1) Estimates of future net revenue do not represent fair market value.

Total Future Net Revenue

The following table provides a breakdown of the various components of total future net revenue on an undiscounted basis for proved and proved plus probable reserves:

(000s)	Revenue *($)*	Royalties *($)*	Operating Costs *($)*	Capital Develop-ment Costs *($)*	Well Abandon-ment and Disconnect Costs[2] *($)*	Future Net Revenue Before Income Taxes *($)*	Future Income Tax Expenses *($)*	Future Net Revenue After Income Taxes[1] *($)*
Proved	1,850,604	400,814	528,981	232,516	4,578	683,715	100,475	583,241
Probable	810,778	243,227	209,969	53,465	1,429	302,689	74,751	227,938
Total proved plus probable	2,661,383	644,041	738,950	285,981	6,007	986,404	175,226	811,178

Notes:
(1) Estimates of future net revenue do not represent fair market value.
(2) Undeveloped locations only.

Net Present Value of Future Net Revenue by Production Group (Forecast Prices and Costs)

Reserves Category	Production Group	Future Net Revenue Before Income Taxes [3] (discounted at 10%/year) ($000s)	Future Net Revenue Before Income Taxes [3] (discounted at 10%/year) ($/BOE)
Proved	Light Oil and NGLs[1]	367,355	19.90
	Natural Gas[2]	15,967	10.74
Proved plus probable	Light Oil and NGLs[1]	504,571	19.94
	Natural Gas[2]	19,086	10.73

Notes:
(1) Including solution gas and other by-products.
(2) Including by-products but excluding solution gas.

(3) Unit values of $/BOE are based on net reserves attributable to the Spin-Out Assets, assuming completion of the Arrangement. Estimates of future net revenue do not represent fair market value.

Pricing Assumptions

Forecast Prices Used in Estimates

The following tables set forth the benchmark reference prices, as at December 31, 2014 used in preparing the reserves data relating to the Spin-Out Assets. These price assumptions were provided to DeeThree by Sproule and were Sproule's then current forecasts at the date of the Sproule Boulder Report.

	Light Oil			Natural Gas	NGL				
Year	WTI Cushing Oklahoma 40° API (US$/bbl)	Edmonton Par Price 40° API (Cdn$/bbl)	Western Canada Select 20.5° API (Cdn$/bbl)	AECO Gas Price ($/MMBtu)	Pentanes Edmonton Cdn$/bbl)	Butanes FOB Field Gate ($/bbl)	Propane Edmonton ($/bbl)	Inflation rates (%/Yr)	Exchange rate ($US/$Cdn)
2015	65.00	70.35	60.50	3.32	78.60	50.34	34.77	1.5	0.85
2016	80.00	87.36	75.13	3.71	97.60	62.51	43.17	1.5	0.87
2017	90.00	98.28	84.52	3.90	109.80	70.32	48.57	1.5	0.87
2018	91.35	99.75	85.79	4.47	111.44	71.37	49.30	1.5	0.87
2019	92.72	101.25	87.07	5.05	113.12	72.44	50.04	1.5	0.87
2020	94.11	103.85	89.31	5.13	116.02	74.31	51.32	1.5	0.87
2021	95.52	105.40	90.65	5.22	117.76	75.42	52.09	1.5	0.87
2022	96.96	106.99	92.01	5.31	119.53	76.55	52.87	1.5	0.87
2023	98.41	108.59	93.39	5.40	121.32	77.70	53.67	1.5	0.87
2024	99.89	110.22	94.79	5.49	123.14	78.87	54.47	1.5	0.87
2025	101.38	111.87	96.21	5.58	124.99	80.05	55.29	1.5	0.87

ADDITIONAL INFORMATION RELATING TO RESERVES DATA

Undeveloped Reserves

Proved and probable undeveloped reserves have been estimated in accordance with procedures and standards contained in the COGE Handbook.

If the Arrangement was completed on or prior to January 1, 2015, then as at January 1, 2015, 13,924 MBOE or 56% of DeeThree's total proved reserves attributable to the Spin-Out Assets and 7,126 MBOE or 72% of DeeThree's total probable reserves attributable to the Spin-Out Assets were undeveloped.

The timing of initial undeveloped reserves assignments as at December 31, 2014 over the prior three years in the forecast prices and costs case is indicated in the attached table from the Sproule Boulder Report.

Gross Undeveloped Reserves First Attributed By Year					
Product Type	Units	Prior Years[1]	2012[2]	2013[2]	2014
Proved Undeveloped					
Light Oil	mbbls	1,405.2	804.5	1,685.8	5,182.5
Natural Gas	MMcf	183	960	6,348	12,300
Natural Gas Liquids	mbbls	169.5	69.3	410.5	728.9
Total: Oil Equivalent	MBOE	1,605.2	1,033.8	3,154.3	7,961.4
Probable Undeveloped					
Light Oil	mbbls	256.6	690.7	2,209.0	2,564.7
Natural Gas	MMcf	467	540	6,261	6,411
Natural Gas Liquids	mbbls	32.5	38.3	418.0	353.4
Total: Oil Equivalent	MBOE	366.9	819.0	3,670.5	3,986.6

Notes:
(1) Figures in this column represent cumulative undeveloped reserves attributed prior to 2011.
(2) Estimates based on closing balances for 2012 and 2013.

Proved and probable undeveloped reserves are attributed by Sproule in accordance with standards and procedures contained in the COGE Handbook. In general, once proved and/or probable undeveloped reserves are identified they are scheduled into a company's development plans. Boulder plans to develop the majority of its proved and probable undeveloped reserves within three years. However, if the economic climate is not conducive to developing these reserves within two years, the Corporation may, in its discretion, defer the development into the future. There are a number of factors that could result in delays or cancelled development plans. These factors would include, but are not limited to, changing economic and technical conditions, surface access issues and the availability of services.

Significant Factors or Uncertainties

The process of evaluating reserves is inherently complex. It requires significant judgment and decision-making on the basis of the available geological, geophysical, engineering and economic data. These estimates may change substantially as additional data from ongoing development activities and production performance become available and as economic conditions impacting oil and gas prices and costs change. The reserve estimates contained herein are based on current production forecasts, prices and economic conditions. Factors and assumptions that affect these reserve estimates include, among other things: (i) historical production in the area compared with production rates from analogous producing areas; (ii) initial production rates; (iii) production decline rates; (iv) ultimate recovery of reserves; (v) success of future development activities; (vi) marketability of production; (vii) effects of government regulations; and (viii) other government levies imposed over the life of the reserves.

As circumstances change and additional data become available, reserve estimates also change. Estimates are reviewed and revised, either upward or downward, as warranted by the new information. Revisions are often required due to changes in well performance, prices, economic conditions and governmental restrictions. Revisions to reserve estimates can arise from changes in year-end prices, reservoir performance and geologic conditions or production. These revisions can be either positive or negative.

The evaluated oil and gas properties forming part of the Spin-Out Assets have no material extraordinary risks or uncertainties beyond those that are inherent in an oil and gas producing company.

Future Development Costs

The following table provides information regarding the development costs deducted in the estimation of future net revenue attributable to DeeThree's reserves attributable to the Spin-Out Assets.

($000s) Year	Total Proved Reserves using forecast prices and costs	Total Proved Plus Probable Reserves using forecast prices and costs
2015	119,265	139,452
2016	76,356	96,833
2017	33,025	41,281
Remaining	3,872	8,415
Total Undiscounted	232,516	285,981
Total Discounted at 10%	211,075	257,888

It is anticipated that Boulder’s source of funding for future development costs of its reserves will be derived from a combination of working capital, funds from operations, debt and new equity. Management does not anticipate that the costs of funding referred to above will materially affect disclosed reserves and future net revenues or will make the development of any of properties forming part of the Spin-Out Assets uneconomic.

OTHER OIL AND GAS INFORMATION

Oil and Gas Wells

The following table sets forth the number and status of wells forming part of the Spin-Out Assets in which DeeThree had a working interest as at April 1, 2015:

	Light Crude Oil Wells				Natural Gas Wells			
	Producing		Non-Producing		Producing		Non-Producing	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Alberta	213	172	39	26	95	49	57	32
Total	213	172	39	26	95	49	57	32

Note:
(1) Non-producing well count does not include abandoned wells, cut and capped wells, injection or disposal wells.

Properties with No Attributed Reserves

The following table summarizes, as of January 1, 2015, the undeveloped lands and the net acreage of undeveloped lands where the rights to explore, develop and exploit are expected to expire within one year which belong to the Spin-Out Assets.

	Acres		
	Gross	Net	Net Acres Expiring Within One Year
Alberta	109,440	82,363	7,488

Additional Information Concerning Abandonment and Restoration Costs

DeeThree estimates the costs associated with abandonment and reclamation costs for surface leases, wells and facilities based on previous experience or by estimating such costs. Abandonment and disconnect costs are included in the Sproule Boulder Report as deductions in arriving at future net revenue for undeveloped wells. No allowances for reclamation or salvage values were made. The additional abandonment and reclamation costs of the Corporation not deducted in the reserves data in determining future net revenue, are estimated to be $31.2 million (undiscounted) at December 31, 2014 and the salvage value is estimated to be $14.1 million. This estimate includes expected reclamation costs for surface leases. The Corporation currently anticipates incurring abandonment and reclamation costs on 370 net wells. The Corporation will be liable for its share of ongoing environmental obligations and for the ultimate reclamation of the properties held by it upon abandonment. Ongoing environmental obligations are expected to be funded out of cash flow.

Tax Horizon

DeeThree is not expected to pay income taxes for 2014, its most recently completed financial year. Boulder is unlikely to be taxable in 2015 and 2016 given the current price environment and its capital spending plans.

Costs Incurred

The following table summarizes certain expenditures attributable to the Spin-Out Assets during the year ended December 31, 2014. All costs were incurred in Alberta, Canada.

Nature of Cost Incurred	Year Ended December 31, 2014 ($000)
Property Acquisition Costs	
Proved Properties	17,253
Unproved Properties	6,088
Exploration	6,592
Development	180,239
Total	210,172

Exploration and Development Activities

In the year ended 2014, DeeThree participated in the drilling and completion of 28 gross (27.93 net) wells that form part of the Spin-Out Assets. The following table summarizes DeeThree's drilling results.

	Exploration		Development		Total	
	Gross	Net	Gross	Net	Gross	Net
Natural gas	--	--	1.00	1.00	1.00	1.00
Crude oil and NGLs	--	--	27.00	26.93	27.00	26.93
Dry and abandoned	--	--	--	--	--	--
Total wells	--	--	28.00	27.93	28.00	27.93
Success rate (%)		--		100		100
Average working interest (%)		--		100		100

Future Development Costs

The following table sets forth development costs deducted in the estimation of future net revenue attributable to the Spin-Out Assets reserve categories noted below.

	Forecast Prices and Costs	
Year	Proved Reserves ($000s)	Proved Plus Probable Reserves ($000s)
2015	119,265	139,452
2016	76,356	96,833
2017	33,025	41,281
2018	3,872	8,296
2019	--	--
Remaining	--	119
Total (Undiscounted)	232,516	285,981
Total (Discounted at 10%)	211,075	257,888

Production Estimates

The following table is a summary of the working interest (prior to royalties) volume of DeeThree's estimated production for 2015 for the Spin-Out Assets, which is reflected in the estimate of future net revenue in the Sproule Boulder Report based on the forecast price tables contained above.

Reserve Category	Light and Medium crude Oil (bbls/d)	Natural Gas (mcf/d)	Natural Gas Liquids (bbls/d)	Oil Equivalent (BOE/d)	%
Proved					
Brazeau	6,295	14,437	887	9,588	95
Other	113	1,976	22	464	5
Total Proved	6,408	16,143	909	10,052	100
Proved plus Probable					
Brazeau	7,536	17,017	1,045	11,417	96
Other	117	2,050	23	482	4
Total Proved plus Probable	7,653	19,067	1,068	11,899	100

Production History

The following tables summarize certain information in respect of DeeThree's production, product prices received, royalties paid, operating expenses and resulting netback for the indicated periods during the financial year ended December 31, 2014 attributable to the Spin-Out Assets.

	Q1 31-Mar-14	Q2 30-Jun-14	Q3 30-Sep-14	Q4 31-Dec-14
Average Daily Production				
Oil (bbls/d)	3,392	4,424	4,956	5,836
Gas (mcf/d)	9,193	10,291	11,101	13,450
NGL (bbls/d)	427	430	591	729
BOE/d	5,351	6,569	7,397	8,806
Average Price Received				
Oil ($/Bbl)	96.33	101.91	95.16	72.20
Gas ($/mcf)	5.96	5.07	4.59	3.89
NGL ($/Bbl)	70.96	54.65	47.60	33.27
Combined ($/BOE)	77.17	80.29	74.56	56.61
Royalties				
Combined ($/BOE)	10.44	13.16	12,47	10.21
Operating Expenses				
Combined ($/BOE)	11.84	10.75	9.95	9.79
Transportation ($/BOE)	1.75	2.25	1.90	2.91
Netback Received				
Combined ($/BOE)	53.14	54.12	50.24	33.71

The following table summarizes DeeThree's average daily net production volumes during the year ended December 31, 2014 attributable to the Spin-Out Assets.

	Light Oil *(bbls/d)*	Conventional Natural Gas *(Mcf/d)*	NGLs *(bbls/d)*	Equivalent Barrels *(BOE/d)*
Alberta				
Brazeau	4,576	8,418	518	6,497
Other	89	2,573	26	544
Total	4,665	10,991	544	7,041

Land Holdings

DeeThree's developed and undeveloped landholdings attributable to the Spin-Out Assets as at January 1, 2015 are set forth in the following table:

	Undeveloped		Developed		Total	
	Gross *(acres)*	Net *(acres)*	Gross *(acres)*	Net *(acres)*	Gross *(acres)*	Net *(acres)*
2014						
Brazeau	76,960	63,072	47,400	32,413	124,360	95,485
Peace River Arch	29,600	17,589	48,082	24,453	77,682	42,042
Other	2,880	1,702	6,880	4,337	9,760	6,039
Total	109,440	82,363	102,362	61,203	211,802	143,566

DESCRIPTION OF SHARE CAPITAL

The following is a summary of the rights, privileges, restrictions and conditions which will be attached to the Boulder Common Shares on the Effective Date after giving effect to the Arrangement. At that time, Boulder will be authorized to issue an unlimited number of Boulder Common Shares. As of the date hereof, one (1) Boulder Common Shares has been issued. It is expected that the one (1) Boulder common Share will be redeemed for cancellation immediately prior to the Effective Time of The Arrangement. Upon completion of the Arrangement, based on 88,974,460 DeeThree Common Shares outstanding as of the date hereof, approximately 44,487,230 Boulder Common Shares will be issued and outstanding.

Additionally, pursuant to the Arrangement and the Option Exercise and Termination Agreements, holders of DeeThree Options have also agreed to conditionally exercise their vested In-the-Money DeeThree Options, exchange their unvested In-the-Money DeeThree Options for Replacement Options, and surrender for cancellation their vested and unvested Out-of-Money DeeThree Options. Based on the Fair Market Value of the DeeThree Common Shares as of the date hereof, 3,640,349 vested In-the-Money Options, 626,379 unvested In-the-Money DeeThree Options, and 3,404,100 vested and unvested Out-of-Money DeeThree Options are issued and outstanding. A total of 216,000 of the vested In-the-Money Options expire on April 27, 2015. It is expected that all of these vested In-the-Money Options will be exercised prior to their expiry. If all holders of vested In-the-Money DeeThree Options that remain outstanding immediately prior to the Effective Time exercise such options on a cashless basis, and based on the Fair Market Value of the DeeThree Common Shares as of the date hereof, an additional 1,585,636 DeeThree Common Shares will be issued and outstanding immediately prior to the Effective Time, resulting in the issuance of an additional 792,818 Boulder Common Shares. See "*The Arrangement - DeeThree Options*" in the body of the Circular.

Pursuant to the Plan of Arrangement, all Boulder Special Shares which are issued pursuant to the Plan of Arrangement will be redeemed for cancellation by Boulder. Subsequent to such redemption and pursuant to the Arrangement, the articles of Boulder will be amended to remove the Boulder Special Shares as a class of shares eligible for issuance by Boulder. See "*The Arrangement – Arrangement Mechanics*" in this Circular. The only class of shares authorized for issuance will be the Boulder Common Shares.

Boulder Common Shares

The holders of Boulder Common Shares will be entitled to receive dividends if, as and when declared by the Boulder Board. The holders of Boulder Common Shares are entitled to receive notice of and to attend all meetings of shareholders and are entitled to one vote per Boulder Common Share held at all such meetings. Pursuant to the ABCA, the first annual general meeting of shareholders of Boulder must be held not later than 18 months following the Effective Date. In the event of the liquidation, dissolution or winding up of Boulder or other distribution of assets of Boulder among its shareholders for the purpose of winding up its affairs, the holders of Boulder Common Shares will be entitled to participate rateably in any distribution of the assets of Boulder.

The Boulder Board has approved for adoption the Boulder Stock Option Plan. If ratified and approved at the Meeting, the Boulder Stock Option Plan will permit the Boulder Board to grant to directors, officers and employees and consultants of Boulder and its subsidiaries stock options to purchase Boulder Common Shares. Boulder Stock Option exercise prices will be based on the market price for Boulder Common Shares on the date immediately preceding the date the options are granted. Boulder Stock Options granted under the Boulder Stock Option Plan will generally be fully exercisable after three years and expire five years after the grant date. For more details regarding the Boulder Stock Option Plan, please refer to "*Other Matters to be Voted on at the Meeting - Approval of Boulder Stock Option Plan*" section of the Circular.

If the Arrangement becomes effective on May 15, 2015, it is expected that Boulder Common Shares will begin trading on the TSX for regular settlement at the opening of trading three or four Business Days thereafter. See "*Certain Legal and Regulatory Matters - Stock Exchange Listings*" in this Circular.

DIVIDENDS

Boulder has not declared or paid any dividends since incorporation. Any decision to pay dividends on the Boulder Common Shares will be made by the Boulder Board on the basis of Boulder's earnings, financial requirements and other conditions existing at the relevant time.

SELECTED FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Statements

Included as Appendix "H" to this Circular are the following financial statements of Boulder:

1. the audited statement of financial position as at December 31, 2014,

2. the audited statement of changes in equity for the period from incorporation to December 31, 2014;

3. the audited statement of cash flows for the period from incorporation to December 31, 2014.

Included as Appendix "I" to this Circular are the following financial statements in respect of the Spin-Out Assets:

1. the audited carve-out statements of financial position as at December 31, 2014 and December 31, 2013;

2. the audited carve-out statements of income and comprehensive income for the years ended December 31, 2014, 2013 and 2012;

3. the audited carve-out statements of changes in owner's net investment for the years ended December 31, 2014, 2013 and 2012;

4. the audited carve-out statements of cash flows for the years ended December 31, 2014, 2013 and 2012.

Included as Appendix "J" to this Circular are the following pro forma financial statements in respect of Boulder after giving effect to the Arrangement:

1. the unaudited pro-forma statement of financial position as at December 31, 2014; and

2. the unaudited pro-forma statement of income and comprehensive income for the year ended December 31, 2014.

Management's Discussion and Analysis

Included as Appendix "I" is the management's discussion and analysis in respect of the financial condition and results of MD&A operations of the Spin-Out Assets as at and for the year ended December 31, 2014.

Selected Pro Forma Financial Information

Certain selected unaudited pro forma carve-out financial information following completion of the Arrangement is set forth in the following table. Such information should be read in conjunction with the audited carve-out financial statements of the Spin-Out Assets and the related Management's Discussion and Analysis included as Appendix "I" and the unaudited pro forma financial statements as at and for the year ended December 31, 2014, included as Appendix "J" to this Circular.

Pro Forma Carve-out Statements of Operations and Comprehensive Income	Year ended December 31, 2014
Revenue	$181,657,000
Expenses	$103,050,000
Net Income	$35,835,000
Income per Share - basic	$0.79

Pro Forma Statement of Financial Position	Year ended December 31, 2014
Assets	$422,222,000
Liabilities	$168,382,000
Shareholder's Equity	$253,840,000

The pro forma adjustments are based upon the assumptions described in the notes to the unaudited pro forma carve-out financial statements. The unaudited pro forma carve-out financial statements are presented for illustrative purposes only and are not necessarily indicative of the operating or financial results that would have occurred had the Arrangement actually occurred at the times contemplated by the notes to the unaudited pro forma carve-out financial statements or of the results expected in future periods. Please refer to the notes to the unaudited pro forma financial statements which disclose the pro forma assumptions and adjustments.

CONSOLIDATED CAPITALIZATION OF BOULDER

The following table sets out the capitalization of Boulder as at December 31, 2014 prior to giving effect to the Arrangement and the pro forma capitalization of Boulder as at December 31, 2014 after giving effect to the Arrangement. Other than as described below, there has not been any material change in the share and loan capital of Boulder, on a consolidated basis, since December 31, 2014. This table should be read in conjunction with Boulder's audited Carve-Out Financial Statements and the Management's Discussion and Analysis included as Appendix "I", Boulder's audited financial statements included as Appendix "H", the unaudited pro forma financial statements of Boulder included as Appendix "J", and other supplemental financial information contained elsewhere in this Circular.

Designation	As at December 31, 2014[1]	As at December 31, 2014 after giving effect to the Arrangement
Credit Facility		
Authorized	-	$175,000,000[2]
Drawn	-	$119,657,000
Shareholder Capital	$1 (1 Boulder Common Share)	$253,840,000 (44,487,230 Boulder Common Shares[3][4]

Notes:

(1) Boulder was incorporated under the ABCA on December 19, 2014. Boulder will have no operating history until completion of the Arrangement.

(2) Concurrently with completion of the Arrangement, Boulder expects to enter into the Boulder Credit Facility. Amounts will be drawn from the new DeeThree Credit Facility and the Boulder Credit Facility to pay down the 2014 Credit Facility. See "*Boulder Credit Facility*" section below.

(3) Does not include 113,000 Boulder Shares which would be issued as a result of the exercise of 216,000 vested In-the-Money DeeThree Options which otherwise expire on April 27, 2015. Does not include the additional 792,818 Boulder Common Shares which would be issued as a result of the cashless exercise of vested In-the-Money DeeThree Options immediately prior to the Effective Time (with the number of vested In-the-Money DeeThree Options determined based on the Fair Market Value of the DeeThree Common Shares as of the date hereof and the number of DeeThree Common Shares issuable upon the cashless exercise based on the Fair Market Value of the DeeThree Common Shares as of the date hereof. See "*Description of Share Capital*" above.

(4) Also does not include the 313,190 Boulder Common Shares issuable upon the exercise of the Replacement Options (with the number of Replacement Options determined based on the Fair Market Value of the DeeThree Common Shares as of the date hereof.

BOULDER CREDIT FACILITY

In order to provide ongoing liquidity, including working capital requirements, Boulder has begun preliminary discussions with a lender to make available to Boulder the Boulder Credit Facility, which early indications suggest would consist of an authorized borrowing base of $175 million, including a $155 million extendible revolving facility and a $20 million operating facility. The terms of the Boulder Credit Facility would commence on the Effective Date, pending credit approval from the syndicate. The credit agreement is expected to contain customary representations, warranties, covenants and events of default for credit facilities of this type. The commitment from the lender to make advances available under the credit facility is conditional on the Arrangement becoming effective and are subject to customary conditions for credit facilities of this type, including, among others, no material adverse change in the financial condition or operations of Boulder shall have occurred, there shall not have occurred a material disruption of or material adverse change in conditions in the financial, banking or capital markets that would reasonably be expected to materially impair the syndication of the credit facility, the lender shall not have become aware of information affecting Boulder or the Arrangement that is inconsistent in a material and adverse manner with information previously disclosed to the Boulder lender and that would reasonably be expected to materially impair the syndication of the credit facility and the Arrangement shall become effective by the latter part of May, 2015.

OPTIONS TO PURCHASE SECURITIES

At the Meeting, provided that the Arrangement Resolution is approved, Shareholders will be asked to consider and, if deemed advisable, approve, with or without variation, the ordinary resolution approving the adoption by Boulder of the Boulder Stock Option Plan. A copy of the Boulder Stock Option Plan is set out in Appendix "E" to this Circular. For a description of the Boulder Stock Option Plan, see "*Particulars of the Matters to be Acted Upon - 6. Approval of the Boulder Stock Option Plan*" in this Circular. In addition, holders of unvested In-the-Money DeeThree Options will also receive Replacement Options which will entitle the holder thereof to receive, upon exercise, Boulder Common Shares. See "*The Arrangement - DeeThree Options*" in the body of the Circular. See also "*Consolidated Capitalization*" above.

PRIOR SALES

One (1) Boulder Common Share has been issued prior to the date hereof with such share expected to be redeemed for cancellation immediately prior to the Effective Time. In connection with the Arrangement and based on the number of issued and outstanding DeeThree Common Shares as of the date hereof, it is expected that 44,487,230 Boulder Common Shares will be issued to DeeThree Shareholders on the Effective Date of the Arrangement. In addition, if all vested In-the-Money DeeThree Options are exercised on a cashless basis prior to the Effective Date of the Arrangement and based on the Fair Market Value of the DeeThree Common Shares as of the date hereof, an additional 860,941 Boulder Common Shares will be issued on the Effective Date.

ESCROWED SECURITIES

To the knowledge of Boulder, as of the date of this Circular, no securities of any class of securities of Boulder are held in escrow or are anticipated to be held in escrow following the completion of the Arrangement.

PRINCIPAL SHAREHOLDERS

To the knowledge of Boulder, as of the date of this Circular, there are no persons who will, immediately following the Arrangement becoming effective, beneficially own, or control or direct, directly or indirectly, voting securities of Boulder carrying 10 percent or more of the voting rights attached to any class of voting securities of Boulder.

DIRECTORS AND SENIOR OFFICERS OF BOULDER

Board of Directors

It is proposed that the Boulder Board consists of the same members as the current DeeThree Board. The following table sets out the names and municipalities of residence of each director of Boulder and their principal occupation over the last five years. Each of the directors of Boulder shall serve as a director for a term, if any, as may be specified in the resolution appointing such director or until his/her earlier death, resignation or removal.

Name, Municipality of Residence, Office	Present Occupation and Position Held During the Last Five Years	Number and Percentage of Boulder Common Shares Beneficially Owned, Directly or Indirectly, or Over which Control or Direction is Exercised After the Arrangement [5][6]
Martin Cheyne Calgary, Alberta	Mr. Cheyne has been the President, Chief Executive Officer and a director of the Corporation since January 24, 2007. Mr. Cheyne has been a director of Phoenix Oilfield Hauling, a public company listed on the TSX, since May 2006. Mr. Cheyne was President, CEO and a director of Dual Exploration Inc. from July 2005 to December 2006. Prior thereto, Mr. Cheyne was President, CEO and a director of Devlan Exploration Inc. from November 1995 to July 2005.	835,132 1.84%
Michael Kabanuk Cochrane, Alberta	Mr. Kabanuk has been a director of the Corporation since July 2008 and Executive Chairman of the Corporation since January 2010. Mr. Kabanuk was Chief Operating Officer and Vice-President, Operations at Cyries Energy Inc. from May 2004 to March 2008. Prior thereto, Mr. Kabanuk was Vice-President, Operations of Cequel Energy Inc. from July 2003 to May 2004, and prior thereto was the Operations Manager of Cequel Energy Inc. from January 24, 2002 to August 7, 2003.	657,378 1.45%
Dennis Nerland[1][2][3] Calgary, Alberta	Mr. Nerland has been a partner with the law firm Shea Nerland Calnan LLP since 1990 practicing primarily in the areas of tax and trust law. Mr. Nerland is a current and past director of a number of private and public companies listed on the TSX and the TSX and is currently a trustee of a number of private investment trusts. Mr. Nerland has a Bachelor of Laws degree from the University of Calgary, a Master of Arts degree (Economics) from Carleton University and a Bachelor of Science degree (Economics and Mathematics) from the University of Calgary. He is a member of the Law Society of Alberta and holds the ICD.D designation from the Institute of Corporation Directors.	113,862 0.25%
Bradley Porter[1][2][3][4] Okotoks, Alberta	Mr. Porter is an independent businessman serving as a board member for a number of private and public corporations in both the service and producing sectors of the oil and gas industry, including DualEx Energy International Inc.	637,255 1.40%

Name, Municipality of Residence, Office	Present Occupation and Position Held During the Last Five Years	Number and Percentage of Boulder Common Shares Beneficially Owned, Directly or Indirectly, or Over which Control or Direction is Exercised After the Arrangement (5)(6)
Henry Hamm(1)(2)(3)(4) Grand Prairie, Alberta	Mr. Hamm owns and operates a number of private companies in the Grande Prairie region including Prudential Lands Corporation, a land development company formed in 1995 and Dirham Homes Inc., a home building company formed in 1976. Mr. Hamm also owns and operates Prudential Energy Services Inc., an oil and gas service company.	1,102,119 2.43%
Brendan Carrigy Nanoose Bay, British Columbia	Mr. Carrigy was Vice President Exploration of the Corporation from July 2009 to August 2011 following which he served as Executive Vice President until March 2012. Mr. Carrigy was Vice-President, Exploration for Cyries Energy Inc. from inception in July 2004 to July 2007. Prior thereto, Mr. Carrigy was Exploration Manager of Cequel Energy Inc. from January 2002 to July 2004 and Exploration Manager at Primewest Energy Trust from March 2001 to January 2002.	498,201 1.10%
Kevin Andrus(1)(2)(3)(4) Contennial, Colorado, United States	Mr. Andrus is the Portfolio Manager of Energy Investments with GMT Capital Corp., a private investment company based in Atlanta, Georgia.	5,625 0.01%

Notes:
(1) Proposed member of Boulder Audit Committee. Each member of the Audit Committee is considered independent and financially literate.
(2) Proposed member of Boulder Corporate Governance and Compensation Committee.
(3) Proposed member of Boulder Nominating Committee.
(4) Proposed member of Boulder Reserves Committee.
(5) The information as to Boulder Common Shares beneficially owned, not being within the knowledge of Boulder, has been furnished by the respective directors and assumes completion of the Arrangement.
(6) Based on 45,388,048 Boulder Common Shares issued and outstanding (assumes exercise of all vested In-the-Money Options which expire on April 27, 2015 and assumes the cashless exercise of all remaining vested In-the-Money Options based on the Fair Market Value as of the date hereof).

By approving the Arrangement Resolution, Shareholders will be deemed to have approved the proposed directors and auditors of Boulder, which are formally appointed pursuant to the Arrangement. Each of the proposed directors of Boulder will hold office until the first annual meeting of the holders of Boulder Common Shares or until his or her successor is duly elected or appointed, unless his or her office is earlier vacated. Additional directors may be appointed by the Boulder Board after completion of the Arrangement and prior or subsequent to the first annual meeting of holders of Boulder Common Shares in accordance with the articles of Boulder. The first annual meeting of holders of Boulder Common Shares is expected to occur in the second quarter of 2016 and, in any event, not later than June 30, 2016, at which time holders of Boulder Common Shares will vote on the election of the directors and appointment of auditors of Boulder.

An audit committee of the Boulder Board (the "**Boulder Audit Committee**") will be established following completion of the Arrangement. The composition of the Boulder Audit Committee will comply with the requirements of the ABCA, applicable Canadian securities laws and the TSX. See "*Audit Committee*" and "*Disclosure of Corporate Governance Practices*" in this Appendix "E".

Senior Officers

A diverse and experienced management team has been assembled to lead Boulder and will continue to assess Boulder's longer-term strategy and organizational needs. All senior officers of Boulder will meet the high standards to be set by the proposed Boulder Board which are expected to include, but not be limited to, strong business ethics, adherence to proper corporate governance and knowledge of public company compliance.

The following are brief biographies of each of the senior officers of Boulder, including a description of their present occupations and their principal occupations during the last five years.

Martin Cheyne, CEO

Mr. Cheyne joined DeeThree as President and CEO in the fall of 2008. He brings more than 30 years of experience to the company, having founded and led several companies including Dual Exploration Inc. and Devlan Exploration Inc., both of which were acquired by Cyries Exploration Inc. Mr. Cheyne has also served on the boards of directors of numerous energy companies.

Clayton Thatcher, President

A geophysicist by trade, Mr. Thatcher began his career in the energy industry in 2004. Prior to joining DeeThree in 2010, he acquired invaluable experience in a range of positions with senior independent energy producers Cenovus Energy Inc. and Encana Corporation. Mr. Thatcher is the current Vice President, Exploration of DeeThree.

Casey Paulhus, CFO

Ms. Paulhus joined DeeThree as Controller in 2011. She began her accounting career in Edmonton in 2005 with global professional services firm PricewaterhouseCoopers, moving to Calgary in 2008 and spending a total of six years in public practice with a diverse portfolio of small to intermediate oil and gas clients. Ms. Paulhus holds a B.Comm. from the University of Alberta and a Masters of Professional Accounting (MPAcc) degree from the University of Saskatchewan, receiving her Chartered Accountant (CA) designation in 2008.

Robin Bieraugle, COO

Mr. Bieraugle has been DeeThree's Business Development Manager since joining the company in February 2013. Mr. Bieraugle graduated from the University of Alberta in 1997 with a B.Sc. in Mechanical Engineering and is Professional Engineer registered with APEGA. From October 2010 to January 2013 Mr. Bieraugle was an independent businessman. Prior thereto, Mr. Bieraugle was a founder and Vice President, Operations of Cequence Energy from December 2008 to September 2010. Mr. Bieraugle was the Operations Manager at Cyries Energy from 2004 to 2008 and prior thereto held various engineering positions with Cequel Energy, PrimeWest Energy, and Cypress Energy.

Hayden Knorr, Vice President Production

Mr. Knorr is the Vice President, Operations for Boulder Energy LTD. He was the Operations Manager for DeeThree Exploration since 2009. Prior to that, he held operation engineering positions with Iteration Energy Ltd. from 2008 to 2009 and Cyries Energy from 2005 to 2008.

Mr. Knorr earned a Bachelor of Science degree in Mechanical Engineering from the University of Alberta and is a Professional Engineer with the Association of Professional Engineers and Geoscientists of Alberta (APEGA).

Trevor Murray, Vice President Land

Mr. Murray joined DeeThree as Vice President, Land in 2008. He has more than a decade of experience in land administration, contracts and negotiation. He is a member of the Canadian Association of Petroleum Landmen and has held senior positions with energy producers including Cyries Energy Inc., PrimeWest Energy Trust, Calpine Canada and Encal Energy Ltd. Mr. Murray holds a B.Comm. in Petroleum Land Management from the University of Calgary.

Mel Chambers, Vice President Exploration

Mel Chambers joined DeeThree in 2011 and was key in initiating the Bakken exploration activity in Southern Alberta. Mr. Chambers was also instrumental in defining the geology of the Belly River and documenting over 430 drill locations at Brazeau. Mr. Chambers graduated from the University of Calgary with a BSc Honors in geology in 1975. He has worked with a series of large and small companies and made significant discoveries in the Baldonnel, Slave Point, Granite Wash, Glauconitic, Horn River and Bakken formations. Most recently he was President of IC Resources Corp. Mr. Chambers is a member of the CSPG, APPG and APEGA

It is anticipated that the directors and executive officers of Boulder, as a group, will beneficially own, directly or indirectly, or exercise control or direction over 4,453,511 Boulder Common Shares or approximately 9.81% percent of the number of Boulder Common Shares that will be outstanding immediately following completion of the Arrangement, based upon the number of DeeThree Common Shares so owned or controlled as of the date hereof.

Other Reporting Issuer Experience

The following table sets out the proposed directors of Boulder that are directors of other reporting issuers (or the equivalent) in Canada or a foreign jurisdiction:

Name	Name of Reporting Issuer
Martin Cheyne	Maple Leaf Royalties Corp.
Bradley Porter	DualEx Energy International Inc.
Dennis L. Nerland	Acceleware Ltd. Alston Energy Inc. Alstar Energy Inc. Amarok Energy Inc. Crew Energy Inc. Critical Control Solutions Corp. FSI Energy Services Inc. Invista Energy Corp. Arkadia Capital Corp.
Kevin Andrus	Blackbird Energy Inc.

Corporate Cease Trade Order and Bankruptcies

To the knowledge of management, other than as disclosed herein, no proposed director or executive officer as at the date hereof, is or was within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including Boulder), that (a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer. For the purposes hereof, “order” means (a) a cease trade order, (b) an order similar to a cease trade order, or (c) an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days.

To the knowledge of management, other than as disclosed herein, no proposed director or executive officer of Boulder, or a shareholder holding a sufficient number of securities of Boulder to affect materially the control of the company (a) is, as at the date hereof, or has been within the 10 years before the date hereof, a director or executive officer of any company (including Boulder) 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 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become 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, executive officer or shareholder.

Mr. Dennis Nerland, a proposed director of Boulder, was appointed as a director of Alston Energy Inc. ("**Alston**") on July 17, 2012. Alston, an oil and gas exploration and production company, is a reporting issuer in Alberta, British Columbia and Saskatchewan with its Common Shares listed on the TSX Venture Exchange. On December 9, 2013, Alston obtained an order under the *Companies Creditors' Arrangement Act* (Canada) from the Court of Queen's Bench of Alberta, protecting Alston from its creditors , with a Monitor being appointed by the Court. On May 6, 2014, and May 8, 2014, the Common Shares of Alston were cease traded by the Alberta Securities Commission and the British Columbia Securities Commission, respectively, as a result of the failure by Alston to file audited annual financial statements and related management's discussion and analysis for the period ended December 31, 2013, together with the related certification of filings. On May 9, 2014, Alston announced that a receiver has been appointed by the Court of Queen's Bench of Alberta. All of the directors and officers of Alston, including Mr. Nerland, resigned on May 14, 2014. No proposed director, within 10 years before the date of this Circular, has been a director or executive officer of any company that, while the proposed director was acting in that capacity, or within a year of the proposed director 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.

Personal Bankruptcies

To the knowledge of management, no proposed director or executive officer of Boulder has, within 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become 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 such proposed director or executive officer.

Penalties or Sanctions

To the knowledge of management, other than as disclosed herein, no director, executive officer or Shareholder holding a sufficient number of securities of Boulder to materially affect the control of Boulder (i) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (ii) any other penalties imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

There are potential conflicts of interest to which the directors and officers of Boulder will be subject to in connection with the operations of Boulder. In particular, certain of the directors and officers of Boulder are involved in managerial or director positions with other oil and natural gas companies whose operations may, from time to time, be in direct competition with those of Boulder or with entities which may, from time to time, provide financing to, or make equity investments in, competitors of Boulder.

In accordance with the applicable corporate and securities legislation, directors who have a material interest or any person who is a party to a material contract or a proposed material contract with Boulder are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors are required to act honestly and in good faith with a view to the best interests of Boulder. Certain of the directors and each of the executive officers of Boulder have either other employment or other business or time restrictions placed on them and accordingly, these directors of Boulder will only be able to devote part of their time to the affairs of Boulder. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the applicable corporate law.

Insurance Coverage and Indemnification

It is expected that Boulder will acquire prior to the Arrangement and maintain liability insurance for its directors and officers with coverage and terms that are customary for a company of its size in the oil and gas industry. In addition, Boulder will enter into indemnification agreements with its directors and officers. The indemnification agreements will generally require that Boulder indemnify and hold the indemnitees harmless to the greatest extent

permitted by law for liabilities arising out of the indemnitees' service to Boulder as directors and officers, so long as the indemnitees acted honestly and in good faith with a view to the best interests of Boulder and, with respect to criminal or administrative actions or proceedings that are enforced by monetary penalty, if the indemnitee had no reasonable grounds to believe that his or her conduct was unlawful. The indemnification agreements also provide for the advancement of defence expenses to the indemnitees by Boulder.

COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

To date, Boulder has not carried on any active business. No compensation has been paid by Boulder to its proposed executive officers or directors and none will be paid by Boulder until after the Arrangement is completed. Following completion of the Arrangement, it is anticipated that the executive officers of Boulder will be paid salaries at a level that is comparable to oil and gas exploration and development companies of similar size.

As at the date of this Circular, there are no employment contracts in place between Boulder and any of the executive officers of Boulder and there are no provisions with Boulder for compensation for the executive officers of Boulder in the event of termination of employment or change in responsibilities following a change of control of Boulder. It is expected that Boulder will enter into employment agreements with each of the executive officers of Boulder on or before the Effective Date. It is currently expected that the salaries of current executive officers of DeeThree who will become executive officers of Boulder will have salaries that will generally be approximately 20% less than salaries paid to such individuals by DeeThree prior to the completion of the Arrangement.

AUDIT COMMITTEE

The following disclosure is based on the present expectations of Boulder that the formal establishment of the Boulder Audit Committee (without changes to the proposed composition) and the ratification and adoption of its mandate (without any material modifications) will occur following completion of the Arrangement. However, such disclosure remains subject to revision prior or subsequent to the Effective Date. See "*Notice to Reader*" in this Appendix "E".

Audit Committee Charter

The proposed Audit Committee charter of Boulder is attached hereto as Schedule "C" to this Appendix "E".

Composition of the Audit Committee

The Audit Committee of Boulder is anticipated to consist of Dennis Nerland (Chair), Bradley Porter, Henry Hamm and Kevin Andrus. Each of the proposed members of the Audit Committee is independent and each proposed member is financially literate in that each has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by Boulder's financial statements.

Relevant Education and Experience

Dennis Nerland

Mr. Nerland has been a partner with the law firm Shea Nerland Calnan LLP since 1990 practicing primarily in the areas of tax and trust law. Mr. Nerland is a current and past director of a number of private and public companies listed on the TSXV and the TSX and is currently a trustee of a number of private investment trusts. Mr. Nerland has a Bachelor of Laws degree from the University of Calgary, a Master of Arts degree (Economics) from Carleton University and a Bachelor of Science degree (Economics and Mathematics) from the University of Calgary. He is a member of the Law Society of Alberta and holds the ICD.D designation from the Institute of Corporate Directors. See "*Disclosure of Corporate Governance Practice*" in the body of the Circular for a discussion of Mr. Nerland's independence.

Bradley Porter

Mr. Porter is an independent businessman and has been a founder, director and senior executive of several Calgary based private and public oil and gas companies, including Devlan Exploration Inc. and Dual Exploration

Inc. Mr. Porter is currently a member of the Audit Committee and the Corporate Governance and Compensation Committee of the Board of Directors of DualEx Energy International Inc., a company listed on the TSXV.

Henry Hamm

Mr. Hamm owns and operates a number of private companies in the Grande Prairie region including Prudential Lands Corporation, a land development company formed in 1995 and Dirham Homes Inc., a home building company formed in 1976. Mr. Hamm also owns and operates Prudential Energy Services Inc., an oil and gas service company.

Kevin Andrus

Mr. Andrus is the Portfolio Manager of Energy Investments with GMT Capital Corp., a private investment company based in Atlanta, Georgia. A graduate of the Masters of Business Administration program from Regis University, Mr. Andrus is also a Chartered Financial Analyst charter holder who has spent the past two decades with various investment management companies.

Pre-Approval Policies and Procedures

The Audit Committee will pre-approve all non-audit services to be provided to Boulder by the external auditors of Boulder.

External Auditor Service Fees (By Category)

The approximate aggregate fees paid by Boulder to the external auditors of Boulder since incorporation are described below:

Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
Nil	Nil	Nil	Nil

Exemption

Boulder is not relying on any exemptions in NI 52-110.

DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES

Unless otherwise indicated, the following disclosure is based on the present expectations of Boulder in respect of its corporate governance practices and that the formal establishment of committees of the Boulder Board described below (without changes to the proposed composition) and the ratification and adoption of their respective mandates (without any material modifications) will occur following completion of the Arrangement. However, such disclosure remains subject to revision prior or subsequent to the Effective Date. See "*Notice to Reader*" in this Appendix.

Boulder and the Boulder Board will be committed to attaining the highest standards of corporate governance. Boulder will maintain appropriate governance practices as fundamental to generating long-term shareholder value. Boulder will continually assess and update its practices and believes it will employ a leading system of corporate governance to ensure the interests of its shareholders are well protected.

In Canada, the Canadian securities regulatory authorities in all of the provinces and territories of Canada (collectively, the "**CSA**") adopted National Policy 58-201 Corporate Governance Guidelines and National Instrument 58-101 Disclosure of Corporate Governance Practices ("**NI 58-101**"). Disclosure of governance practices is required in accordance with NI 58-101.

The following statement of Boulder's corporate governance practices is made in accordance with Form 58-101F1 of NI 58-101.

Board of Directors

All proposed directors of Boulder, other than Mr. Martin Cheyne, who will act as President of Boulder, will be independent directors of Boulder. Boulder will have a majority of independent directors.

The following directors are presently directors of other issuers that are reporting issuers (or the equivalent):

Name	Name of Reporting Issuer
Martin Cheyne	Maple Leaf Royalties Corp.
Bradley Porter	DualEx Energy International Inc.
Dennis L. Nerland	Acceleware Ltd. Alston Energy Inc. Alstar Energy Inc. Amarok Energy Inc. Crew Energy Inc. Critical Control Solutions Corp. FSI Energy Services Inc. Invista Energy Corp. Arkadia Capital Corp.
Kevin Andrus	Blackbird Energy Inc.

It is anticipated that the independent directors will not hold regularly scheduled meetings. It is expected that the Boulder Board will adopt the practice of following each meeting with an independent directors discussion.

It is anticipated that Mr. Michael Kabanuk will be the chairman of the Boulder Board and Mr. Kabanuk will be an independent director. In accordance with the mandate of the Chairman, the Chairman presides at all meetings of the Boulder Board and, unless otherwise determined and at all meetings of shareholders. Among other things, the Chairman is to endeavour to fulfill his Boulder Board responsibilities in a manner that will ensure that the Boulder Board is able to function independently of management and is to consider, and allow for, when appropriate, a meeting of independent directors, so that Boulder Board meetings can take place without management being present. The Chairman will be responsible in ensuring that reasonable procedures are in place to allow directors to engage outside advisors at the expense of Boulder in appropriate circumstances.

Board Mandate and Position Descriptions

The proposed mandate of the Boulder Board is attached as Schedule “D” to this Appendix “E”. It is expected that the Boulder Board will develop a written position description for the Chairman.

It is currently anticipated that Boulder will not have written description for its committee chair positions; however, it is anticipated that Boulder will have a mandate for each committee and the roles and responsibilities of each committee chair position are implied therein.

The Boulder Board, with the input of the President and CEO of Boulder, will develop a written position description for the President and CEO.

Orientation and Continuing Education

While Boulder does not currently anticipate having a formal orientation and education program for new recruits to the Boulder Board, Boulder expects to provide orientation and education on an informal basis. As new directors join the Boulder Board, it is expected that management will provide these individuals with corporate policies, historical information about Boulder, as well as information on Boulder’s performance and its strategic plan with an outline of the general duties and responsibilities entailed in carrying out their duties. The Boulder Board believes that these procedures have proved to be a practical and effective approach in light of Boulder’s particular circumstances, including the size of Boulder, limited turnover of the directors and the experience and expertise of the members of the Boulder Board.

Ethical Business Conduct

It is expected that Boulder will have a Code of Business Conduct and Ethics (the "**Code**") for directors, officers and employees, which will be available under Boulder's profile on SEDAR at www.sedar.com upon completion of the Arrangement.

Boulder's Corporate Governance and Boulder Compensation Committee (the "**Boulder Compensation Committee**") will be responsible for administering the Code. The day-to-day responsibility for administering and interpreting the Code will be delegated to the CFO, who will be responsible for reporting to the Boulder Compensation Committee.

In accordance with the ABCA, directors who are a party to, or are a director or an officer of a person which is a party to, a material contract or material transaction or a proposed material contract or proposed material transaction are required to disclose the nature and extent of their interest and not to vote on any resolution to approve the contract or transaction.

It is expected that the Boulder Board will adopt a "Whistleblower Policy" wherein employees and consultants of Boulder are provided with the mechanics by which they may raise concerns with respect to falsification of financial records, unethical conduct, harassment and theft in a confidential, anonymous process.

Nomination of Directors

The proposed Nominating Committee Terms of Reference states that the Nominating Committee is tasked with identifying qualified persons to serve as directors of Boulder should the need or a vacancy arise. The Nominating may engage a candidate search firm in assisting with identifying potential nominees. In selecting a candidate for recommendation to the Boulder Board, the Nominating Committee will consider the following attributes: high personal and professional ethics, integrity and values, commitment to representing the long-term interest of shareholders, Boulder Board experience at the policy-making level in business, government, education, technology or public interest, and sufficient time to effectively fulfill duties as a Boulder Board member.

It has expected that Boulder will have a Nominating Committee comprised of independent directors, namely Bradley Porter, Henry Hamm and Kevin Andrus.

Compensation

It is expected that the Boulder Board, through assistance and recommendations from the Compensation Committee, will determine compensation for Boulder's directors and officers based on a number of factors.

It is expected that the Boulder Compensation Committee will be comprised of all independent directors, namely Dennis Nerland, Bradley Porter, Henry Hamm and Kevin Andrus.

The Boulder Compensation Committee's responsibility will be to formulate and make recommendations to the Boulder Board in respect of compensation issues relating to directors and employees of Boulder. Without limiting the generality of the foregoing, the Committee has the following duties:

i) to review the compensation philosophy and remuneration policy for employees of Boulder and to recommend to the Boulder Board changes to improve Boulder's ability to recruit, retain and motivate employees;

ii) to review and recommend to the Boulder Board the retainer and fees to be paid to members of the Boulder Board;

iii) to review and approve corporate goals and objectives relevant to the compensation of the CEO, evaluate the CEO's performance in light of those corporate goals and objectives, and determine (or make recommendations to the Boulder Board with respect to) the CEO's compensation level based on such evaluation;

iv) to determine (or make recommendations) to the Boulder Board with respect to non-CEO officer and director compensation including to review management's recommendations for proposed stock option, share purchase plans and other incentive-compensation plans and equity-based plans for non-CEO officer and director compensation and make recommendations in respect thereof to the Boulder Board;

v) to administer the stock option plan approved by the Boulder Board in accordance with its terms including the recommendation to the Boulder Board of the grant of stock options in accordance with the terms thereof;

vi) to determine (or make recommendations) to the Boulder Board with respect to bonuses to be paid to officers and employees of Boulder and to establish targets or criteria for the payment of such bonuses, if appropriate; and

vii) review the disclosure as to compensation matters included in the information circular and proxy statement of Boulder as mandated by applicable securities laws including, without limitation, the Compensation Discussion and Analysis included therein, prior to Boulder publicly disclosing the same.

The Boulder Compensation Committee will be comprised of at least two directors, or such greater number as the Boulder Board may determine from time to time and a majority of the members of the Committee are required to be independent; as such term is defined for this purpose under applicable securities requirements. Pursuant to the proposed mandate and terms of reference of the Boulder Compensation Committee, meetings of the Committee are to take place at least one time per year and at such other times as the Chair of the Boulder Compensation Committee may determine.

Other Board Committees

Other than the Audit Committee, the Boulder Compensation Committee and the Nominating Committee, it is expected that Boulder will establish a Reserves Committee.

The Reserves Committee will be responsible for various matters relating to reserves of Boulder that may be delegated to the Reserves Committee pursuant to NI 51-101, including:

(a) reviewing Boulder's procedures relating to the disclosure of information with respect to oil and gas activities including reviewing its procedures for complying with its disclosure requirements and restrictions set forth under applicable securities requirements;

(b) reviewing Boulder's procedures for providing information to the independent evaluator;

(c) meeting, as considered necessary, with management and the independent evaluator to determine whether any restrictions placed by management affect the ability of the evaluator to report without reservation on the Reserves Data (as defined in NI 51-101) (the "Reserves Data") and to review the Reserves Data and the report of the independent evaluator thereon (if such report is provided);

(d) reviewing the appointment of the independent evaluator and, in the case of any proposed change to such independent evaluator, determining the reason therefor and whether there have been any disputes with management;

(e) providing a recommendation to the Boulder Board as to whether to approve the content or filing of the statement of the Reserves Data and other information that may be prescribed by applicable securities requirements including any reports of the independent engineer and of management in connection therewith;

(f) reviewing Boulder's procedures for reporting other information associated with oil and gas producing activities; and

(g) generally reviewing all matters relating to the preparation and public disclosure of estimates of Boulder's reserves.

Assessments

It is not currently expected that the Boulder Board will implement a process for assessing its effectiveness and contribution. In the future, the Boulder Board may adopt a formal process whereby each director is required to assess his own effectiveness and contributions to the Boulder Board and the response to such assessment will be reviewed by the Chairman.

RISK FACTORS

If any event arising from the risk factors set forth below or described under the heading "*Risk Factors*" in this Circular occurs, Boulder's business, prospects, financial condition, results of operation or cash flow and, in some cases, its reputation could be materially adversely affected. See "*Risk Factors*" in this Circular and the risk factors set out below and in the Management's Discussion and Analysis in Appendix "H'" to this Circular.

Risk Factors Related to the Arrangement and Boulder Specifically

Financing of Boulder Following the Arrangement

Following the Arrangement, Boulder will need to raise financing on a stand-alone basis without reference to DeeThree. Following the Arrangement, Boulder may not be able to secure adequate debt or equity financing on desirable terms or at all.

Historical Financial Information of Spin-Out Assets Not Indicative of Future Results

The Spin-Out Assets that Boulder will acquire pursuant to the Arrangement have been part of DeeThree for a number of years. Prior to completion of the Arrangement, however, Boulder will not have conducted any business activities. In the past, the Spin-Out Assets operated in the context of DeeThree's business as a whole. Accordingly, employees who operated the Spin-Out Assets had access to DeeThree's resources, including DeeThree's systems, business contacts, financial resources, senior management and other expertise and resources. Following completion of the Arrangement, Boulder will not have the same access to DeeThree's expertise and resources. There can be no assurance that Boulder will have similar expertise or resources through internal sources or by contracting services with third parties, or if such expertise or resources can be obtained on the same basis, or at the same or lesser cost, as provided historically by DeeThree.

Although Boulder expects to benefit from the experience that management and employees have gained while working at DeeThree or at other oil and natural gas companies, Boulder may be less successful in implementing its business strategy. As a result, Boulder may experience significant fluctuations in its results, which may vary from those projected by Management. No assurance can be given that Boulder will be successful in implementing its business strategy or that it will achieve expected future results which could materially adversely affect Boulder's business and financial condition.

Transition and Management of Growth

Boulder may be subject to both transition and growth-related risks, including capacity constraints and pressure on its internal systems and controls. Boulder will not have carried on any operating business prior to completion of the Arrangement, and although it believes that it will have adequate staff and resources, it may lack sufficient resources to operate as a stand-alone company. The historical financial and operating results of the Spin-Out Assets while it was under the management of DeeThree may not be indicative of future results. In particular, Boulder will be responsible for managing a substantial number of land and title documents and related accounting functions that will require significant employee resources. The ability of Boulder to manage both its transition to a stand-alone company and future growth effectively will require it to continue to implement and improve financial and land systems and to expand, train and manage its employee base. The inability of Boulder to deal with this transition and growth may have a material adverse effect on Boulder's business and financial condition.

Market for Boulder Common Shares

There is currently no market for the Boulder Common Shares. Boulder has applied to list the Boulder Common Shares on the TSX. Listing of the Boulder Common Shares on the TSX will be subject to Boulder meeting the original listing requirements of the TSX.

Risks Relating to Boulder's Business in General

Exploration, Development and Production Risks

As an oil exploration and development company, Boulder will face many of the same risk factors as other companies in the industry. Oil and natural gas operations involve many risks that even a combination of experience, knowledge and careful evaluation may not be able to overcome. Boulder's long-term commercial success depends on its ability to find, acquire, develop and commercially produce oil and natural gas reserves. Without the continual addition of new reserves, existing reserves and the production from them will decline over time as Boulder produces from such reserves. A future increase in reserves will depend on both its ability to explore and develop existing properties and on the ability to select and acquire suitable producing properties or prospects. There is no assurance that Boulder will be able continue to find satisfactory properties to acquire or participate in. Moreover, management may determine that current markets, terms of acquisition, participation or pricing conditions make potential acquisitions or participations uneconomic. There is also no assurance that Boulder will discover or acquire further commercial quantities of oil and natural gas.

Future oil and natural gas exploration on the Spin-Out Assets may involve unprofitable efforts from both dry wells and from wells that are productive but do not produce sufficient petroleum substances to return a profit after drilling, completing, operating and other costs. Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs.

Drilling hazards, environmental damage and various field operating conditions could greatly increase the cost of operations of and adversely affect the production from successful wells. Field operating conditions include, but are not limited to, delays in obtaining governmental approvals or consents, and shut-ins of connected wells resulting from extreme weather conditions, insufficient storage or transportation capacity or other geological and mechanical conditions. While diligent well supervision and effective maintenance operations can contribute to maximizing production rates over time, it is not possible to eliminate production delays and declines from normal field operating conditions, which can negatively affect revenue and cash flow to varying degrees.

Oil and natural gas exploration involves a high degree of risk and there is no assurance that expenditures made on exploration of the Spin-Out Assets by Boulder will result in new discoveries of oil or natural gas in commercial quantities. Development and production operations are subject to all the risks and hazards typically associated with such operations related to oil and natural gas exploration, including, but not limited to, fire, explosion, blowouts, cratering, sour gas releases, and spills or other environmental hazards. These typical risks and hazards could result in substantial damage to oil and natural gas wells, production facilities, other property, the environment, personal injury and loss of life and may necessitate an evacuation of populated areas, all of which could result in liability to Boulder. Losses resulting from the occurrence of any of these risks could have a materially adverse effect on future results of operations, liquidity and financial condition.

Oil and natural gas production operations are also subject to all the risks typically associated with such operations, including encountering unexpected formations or pressures, premature decline of reservoirs and the invasion of water into producing formations. Losses resulting from the occurrence of any of these risks may have a material adverse effect on Boulder's business, financial condition, results of operations and prospects.

As is standard industry practice, Boulder is not fully insured against all risks, nor are all risks insurable. Although Boulder maintains liability insurance in an amount that it considers consistent with industry practice, liabilities associated with certain risks could exceed policy limits or not be covered. In either event Boulder could incur significant costs.

Global Financial Markets

Recent market events and conditions, including the sharp decline in crude prices, have created a climate of greater volatility, less liquidity, and tighter credit conditions. Notwithstanding various actions by governments, concerns about the general condition of the capital markets, financial instruments, banks, investment banks, insurers and other financial institutions have negatively impacted credit markets and caused stock markets to experience significant volatility.

Prices, Markets and Marketing

Numerous factors beyond Boulder's control do, and will continue to, affect the marketability and price of crude oil and natural gas anticipated to be produced from the Spin-Out Assets. Boulder's ability to market its oil and natural gas may depend upon Boulder's ability to acquire space on pipelines that deliver natural gas to commercial markets or contract for the delivery of crude oil by rail. Deliverability uncertainties related to the distance of Boulder's reserves are to pipelines, railway lines, processing and storage facilities, operational problems affecting pipelines, railway lines and facilities as well as government regulation relating to prices, taxes, royalties, land tenure, allowable production, the export of oil and natural gas and many other aspects of the oil and natural gas business may also affect Boulder.

Prices for crude oil and natural gas are subject to large fluctuations in response to changes in the supply of and demand for petroleum and natural gas, market uncertainty and a variety of additional factors beyond the control of Boulder. These factors include economic conditions in the United States, Canada, Asia and Europe, the actions of OPEC, governmental regulation, political stability in the Middle East, Northern Africa and elsewhere, the foreign supply of petroleum and natural gas, risks of supply disruption, the price of foreign imports and the availability of alternative fuel sources. Prices for crude oil and natural gas are also subject to the availability of foreign markets and Boulder's ability to access such markets. A material decline in prices or a continued low crude oil and natural gas price environment could result in a reduction of Boulder's anticipated net production revenue associated with the Spin-Out Assets. The economics of producing from some wells may change because of lower prices, which could result in reduced production of petroleum or natural gas and a reduction in the volumes of the reserves associated with the Spin-Out Assets. Boulder may also elect not to produce from certain wells at lower prices.

All of these factors could result in a material decrease in Boulder's net production revenue and a reduction in its oil and natural gas acquisition, development and exploration activities. Any substantial and extended decline in or continued low crude oil and natural gas prices would have an adverse effect on Boulder's carrying value of its reserves, borrowing capacity, revenues, profitability and cash flows from operations and may have a material adverse effect on Boulder's business and financial condition, results of operations and prospects.

Oil and natural gas prices are expected to remain volatile in the near future due to market uncertainties over the supply of and the demand for these commodities due to the current state of the world economies, OPEC actions, and sanctions imposed on certain oil producing nations by other countries. Volatile crude oil and natural gas prices make it difficult to estimate the value of producing properties for development activities and often cause disruption in the acquisition, divestiture or leasing of petroleum and natural gas producing properties, as buyers, sellers, lessors and lessees have difficulty agreeing on the value or terms of such arrangements. Price volatility also makes it difficult to budget for and project the return on potential acquisitions, development and exploration projects.

Credit Facility Arrangements

The amount authorized under the Boulder Credit Facility is dependent on the borrowing base determined by its lenders. Boulder is required to comply with covenants under its credit facility which may, in certain cases, include certain financial ratio tests, which from time to time either affect the availability, or price, of additional funding and in the event that Boulder does not comply with these covenants, its access to capital could be restricted or repayment could be required. Events beyond its control may contribute to its failure to comply with such covenants. A failure to comply with covenants could result in the default under the Boulder Credit Facility, which could result in Boulder being required to repay amounts owing thereunder. Even if Boulder is able to obtain new financing, it may not be on commercially reasonable terms or terms that are acceptable to it. If Boulder is unable to repay amounts owing under the Boulder Credit Facility, its lenders could proceed to foreclose or otherwise realize upon the collateral granted to them to secure the indebtedness. The acceleration of indebtedness under

one agreement may permit acceleration of indebtedness under other agreements that contain cross default or cross-acceleration provisions. In addition, the Boulder Credit Facility may impose operating and financial restrictions on Boulder that could include restrictions on, the payment of dividends, repurchase or making of other distributions with respect to its securities, incurring of additional indebtedness, the provision of guarantees, the assumption of loans, making of capital expenditures, entering into of amalgamations, mergers, take-over bids or disposition of assets, among others.

Boulder's lenders use reserves, commodity prices, applicable discount rate and other factors, to periodically determine its borrowing base. A material decline in commodity prices could reduce the borrowing base, reducing the funds available to Boulder under its Boulder Credit Facility which could result in the requirement to repay a portion, or all, of its bank indebtedness.

Reserves Estimates

There are numerous uncertainties inherent in estimating quantities of crude oil, natural gas and natural gas liquids reserves and the future cash flows attributed to such reserves. The reserves and associated cash flow information set forth in this Appendix are estimates only. Generally, estimates of economically recoverable crude oil, natural gas and natural gas liquids reserves and the future net cash flows from such estimates are based upon a number of variable factors and assumptions, such as:

- historical production from the properties;
- production rates;
- ultimate reserve recovery;
- timing and amount of capital expenditures;
- marketability of oil and natural gas;
- royalty rates; and
- the assumed effects of regulation by governmental agencies and future operating costs, all of which may vary materially from actual results.

For those reasons, estimates of the economically recoverable crude oil, natural gas and natural gas liquids reserves attributable to any particular group of properties, classification of such reserves based on risk of recovery and estimates of future net revenues associated with reserves prepared by different engineers, or by the same engineers at different times may vary. Boulder's actual production, revenues, taxes and development and operating expenditures with respect to its reserves will vary from estimates thereof and such variations could be material.

The estimation of proved reserves that may be developed and produced in the future is often based upon volumetric calculations and upon analogy to similar types of reserves rather than actual production history. Recovery factors and drainage areas may be estimated by experience and analogy to similar producing horizons. Estimates based on these methods are generally less reliable than those based on actual production history. Subsequent evaluation of the same reserves based upon production history and production practices will result in variations in the estimated reserves. Such variations could be material.

In accordance with Canadian securities laws, DeeThree's independent qualified reserves evaluator has used forecast prices and costs in estimating the reserves and future net cash flows attributable to the Spin-Out Assets as summarized in this Appendix. Actual future net cash flows will be affected by other factors, such as actual production levels, supply and demand for oil and natural gas, curtailments or increases in consumption by oil and natural gas purchasers, changes in governmental regulation or taxation and the impact of inflation on costs.

Actual production and cash flows derived from Boulder's current and future crude oil, natural gas and natural gas liquids reserves will vary from the estimates contained in the reserves evaluation, and such variations could be material. The reserves evaluation is based in part on the assumed success of activities undertaken on the Spin-Out Assets in future years. The reserves and estimated cash flows to be derived therefrom and contained in the Sproule Boulder Report will be reduced to the extent that such activities do not achieve the level of success assumed in the reserve evaluation. The Sproule Boulder Report is effective as of January 1, 2015 with a

preparation date of April 7, 2015 and, except as may be specifically stated or required by Canadian Securities Laws, has not been updated and thus does not reflect changes in the reserves to be acquired pursuant to the Arrangement since that date.

Volatility in Market Price of Boulder Common Shares

If and when the Boulder Common Shares are listed on the TSX (or another recognized stock exchange), the market price for Boulder Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond Boulder's control, including the following: (i) actual or anticipated fluctuations in Boulder's financial results; (ii) recommendations by securities research analysts; (iii) changes in the economic performance or market valuations of other companies that investors deem comparable to Boulder; (iv) the loss or resignation of members of management or the Boulder Board and other key personnel of Boulder; (v) sales or perceived sales of additional Boulder Common Shares; (vi) significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving Boulder or its competitors where Boulder does not realize its anticipated benefits from such transaction; (vii) trends, concerns, technological or competitive developments, regulatory changes and other related issues in the oil and natural gas industry; and (viii) actual or anticipated fluctuations in interest rates.

Financial markets have experienced significant price and volume fluctuations in recent years that have particularly affected the market prices of equity securities of companies and that have, in many cases, been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Boulder Common Shares may decline even if Boulder's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values which may result in impairment losses. Certain institutional investors may base their investment decisions on consideration of Boulder's environmental, governance and social practices and performance against such institutions' respective investment guidelines and criteria, and failure to meet such criteria may result in a limited or no investment in the Boulder Common Shares by those institutions, which could adversely affect the trading price of the Boulder Common Shares.

Tax Compliance

The taxation of corporations is complex. In the ordinary course of business, Boulder is subject to ongoing audits by tax authorities. While Boulder will endeavour to ensure that its tax filing positions are appropriate and supportable, it is possible that tax matters, including the calculation and determination of revenue, expenditures, deductions, credits and other tax attributes, taxable income, taxes payable and renouncements of flow through expenditures, may be reviewed and challenged by the tax authorities. If such challenge were to succeed, it could have a material adverse effect on Boulder's tax position. Further, the interpretation of and changes in tax laws, whether by legislative or judicial action or decision, and the administrative policies and assessing practices of taxation authorities, could materially adversely affect Boulder's tax position. As a consequence, Boulder is unable to predict with certainty the effect of the foregoing on Boulder's effective tax rate and earnings.

Boulder will regularly review the adequacy of its tax provisions and believes that it has adequately provided for those matters. Should the ultimate outcomes materially differ from the provisions, Boulder's effective tax rate and earnings may be affected positively or negatively in the period in which the matters are resolved. Boulder intends to mitigate this risk through ensuring that tax filing positions are carefully scrutinized by management and external consultants, as appropriate.

Reliance on Key Personnel

Boulder's success depends in large measure on certain key personnel. The loss of the services of such key personnel may have a material adverse effect on Boulder's business and financial condition. Boulder does not intend to have any key person insurance in effect for Boulder upon completion of the Arrangement. In addition, the competition for qualified personnel in Alberta, and in particular, the oil and natural gas industry, is intense and there can be no assurance that Boulder will be able to continue to attract and retain all personnel necessary for the development and operation of the Spin-Out Assets. Investors must rely upon the ability, expertise, judgment, discretion, integrity and good faith of management.

Gathering and Processing Facilities and Pipeline Systems

Boulder expects to deliver its products through gathering, processing and pipeline systems. The amount of petroleum and natural gas produced and sold from the Spin-Out Assets is subject to the accessibility, availability, proximity and capacity of these gathering, processing and pipeline systems. The lack of availability of capacity in any of the gathering, processing and pipeline systems, and in particular the processing facilities, including any restrictions placed on such systems or facilities, could result in an inability to realize the full economic potential of the Spin-Out Assets. Although pipeline expansions are ongoing, the lack of firm pipeline capacity continues to affect the oil and natural gas industry and limit the ability to produce and to market petroleum and natural gas production. In addition, the pro-rationing of capacity on inter-provincial pipeline systems also continues to affect the ability to export petroleum and natural gas. Producers are increasingly turning to rail as an alternative means of transportation. In recent years, the volume of crude oil shipped by rail in North America has increased dramatically and it is projected to continue in this upward trend. Any significant change in market factors or other conditions affecting these infrastructure systems and facilities, as well as any delays in constructing new infrastructure systems and facilities could harm Boulder's business and, in turn, its financial condition, results of operations and cash flows.

Any significant change in market factors or other conditions affecting these infrastructure systems and facilities, including remedial work on certain pipeline sections, as well as any delays in constructing new infrastructure systems and facilities, could harm the ability of third parties to develop and produce from the Spin-Out Assets and, in turn, Boulder's business and financial condition.

The production from the Spin-Out Assets will be processed through facilities over which Boulder, and in certain instances, the third parties on the Spin-Out Assets, will have no control. From time to time, these facilities may discontinue or decrease operations either as a result of normal servicing requirements or as a result of unexpected events. A discontinuation or decrease of operations could materially adversely affect the ability of the third parties to process production from the Spin-Out Assets and to deliver the same for sale, which, in turn, would indirectly reduce Boulder's revenues and cash flow.

Deliverability uncertainties related to the distance Boulder's reserves are to pipelines, processing and storage facilities, operational problems affecting pipelines and facilities, as well as government regulation relating to prices, taxes, royalties, land tenure, allowable production, the export of petroleum and natural gas and other aspects of the oil and natural gas industry may also affect Boulder.

Project Risks

Boulder will manage a variety of small and large projects in the conduct of its business. Project delays may delay expected revenues from operations. Significant project cost over-runs could make a project uneconomic.

Boulder's ability to execute projects and market oil and natural gas will depend upon numerous factors beyond Boulder's control, including:

- the availability of processing capacity;
- the availability and proximity of pipeline capacity;
- the availability of storage capacity;
- the supply of and demand for oil and natural gas;
- the availability of alternative fuel sources;
- the effects of inclement weather;
- the availability of drilling and related equipment;
- unexpected cost increases;
- accidental events;
- currency fluctuations;

- changes in regulations;
- the availability and productivity of skilled labour;
- and the regulation of the oil and natural gas industry by various levels of government and governmental agencies.

Because of these factors, Boulder may be unable to execute projects on time, on budget or at all, and may not be able to effectively market the oil and natural gas that it produces.

Third Party Credit Risk

Boulder may be exposed to third party credit risk through its royalty and contractual arrangements with current or future third parties on the Spin-Out Assets, marketers of its petroleum and natural gas production, if any, and other industry participants. In the event such entities fail to meet their royalty, contractual or financial obligations to Boulder, such failures could materially adversely affect Boulder's business and financial condition. Further, poor credit conditions may impact a third party's ability to fund the development and capital programs conducted on the Spin-Out Assets, which in turn could result in a reduction of Boulder's revenues.

Title to Assets

Although title reviews conducted on DeeThree's petroleum and natural gas producing properties constituting the Spin-Out Assets were conducted by DeeThree as part of its original acquisition of such assets, such reviews do not guarantee or certify that an unforeseen defect in the chain of title will not arise to defeat Boulder's claim. If a title defect does exist, it is possible that Boulder may lose all or a portion of the properties to which the title defect relates, which may have a material adverse effect on Boulder's business, financial condition, results of operations and prospects. There may be valid challenges to title, or proposed legislative changes which affect title, to the Spin-Out Assets that, if successful or made into law, could result in a reduction of Boulder's revenues.

Conveyance Agreement

Pursuant to the Conveyance Agreement, Boulder will assume all liabilities, including environmental liabilities, related to the Spin-Out Assets. Although Boulder is not aware of any material liabilities relating to the Spin-Out Assets, it is possible that Boulder could become aware of certain liabilities after the completion of the Arrangement, which could have a material adverse effect on Boulder.

Capital and Additional Funding Requirements

Boulder's cash flow from reserves and the Spin-Out Assets may not be sufficient to fund its ongoing activities at all times, and from time to time Boulder may require additional financing in order to carry out its acquisition, exploration and development activities. There is risk that if the economy and banking industry experienced unexpected and/or prolonged deterioration, Boulder's access to additional financing may be affected. The inability of Boulder to access sufficient capital for its operations could materially adversely affect Boulder's financial condition.

Boulder may, from time to time, have restricted access to capital and increased borrowing costs as a result of global economic volatility. Failure to obtain such financing on a timely basis could cause Boulder to forfeit Boulder's interest in certain properties, miss certain acquisition opportunities and reduce or terminate Boulder's operations. If Boulder's revenues from its reserves decrease as a result of lower oil and natural gas prices or otherwise, it will affect Boulder's ability to expend the necessary capital to replace its reserves or to maintain its production. To the extent that external sources of capital become limited, unavailable, or available on onerous terms, Boulder's ability to make capital investments and maintain existing assets may be impaired, and Boulder's assets, liabilities, business, financial condition and results of operations may be affected materially and adversely as a result. In addition, the future development of its petroleum properties may require additional financing and there are no assurances that such financing will be available or, if available, will be available upon acceptable terms. Failure to obtain any financing necessary for Boulder's capital expenditure plans may result in a delay in development or production on its properties.

Based on current funds available and expected funds generated from operations, Boulder believes it will have sufficient funds available after the Arrangement to fund its projected capital expenditures. However, if funds generated from operations are lower than expected or capital costs for these projects exceed current estimates, or if Boulder incurs major unanticipated expenses related to development or maintenance of its existing properties, it may be required to seek additional capital to maintain its capital expenditures at planned levels. Failure to obtain any financing necessary for Boulder's capital expenditure plans may result in a delay in development, exploration or production on its properties.

Dilution

Boulder may make future acquisitions or enter into financings or other transactions involving the issuance of securities of Boulder, which may be dilutive to existing shareholders. There are no restrictions in Boulder's articles or by-laws with respect to the number of shares of any class that may be issued by Boulder.

Issuance of Debt

From time to time, Boulder may finance its activities, including potential future petroleum and natural gas asset acquisitions, in whole or in part with debt, which may increase Boulder's debt levels above industry standards for peers of similar size. Depending on future exploration and development plans, Boulder may require additional debt financing that may not be available or, if available, may not be available on favourable terms. Neither Boulder's articles nor its by-laws limit the amount of indebtedness that Boulder may incur. The level of Boulder's indebtedness from time to time could impair its ability to obtain additional financing on a timely basis to take advantage of business opportunities that may arise.

Competition

The oil and natural gas industry is highly competitive in all aspects. Boulder will compete with numerous other entities in the search for, and the acquisition of, oil and natural gas properties and in the marketing of oil and natural gas. Boulder's competitors include oil and natural gas companies that have substantially greater financial resources, staff and facilities than Boulder's. Boulder's ability to increase its reserves and revenue streams in the future will depend not only on its ability to explore and develop the Spin-Out Assets, but also on its ability to select and acquire other suitable producing properties and prospects for exploratory drilling. Competitive factors in the distribution and marketing of oil and natural gas include price, methods, and reliability of delivery and storage.

Cost of New Technologies

The oil industry is characterized by rapid and significant technological advancements and introductions of new products and services utilizing new technologies. Other oil companies may have greater financial, technical and personnel resources that allow them to enjoy technological advantages and may in the future allow them to implement new technologies before Boulder. There can be no assurance that Boulder will be able to respond to such competitive pressures and implement such technologies on a timely basis or at an acceptable cost. One or more of the technologies currently utilized by Boulder or implemented in the future may become obsolete. In such case, Boulder's business, financial condition and results of operations could be materially adversely affected. If Boulder is unable to utilize the most advanced commercially available technology, its business, financial condition and results of operations could be materially adversely affected.

Variations in Foreign Exchange Rates and Interest Rates

The Canadian/United States dollar exchange rate, which fluctuates over time, could affect the price received by Canadian producers of oil and natural gas. Material increases in the value of the Canadian dollar may indirectly affect Boulder's revenues, as revenues received by Canadian producers and, similarly, royalties payable to Boulder could decrease. Future variations in Canadian/United States exchange rates may accordingly affect the future value of Boulder's reserves as determined by independent evaluators.

An increase in interest rates could result in a significant increase in the amount Boulder pays to service debt, resulting in a reduced amount available to fund its activities and the cash available to pay dividends, and could negatively impact the market price of the Boulder Common Shares.

Hedging

From time to time, Boulder may enter into agreements to receive fixed prices on its oil and natural gas production to offset the risk of revenue losses if commodity prices decline. However, to the extent that Boulder engages in risk management activities to protect against commodity prices declines, Boulder may also be prevented from realizing the full benefits of price increases above the levels of the derivative instruments used to manage price risk. In addition, Boulder's hedging arrangement may expose Boulder to the risk of financial loss in certain circumstances, including, but not limited to the following instances:

- production falls short of the hedged volumes;
- there is a widening of price-basis differentials between delivery points for production and the delivery point assumed in the hedge arrangement;
- the counterparties to the hedging arrangement or other price risk management contracts fail to perform under those arrangements; or
- a sudden unexpected event materially impacts oil and natural gas prices.

Similarly, from time to time Boulder may enter into agreements to fix the exchange rate of Canadian to United States dollars in order to offset the risk of revenue losses if the Canadian dollar increases in value compared to the United States dollar. However, if the Canadian dollar declines in value compared to the United States dollar, Boulder will not benefit from the fluctuating exchange rate.

Litigation and Aboriginal Claims

In the normal course of Boulder's activities, it may become involved in, named as a party to, or be the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions, related to personal injury, property damage, property tax, land rights, the environment and lease and contract disputes. The outcome of outstanding, pending or future proceedings cannot be predicted with certainty, such proceedings may be determined adversely to Boulder and any indemnity from DeeThree or other third parties in respect of any loss suffered by Boulder as a result of such proceedings may not be sufficient, and, as a result, could materially adversely affect Boulder's business and financial condition.

Aboriginal peoples have claimed aboriginal title and rights to portions of western Canada, including in the Province of Alberta. In particular, certain aboriginal groups have challenged title to lands near the Fee Lands. If such claims arose in relation to the Fee Lands, and such claims were successful, it could materially adversely affect Boulder's business, financial condition results of operations and prospects.

Conflicts of Interest

Certain directors or officers of Boulder may also, or may in the future be, directors or officers of other oil and natural gas companies, including DeeThree, that may compete or be counterparties to agreements with Boulder, and as such may, in certain circumstances, have a conflict of interest. Conflicts of interest, if any, will be subject to and governed by procedures prescribed by the ABCA which require a director or officer of a corporation who is a party to, or is a director or an officer of, or has a material interest in any person who is a party to, a material contract or proposed material contract with Boulder disclose his or her interest and, in the case of directors, to refrain from voting on any matter in respect of such contract unless otherwise permitted under the ABCA. See "*Directors and Executive Officers — Conflicts of Interest*".

Environmental

All phases of the oil and natural gas business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of federal, provincial and local laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with oil and natural gas operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities.

Compliance with environmental legislation can require significant expenditures and a breach of applicable environmental legislation may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of oil, natural gas or other pollutants into the air, soil or water may give rise to liabilities to governments and third parties and may require Boulder to incur costs to remedy such discharge. Although Boulder believes that it is in material compliance with current applicable environmental regulations, no assurance can be given that environmental laws will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise have a material adverse effect on Boulder's business, financial condition, results of operations and prospects.

Seasonality

The level of activity in the Canadian oil and natural gas industry is influenced by seasonal weather patterns. Wet weather and spring thaw may make the ground unstable. Consequently, municipalities and provincial transportation departments enforce road bans that restrict the movement of rigs and other heavy equipment, thereby potentially reducing activity levels on the Spin-Out Assets. Also, certain oil and natural gas producing areas are located in areas that are inaccessible other than during the winter months because the ground surrounding the sites in these areas consists of swampy terrain. Seasonal factors and unexpected weather patterns may lead to declines in exploration and production activity and also to volatility in commodity prices as the demand for natural gas rises during cold winter months and hot summer months.

Alternatives to and Changing Demand for Petroleum Products

Fuel conservation measures, alternative fuel requirements, increasing consumer demand for alternatives to oil and natural gas, and technological advances in fuel economy and energy generation devices could reduce the demand for oil and other hydrocarbons. Boulder cannot predict the impact of changing demand for oil and natural gas products, and any major changes could materially adversely affect Boulder's business and financial condition.

Royalty Regime

There can be no assurance that the federal government and the provincial governments of the western provinces will not adopt a new or modify the royalty regime which may have an impact on the economics of Boulder's projects. An increase in royalties would reduce Boulder's earnings and could make future capital investments, or Boulder's operations, less economic.

Insurance

Boulder's involvement in the exploration for and development of oil and gas properties may result in Boulder becoming subject to liability for pollution, blow-outs, property damage, personal injury or other hazards. Although Boulder will obtain insurance in accordance with industry standards to address such risks, such insurance will have limitations on liability that may not be sufficient to cover the full extent of such liabilities. In addition, such risks may not, in all circumstances be insurable or, in certain circumstances, Boulder may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or for other reasons. The payment of such uninsured liabilities would reduce the funds available to Boulder. The occurrence of a significant event that Boulder is not fully insured against, or the insolvency of the insurer of such event, could have a material adverse effect on Boulder's financial position, results of operations or prospects.

PROMOTER

Under applicable Canadian securities laws, DeeThree may be considered a promoter of Boulder in that it took the initiative in founding Boulder for the purpose of implementing the Arrangement. See "*The Arrangement*" in this Circular.

As of the date hereof, and subsequent to the completion of the Arrangement, DeeThree does not and will not beneficially own, control or direct, directly or indirectly, any Boulder Common Shares.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There are no legal proceedings to which DeeThree or Boulder is a party to, or in respect of which, any of the Spin-Out Assets are the subject of, which is or will be material to Boulder, and Boulder is not aware of any such legal proceedings that are contemplated.

Since incorporation, there have not been any penalties or sanctions imposed against Boulder by a court relating to provincial and territorial securities legislation or by a securities regulatory authority, nor have there been any other penalties or sanctions imposed by a court or regulatory body against Boulder, and Boulder has not entered into any settlement agreements before a court relating to provincial and territorial securities legislation or with a securities regulatory authority.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

None of the proposed directors or executive officers of Boulder or any person or company that is the direct or indirect owner of, or who exercises control or direction of, more than 10 percent of any class or series of Boulder's outstanding voting securities, of which there are none that Boulder or DeeThree are aware, or any associate or affiliate of any of the foregoing persons, in each case, on a pro forma basis as at December 31, 2014 after giving effect to the Arrangement has or has had any material interest, direct or indirect, in any past transaction or any proposed transaction that has materially affected or is reasonably expected to materially affect Boulder.

AUDITORS, REGISTRAR AND TRANSFER AGENT

The auditors of Boulder are KPMG LLP, Calgary, Alberta.

Computershare Trust Company of Canada, at its principal offices in Calgary, Alberta, is expected to be the transfer agent and registrar of the Boulder Common Shares.

MATERIAL CONTRACTS

The only contracts entered into by Boulder or DeeThree that materially affect or will materially affect Boulder or the Spin-Out Assets during the past two years or to which Boulder will become a party on or prior to the Effective Date, that can reasonably be regarded as material to a proposed investor in Boulder Common Shares, other than contracts entered into in the ordinary course of business is the Arrangement Agreement and the Conveyance Agreement - see "*The Arrangement - the Arrangement Agreement*" in this Circular for particulars of the Arrangement Agreement.

INTERESTS OF EXPERTS

Certain information relating to Boulder's reserves has been prepared by Sproule. As of the date hereof, the partners and associates of Sproule beneficially own, or exercise control or direction over, directly or indirectly, less than one percent of the outstanding DeeThree Common Shares.

KPMG LLP are the auditors of Boulder and have confirmed that they are independent with respect to Boulder within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations.

SCHEDULE "A"
FORM 51-101F2

REPORT OF RESERVES DATA BY INDEPENDENT QUALIFIED RESERVES EVALUATORS

Form 51-101F2

Report on Reserves Data
by Independent Qualified Reserves Evaluator or Auditor

Report on Reserves Data

To the Board of Directors of DeeThree Exploration Ltd. (the "Company"):

1. We have evaluated the Company's reserves data in the Boulder Spin-Out Assets as at January 1, 2015. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at January 1, 2015, estimated using forecast prices and costs.

2. The reserves data are the responsibility of the Company's management. Our responsibility is to express an opinion on the reserves data based on our evaluation.

   We carried out our evaluation in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook (the "COGE Handbook"), prepared jointly by the Society of Petroleum Evaluation Engineers (Calgary Chapter) and the Canadian Institute of Mining, Metallurgy & Petroleum (Petroleum Society).

3. Those standards require that we plan and perform an evaluation to obtain reasonable assurance as to whether the reserves data are free of material misstatement. An evaluation also includes assessing whether the reserves data are in accordance with principles and definitions presented in the COGE Handbook.

4. The following table sets forth the estimated future net revenue (before deduction of income taxes) attributed to proved plus probable reserves, estimated using forecast prices and costs and calculated using a discount rate of 10 percent, included in the reserves data of the Company evaluated by us as of January 1, 2015, and identifies the respective portions thereof that we have audited, evaluated and reviewed and reported on to the Company's management and Board of Directors:

Independent Qualified Reserves Evaluator or Auditor	Description and Preparation Date of Evaluation Report	Location of Reserves (Country)	Net Present Value of Future Net Revenue Before Income Taxes (10% Discount Rate)			
			Audited (M$)	Evaluated (M$)	Reviewed (M$)	Total (M$)
Sproule	Evaluation of the P&NG Reserves of DeeThree Exploration Ltd. in the Boulder Spin-Out Assets, As of January 1, 2015, prepared December 2014 to April 2015	Canada				
Total			**Nil**	**523,657**	**Nil**	**523,657**

5. In our opinion, the reserves data respectively evaluated by us have, in all material respects, been determined and are presented in accordance with the COGE Handbook, consistently applied. We express no opinion on the reserves data that we reviewed but did not audit or evaluate.

6. We have no responsibility to update the report referred to in paragraph 4 for events and circumstances occurring after its preparation date.

7. Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be material.

Executed as to our report referred to above:

Sproule Associates Limited
Calgary, Alberta
April 7, 2015

Original Signed by Douglas O. McNichol, P.Eng.

Douglas O. McNichol, P.Eng.
Senior Petroleum Engineer and Partner

Original Signed by Ian K. Kirkland, P.Geol.

Ian K. Kirkland, P.Geol.
Senior Petroleum Geologist and Partner

Original Signed by Nora T. Stewart, P.Eng.

Nora T. Stewart, P.Eng.
Senior Vice-President, Canada and Director

SCHEDULE "B"
FORM 51-101F3

REPORT OF MANAGEMENT AND DIRECTORS ON RESERVES DATA AND OTHER INFORMATION

Management of DeeThree Exploration Ltd. (the "**Company**") is responsible for the preparation and disclosure of information with respect to the Company's oil and gas activities in accordance with securities regulatory requirements. This information includes reserves data which are estimates of proved reserves and probable reserves and related future net revenue as at January 1, 2015, estimated using forecast prices and costs.

Sproule Associates Limited ("**Sproule**"), independent qualified reserves evaluators, have evaluated and reviewed the Company's reserves data. The report of Sproule will be filed with securities regulatory authorities concurrently with this report.

The board of directors of the Company has:

(a) reviewed the Company's procedures for providing information to Sproule;

(b) met with Sproule to determine whether any restrictions affected the ability of Sproule to report without reservation; and

(c) reviewed the reserves data with management and Sproule.

The board of directors has reviewed the Company's procedures for assembling and reporting other information associated with oil and gas activities and has reviewed that information with management. The board of directors has approved:

(a) the content and filing with securities regulatory authorities of Form 51-101F1 containing reserves data and other oil and gas information;

(b) the filing of Form 51-101F2 which is the report of Sproule on the reserves data; and

(c) the content and filing of this report.

Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be material. However, any variations should be consistent with the fact that reserves are categorized according to the probability of their recovery.

Dated this 9th day of April, 2015.

"Martin Cheyne"
MARTIN CHEYNE
Chief Executive Officer

"Gail Hannon"
GAIL HANNON
Chief Financial Officer

"Michael Kabanuk"
MICHAEL KABANUK
Director

"Bradley Porter"
BRADLEY PORTER
Director

SCHEDULE "C"
AUDIT COMMITTEE CHARTER

1. Role and Objective

The Audit Committee (the "Committee") is a committee of the Board of Directors of the Corporation to which the Board has delegated its responsibility for oversight of the nature and scope of the annual audit, management's reporting on internal accounting standards and practices, financial information and accounting systems and procedures, financial reporting and statements and recommending, for Board of Director approval, the audited financial reports and other mandatory disclosure releases containing financial information. The objectives of the Committee, with respect to the Corporation and its subsidiaries, are as follows:

- To assist Directors to meet their responsibilities in respect of the preparation and disclosure of the financial reports of the Corporation and related matters.
- Provide an open avenue of communication among the Corporation's auditors, financial and senior management and the Board of Directors.
- To ensure the external auditors' independence and review and appraise their performance.
- To increase the credibility and objectivity of financial reports.
- To strengthen the role of the outside directors by facilitating in depth discussions between directors on the Committee, management and external auditors.

2. Composition

The Committee shall be composed of at least three individuals appointed by the Board from amongst its members, all of which members will be independent (within the meaning of National Instrument 52-110 *Audit Committees*) unless the Board determines to rely on an exemption in NI 52-110. "Independent" generally means free from any business or other direct or indirect material relationship with the Corporation that could, in the view of the Board, reasonably interfere with the exercise of the member's independent judgment.

The Secretary to the Board shall act as Secretary of the Committee.

A quorum shall be a majority of the members of the Committee.

All of the members must be financially literate within the meaning of NI 52-110 unless the Board has determined to rely on an exemption in NI 52-110. Being "financially literate" means members have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements.

3. Meetings

The Committee shall meet at least four times per year and/or as deemed appropriate by the Committee Chair. As part of its job to foster open communication, the Committee will meet at least annually with management and the external auditors in separate sessions.

Agendas, with input from management, shall be circulated to Committee members and relevant management personnel along with background information on a timely basis prior to the Committee meetings.

The minutes of the Committee meetings shall accurately record the decisions reached and shall be distributed to the Committee members with copies to the Board of Directors, the Chief Financial Officer or such other officer acting in that capacity, and the external auditor.

The Chief Executive Officer and the Chief Financial Officer or their designates shall be available to attend at all meetings of the Committee upon the invitation of the Committee.

The Controller, Treasurer and/or such other staff as appropriate to provide information to the Committee shall attend meetings upon invitation by the Committee.

4. Mandate and Responsibilities

To fulfill its responsibilities and duties, the Committee shall:

1) undertake annually a review of this mandate and make recommendations to the Corporate Governance and Compensation Committee as to proposed changes;

2) satisfy itself on behalf of the Board with respect to the Corporation's internal control systems, including, where applicable, relating to derivative instruments:

   (a) identifying, monitoring and mitigating business risks; and

   (b) ensuring compliance with legal and regulatory requirements;

3) review the Corporation's financial reports, MD&A, any annual earnings, interim earnings and press releases before the Corporation publicly discloses this information and any reports or other financial information (including quarterly financial reports), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors; the process should include but not be limited to:

(a) reviewing changes in accounting principles, or in their application, which may have a material impact on the current or future years' financial reports;

   (b) reviewing significant accruals, reserves or other estimates such as the ceiling test calculation;

   (c) reviewing accounting treatment of unusual or non-recurring transactions;

   (d) ascertaining compliance with covenants under loan agreements;

   (e) reviewing financial reporting relating to asset retirement obligations;

   (f) reviewing disclosure requirements for commitments and contingencies;

   (g) reviewing adjustments raised by the external auditors, whether or not included in the financial reports;

   (h) reviewing unresolved differences between management and the external auditors;

   (i) obtain explanations of significant variances with comparative reporting periods; and

   (j) determine through inquiry if there are any related party transactions and ensure the nature and extent of such transactions are properly disclosed;

4) review the financial reports and related information included in prospectuses, management discussion and analysis (MD&A), information circular-proxy statements and annual information forms (AIF), prior to Board approval;

5) with respect to the appointment of external auditors by the Board:

   (a) require the external auditors to report directly to the Committee;

(b) review annually the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of the Corporation;

(c) obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Corporation and confirming their independence from the Corporation;

(d) review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors;

(e) be directly responsible for overseeing the work of the external auditors engaged for the purpose of issuing an auditors' report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting;

(f) review management's recommendation for the appointment of external auditors and recommend to the Board appointment of external auditors and the compensation of the external auditors;

(g) review the terms of engagement of the external auditors, including the appropriateness and reasonableness of the auditors' fees;

(h) when there is to be a change in auditors, review the issues related to the change and the information to be included in the required notice to securities regulators of such change; and

(i) take, or recommend that the full Board of Directors take, appropriate action to oversee the independence of the external auditors;

(j) at each meeting, consult with the external auditors, without the presence of management, about the quality of the Corporation's accounting principles, internal controls and the completeness and accuracy of the Corporation's financial reports;

6) review all public disclosure containing audited or unaudited financial information before release;

7) review financial reporting relating to risk exposure;

8) satisfy itself that adequate procedures are in place for the review of the Corporation's public disclosure of financial information from the Corporation's financial reports and periodically assess the adequacy of those procedures;

9) review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation;

10) review annually with the external auditors their plan for their audit and, upon completion of the audit, their reports upon the financial reports of the Corporation and its subsidiaries;

11) review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Corporation's external auditors and consider the impact on the independence of the auditors; The pre-approval requirement is waived with respect to the provision of non-audit services if:

(a) the aggregate amount of all such non-audit services provided to the Corporation constitutes not more than five percent (5%) of the total amount of revenues paid by the Corporation to its external auditors during the fiscal year in which the non-audit services are provided;

(b) such services were not recognized by the Corporation at the time of the engagement to be non-audit services; and

(c) such services are promptly brought to the attention of the Committee by the Corporation and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Committee;

provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval, such authority may be delegated by the Committee to one or more independent members of the Committee;

12) review any other matters that the Audit Committee feels are important to its mandate or that the Board chooses to delegate to it;

13) with respect to the financial reporting process:

(a) in consultation with the external auditors, review with management the integrity of the Corporation's financial reporting process, both internal and external;

(b) consider the external auditors' judgments about the quality and appropriateness of the Corporation's accounting principles as applied in its financial reporting;

(c) consider and approve, if appropriate, changes to the Corporation's auditing and accounting principles and practices as suggested by the external auditors and management;

(d) review significant judgments made by management in the preparation of the financial reports and the view of the external auditors as to appropriateness of such judgments;

(e) following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;

(f) review any significant disagreement among management and the external auditors regarding financial reporting;

(g) review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented;

(h) review the certification process;

(i) establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and

(j) establish procedures for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

5. Authority

Following each meeting, in addition to a verbal report, the Committee will report to the Board by way of providing copies of the minutes of such Committee meeting at the next Board meeting after a meeting is held (these may still be in draft form).

Supporting schedules and information reviewed by the Committee shall be available for examination by any director.

The Committee shall have the authority to investigate any financial activity of the Corporation and to communicate directly with the internal and external auditors. All employees are to cooperate as requested by the Committee.

The Committee may retain, and set and pay the compensation for, persons having special expertise and/or obtain independent professional advice to assist in fulfilling its duties and responsibilities at the expense of the Corporation.

SCHEDULE "D"
BOARD OF DIRECTORS MANDATE

The Board of Directors (the "**Board**") of the Corporation is responsible under law to supervise the management of the business and affairs of the Corporation. The Board has the statutory authority and obligation to protect and enhance the assets of the Corporation.

The principal mandate of the Board is to oversee the management of the business and affairs of the Corporation, and monitor the performance of management.

In keeping with generally accepted corporate governance practices and the recommendations contained in National Policy 58-201 adopted by the Canadian Securities Administrators, and the requirements of any stock exchange on which the Corporation's securities are listed, the Board assumes responsibility for the stewardship of the Corporation and, as part of the overall stewardship responsibility, explicitly assumes responsibility for the following:

1. Independence

The Board retains the responsibility for managing its own affairs, including planning its composition, selecting its Chairman and/or Lead Director, appointing Board committees and determining directors' compensation. While it is appropriate to confer with the management on the selection of candidates to be nominated as members of the Board, the ultimate selection shall be determined by the existing independent members of the Board.

In that the Board must develop and voice objective judgment on corporate affairs, independently of the management, practices promoting Board independence will be pursued. This includes constituting the Board with a majority of independent and unrelated directors. Certain tasks suited to independent judgments will be delegated to specialized committees of the Board that are comprised exclusively of outside directors and at least a majority of unrelated directors.

The Board will evaluate its own performance in a continuing effort to improve. For this purpose, the Board will establish criteria for Board and Board member performance, and pursue a self-evaluation process for evaluating both overall Board performance and contributions of individual directors.

2. Leadership in Corporate Strategy

The Board ultimately has the responsibility to oversee the development and approval of the mission of the Corporation, its goals and objectives, and the strategy by which these objectives will be reached. In guiding the strategic choices of the Corporation, the Board must understand the inherent prospects and risks of such strategic choices.

While the leadership for the strategic planning process comes from the management of the Corporation, the Board shall bring objectivity and a breadth of judgment to the strategic planning process and will ultimately approve the strategy developed by management as it evolves.

The Board is responsible for monitoring management's success in implementing the strategy and monitoring the Corporation's progress to achieving its goals; revising and altering direction in light of changing circumstances.

The Board has the responsibility to ensure congruence between the strategic plan and management's performance.

3. Management of Risk

The Board shall understand the principal risks of all aspects of the business in which the Corporation is engaged, recognizing that business decisions require the incurrence of risk. The Board is responsible for providing a balance between risks incurred and the potential returns to shareholders of the Corporation. This requires that the Board ensure that systems are in place to effectively monitor and manage risks with a view to the long-term viability of the Corporation and its assets, and conduct an annual review of the associated risks.

4. Approach to Corporate Governance

The Corporation is committed to effective practices in corporate governance. The Corporation consistently assesses and adopts corporate governance measures. The Corporate Governance and Compensation Committee shall be responsible for disclosing the Corporation's approach to corporate governance in public disclosure documents.

5. Oversight of Management

As the Board functions, the Board must ensure the execution of plans and operations are of the highest caliber. The key to the effective discharge of this responsibility is the approval of the appointment of the senior officers of the Corporation and the assessment of each senior officer's contribution to the achievement of the Corporation's strategy. In this respect, performance against objectives established by the Board is important, as is a formal process for determining the senior officers' compensation, in part, by using established criteria and objectives for measuring performance.

6. Succession Planning

On a regular basis, the Board shall review a succession plan, developed by management, addressing the policies and principles for selecting a successor to the Chief Executive Officer ("**CEO**") and other key senior management positions, both in an emergency situation and in the ordinary course of business. The succession plan should include an assessment of the experience, performance, skills, training and planned career paths for possible successors to the CEO currently in the Corporation's senior management.

7. Expectations of Board Members

(a) *Commitment and Attendance*

All members of the Board should make every effort to attend all meetings of the Board and meetings of committees of which they are members. Although attendance in person is encouraged, members may attend by telephone to mitigate schedule conflicts.

(b) *Participation in Meetings*

Each member of the Board should be sufficiently familiar with the business of the Corporation, including its financial statements and capital structure, and the risks and competition it faces, to facilitate active and effective participation in the deliberations of the Board and of each committee on which he or she serves.

(c) *Financial Knowledge*

One of the most important roles of the Board is to monitor financial performance. Each member of the Board must know how to read financial statements, and should understand the use of financial ratios and other indices for evaluating financial performance.

(d) *Other Directorships*

The Corporation values the experiences Board members bring from other boards on which they serve, but recognizes that those boards may also present demands on a member's time and availability, and may also present conflicts of interest or other legal issues. Members of the Board should advise the Chair of the Governance and Governance Committee before accepting any new membership on other boards of directors or any other significant commitment involving an affiliation with other related businesses or governmental units.

(e) *Contact with Management*

All members of the Board are invited to contact the CEO at any time to discuss any aspect of the Corporation's business. While respecting organizational relationships and lines of communication, members of the Board have complete access to other members of management. There shall be afforded

frequent opportunities for members of the Board to meet with the CEO, CFO and other members of management in Board and committee meetings and in other formal or informal settings.

(f) *Confidentiality*

The proceedings and deliberations of the Board and its committees are confidential. Each member of the Board shall maintain the confidentiality of information received in connection with his or her services.

(g) *Preparation for Meetings*

All members of the Board should make every effort to review all meeting materials prior to meetings of the Board and meetings of committees of which they are members.

8. Shareholder Communications and Disclosure

The Board is responsible to ensure that the Corporation has policies in place to ensure effective and timely communication and disclosure to the shareholders of the Corporation, other stakeholders and the public in general. This communication and disclosure policy must effectively and fairly present the operations of the Corporation to shareholders and should accommodate feedback from shareholders, which should be considered into future business decisions.

The Board has the responsibility for ensuring that the financial performance of the Corporation is reported to shareholders on a timely and regular basis and for ensuring that such financing results are reported fairly, in accordance with generally accepted accounting principles.

The Board has the responsibility for ensuring that procedures are in place to effect the timely reporting of any developments that have a significant and material impact on the value of shareholder assets.

The Board has the responsibility for reporting annually to shareholders on its stewardship for the preceding year.

9. Integrity of Corporate Control and Management Information Systems

To effectively discharge its duties, the Board shall ensure that the Corporation has in place effective control and information systems so that it can track those criteria needed to monitor the implementation of the Corporation's strategy.

Similarly, in reviewing and approving financial information, the Board shall ensure that the Corporation has an audit system, which can inform the Board of the integrity of the data and compliance of the financial information with generally accepted accounting principles.

The Board's management of the important areas of corporate conduct, such as the commitment of the Corporation's assets to different businesses or material acquisitions, shall also be supported by effective control and information systems.

10. Legal Requirements

The Board is responsible for ensuring that routine legal requirements, documents, and records have been properly prepared, approved and maintained by the Corporation.

11. Board Delegation to Committees

The Board may delegate specific responsibilities to committees of the Board in order to effectively manage the affairs of the Corporation.

12. Limitation

The foregoing is (i) subject to and without limitation of the requirement that in exercising their powers and discharging their duties, the members of the Board act honestly and in good faith with a view to the best interests

of the Corporation; and (ii) subject to, and not in expansion of the requirement, that in exercising their powers and discharging their duties the members of the Board exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

APPENDIX "F"
Boulder Stock Option Plan

BOULDER ENERGY LTD.
STOCK OPTION PLAN

1. Purpose

The purpose of the Stock Option Plan (the "**Plan**") of Boulder Energy Ltd., a corporation incorporated under the *Business Corporations Act* (Alberta) (the "**Corporation**") is to advance the interests of the Corporation by encouraging the directors, officers, employees and consultants of the Corporation, and of its subsidiaries and affiliates, if any, to acquire common shares in the share capital of the Corporation (the "**Shares**"), thereby increasing their proprietary interest in the Corporation, encouraging them to remain associated with the Corporation and furnishing them with additional incentive in their efforts on behalf of the Corporation in the conduct of its affairs.

2. Administration

The Plan shall be administered by the Board of Directors of the Corporation or by a special committee of the directors that may be appointed from time to time by the Board of Directors of the Corporation pursuant to rules of procedure fixed by the Board of Directors (such committee or, if no such committee is appointed, the Board of Directors of the Corporation, is hereinafter referred to as the "**Board**"). A majority of the Board shall constitute a quorum, and the acts of a majority of the directors present at any meeting at which a quorum is present, or acts unanimously approved in writing, shall be the acts of the directors.

Subject to the provisions of the Plan, the Board shall have authority to construe and interpret the Plan and all option agreements entered into thereunder (the "**Option Agreements**"), to define the terms used in the Plan and in all option agreements entered into thereunder, to prescribe, amend and rescind rules and regulations relating to the Plan and to make all other determinations necessary or advisable for the administration of the Plan. All determinations and interpretations made by the Board shall be binding and conclusive on all participants in the Plan and on their legal personal representatives and beneficiaries.

All options to purchase Shares ("**Options**") granted hereunder shall be evidenced by an agreement in writing, signed on behalf of the Corporation and by the holder of the Option(s) (an "**Optionee**"), in such form as the Board shall approve. Each such agreement shall expressly be made subject to the provisions of this Plan.

Each option granted by the Corporation prior to the date of the approval of the Plan by the shareholders of the Corporation, including options granted under previously approved stock option plans of the Corporation, be and are continued under and shall be subject to the terms of the Plan after the Plan has been approved by the shareholders of the Corporation.

3. Stock Exchange Rules

All Options granted pursuant to this Plan shall be subject to rules and policies of any stock exchange or exchanges on which the common shares of the Corporation are then listed and any other regulatory body having jurisdiction hereinafter (collectively, referred to as the "**Exchange**").

4. Shares Subject to Plan

Subject to adjustment as provided in Section 16 hereof, the Shares to be offered under the Plan shall consist of common shares of the Corporation's authorized but unissued common shares. The aggregate number of Shares issuable upon the exercise of all Options granted under the Plan, when combined with the securities issuable under all other security based compensation arrangements (as such term is defined in section 613 of the TSX Company Manual), shall not exceed 8.5% of the issued and outstanding common shares of the Corporation from time to time. If any Option granted hereunder shall expire or terminate for any reason in accordance with the terms of the Plan without being exercised, the unpurchased Shares subject thereto shall again be available for the purpose of this Plan.

5. Maintenance of Sufficient Capital

The Corporation shall at all times during the term of the Plan reserve and keep available such numbers of Shares as will be sufficient to satisfy the requirements of the Plan.

6. Eligibility and Participation

Directors, officers, consultants, and employees of the Corporation or its subsidiaries, and employees of a person or company which provides management services to the Corporation or its subsidiaries ("**Management Company Employees**") shall be eligible for selection to participate in the Plan (such persons hereinafter collectively referred to as "**Participants**"). Subject to compliance with applicable requirements of the Exchange, Participants may elect to hold Options granted to them in an incorporated entity wholly owned by them and such entity shall be bound by the Plan in the same manner as if the Options were held by the Participant.

Subject to the terms hereof, the Board shall determine to whom Options shall be granted, the terms and provisions of the respective Option Agreements, the time or times at which such Options shall be granted and shall vest, and the number of Shares to be subject to each Option. In the case of employees or consultants of the Corporation or Management Company Employees, the Option Agreements to which they are party must contain a representation of the Corporation that such employee, consultant or Management Company Employee, as the case may be, is a bona tide employee, consultant or Management Company Employee of the Corporation or its subsidiaries, if any.

A Participant who has been granted an Option may, if such Participant is otherwise eligible, and if permitted under the policies of the Exchange, be granted additional Options if the Board so determines.

7. Exercise Price

(a) The exercise price of any Options shall be determined by the Board, subject to applicable Exchange approval, at the time such Options are granted. In no event shall such exercise price be lower than the five (5) day volume weighted average trading price of the Shares prior to the date of the grant.

(b) Once the exercise price has been determined by the Board, accepted by the Exchange and the applicable Option has been granted, the exercise price may only be reduced if at least six (6) months have elapsed since the later of the date of the commencement of the term of the Option, or the date the exercise price was last reduced, if applicable, and the exercise price may be reduced only if disinterested shareholder approval is obtained.

8. Number of Optioned Shares

(a) The number of Shares subject to Options granted to any one Participant shall be determined by the Board, but no one Participant shall be granted Options which exceed, in aggregate, the maximum number permitted by the Exchange.

(b) The aggregate number of Shares that may be issued pursuant to the exercise of Options awarded under the Plan and all other security based compensation arrangements (as such term is defined in section 613 of the TSX Company Manual) of the Corporation is 8.5% of the issued and outstanding Shares from time to time, subject to the following additional limitations:

i. no single Participant may be granted Options to purchase a number of Shares equaling more than 5% of the issued common shares of the Corporation in any twelve-month period unless the Corporation has obtained disinterested shareholder approval in respect of such grant and meets applicable Exchange requirements;

ii. the aggregate number of Options that may be granted to a director who is not an officer or employee of the Corporation (a "**Non-Management Director**") is limited to the lesser of: (a) 0.25% of the issued and outstanding Shares, and (b) an annual equity value of $100,000, with the value of such Options calculated at the time of grant;

iii. in the aggregate, no more than 10% of the issued and outstanding Shares (on a non-diluted basis) may be reserved at any time for insiders (as defined in the *Securities Act* (Alberta) and includes an associate, as defined in the *Securities Act* (Alberta) ("**Insider(s)**") under the Plan, together with all other security based compensation arrangements of the Corporation; and

iv. the number of securities of the Corporation issued to Insiders, within any one year period, under all security based compensation arrangements, cannot exceed 10% of the issued and outstanding Shares.

(c) Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued common shares of the Corporation in any twelve-month period to any one consultant of the Corporation (or any of its subsidiaries).

(d) Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued common shares of the Corporation in any twelve month period to persons employed to provide investor relation activities. Options granted to Consultants performing investor relations activities will contain vesting provisions such that vesting occurs over at least twelve (12) months with no more than ¼ of the Options vesting in any three (3) month period.

9. Duration of Option

Each Option and all rights thereunder shall be expressed to expire on the date set out in the Option Agreement and shall be subject to earlier termination as provided in Sections 12 and 13, provided that in no circumstances shall the duration of an Option exceed the maximum term permitted by the Exchange. For greater certainty, if the Corporation is listed on the TSX Venture Exchange or the Toronto Stock Exchange, the maximum term may not exceed ten (10) years.

Should the expiry date of an Option fall within a Black Out Period or within nine business days following the expiration of a Black Out Period, such expiry date of the Option shall be automatically extended without any further act or formality to that date which is the tenth business day after the end of the Black Out Period, such tenth business day to be considered the expiry date for such Option for all purposes under the Plan. The ten business day period referred to in this paragraph may not be extended by the Board.

"**Black Out Period**" means the period during which the relevant Participant is prohibited from exercising an Option due to trading restrictions imposed by the Corporation pursuant to any policy of the Corporation respecting restrictions on trading that is in effect at that time.

10. Cashless Exercise

Any Optionee may elect to effect a cashless exercise of any or all of the Optionee's vested and exercisable rights under an Option. In connection with any such cashless exercise, the Optionee shall be entitled to receive, without any cash payment (other than the taxes required to be paid in connection with the exercise which must be paid by the Optionee to the Corporation in cash at the time of exercise in accordance with Section 21 hereof), such number of whole Shares (rounded down to the nearest whole number) obtained pursuant to the formula:

$$X = \frac{[A \times (B - C)]}{B}$$

Where:

X = the number of whole Shares to be issued
A = the number of Shares under the Option
B = the closing price of the Shares on the Exchange on the last trading day preceding the day that written notice of the request for cashless exercise is received by the Corporation at its head office
C = the exercise price of the Option

In connection with any such cashless exercise, the full number of Shares issuable (item "A" in the formula) shall be considered to have been issued for the purposes of determining the number of Shares which may be issued under the Plan.

11. Term, Consideration and Payment

(a) The term for any Option shall be a period of time fixed by the Board not to exceed the maximum term permitted by the Exchange, provided that the term shall be reduced with respect to any Option as provided in Sections 12 and 13 covering cessation as a director, officer, consultant, employee or Management Company Employee of the Corporation or its subsidiaries, or death of the Optionee.

(b) Subject to any vesting restrictions imposed by the Exchange, the Board may, in its sole discretion, determine the time during which Options shall vest and the method of vesting, or that no vesting restriction shall exist. Such determination may be made at any time in the sole discretion of the Board.

(c) Subject to any vesting restrictions imposed by the Board, Options may be exercised in whole or in part at any time and from time to time during the term of the Option. To the extent required by the Exchange, no Option may be exercised under this Plan until this Plan has been approved by a resolution duly passed by the shareholders of the Corporation.

(d) Except as set forth in Sections 12 and 13, no Option may be exercised unless the Optionee is at the time of such exercise a director, officer, consultant, or employee of the Corporation or any of its subsidiaries, or a Management Company Employee of the Corporation or any of its subsidiaries.

(e) The exercise of any Option will be contingent upon receipt by the Corporation at its head office of a written notice of exercise, specifying the number of Shares with respect to which the Option is being exercised, accompanied by cash payment, certified cheque, wire transfer or bank draft for the full purchase price of such Shares with respect to which the Option is exercised. No Optionee or his legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any common shares of the Corporation unless and until the certificates for Shares issuable pursuant to Options under the Plan are issued to him or them under the terms of the Plan.

12. Ceasing To Be a Director, Officer, Consultant or Employee

(a) If an Optionee shall cease to be a director, officer, consultant, employee of the Corporation, or its subsidiaries, or ceases to be a Management Company Employee, for any reason (other than for cause or by reason of death), such Optionee may exercise his Option to the extent that the Optionee was entitled to exercise it at the date of such cessation, provided that such exercise must occur within one (1) year after the Optionee ceases to be a director, officer, consultant, employee or a Management Company Employee, unless such Optionee was engaged in investor relations activities, in which case such exercise must occur within thirty (30) days after the cessation of the Optionee's services to the Corporation.

(b) If an Optionee shall cease to be a director, officer, consultant, employee of the Corporation, or its subsidiaries, or ceases to be a Management Company Employee for cause, any granted but unexercised Options shall terminate and become null and void immediately.

(c) Nothing contained in the Plan, nor in any Option granted pursuant to the Plan, shall as such confer upon any Optionee any right with respect to continuance as a director, officer, consultant, employee or Management Company Employee of the Corporation or of any of its subsidiaries or affiliates, if any.

13. Death of Optionee

Notwithstanding Section 12, in the event of the death of a Optionee, all unexpired Options previously granted to him shall be exercisable only within one (1) year after such death and then only:

(a) by the person or persons to whom the Optionee's rights under the Options shall pass by the Optionee's will or the laws of descent and distribution; and

(b) if and to the extent that such Optionee was entitled to exercise the Options at the date of his death.

14. Rights of Optionee

No person entitled to exercise any Option granted under the Plan shall have any of the rights or privileges of a shareholder of the Corporation in respect of any Shares issuable upon exercise of such Option until certificates representing such Shares shall have been issued and delivered.

15. Proceeds from Sale of Shares

The proceeds from the sale of Shares issued upon the exercise of Options shall be added to the general funds of the Corporation and shall thereafter be used from time to time for such corporate purposes as the Board may determine.

16. Adjustments

If the outstanding common shares of the Corporation are increased, decreased, changed into or exchanged for a different number or kind of shares or securities of the Corporation or another corporation or entity through a reorganization, amalgamation, arrangement, merger, re-capitalization, re-classification, stock dividend, subdivision, consolidation or similar transaction, or in case of any transfer of all or substantially all of the assets or undertaking of the Corporation to another entity (any of which being, a "**Reorganization**") any adjustments relating to the Shares subject to Options or issued on exercise of Options and the exercise price per Share shall be adjusted by the Board, in its sole and absolute discretion, under this Section, provided that a Optionee shall be thereafter entitled to receive the amount of securities or property (including cash) to which such Optionee would have been entitled to receive as a

result of such Reorganization if, on the effective date thereof, he had been the holder of the number of Shares to which he was entitled upon exercise of his Option(s).

Adjustments under this Section shall be made by the Board whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional Share shall be required to be issued under the Plan on any such adjustment.

17. Takeover Bid

If a bona fide offer (the "**Offer**") for Shares is made to the Shareholders generally, and which is in the nature of a "take-over bid" within the meaning of the *Securities Act* (Alberta), then the Corporation shall, immediately upon receipt of notice of the Offer, notify each Optionee currently holding an Option of the Offer, with full particulars thereof, whereupon, notwithstanding the applicability, if any, of Section 11 hereof, such Option may be exercised in whole or in part by the Optionee immediately prior to the expiry time of the Offer so as to permit the Optionee to tender the Shares received upon such exercise (the "**Optioned Shares**") pursuant to the Offer if:

(a) the Offer is withdrawn by the offeror; or the Offer is unsuccessful; or

(b) the Optionee does not tender the Optioned Shares pursuant to the Offer; or

(c) all of the Optioned Shares tendered by the Optionee pursuant to the Offer are not taken up and paid for by the offeror in respect thereof.

then the Optioned Shares or, in the case of subsection (c) above, the Optioned Shares that are not taken up and paid for, shall be returned by the Optionee to the Corporation and reinstated as authorized by unissued Shares and the terms of the Option as set forth in Section 11, if applicable, shall again apply to the Option. If any Optioned Shares are returned to the Corporation under this Section, the Corporation shall also refund the exercise price to the Optionee for such Optioned Shares. In no event shall the Optionee be entitled to sell the Optioned Shares otherwise than pursuant to the Offer.

18. Change of Control

If there is a Change of Control (as defined herein) in the Corporation, the Board, in its sole discretion, may declare that all unexercised, unvested and outstanding Options granted under the Plan vest and are immediately exercisable prior to the effective time of the Change of Control in respect of any and all Shares for which the Optionee has not exercised the Option. In addition, the Board, in its sole discretion, may determine whether such Options may be exercisable for a limited period of time only and, if so, the Board will determine such period of time and such determinations or limitations, once made or set, are deemed to be incorporated into the applicable Option Agreement(s).

For the purposes of this section, "**Change of Control**" means:

i. the issuance to or acquisition by any person, or group of persons acting in concert, of directly, or indirectly, including through an arrangement, merger or other form of reorganization of the Corporation, of the Corporation's Shares which in the aggregate total 50% or more of the then issued and outstanding Shares;

ii. the election at a meeting of the Corporation's shareholders of a number of directors of the Corporation who were not included in the slate for election as directors proposed to the Corporation shareholders by the Corporation's prior Board, and would represent a majority of the Board;

iii. the appointment of a number of directors which would represent a majority of the Board and which were nominated by any holder of Shares or by any group of holders of Shares acting jointly or in concert and not approved by the Corporation's prior Board;

iv. the winding up or termination of the Corporation or the sale, lease or transfer of all or substantially all of the directly or indirectly held assets of the Corporation to any other person or persons (other than pursuant to an internal reorganization or in circumstances where the business of the Corporation is continued,

provided that notwithstanding the application of any of the foregoing, a "Change of Control" shall be deemed to not have occurred:

v. pursuant to an arrangement, merger or other form of reorganization of the Corporation where the holders of the outstanding voting securities or interests of the Corporation immediately prior to the completion of the reorganization will hold more than 50% of the outstanding voting securities or interests of the continuing entity upon completion of the reorganization; or

vi. if a majority of the Board determines that in substance an arrangement, merger or reorganization has not occurred or the circumstances are such that a Change of Control should be deemed to not have occurred and any such determination shall be binding and conclusive for all purposes of the Plan.

19. Transferability

All benefits, rights and Options accruing to any Optionee in accordance with the terms and conditions of the Plan shall not be transferable or assignable unless specifically provided herein or the extent, if any, permitted by the Exchange. During the lifetime of a Optionee any benefits, rights and Options may only be exercised by the Optionee.

20. Amendment and Termination of Plan

Subject to applicable approval of the Exchange and the Corporation's shareholders, the Board may, at any time suspend or terminate the Plan. Subject to applicable approval of the Exchange, the Board may also at any time amend or revise the terms of the Plan without shareholder approval; provided that no such amendment or revision shall result in a material adverse change to the terms of any Options theretofore granted under the Plan, unless shareholder approval is obtained for such amendment or revision. Specifically, shareholder approval shall be required for the following amendments:

(a) reducing the exercise price of an Option;

(b) canceling any Options previously granted and re-issuing such Options;

(c) extending the original expiry date of an Option;

(d) amending the limitations on the maximum number of Shares reserved or issued to Insiders;

(e) amending the limitations on the maximum number of Shares reserved or issued to Non-Management Directors;

(f) increasing the maximum number of Options issuable pursuant to the Plan;

(g) making any amendment to the Plan that would permit a Optionee to transfer or assign Options to a new beneficial holder other than in the case of death of the Optionee; or

(h) amend the amendment provisions of the Plan.

In the cases of 20(a), (b), (c), and (d), the votes attached to Shares held directly or indirectly by Insiders benefiting from the amendments will be excluded.

21. Withholding Taxes

The Corporation shall have the authority to take steps for the deduction and withholding, or for the advance payment or reimbursement by the Optionee to the Corporation, of any taxes or other required source deductions which the Corporation is required by law or regulation of any governmental authority whatsoever to remit in connection with this Plan, or any issuance of Optioned Shares. Without limiting the generality of the foregoing, the Corporation may, in its sole discretion:

(a) deduct and withhold additional amounts from other amounts payable to an Optionee;

(b) require, as a condition of the issuance of Optioned Shares to an Optionee that the Optionee make a cash payment to the Corporation equal to the amount, in the Corporation's opinion, required to be withheld and remitted by the Corporation for the account of the Optionee to the appropriate governmental authority and the Corporation, in its discretion, may withhold the issuance or delivery of Optioned Shares until the Optionee makes such payment; or

(c) sell, on behalf of the Optionee, all or any portion of Optioned Shares otherwise deliverable to the Optionee until the net proceeds of sale equal or exceed the amount which, in the Corporation's opinion, would satisfy any and all withholding taxes and other source deductions for the account of the Optionee.

22. Necessary Approvals

The ability of a Optionee to exercise Options and the obligation of the Corporation to issue and deliver Shares in accordance with the Plan is subject to any approvals which may be required from shareholders of the Corporation and any regulatory authority or Exchange having jurisdiction over the securities of the Corporation. If any Shares cannot be issued to any Optionee for whatever reason, the obligation of the Corporation to issue such Shares shall terminate and any Option exercise price paid to the Corporation will be returned to the Optionee.

23. Effective Date of Plan

The Plan has been adopted by the Board of the Corporation subject to the approval of the Exchange and, if so approved, subject to the discretion of the Board, the Plan shall become effective upon such approvals being obtained.

24. Interpretation

The Plan will be governed by and construed in accordance with the laws of the Province of Alberta. Words in the singular shall include the plural and words in one gender shall include all genders.

APPENDIX "G"
Share Incentive Plan

DEETHREE EXPLORATION LTD.
SHARE INCENTIVE PLAN

The Board of Directors of DeeThree Exploration Ltd. ("**DeeThree**") has adopted this share incentive plan (the "**Plan**") governing the issuance of Awards (as defined herein) of DeeThree to Service Providers (as defined herein).

1. Purposes

The principal purposes of the Plan are as follows:

(a) to strengthen the ability of DeeThree and the DeeThree Entities to retain and attract qualified Service Providers;

(b) to promote a proprietary interest in DeeThree by such Service Providers and to encourage such persons to remain in the employ or service of DeeThree and the DeeThree Entities and put forth maximum efforts for the success of the affairs of DeeThree and the business of the DeeThree Entities; and

(c) to focus management of DeeThree and the DeeThree Entities on operating and financial performance and long-term Total Shareholder Return.

2. Definitions

As used in this Plan, the following words and phrases shall have the meanings indicated:

(a) "**Adjustment Ratio**" means, with respect to any Award, the ratio used to adjust the notional number of Common Shares to be issued on the applicable Payment Date pertaining to such Award for Dividends and, in respect of each Award, shall be equal to one plus the amount, rounded to the nearest five decimal places, equal to a fraction, having as its numerator the arithmetic total of the Dividends, expressed as an amount per Common Share, declared on each Dividend Record Date following the Grant Date of the initial Award, and having as its denominator the Fair Market Value of the Common Shares on the first Business Day of the calendar month in which the Payment Date occurs;

(b) "**Award**" means an award, whose Award Value is computed by reference to equal to a notional number of Common Shares, made pursuant to the Plan, for which payment shall be made on the Payment Date(s) in accordance with the terms of Section 6 hereof;

(c) "**Award Agreement**" has the meaning set forth in Section 6 hereof;

(d) "**Award Value**" means, with respect to any Award, an amount equal to the notional number of Common Shares granted pursuant to such Award, as such number may be adjusted in accordance with the terms of the Plan, multiplied by the Fair Market Value of a Common Share;

(e) "**Black-Out Period**" means a period of time imposed by the Board pursuant to the policies of DeeThree upon certain Service Providers during which those persons may not trade in any securities of DeeThree;

(f) "**Board**" has the meaning set forth in Section 3 hereof;

(g) "**Business Day**" means a day other than a Saturday, Sunday or a day when banks in the City of Calgary, Alberta are not generally open for business;

(h) "**Cessation Date**" means the date that is the earlier of:

(i) the date of the Service Provider's termination or resignation, as the case may be regardless of whether adequate or proper advance notice of termination or resignation shall have been provided in respect of such cessation of being a Service Provider; or

(ii) the date of the of the Service Provider's death or disability, as the case may be.

For greater certainty: (a) a transfer of employment or services between DeeThree and a DeeThree Entity or between DeeThree Entities; or (b) a Leave of Absence or disability of a Service Provider shall not, unless otherwise determined by the Board, be considered an interruption or termination of the employment of a Service Provider or cessation of the services provided by a Service Provider for any purpose of the Plan except that a Service Provider's employment shall be deemed to have been voluntarily terminated on the date that is two years after the date of disability;

(i) "**Change of Control**" means:

(i) a successful "take-over bid" as defined in Multilateral Instrument 62-104 or any replacement or successor provisions ("**MI 62-104**"), which is not exempt from the take-over bid requirements of MI 62-104, pursuant to which the "offeror" as a result of such take-over bid, beneficially owns, directly or indirectly, in excess of 50% of the outstanding Total Common Shares;

(ii) the issuance to or acquisition by any person, or group of persons acting in concert, of directly, or indirectly, including through an arrangement, merger or other form of reorganization of DeeThree, of Common Shares of DeeThree which in the aggregate total 50% or more of the then issued and outstanding Total Common Shares;

(iii) the election at a meeting of the DeeThree shareholders of a number of directors of DeeThree who were not included in the slate for election as directors proposed to the DeeThree shareholders by DeeThree’s prior Board, and would represent a majority of the Board;

(iv) the appointment of a number of directors which would represent a majority of the Board and which were nominated by any holder of Common Shares or by any group of holders of Common Shares acting jointly or in concert and not approved by DeeThree’s prior Board;

(v) the winding up or termination of DeeThree or the sale, lease or transfer of all or substantially all of the directly or indirectly held assets of DeeThree to any other person or persons (other than pursuant to an internal reorganization or in circumstances where the business of DeeThree is continued,

provided that notwithstanding the application of any of the foregoing, a "**Change of Control**" shall be deemed to not have occurred:

(vi) pursuant to an arrangement, merger or other form of reorganization of DeeThree where the holders of the outstanding voting securities or interests of DeeThree immediately prior to the completion of the reorganization will hold more than 50% of the outstanding voting securities or interests of the continuing entity upon completion of the reorganization; or

(vii) if a majority of the Board determines that in substance an arrangement, merger or reorganization has not occurred or the circumstances are such that a Change of Control should be deemed to not have occurred and any such determination shall be binding and conclusive for all purposes of the Plan;

(j) "**Common Shares**" means common shares of DeeThree;

(k) "**Corporate Performance Measures**" for any period that the Board in its sole discretion shall determine, means the performance measures to be taken into consideration in granting Awards under the Plan and determining the Payout Multiplier in respect of any Performance Award, which may include, without limitation, the following:

(i) Relative Total Shareholder Return;

(ii) activities related to growth of DeeThree and the DeeThree Entities;

(iii) average production volumes of DeeThree and the DeeThree Entities;

(iv) unit costs of production of DeeThree and the DeeThree Entities;

(v) total proved reserves (on a net basis) of DeeThree and the DeeThree Entities;

(vi) Recycle Ratio;

(vii) any leading and lagging indicators of health, safety and environmental performance of DeeThree and the DeeThree Entities;

(viii) the execution of DeeThree's strategic plan as determined by the Board; and

(ix) such additional measures as the Board, in its sole discretion, shall consider appropriate in the circumstances;

(l) "**DeeThree Entities**" means, collectively, any of DeeThree's subsidiaries, partnerships, trusts or other controlled entities.

(m) "**disability**" means:

(i) a Service Provider who has been placed on long term disability under DeeThree's long term disability plan or, if such Service Provider is not covered by DeeThree's long term disability plan, would meet the requirements to be placed on long term disability under DeeThree's long term disability plan if covered; and

(ii) DeeThree has not made a determination to designate the Service Provider's status as being on a Leave of Absence;

(n) "**Dividend**" means any dividend declared by DeeThree in respect of the Common Shares, whether in the form of cash, Common Shares or other securities or other property, expressed as an amount per Common Shares;

(o) "**Dividend Payment Date**" means any date that a Dividend is paid to Shareholders;

(p) "**Dividend Record Date**" means the applicable record date in respect of any Dividend used to determine the Shareholders entitled to receive such Dividend;

(q) "**Exchange**" means the Toronto Stock Exchange or, if the Common Shares are not then listed and posted for trading on the Toronto Stock Exchange, on such stock exchange in Canada on which such shares are listed and posted for trading as may be selected for such purpose by the Board;

(r) "**Expiry Date**" means, in connection with each Award made pursuant to the Plan, means December 15th of the third year following the year in which the Award was granted;

(s) "**Fair Market Value**" with respect to a Common Share, as at any date means the weighted average of the prices at which the Common Shares traded on the Exchange (or, if the Common Shares are not then listed and posted for trading on the Exchange or are then listed and posted for trading on more than one stock exchange, on such stock exchange on which the Common Shares are then listed and posted for trading as may be selected for such purpose by the Board in its sole discretion) for the five (5) trading days on which the Common Shares traded on the said exchange immediately preceding such date. In the event that the Common Shares are not listed and posted for trading on any stock exchange, the Fair Market Value shall be the fair market value of the Common Shares as determined by the Board in its sole discretion, acting reasonably and in good faith. If initially determined in United States dollars, the Fair Market Value shall be converted into Canadian dollars at an exchange rate selected and calculated in the manner determined by the Board from time to time acting reasonably and in good faith;

(t) "**Grant Date**" means the grant date for an Award;

(u) "**Grantee**" has the meaning set forth in Section 4 hereof;

(v) "**Insider**" has the meaning set forth in the applicable rules of the Exchange for this purpose;

(w) "**Leave of Absence**" means a period of time designated as a "leave of absence" by the Board which is in excess of three (3) months;

(x) "**Leave Expiration Term**" means ten (10) Business Days from the date that any Leave of Absence ends;

(y) "**Non-Management Director**" means a director of DeeThree who is not an officer or employee of DeeThree or a DeeThree Entity;

(z) "**Payment Date**" means, with respect to any Award, the date upon which DeeThree shall pay to the Grantee the Award Value to which the Grantee is entitled pursuant to such Award in accordance with the terms hereof;

(aa) "**Payout Multiplier**" means the payout multiplier determined by the Board in accordance with Section 6(d);

(bb) "**Peer Comparison Group**" means, generally, public Canadian oil and gas issuers that in the opinion of the Board are competitors of DeeThree and which shall be determined from time to time by the Board in its sole discretion;

(cc) "**Performance Award**" means an Award granted hereunder designated as a "Performance Award" in the Award Agreement pertaining thereto;

(dd) "**Recycle Ratio**" means a measure of capital efficiency calculated by dividing the after-tax netback of production by the cost of adding reserves, or calculated in such other manner as may be determined by the Board in its sole discretion;

(ee) "**Relative Total Shareholder Return**" means the percentile rank, expressed as a whole number, of Total Shareholder Return relative to returns calculated on a similar basis on securities of members of the Peer Comparison Group over the applicable period;

(ff) "**Service Provider**" means certain directors, officers, consultants, employees and other service providers, as applicable of DeeThree and any DeeThree Entities;

(gg) "**Shareholder**" means a holder of Common Shares;

(hh) "**Time-Based Award**" means an Award granted hereunder designated as a "Time-Based Award" in the Award Agreement pertaining thereto;

(ii) "**Total Common Shares**" means the aggregate number of issued and outstanding Common Shares (including Common Shares issuable upon exchange of exchangeable shares of DeeThree and other fully paid securities of the DeeThree Entities exchangeable into Common Shares); and

(jj) "**Total Shareholder Return**" means, with respect to any period, the total return to Shareholders on the Common Shares calculated using cumulative dividends on a reinvested basis, if applicable, and the change in the trading price of the Common Shares on the Exchange over such period (or, if the Common Shares are not then listed and posted for trading on the Exchange or are then listed and posted for trading on more than one stock exchange, on such stock exchange on which the Common Shares are then listed and posted for trading as may be selected for such purpose by the Board in its sole discretion).

3. Administration

(a) The Plan shall be administered by the Board, provided that the Board shall have the authority to appoint a committee of the Board to administer the Plan. In the event that the Board appoints a committee of the Board to administer the Plan, all references in the Plan to the Board will be deemed to be references to such other committee of the Board, as applicable. The Board may also delegate to one or more of its members or to one or more agents such administrative duties as it may deem advisable, and the Board or any person to whom it has delegated duties as aforesaid may employ one or more persons to render advice with respect to any responsibility the Board or such person may have under the Plan.

(b) The Board shall have the full power and sole responsibility to interpret the provisions of the Plan, to administer the Plan and to exercise all the powers and authorities either specifically granted to it under the Plan or necessary or advisable in the administration of the Plan subject to and not inconsistent with the express provisions of this Plan and of Section 9 hereof, including, without limitation:

(i) the authority to grant Awards;

(ii) to determine the Fair Market Value of the Common Shares on any date;

(iii) to determine the Service Providers to whom, and the time or times at which Awards shall be granted and shall become issuable;

(iv) to determine the Award Value of each Award;

(v) to determine members of the Peer Comparison Group from time to time;

(vi) to determine the Corporate Performance Measures and the Payout Multiplier in respect of a particular period;

(vii) to prescribe, amend and rescind rules and regulations relating to the Plan;

(viii) to interpret the Plan;

(ix) to determine the terms and provisions of Award Agreements (which need not be identical) entered into in connection with Awards; and

(x) to make all other determinations deemed necessary or advisable for the administration of the Plan.

(c) For greater certainty and without limiting the discretion conferred on the Board pursuant to this Section 3, the Board's decision to approve the grant of an Award to any Service Provider in any period shall not require the Board to approve the grant of an Award to any Service Provider in any other period; nor shall the Board's decision with respect to the size or terms and conditions of an Award in any period require it to approve the grant of an Award of the same or similar size or with the same or similar terms and conditions to any Service Provider in any other period, nor shall the Board's decision with respect to the form of payment of an Award require it to pay any other Awards in the same manner or entitle a Service Provider to be paid in a particular form. The Board shall not be precluded from approving the grant of an Award to any Service Provider solely because such Service Provider may previously have been granted an Award under this Plan or any other similar compensation arrangement of DeeThree or a DeeThree Entity. No Service Provider has any claim or right to be granted an Award. In determining the Service Providers to whom Awards may be granted ("**Grantees**") and the number of Common Shares to be covered by each Award, the Board may take into account such factors as it shall determine in its sole discretion, including, if so determined by the Board, any one or more of the following factors:

(i) compensation data for comparable benchmark positions among the Peer Comparison Group;

(ii) the duties, responsibilities, position and seniority of the Grantee;

(iii) the Corporate Performance Measures for the applicable period compared with internally established performance measures approved by the Board and/or similar performance measures of members of the Peer Comparison Group for such period;

(iv) the individual contributions and potential contributions of the Grantee to the success of DeeThree;

(v) any bonus payments paid or to be paid to the Grantee in respect of his or her individual contributions and potential contributions to the success of DeeThree;

(vi) the Fair Market Value or current market price of the Common Shares at the time of such Award; and

(vii) such other factors as the Board shall deem relevant in its sole discretion in connection with accomplishing the purposes of the Plan.

(d) The Board may delegate to one or more of its members or to one or more agents such administrative duties as it may deem advisable, and the Board or any person to whom it

has delegated duties as aforesaid may employ one or more persons to render advice with respect to any responsibility the Board or such person may have under the Plan.

4. Eligibility and Award Determination

(a) In the event that the Common Shares of the Corporation are listed on the Exchange, any grant of Awards under the Plan shall be subject to the following restrictions:

(i) Awards may be granted by the Board from time to time, at its sole discretion, to Service Providers, provided that the aggregate number of Common Shares that could be issued pursuant to Awards that have been granted to any single holder shall not exceed 1% of the Total Common Shares. No Service Provider shall have any rights to be granted Awards hereunder, except as may be specifically granted by the Board;

(ii) The aggregate number of Common Shares that could be issued pursuant to Awards issued to each individual Non-Management Director in the Plan is limited to the lesser of:

A. 0.25% of the Total Common Shares; and

B. an annual equity award value of $100,000, with the value of each Award calculated at the time of grant;

and for purposes of monitoring compliance with these limitations, a Payout Multiplier of 1.0 will be assumed for any Performance Awards;

(iii) The number of Common Shares that are available to be issued to Insiders within one year pursuant to the Plan, and issuable to Insiders at any time, under the Plan or when combined with all of DeeThree's other security based compensation arrangements, shall not exceed 10% of the Total Common Shares. In determining the number of Common Shares issuable within one year for the purposes of this paragraph (iii), shall be determined on the basis of the number of Common Shares that are outstanding immediately prior to the Common Share issuance, excluding any Common Shares issued pursuant to share compensation arrangements over the preceding one-year period; and

(iv) Awards may be granted in excess of the limits set forth in this Section 4 provided that prior to the receipt of the approval required in Section 9, if any, such Awards may not be paid until such approval has been received.

(b) In determining the Service Providers to whom Awards may be granted ("**Grantees**") and the number of Common Shares to be referred to in respect of each Award, the Board may take into account such factors as it shall determine in its sole discretion.

(c) For purposes of the calculations in this section, it shall be assumed that all issued and outstanding Awards are to be paid by the issuance of Common Shares from treasury, notwithstanding DeeThree's right pursuant to Section 6 hereof to settle the Award Value underlying Awards in cash or by purchasing Common Shares on the open market.

5. Reservation of Common Shares

(a) The number of Common Shares reserved that are available to be issued from time to time pursuant to outstanding Awards granted and outstanding under the Plan shall not exceed a number of Common Shares equal to 5.0% of the Total Common Shares.

(b) Any increase in the Total Common Shares will result in an increase in the available number of Common Shares that are available to be issued under the Plan and any issuance of Common Shares pursuant to Awards will make new grants available under the Plan.

(c) If any Award granted under this Plan shall expire, terminate or be cancelled for any reason without payment, any Common Shares that were reserved hereunder shall be available for the purposes of the granting of further Awards under this Plan.

(d) Awards may be granted in excess of the limits set forth in this Section 5 provided that prior to the receipt of the approval required in Section 9, if any, such Awards may not be paid until such approval has been received.

(e) For purposes of the calculations in this section, it shall be assumed that all issued and outstanding Awards are to be paid by the issuance of Common Shares from treasury, notwithstanding DeeThree's right pursuant to Section 6 hereof to settle the Award Value underlying Awards in cash or by purchasing Common Shares on the open market.

6. Terms and Conditions of Awards

Each Award granted under the Plan shall be subject to the terms and conditions of the Plan and evidenced by a written agreement between DeeThree and the Grantee or an award letter of other confirmation of grant from DeeThree to the Grantee (an "**Award Agreement**") which agreement shall comply with, and in the event that the Common Shares of the Corporation are listed on the Exchange, shall comply with, and be subject to, the requirements of the Exchange and the following terms and conditions (and with such other terms and conditions as the Board, in its sole discretion, shall establish):

(a) Type of Awards – The Board shall determine the Award Value to be awarded to a Grantee pursuant to the Award in accordance with the provisions set forth in Section 3 hereof and shall designate such award as either a "Time-Based Award" or a "Performance Award", as applicable, in the Award Agreement relating thereto.

(b) Payment Date of Awards – The Payment Dates in respect of Awards issued pursuant to the Plan shall be as follows, unless otherwise determined by the Board in its sole discretion (and, for greater certainty, the Board may in its sole discretion impose additional or different conditions to the determination of the Payment Date(s) in respect of payment pursuant to any Award):

(i) as to one-third of the Award Value of such Award, on the first anniversary of the Grant Date of the Award;

(ii) as to one-third of the Award Value of such Award, on the second anniversary of the Grant Date of the Award; and

(iii) as to the remaining one-third of the Award Value of such Award, on the third anniversary of the Grant Date of the Award;

provided however, that:

A. if a Grantee is on a Leave of Absence before the Payment Date or Dates, such Payment Date or Payment Dates shall be extended by that portion of the duration of the period of the Leave of Absence that is in excess of three (3) months;

B. where a Payment Date occurs on a date when a Grantee is subject to a Black-Out Period, such Payment Date shall be extended to a date which is within three business days following the end of such Black-Out Period;

C. in the event of any Change of Control of DeeThree prior to the before the Payment Date or Payment Dates, the Payment Date or Payment Dates for all Common Shares awarded pursuant to such Awards shall be closing date of the Change of Control and the Payout Multiplier applicable to any Performance Awards shall be determined by the Board; and

D. notwithstanding any other provision of this Plan, the Board may, in its sole discretion, determine that an Award is payable in relation to all or a percentage of the Award Value covered thereby for all or any Awards at any time and from time to time.

(c) Expiry Dates of Awards – Notwithstanding any other provision of this Plan, including Section 6(b) hereof, no Payment Date in respect of an Award may occur after the Expiry Date of such Award, and in the event that a Payment Date would occur after the Expiry Date, the Payment Date in respect of such Award shall be on the Expiry Date of such Award.

(d) Payout Multiplier – Annually, prior to the Payment Date in respect of any Performance Award, or prior to the Payment Date in the case of a Change of Control or otherwise to the extent that the annual determination has not yet been made, the Board shall assess the performance of DeeThree for the applicable period. The weighting of the individual measures comprising the Corporate Performance Measures shall be determined by the Board in its sole discretion having regard to the principal purposes of the Plan and, upon the assessment of all Corporate Performance Measures, the Board shall determine DeeThree's ranking. The applicable Payout Multiplier in respect of this ranking shall be as determined by the Board in its sole discretion. For greater certainty, where the Payment Date is not the first anniversary of the grant date, the Payout Multiplier for those Performance Awards will be the arithmetic average of the Payout Multiplier for each of the preceding annual performance assessment periods.

(e) Adjustment of Awards – Immediately prior to each Payment Date, the notional number of Common Shares underlying an Award shall be adjusted by multiplying such number by: (1) the Adjustment Ratio applicable in respect of such Award, and (2) the Payout Multiplier applicable to such Award, in the case of a Performance Award, provided however, that:

(i) if a Grantee has been on a Leave of Absence at any time since the Grant Date in respect of such Award, the Adjustment Ratio shall not be adjusted for any Dividends paid during the period of such Leave of Absence; and

(ii) notwithstanding any other provision of this Plan, but subject to the limits described in Section 4 and Section 5 hereof and, in the event that the Common Shares of DeeThree are listed on the Exchange, any applicable requirements of the Exchange, or other applicable regulatory authority, the Board hereby reserves the right to make any additional adjustments to the notional number of Common Shares underlying any Award if, in the sole discretion of the Board, such adjustments are appropriate in the circumstances having regard to the principal purposes of the Plan and terms of the Award.

(f) Payment in Respect of Awards – On the Payment Date, DeeThree, at its sole and absolute discretion, shall have the option of settling the Award Value payable in respect of an Award by any of the following methods or by a combination of such methods:

(i) payment in cash;

(ii) in the event that the Common Shares of the Corporation are listed on the Exchange, payment in Common Shares acquired by DeeThree on the Exchange;

(iii) payment in Common Shares issued from the treasury of DeeThree;

(iv) any combination of the above.

(g) Determinations of Payment - DeeThree shall not determine whether the payment method shall take the form of cash or Common Shares (or a combination thereof) until the Payment Date, or some reasonable time prior thereto. A holder of an Award shall not have any right to demand be paid in, or receive, Common Shares in respect of the Award Value underlying an Award, at any time. Notwithstanding any election by DeeThree to settle any Award Value, or portion thereof, in Common Shares, DeeThree reserves the right to change its election in respect thereof at any time up until payment is actually made, and the holder of such Award shall not have the right, at any time to enforce settlement in the form of Common Shares of DeeThree.

(h) No Fractional Common Shares - Where DeeThree elects to pay any amounts pursuant to an Award by issuing Common Shares, and the determination of the number of Common Shares to be delivered to a Grantee in respect of a particular Payment Date would result in the issuance of a fractional Common Share, the number of Common Shares deliverable on the Payment Date shall be rounded down to the next whole number of Common Shares. No certificates representing fractional Common Shares shall be delivered pursuant to this Plan nor shall any cash amount be paid at any time in lieu of any such fractional interest.

(i) Delivery of Payment – Any amount payable to a Grantee in respect of an Award shall be paid to the Grantee as soon as practicable following the Payment Date provided that the payment must occur not later than the Expiry Date.

(j) Termination of Relationship as Service Provider – Unless otherwise determined by the Board or unless otherwise provided in an Award Agreement pertaining to a particular Award or any written employment or consulting agreement governing a Grantee's role as a Service Provider, the following provisions shall apply in the event that a Grantee ceases to be a Service Provider:

(i) *Termination upon Ceasing to be a Service Provider* – If a Grantee ceases to be a Service Provider for any reason whatsoever, including termination without cause, other than the death or disability of such Grantee (as contemplated under paragraph (ii) below), all outstanding Award Agreements under which Awards have been made to such Grantee and which have vested in accordance with Section 6(b), shall be terminated and all rights to receive Common Shares thereunder shall be forfeited by the Grantee effective as of the date that is 30 days from the Cessation Date. For clarity, the Grantee shall only be entitled to receive the Award Value for the outstanding Awards for which the Payment Date would fall between the date that the Grantee ceased to be employed or retained and the date that is thirty (30) days from such date. Notwithstanding the foregoing, in the event of a termination of any employee for cause, the Board may, in its sole discretion, determine that all outstanding vested Awards shall

immediately terminate and become null and void. All Awards which have not vested in accordance with Section 6(b) at the Cessation Date shall immediately terminate and become null and void;

(ii) *Termination Upon Death or Disability* – Upon the death or disability of a Grantee prior to the Expiry Date, all outstanding Award Agreements under which Awards have been made to such Grantee which have vested in accordance with Section 6(b) shall be terminated and all rights to receive Common Shares thereunder shall be forfeited by the Grantee effective on earlier of: (i) the Expiry Date; and (ii) date that is six months from the Cessation Date. All Awards which have not vested in accordance with Section 6(b) at the Cessation Date shall immediately terminate and become null and void. The President and Chief Executive Officer of DeeThree in the case of a Grantee who is not a director or officer and the Board in all other cases, taking into consideration the performance of such Grantee and the performance of DeeThree since the date of grant of the Award(s), may determine in its sole discretion the Payout Multiplier to be applied to any Performance Awards held by the Grantee; and

(iii) *Extension of Expiration Period* – Subject to Section 9, the Board may, in its sole discretion, determine that the Expiry Dates set forth in Section 6(j)(i) and Section 6(j)(ii) shall be extended by the time frames set forth in Section 6(c).

(k) Rights as a Shareholder – Until Common Shares have actually been issued in accordance with the terms of the Plan, the Grantee to whom an Award has been made shall not possess any incidents of ownership of such Common Shares including, for greater certainty and without limitation, the right to receive Dividends on such Common Shares and the right to exercise voting rights in respect of such Common Shares. Such Grantee shall only be considered a Shareholder in respect of such Common Shares when such issuance has been entered upon the records of the duly authorized transfer agent of DeeThree.

(l) Treatment of non-cash Dividends – Subject to any required approval of the Exchange, in the event that the Common Shares of the Corporation are listed on the Exchange, in the case of a non-cash Dividend, including Common Shares or other securities or other property, the Board may, in its sole discretion, determine that this non-cash Dividend be provided to a Grantee on the same basis as a holder of a Common Share with the same Dividend Record Date and Dividend Payment Date, regardless of the vesting date applicable to such Award, and, in such event, no adjustment to the Adjustment Ratio will be provided to the Grantee. The Board may provide this non-cash Dividend to the Grantee in the same form as the non-cash distribution received by a holder of a Common Share or a cash equivalent amount determined in the sole discretion of the Board. In the alternate case, where the Grantee does not participate in a non-cash Dividend as described above, the Board will, in its sole discretion, determine the cash value of such non-cash Dividend to be applied to the Adjustment Ratio.

(m) Effect of Certain Changes – In the event:

(i) of any change in the Common Shares through subdivision, consolidation, reclassification, amalgamation, merger or otherwise;

(ii) that any rights are granted to all Shareholders to purchase Common Shares at prices substantially below the Fair Market Value; or

(iii) that, as a result of any recapitalization, merger, consolidation or other transaction, the Common Shares are converted into or exchangeable for any other securities,

then, in any such case, the Board may, in the event that the Common Shares of the Corporation are listed on the Exchange, subject to any required approval of the Exchange, make such adjustments to the Plan, to any Awards and to any Award Agreements outstanding under the Plan as may be appropriate in the circumstances (including changing the Common Shares covered by each Award into other securities on the same basis as Common Shares are converted into or exchangeable for such securities in any such transaction) to prevent dilution or enlargement of the rights granted to Grantees hereunder

7. Withholding Taxes

When a Grantee or other person becomes entitled to receive a payment in respect of an Award, DeeThree or a DeeThree Entity shall have the right to require the Grantee or person to remit to DeeThree an amount sufficient to satisfy any withholding tax requirements relating thereto. Unless otherwise prohibited by the Board or by applicable law, satisfaction of the withholding tax obligation may be accomplished by any of the following methods or by a combination of such methods:

(a) the tendering by the Grantee of a cash payment to DeeThree in an amount less than or equal to the total withholding tax obligation; or

(b) where DeeThree has elected to issue Common Shares to the Grantee, the withholding by DeeThree or a DeeThree Entity, as the case may be, from the Common Shares otherwise due to the Grantee such number of Common Shares as it determines are required to be sold by DeeThree, as trustee, to satisfy the total withholding tax obligation (net of selling costs). The Grantee consents to such sale and grants to DeeThree an irrevocable power of attorney to effect the sale of such Common Shares and acknowledges and agrees that DeeThree does not accept responsibility for the price obtained on the sale of such Common Shares; or

(c) the withholding by DeeThree or a DeeThree Entity, as the case may be, from any cash payment otherwise due to the Grantee, including the Settlement Amount, such amount of cash as is required for the amount of the total withholding tax obligation;

provided, however, that the sum of any cash so paid or withheld and the Fair Market Value of any Common Shares so withheld is sufficient to satisfy the total withholding tax obligation.

Grantees (or their beneficiaries) shall be responsible for all taxes with respect to any Awards granted under the Plan. The Board and DeeThree make no guarantees to any person regarding the tax treatment of Awards or payments made under the Plan and none of DeeThree, nor any of its employees or representatives shall have any liability to a Grantee (or its beneficiaries) with respect thereto.

8. Non-Transferability

Except as otherwise provided in the Plan and subject to Section 6(j)(ii), the right to receive payment pursuant to an Award granted to a Service Provider is held only by such Service Provider personally. Except as otherwise provided in this Plan, no assignment, sale, transfer, pledge or charge of an Award, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such Award whatsoever in any assignee or transferee and, immediately upon any assignment, sale, transfer, pledge or charge or attempt to assign, sell, transfer, pledge or charge, such Award shall terminate and be of no further force or effect.

9. Amendment and Termination of Plan

This Plan and any Awards granted pursuant to the Plan may be amended, modified or terminated by the Board without approval of Shareholders, subject to any required approval of the Exchange in the event that the Common Shares of the Corporation are listed on the Exchange.

If the Common Shares of the Corporation are listed on the Exchange, then notwithstanding the foregoing, the Plan may not be amended without Shareholder approval to:

(a) make any amendment to the Plan to increase the percentage of Common Shares that are available to be issued under outstanding Awards at any time pursuant to Section 5(a) hereof;

(b) extend the Expiry Date of any outstanding Awards held by Insiders;

(c) make any amendment to the Plan that would permit a holder to transfer or assign Awards to a new beneficial holder other than in the case of death of the holder;

(d) amend the limits on Non-Management Directors contained in Section 4(a);

(e) any amendment to increase the number of Common Shares that may be issued to Insiders above the restriction contained in Section 4; or

(f) an amendment to amend this Section 9.

In addition, no amendment to the Plan or Awards granted pursuant to the Plan may be made without the consent of the Grantee, if it adversely alters or impairs the rights of any Grantee in respect of any Award previously granted to such Grantee under the Plan.

10. Merger and Sale

In the event that DeeThree enters into any transaction or series of transactions whereby DeeThree or all or substantially all of DeeThree's undertaking, property or assets would become the property of any other trust, body corporate, partnership or other person (a "**Successor**") whether by way of takeover bid, acquisition, reorganization, consolidation, amalgamation, arrangement, merger, transfer, sale or otherwise, unless prior to or contemporaneously with the consummation of such transaction, DeeThree and the Successor shall execute such instruments and do such things as are necessary, if any, to establish that upon the consummation of such transaction the Successor will have assumed all the covenants and obligations of DeeThree under this Plan and the Award Agreements outstanding on consummation of such transaction in a manner that substantially preserves and does not impair the rights of the Grantees thereunder in any material respect (including the right to receive shares, securities, cash or other property of the Successor in lieu of Common Shares upon the subsequent vesting of Awards). Subject to compliance with this Section 10, any such Successor shall succeed to, and be substituted for, and may exercise every right and power of DeeThree under this Plan and such Award Agreements with the same effect as though the Successor had been named as DeeThree herein and therein and thereafter, DeeThree shall be relieved of all obligations and covenants under this Plan and such Award Agreements and the obligation of DeeThree to the Grantees in respect of the Awards shall terminate and be at an end and the Grantees shall cease to have any further rights in respect thereof including, without limitation, any right to acquire Common Shares upon vesting of the Awards.

11. Miscellaneous

(a) Effect of Headings – The Section and subsection headings contained herein are for convenience only and shall not affect the construction hereof.

(b) Compliance with Legal Requirements – DeeThree may, in its sole discretion, postpone the issuance or delivery of any Common Shares that it elects to issue as payment for any Award as the Board may consider appropriate, and may require any Grantee to make such representations and furnish such information as it may consider appropriate in connection with the issuance or delivery of Common Shares in compliance with applicable laws, rules and regulations. DeeThree shall not be required to qualify for resale pursuant to a prospectus or similar document any Common Shares awarded under the Plan, provided that, if required, DeeThree shall notify the TSX and any other appropriate regulatory bodies in Canada of the existence of the Plan and the granting of Awards hereunder in accordance with any such requirements.

(c) No Right to Continued Employment – Nothing in the Plan or in any Award Agreement entered into pursuant hereto shall confer upon any Grantee the right to continue in the employ or service of DeeThree or any DeeThree Entities, to be entitled to any remuneration or benefits not set forth in the Plan or an Award Agreement or to interfere with or limit in any way the right of DeeThree or any DeeThree Entity to terminate a Grantee's employment or service arrangement with DeeThree or any DeeThree Entity.

(d) Ceasing to be a DeeThree Entity – Except as otherwise provided in this Plan, Awards granted under this Plan shall not be affected by any change in the relationship between or ownership of DeeThree and a DeeThree Entity. For greater certainty, all Awards remain valid and exercisable in accordance with the terms and conditions of this Plan and are not affected by reason only that, at any time, any corporation, partnership or trust ceases to be a DeeThree Entity.

(e) Grantee Information – Each Grantee shall provide DeeThree with all information (including personal information) required by DeeThree in order to administer the Plan. Each Grantee acknowledges that information required by DeeThree in order to administer the Plan may be disclosed to the Board or its appointed administrator and other third parties in connection with the administration of the Plan. Each Grantee consents to such disclosure and authorizes DeeThree to make such disclosure on the Grantee's behalf.

(f) Expenses – Other than as contemplated pursuant to Section 7, all expenses in connection with the Plan shall be borne by DeeThree.

12. Governing Law

The Plan shall be governed by and construed in accordance with the laws in force in the Province of Alberta.

13. Effective Date

This Plan was shall take effect on May [♦], 2015.

APPENDIX "H"
Financial Statements of Boulder

KPMG LLP
205-5th Avenue SW
Suite 3100, Bow Valley Square 2
Calgary AB
T2P 4B9

Telephone (403) 691-8000
Fax (403) 691-8008
www.kpmg.ca

INDEPENDENT AUDITORS' REPORT

The Board of Directors of Boulder Energy Ltd. (formerly 1867656 Alberta Ltd.)

We have audited the accompanying financial statements of Boulder Energy Ltd. (formerly 1867656 Alberta Ltd.), which comprise the statement of financial position as at December 31, 2014 and the statement of changes in equity and cash flows for the period from incorporation on December 19, 2014 to December 31, 2014, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures elected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Boulder Energy Ltd. as at December 31, 2014 and its financial performance and its cash flows for the period from incorporation on December 19, 2014 to December 31, 2014 in accordance with International Financial Reporting Standards.

KPMG LLP

Chartered Accountants

April 7, 2015
Calgary, Canada

Financial Statements of

Boulder Energy Ltd.
(formerly 1867656 Alberta Ltd.)

For the period of incorporation on December 19, 2014 to December 31, 2014

Boulder Energy Ltd. (formerly 1867656 Alberta Ltd.)

STATEMENT OF FINANCIAL POSITION

As at *(Canadian dollars)*	December 31, 2014 *($)*
Assets	
Current assets	
Cash	1
Total current assets	1
Total assets	1
Equity	
Share capital *(note 4)*	1
Total equity	1
Total equity	1

Subsequent Events *(note 1)*

The notes are an integral part of these financial statements.

Approved by Board of Directors,

"signed"

Martin Cheyne
Director

Boulder Energy Ltd. (formerly 1867656 Alberta Ltd.)

STATEMENTS OF CHANGES IN EQUITY

(Canadian dollars, except share amounts)	Number of Common Shares	Amount
		($)
Issuance of common shares on incorporation	1	1
Balance at December 31, 2014	1	1

The notes are an integral part of these financial statements.

Boulder Energy Ltd. (formerly 1867656 Alberta Ltd.)

STATEMENTS OF CASH FLOWS

(Canadian dollars)	For the period of incorporation on December 19, 2014 to December 31, 2014
	($)
Financing activities	
Issuance of common shares	1
Net cash from financing activities	1
Change in cash and cash equivalents	1
Cash and cash equivalents – December 19, 2014	--
Cash and cash equivalents – December 31, 2014	1

The notes are an integral part of these financial statements.

Boulder Energy Ltd. (formerly 1867656 Alberta Ltd.)

NOTES TO THE FINANCIAL STATEMENTS

As at December 31, 2014 and for the period from incorporation on December 19, 2014 to December 31, 2014
(Canadian dollars, except share amounts)

1. Business and Structure of Boulder

1867656 Alberta Ltd. (the "Company" or "Boulder") was incorporated under the Business Corporations Act (Alberta) on December 19, 2014. On April 7, 2015, Articles of Amendment were filed to change the name of the Company to Boulder Energy Ltd. and to remove the share transfer restrictions. The Company is a wholly owned subsidiary of DeeThree Exploration Ltd. ("DeeThree").

The Company has not yet commenced commercial operations. Boulder was incorporated for the sole purpose of participating in the arrangement under the Business Corporations Act (Alberta) (the "Arrangement") with DeeThree, whereby each common share of DeeThree will be exchanged for 0.33 of one new common share of DeeThree and 0.5 of one common share of Boulder. Pursuant to the Arrangement and a conveyance agreement to be entered into by DeeThree and Boulder and upon closing of the Arrangement, DeeThree will transfer certain petroleum and natural gas assets to Boulder.

The principal office of Boulder is located at Suite 2200, 520 Third Avenue S.W., Calgary, Alberta and the registered office of Boulder is located at Suite 1000, 250 Second Street S.W., Calgary, Alberta.

2. Basis of Presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and were authorized for issue by the Board of Directors of DeeThree on April 7, 2015. The financial statements are presented in Canadian dollars, which is the Company's functional currency. As there have been no operations from the date of incorporation to December 31, 2014, a statement of income and comprehensive income has not been provided.

3. Significant Accounting Policies

The accounting policies set out below have been applied consistently to the period presented in these financial statements.

(a) Cash

Cash is comprised of cash on hand.

(b) Share Capital

Costs directly attributable to the issue of common shares are recognized as a reduction of equity, net of deferred income taxes.

4. Share Capital

The authorized share capital of the Company includes an unlimited number of common shares and an unlimited number of preferred shares. The common shares entitle the holders to one vote at meetings of shareholders. The preferred shares are issuable in series and have such rights, privileges, restrictions and conditions as the Board of Directors may determine from time to time.

Issued and Outstanding

	Number of Common Shares	Amount
		($)
Balance at December 19, 2014	--	--
Issuance of common shares on incorporation	1	1
Balance at December 31, 2014	1	1

APPENDIX "I"
Boulder Carve-Out Financial Statements and Management's Discussion & Analysis

KPMG LLP
205-5th Avenue SW
Suite 3100, Bow Valley Square 2
Calgary AB
T2P 4B9

Telephone (403) 691-8000
Fax (403) 691-8008
www.kpmg.ca

INDEPENDENT AUDITORS' REPORT

The Board of Directors of DeeThree Exploration Ltd.

We have audited the accompanying carve-out financial statements of Boulder Energy Ltd. (formerly 1867656 Alberta Ltd.) Assets and Operations from DeeThree Exploration Ltd., as described in note 1 to the carve-out financial statements, which comprise the carve-out statements of financial position as at December 31, 2014 and 2013, the carve-out statements of income and comprehensive income, changes in owner's net investment and cash flows for each of the years in the three-year period ended December 31, 2014, and notes, comprising a summary of significant accounting policies and other explanatory information ("the carve-out financial statements").

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these carve-out financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of carve-out financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these carve-out financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the carve-out financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the carve-out financial statements. The procedures elected depend on our judgment, including the assessment of the risks of material misstatement of the carve-out financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the carve-out financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the carve-out financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the carve-out financial statements present fairly, in all material respects, the financial position of Boulder Energy Ltd.'s carve-out assets and operations of DeeThree Exploration Ltd. as at December 31, 2014 and 2013 and its financial performance and its cash flows for each of the years in the three-year period ended December 31, 2014 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without modifying our opinion, we draw attention to note 3 to the carve-out financial statements, which states that the carve-out financial statements have been prepared on a carve-out basis and the results do not necessarily reflect what the results of operations, financial position or cash flows would have been had the assets been included within a separate legal entity, nor are they indicative of future results in respect of the assets as they will exist upon completion of the arrangement agreement, which is described in note 1.

KPMG LLP

Chartered Accountants

April 7, 2015
Calgary, Canada

Carve-out Financial Statements of

Boulder Energy Ltd. (formerly 1867656 Alberta Ltd.) Assets and Operations from DeeThree Exploration Ltd.

As at December 31, 2014 and 2013 and for the years ended December 31, 2014, 2013 and 2012

Boulder Energy Ltd. (formerly 1867656 Alberta Ltd.)

CARVE-OUT STATEMENTS OF FINANCIAL POSITION

As at *(000's of Canadian dollars)*	Note	December 31, 2014 *($)*	December 31, 2013 *($)*
Assets			
Current assets			
Accounts receivable		23,073	12,721
Deposits and prepaid expenses		425	283
Derivative financial instruments	12	14,725	--
Total current assets		38,223	13,004
Exploration and evaluation assets	5	26,969	17,235
Property and equipment	4, 6	395,253	248,013
Total assets		460,445	278,252
Liabilities and Owner's Net Investment			
Liabilities			
Current liabilities			
Bank debt	9	--	42,434
Accounts payable and accrued liabilities		40,777	48,348
Derivative financial instruments	12	--	1,126
Total current liabilities		40,777	91,908
Long-term bank debt	9	90,502	--
Decommissioning liabilities	7	22,526	16,673
Deferred tax liability	11	18,177	1,902
Owner's Net Investment			
Owner's net investment		288,463	167,769
Total owner's net investment		288,463	167,769
Total liabilities and owner's net investment		460,445	278,252

Subsequent Events *(note 1, 12)*

Commitments *(note 14)*

The notes are an integral part of these carve-out financial statements.

Approved by Board of Directors,

"signed"

Michael Kabanuk
Director

"signed"

Dennis Nerland
Director

Boulder Energy Ltd. (formerly 1867656 Alberta Ltd.)

CARVE-OUT STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

For the years ended December 31, *(000's of Canadian dollars)*	Note	2014	2013	2012
		($)	*($)*	*($)*
Revenue				
Oil and natural gas revenues		181,657	78,123	44,439
Royalties		(30,225)	(8,100)	(4,842)
Oil and natural gas revenues, net of royalties		151,432	70,023	39,597
Expenses				
Operating and transportation		32,986	17,036	13,758
General and administrative		5,167	3,094	2,421
Depletion and depreciation	6	54,142	27,496	18,706
Stock based compensation	8	1,805	974	1,014
Loss on disposition		90	--	--
Exploration and evaluation expense	5	5,798	6,230	2,777
		99,988	54,830	38,676
Unrealized loss (gain) on financial instruments	12	(15,850)	1,462	(1,045)
Realized loss (gain) on financial instruments	12	266	1,059	(902)
Accretion and finance expenses		3,738	1,761	1,026
		88,142	59,112	37,755
Income before income tax		63,290	10,911	1,842
Taxes				
Deferred income tax expense	11	16,274	2,971	714
Net income and comprehensive income for the year		**47,016**	**7,940**	**1,128**

The notes are an integral part of these carve-out financial statements.

Boulder Energy Ltd. (formerly 1867656 Alberta Ltd.)

CARVE-OUT STATEMENTS OF CHANGES IN OWNER'S NET INVESTMENT

(000's of Canadian dollar)	Total owner's net investment
	($)
Balance at December 31, 2011	125,149
Net contributions from DeeThree Exploration Ltd	15,921
Stock based compensation	1,014
Net income	1,128
Balance at December 31, 2012	143,212
Net contributions from DeeThree Exploration Ltd	15,643
Stock based compensation	974
Net income	7,940
Balance at December 31, 2013	167,769
Net contributions from DeeThree Exploration Ltd	71,873
Stock based compensation	1,805
Net income	47,016
Balance at December 31, 2014	288,463

The notes are an integral part of these carve-out financial statements.

Boulder Energy Ltd. (formerly 1867656 Alberta Ltd.)

CARVE-OUT STATEMENTS OF CASH FLOWS

For the years ended December 31, *(000's of Canadian dollars)*	Note	2014	2013	2012
		($)	*($)*	*($)*
Cash flow from operating activities:				
Net income for the year		47,016	7,940	1,128
Adjustments for:				
Depletion and depreciation	6	54,142	27,496	18,706
Deferred tax expense	11	16,274	2,971	714
Accretion	7	541	302	230
Stock based compensation	8	1,805	974	1,014
Unrealized loss (gain) on derivatives	12	(15,850)	1,462	(1,045)
Loss on disposition		90	--	--
Exploration and evaluation expense	5	5,798	6,230	2,777
		109,816	47,375	23,524
Abandonment and reclamation costs	7	(17)	(178)	(108)
Changes in non-cash working capital	10	6,670	915	(402)
		116,469	48,112	23,014
Cash flow from financing activities:				
Increase in bank loan		48,068	14,038	22,005
Owner's equity investment		71,873	15,643	15,921
		119,941	29,681	37,926
Cash flows from investing activities:				
Property and equipment expenditures		(181,821)	(89,654)	(43,461)
Property acquisitions		(21,925)	(11,694)	(7,457)
Exploration and evaluation expenditures		(7,929)	(10,438)	(1,387)
Changes in non-cash working capital	10	(24,735)	33,993	(8,635)
		(236,410)	(77,793)	(60,940)
Change in cash and cash equivalents		**--**	**--**	**--**
Cash and cash equivalents, beginning		**--**	**--**	**--**
Cash and cash equivalents, end of year		**--**	**--**	**--**

The notes are an integral part of these carve-out financial statements.

Boulder Energy Ltd. (formerly 1867656 Alberta Ltd.)

NOTES TO THE CARVE-OUT FINANCIAL STATEMENTS

As at December 31, 2014 and 2013 and for the years ended December 31, 2014, 2013 and 2012
(000's of Canadian dollar)

1. Reporting Entity

On April 7, 2015, DeeThree Exploration Ltd. ("DeeThree" or the "Company") entered into an arrangement agreement with Boulder Energy Ltd. (formerly 1867656 Alberta Ltd.) ("Boulder"), whereby the Company will spin off 100% of its interests in the Brazeau and Peace River Arch oil and gas properties in northern and central Alberta. Per the arrangement agreement (the "Arrangement") pursuant to which DeeThree will complete a plan of arrangement under the *Business Corporations Act* (Alberta) which will, subject to receipt of all necessary approvals, result in the formation of a new junior oil and gas exploration and production company, Boulder which will hold the interests in the Brazeau and Peace River Arch oil and gas properties in northern and central Alberta.

Boulder was incorporated for the sole purpose of participating in the arrangement under the Business Corporations Act (Alberta) (the "Arrangement") with DeeThree, whereby each common share of DeeThree will be exchanged for 0.33 of one new common share of DeeThree and 0.5 of one common share of Boulder. Pursuant to the Arrangement and a conveyance agreement to be entered into by DeeThree and Boulder and upon closing of the Arrangement, DeeThree will transfer certain petroleum and natural gas assets to Boulder.

2. Basis of Presentation

(a) Statement of Compliance

These carve-out financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

The carve-out financial statements of assets and operations of DeeThree Exploration Ltd. ("Boulder Assets and Operations") are prepared based on the terms of the proposed Arrangement and present the historic carve-out financial position, results of operations, changes in owner's net investment and cash flows of Boulder Assets and Operations. The carve-out financial statements have been derived from the accounting records of DeeThree.

(b) Basis of Measurement

As the proposed Arrangement results in a transfer of certain assets and liabilities from DeeThree to Boulder, a newly formed entity considered to be under common control, these carve-out statements have been prepared using the predecessor values method. Prior to the Arrangement, DeeThree's exploration and production operations represented a single reportable segment. As a result of the transaction, proportions of the financial statement line items were required to be carved-out for those items directly attributable to the assets being transferred to Boulder, via certain estimates, judgements, assumptions and allocations for the creation of Boulder Assets and Operations carve-out financial statements.

Under the proposed terms of the Arrangement, Boulder is proposed to be formed and will hold 100% of the interests held by DeeThree in its Brazeau and Peace River Arch oil and gas properties in northern and central Alberta.

The preparation of these carve-out financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. As a result, actual amounts could differ from estimated amounts. Estimates and underlying assumptions are reviewed on an ongoing basis. Significant estimates and judgments made by management in the preparation of these carve-out statements are as follows:

- Accounts receivable – amounts attributable to Boulder Assets and Operations were estimated based on specific determination by purchaser.

- Prepaid expenses and other – amounts attributable to Boulder Assets and Operations were estimated based on the proved plus probable (2P) reserve values attributable to the Brazeau and Peace River Arch areas as a percentage of the total DeeThree proved plus probable reserves value.

- Derivative financial assets (liabilities) and related gains (losses) – amounts related to commodity contracts were calculated on a fair value basis, allocating the realized and unrealized gains or losses to the Boulder Assets and Operations based on Boulder Assets and Operations share of the total DeeThree production volumes in the period. The unrealized gain or loss in the period then determined the fair value of the contracts at the period end dates.

- Exploration and evaluation assets ("E&E") – Boulder Assets and Operations exploration and evaluation assets consist primarily of undeveloped land in the Brazeau and Peace River Arch areas, which has been recorded based on a proportion of the assets historical cost.

- Property and equipment ("PP&E") – PP&E attributed to Boulder Assets and Operations opening balance at January 1, 2013 was done on a proportionate basis of the Brazeau and Peace River Arch assets and was based on historical cost. Boulder Assets and Operations PP&E was assumed to be funded upon establishment using funds from owner's investment through equity. Further capital additions in 2012, 2013 and 2014 were assumed to be funded through bank debt, cash flow from operations and funds raised through share issuance included in owner's net investment.

- Bank debt – bank indebtedness attributed to Boulder Assets and Operations were estimated based on the proved plus probable (2P) reserve values attributable to the Brazeau and Peace River Arch areas as a percentage of the total DeeThree proved plus probable reserves value.

- Accounts payable and accrued liabilities – amounts attributed to Boulder Assets and Operations were estimated based on the prior month's expenses relating to the assets and operations being distributed as well as capital additions for the Brazeau and Peace River Arch areas, assuming a 45 day payment cycle.

- Decommissioning liabilities – amounts attributed to Boulder Assets and Operations related to decommissioning liabilities were done so based on Boulder Assets and Operations proportionate obligation to abandon and reclaim wells and land within the Brazeau and Peace River Arch areas.

- Accretion – amounts attributed to Boulder Assets and Operations were estimated based on the accretion related to the proportionate decommissioning liabilities.

- General and administrative – amounts attributed to Boulder Assets and Operations were allocated based on a proportion of these expenses based on Boulder Assets and Operations share of the total DeeThree production volumes in the period.

- Share based compensation – amounts attributed to Boulder Assets and Operations were allocated based on a proportion of these expenses based on Boulder Assets and Operations share of the total DeeThree production volumes in the period.

- Deferred income taxes – amounts attributed to Boulder Assets and Operations related to deferred income tax were allocated based on the carve-out net income before tax adjusting for temporary and permanent differences. The opening balance of deferred tax assets and liabilities was re-created using tax pools directly associated with the Brazeau and Peace River Arch properties for carve-out purposes.

(c) Functional and presentation currency

These carve-out financial statements are presented in Canadian dollars, which is the functional currency for the Boulder Assets and Operations and the functional currency for DeeThree.

(d) Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates and affect the results reported in these financial statements, and could be material. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

i) Key Sources of Estimation Uncertainty

The following are key estimates and the underlying assumptions made by management affecting the measurement of balances and transactions in the Company's financial statements. Management has determined that these key estimates and underlying assumptions remain appropriate for the carve-out financial statements.

- Acquisitions
    - In a business combination, management makes estimates of the fair value of assets acquired and liabilities assumed which, includes assessing the value of oil and natural gas properties based on the estimation of recoverable quantities of proved plus probable reserves being acquired.
- Valuation of property and equipment
    - Estimation of recoverable quantities of proved plus probable reserves includes assumptions regarding future commodity prices, exchange rates, discount rates and production and transportation costs for future cash flows as well as the interpretation of complex geological and geophysical models and data. Changes in reported reserves can affect the impairment of assets, the decommissioning obligations, the economic feasibility of exploration and evaluation assets and the amounts reported for depletion, depreciation and amortization of property, plant and equipment. These reserve estimates are verified by third-party professional engineers, who work with information provided by the Company to establish reserve determinations in accordance with National Instrument (NI) 51-101, "Standards of Disclosure for Oil and Gas Activities".

- Oil and natural gas development and production assets are depleted on a unit-of-production basis at a rate calculated by reference to proved and probable reserves determined in accordance with NI 51-101 and incorporate the estimated future cost of developing and extracting those reserves. Proved and probable reserves are estimated using independent reserve engineers' reports and represent the estimated quantities of oil, natural gas and NGLs that geological, geophysical and engineering data demonstrate with a specified degree of certainly to be recoverable in future years from known reservoirs and which are considered commercially producible. Proved reserves are those reserves that can be estimated with a high degree of certainty to be recoverable, it being 90 percent likely that the actual remaining quantities recovered will exceed the estimated proved reserves. Probable reserves are those additional reserves that are less certain to be recovered than proved reserves, it being equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves. The level of estimated reserves is also a key determinant in assessing whether the carrying value of any of the Company's development and production assets has been impaired.
- The recoverable amounts of cash-generating units (CGUs) and individual assets have been determined based on the higher of the present value of value-in-use calculations and discounted fair values less costs to sell. These calculations require the use of estimates and assumptions, including the discount rate. It is reasonably possible that the commodity price assumptions may change, which may then impact the estimated life of the field and economically recoverable reserves, and may then require a material adjustment to the carrying value of property and equipment. The Company monitors internal and external indicators of impairment relating to its tangible assets.

- Provisions for decommissioning costs
  - The Company estimates the decommissioning obligations for oil and natural gas wells and their associated production facilities and pipelines. In most instances, removal of assets and remediation occurs many years into the future. Amounts recorded for the decommissioning obligations and related accretion expense require assumptions regarding removal date, future environmental legislation, the extent of reclamation activities required, the engineering methodology for estimating cost, inflation estimates, future removal technologies in determining the removal cost, and the estimate of the liability specific discount rates to determine the present value of these cash flows.
- Measurement of share-based compensation
  - The Company's estimate of stock-based compensation depends on estimates of historical volatility, dividend yield, expected term and forfeiture rates.
- Valuation and utilization of tax losses
  - The deferred tax liability is based on estimates as to the timing of the reversal of temporary differences, substantively enacted tax rates and the likelihood of assets being realized.
- Valuation of derivative financial instruments
  - The Company's estimate of the fair value of derivative financial instruments depends on estimated forward prices and volatility in those prices.

ii) Judgements

The following are critical judgements that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements. Management has determined that these critical judgments remain appropriate for these carve-out financial statements.

- Impairment

  The Company's assets are aggregated into CGUs for the purpose of calculating impairment. CGUs are based on an assessment of the unit's ability to generate independent cash inflows. The determination of the Company's CGUs was based on management's judgement in regards to shared infrastructure, geographical proximity, petroleum type and similar exposure to market risk and materiality.

  Judgments are required to assess when impairment indicators are evident and impairment testing is required. In determining the recoverable amount of assets, in the absence of quoted market prices, impairment tests are based on estimates of reserves, production rates, future oil and natural gas prices, future costs, discount rates, market value of land and other relevant assumptions.

- Exploration and evaluation assets

  The application of the Company's accounting policy for exploration and evaluation assets requires management to make certain judgments as to future events and circumstances as to whether economic quantities of reserves have been found.

- Income taxes

  Judgments are made by management to determine the likelihood whether deferred income tax assets at the end of the reporting period will be realized from future taxable earnings.

- Contingencies

  By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgement and estimates of the outcome of future events.

3. Significant Accounting Policies

The accounting policies set out below were applied consistently to all periods presented in these financial statements. Certain comparative amounts were reclassified to conform with the current period's presentation, as noted below.

(a) Property and Equipment

Capitalization

Items of property and equipment, which include oil and natural gas development and production assets, are measured at cost less accumulated depletion, depreciation and impairment losses.

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of decommissioning obligation, if any, and, for qualifying assets, borrowing costs. Costs incurred subsequent to the determination of technical feasibility and commercial viability and the costs of replacing parts of property and equipment are recognized as petroleum and natural gas properties only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in profit or loss as incurred. Such capitalized petroleum and natural gas properties generally represent costs incurred in developing proved and/or probable reserves and bringing in or enhancing production from such reserves, and are accumulated on a field or geotechnical area basis.

Depletion and Depreciation

The net carrying value of development and production assets is depleted using the unit-of-production method by reference to the ratio of production in the year to the related proved plus

probable reserves, taking into account estimated future development costs necessary to convert those reserves into production. Proved plus probable reserves are estimated annually by independent qualified reserves evaluators and represent the estimated quantities of crude oil, natural gas and NGLs which geological, geophysical and engineering data demonstrate with a specified degree of certainty to be recoverable in future years from known reservoirs and which are considered commercially producible. Future development costs are estimated taking into account the amount of physical development that will be required to produce the reserves. For interim financial statements, internal estimates of changes in reserves and future development costs are used for determining depletion for the period.

For depletion purposes, relative volumes of petroleum and natural gas production and reserves are converted at the energy-equivalent conversion rate of 6,000 cubic feet of natural gas to 1 barrel of crude oil.

Other property and equipment are stated in the statement of financial position at cost less accumulated depreciation. Depreciation is calculated over the estimated useful life of the asset based on the original cost less estimated residual value. The methods and useful lives of the Company's other property and equipment are as follows:

- Facilities — 20 years straight-line
- Office equipment — Five years declining balance
- Computer equipment — Three years declining balance

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

Impairment
At each reporting date, DeeThree assesses its development and production assets for possible impairment if there are events or changes in circumstances that indicate that carrying values of the assets may not be recoverable. Such indicators include changes in the business plans, significant downward revisions of estimated volumes, significant declines in commodity prices, increases in estimated future development expenditures, changes in regulations, evidence of physical damage and low plant utilization. If any such indicator is evident, the asset's recoverable amount is estimated.

The assessment for impairment entails comparing the carrying value of the CGU with its recoverable amount, that is, the higher of fair value less costs to sell and value in use. Each CGU is identified in accordance with International Accounting Standard (IAS) 36 – "Impairment of Assets". If necessary, impairment is charged through the statement of income and comprehensive income if the capitalized costs of the CGU exceed the recoverable amount.

Impairment losses recognized in prior periods are assessed at each reporting date for any indication that the loss has decreased or been erased. An impairment loss is reversed if there has been an increase in the estimated recoverable amount of a previously impaired asset. An impairment loss may never be reversed beyond the asset's original carrying amount, net of depreciation or depletion.

(b) Exploration and Evaluation (E&E) Assets
Capitalization
Pre-licence costs are recognized in the statement of operations as incurred.

Oil and natural gas E&E assets are accounted for in accordance with IFRS 6 – "Exploration for and Evaluation of Mineral Resources", whereby costs associated with the exploration for and evaluation of oil and natural gas reserves are accumulated on an area-by-area basis and are capitalized as either tangible or intangible E&E assets when incurred. Pre-licence costs are recognized in the

statement of income and comprehensive income as incurred. E&E costs, including the costs of acquiring licences and of drilling and completing wells, initially are capitalized as E&E assets according to the expenditure's nature. The costs are accumulated in cost centres by well, field or exploration area pending determination of technical feasibility and commercial viability.

When a specific well, field or area is determined to be technically feasible and commercially viable, the accumulated costs are transferred to property and equipment. When a specific well, field or area is determined not to be technically feasible or commercially viable, or the Company decides not to continue with the project, the unrecoverable costs are charged to profit or loss as E&E expenses.

No depletion or depreciation is provided for E&E assets.

Impairment
E&E assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For purposes of impairment testing, E&E assets are tested at an operating segment level.

(c) Business Combinations
The purchase method of accounting is used to account for corporate acquisitions and assets that meet the definition of a business combination under IFRS. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of closing. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of acquisition over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recorded as goodwill. If the cost of the acquisition is less than the fair value of the net assets acquired, the difference is recognized immediately in the statement of income and comprehensive income.

(d) Leased Assets
Other leases are operating leases, which are not recognized on the Company's statement of financial position. Payments made under operating leases are recognized in profit or loss on a straight-line basis over the lease's term. Lease incentives received are recognized as an integral part of the total lease expense over the lease's term.

(e) Joint Interest Activities
Some of the Company's exploration, development and production activities are conducted jointly with other entities and, accordingly, the financial statements reflect only the Company's proportionate interest in such activities.

(f) Revenue Recognition
Oil, natural gas and NGLs sales are recognized when commodities are sold and title passes to the customer. Royalty expense is recognized as it accrues, in accordance with the overriding royalty agreements.

(g) Decommissioning Liabilities
The present value of expected future abandonment and reclamation costs is recorded on the statement of financial position as both a decommissioning liability and a charge to property and equipment at the time the obligation is incurred. The amount recognized is the present value of the estimated future expenditure determined in accordance with local conditions and is discounted using a risk-free interest rate. The amount included as property and equipment is depleted over the life of the reserves by the unit-of-production method. The liability accretes until the Company settles the decommissioning liability; this accretion charge is included as a finance cost on the statement

of income and comprehensive income. Actual reclamation and abandonment costs incurred are charged against the liability to the extent the liability was established.

Estimates for future abandonment and reclamation costs are based on historical costs to abandon and reclaim similar sites, taking into consideration current costs. The liability is based on the Company's net interest in the respective sites.

(h) Income Taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss, except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized on the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they are reversed, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to do so, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(i) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, term deposits held with banks and other short-term, highly liquid investments with maturities of three months or less at the time of purchase.

(j) Share-Based Compensation

The fair value of the options is determined using the Black-Scholes option pricing model and each tranche in an award is considered a separate award with its own vesting period and grant date fair value. The grant date fair value of options granted to officers, directors, employees and certain consultants is recognized as compensation expense with a corresponding increase in contributed surplus over the vesting period. A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of options that vest.

Upon the exercise of the stock options, consideration paid together with the amount previously recognized in contributed surplus is recorded as an increase in share capital. In the event that vested options expire, previously recognized compensation expense associated with such stock options is not reversed. In the event that options are forfeited, previously recognized compensation expense associated with the unvested portion of such stock options is reversed.

(k) Financial Instruments

(i) Non-Derivative Financial Instruments

Non-derivative financial instruments comprise cash and cash equivalents, accounts receivable, bank debt, and accounts payable and accrued liabilities. Non-derivative financial instruments

are recognized initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

Cash and Cash Equivalents
Cash and cash equivalents comprise cash on hand, term deposits held with banks and other short-term, highly liquid investments with maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management, whereby Company management has the ability and intent to net bank overdrafts against cash, are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Financial Assets at Fair Value through Profit or Loss
An instrument is classified as fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated as fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's risk management or investment strategy. Upon initial recognition, attributable transaction costs are recognized in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss.

Other
Non-derivative financial instruments, including accounts receivable, accounts payable and accrued liabilities, and bank debt, are measured at amortized cost using the effective interest rate method less any impairment losses.

(ii) Derivative Financial Instruments
The Company may enter into certain financial derivative contracts in order to manage the exposure to market risks from fluctuations in commodity prices. These instruments are not used for trading or speculative purposes. The Company has not designated its financial derivative contracts as effective accounting hedges and, therefore, has not applied hedge accounting, even though the Company considers all commodity contracts to be economic hedges. As a result, all financial derivative contracts are classified as fair value through profit or loss and are recorded on the statement of financial position at fair value. Transaction costs are recognized in profit or loss when incurred.

Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss. Changes in the fair value of separable embedded derivatives are recognized immediately in profit or loss. The Company does not have any embedded derivatives that are separately accounted for.

(l) Owners' Net Investment
DeeThree's investment in the operations of Boulder is presented as Owners' Net Investment in the carve-out statements. Owners' Net Investment represents the accumulated net earnings of the operations net of the accumulated net distributions from DeeThree. Net financing transactions with DeeThree as presented on the Statement of Cash Flows represent the net contributions by DeeThree to Boulder

4. Acquisitions

During the year ended December 31, 2014, the Company completed several minor transactions to acquire interests in producing oil and natural gas assets principally located in the Brazeau Belly River area of Alberta for total consideration of $21.9 million. Had the acquisitions closed on January 1, 2014, the Company estimates that its pro forma revenue and net income for the period would not have been significantly affected.

Year ended December 31, 2014	
(000s)	*($)*
Net assets acquired	
Petroleum and natural gas assets	17,252
E&E assets	6,088
Decommissioning liabilities	(1,415)
	21,925
Consideration	
Total cash consideration	21,925

During the year ended December 31, 2013, the Company completed several minor transactions to acquire interests in producing oil and natural gas assets principally located in the Brazeau Belly River area of Alberta for total consideration of $11.7 million. Had the acquisitions closed on January 1, 2013, the Company estimates that its pro forma revenue and net loss for the period would not have been significantly affected.

Year ended December 31, 2013	
(000s)	*($)*
Net assets acquired	
Petroleum and natural gas assets	12,202
E&E assets	901
Decommissioning liabilities	(1,409)
	11,694
Consideration	
Total cash consideration	11,694

5. Exploration and evaluation assets

Years Ended December 31,		
(000's of Canadian dollars)	2014	2013
	($)	*($)*
Balance – beginning of year	17,235	12,142
Additions	17,347	12,588
Transfers to property and equipment	(1,815)	(1,265)
E&E expenses	(5,798)	(6,230)
Balance – end of year	26,969	17,235

Exploration and evaluation (E&E) assets consist of Boulder Assets and Operations exploration projects which are pending the determination of proven and/or probable reserves. Additions represent Boulder Assets and Operations share of costs incurred on E&E assets during the year.

6. Property and equipment

Years Ended December 31, *(000's of Canadian dollars)*	2014	2013
	($)	*($)*
Cost or deemed cost		
Balance – beginning of year	305,942	198,107
Additions	182,315	94,368
Acquisitions	17,252	12,202
Transfers from E&E assets	1,815	1,265
Balance – end of year	507,324	305,942
Accumulated depletion and depreciation		
Balance – beginning of year	57,929	30,433
Depletion and depreciation	54,142	27,496
Balance – end of year	112,071	57,929
Net book value	**395,253**	**248,013**

The calculation of depletion includes estimated future development costs of $285.8 million at December 31, 2014 (December 31, 2013 - $178.5 million) associated with the development of Boulder Assets and Operations proved plus probable reserves and excludes salvage value of $12.3 million at December 31, 2014 (December 31, 2013 - $7.7 million).

7. Decommissioning liabilities

Years Ended December 31, *(000's of Canadian dollars)*	2014	2013
	($)	*($)*
Balance – beginning of year	16,673	9,177
Liabilities incurred	1,750	1,109
Liabilities acquired	1,415	1,409
Revisions	2,164	4,854
Settlements	(17)	(178)
Accretion expense	541	302
Balance – end of year	22,526	16,673

Decommissioning liabilities result from ownership interests in oil and natural gas assets including well sites and gathering systems. The total decommissioning liability is estimated based on net ownership in all wells and facilities, estimated costs to reclaim and abandon these wells and facilities and the estimated timing of the costs to be incurred in future years.

The Company has estimated the net present value of decommissioning obligations to be $22.5 million as at December 31, 2014 (December 31, 2013 – $16.7 million) based on an undiscounted total future liability of $31.2 million (December 31, 2013 – $25.1 million). These payments are expected to be incurred over a period of two to 20 years with the majority of costs to be incurred between 2016 and 2026. At December 31, 2014, a risk-free rate of 2.5 percent (December 31, 2013 – 3.0 percent) and an inflation rate of 2 percent (December 31, 2013 – 2 percent) were used to calculate the net present value of the decommissioning liabilities.

The revisions on estimates in 2014 were related to a change in the risk-free rate, a change in the interest rate used to record acquired decommissioning liabilities from the credit-adjusted rate to the risk free rate and change in cost estimates. The revisions on estimates in 2013 were related to increased cost estimates for abandonment and reclamation of the operating areas.

8. Share-based Compensation

The Company has an option program that entitles officers, directors, employees and certain consultants to purchase Company shares. Options are granted based on the five-day volume-weighted average common share price prior to the date of grant, vest 20 percent after six months and then 20 percent on the first, second, third and fourth anniversaries from the grant date and expire five years from the grant date.

DeeThree's stock option plan gives rise to share based compensation expense, which has been allocated to Boulder Assets and Operations based on Boulder Assets and Operations' share of the total DeeThree production volumes in the period.

9. Bank Debt

DeeThree has a committed term syndicated credit facility (the "Syndicated Facility") with an authorized borrowing base of $310 million, including a $280 million extendible revolving facility and a $30 million operating facility.

The borrowings under the Syndicated Facility are available on a fully revolving basis for a period of 364 days until April 29, 2015, at which time the Company can request approval by the lenders for an additional 364 days or convert the outstanding debt to a one-year term loan with full repayment due at April 29, 2016. The Syndicated Facility bears interest on a grid system which ranges from bank prime plus 1.0% to bank prime plus 3.5% depending on the Company's total net debt to cash flow ratio as defined by the lender. A standby fee of 0.500% to 0.8675% is charged on the undrawn portion of the Syndicated Facility, also depending on the Company's total net debt to cash flow ratio, as defined by the lender.

10. Supplemental cash flow information

Changes in non-cash working capital is comprised of:

Years Ended December 31, *(000's of Canadian dollars)*	2014 *($)*	2013 *($)*	2012 *($)*
Accounts receivable	(10,352)	(1,366)	(1,130)
Deposits and prepaid expenses	(142)	139	(47)
Accounts payable and accrued liabilities	(7,571)	36,135	(7,860)
	(18,065)	34,908	(9,037)
Related to operating activities	6,670	915	(402)
Related to investing activities	(24,735)	33,993	(8,635)
	(18,065)	34,908	(9,037)

11. Income tax expense

The provision for income taxes differs from the expected amount calculated by applying the Company's combined federal and provincial corporate tax rate as a result of the following:

Years Ended December 31, *(000's of Canadian dollars)*	2014	2013	2012
	($)	*($)*	*($)*
Income before income tax	63,290	10,911	1,842
Combined federal and provincial statutory tax rate	25%	25%	25%
Expected deferred income tax expense	15,823	2,727	461
Permanent differences:			
Stock based compensation expense	451	244	253
Deferred income tax expense	16,274	2,971	714

The Company believes that there are sufficient tax pools on hand to offset any current tax obligations. DeeThree did not pay current income taxes in 2012, 2013 and 2014 due to adequate tax pools available.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The components of the Company's net deferred income tax assets and liabilities are as follows:

Years Ended December 31, *(000s)*	**2014**	2013
	($)	*($)*
Deferred income tax assets (liabilities)		
Derivative financial instruments	**(3,681)**	282
Decommissioning liabilities	**5,631**	4,168
Net book value of property and equipment in excess of tax basis	**(20,127)**	(6,352)
Deferred income tax liabilities	**(18,177)**	(1,902)

(000s)	Balance, January 1, 2014 *($)*	Recognized in Profit or Loss *($)*	Balance, December 31, 2014 *($)*
E&E, and property and equipment	**(6,352)**	**(13,775)**	(20,127)
Derivative financial instruments	**282**	**(3,963)**	(3,681)
Decommissioning liabilities	**4,168**	**1,463**	5,631
	(1,902)	**(16,274)**	**(18,177)**

(000s)	Balance, January 1, 2013 *($)*	Recognized in Profit or Loss *($)*	Balance, December 31, 2013 *($)*
E&E, and property and equipment	(1,141)	(5,211)	(6,352)
Derivative financial instruments	(84)	366	282
Decommissioning liabilities	2,294	1,874	4,168
	1,069	(2,971)	(1,902)

12. Determination of Fair Values

A number of the accounting policies and disclosures require the determination of fair value for financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

DeeThree classifies the fair value of these transactions according to the following hierarchy based on the nature of the observable inputs used to value the instrument.

- Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide continuous pricing information.

- Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

- Level 3 – Valuations are derived from inputs that are not based on observable market data.

Commodity price contracts are the only financial instrument recorded at fair value as at December 31, 2014 and December 31, 2013 and are considered level 2. The fair value of the commodity price contracts are determined by discounting the difference between the contracted price and published forward price curves as at the balance sheet date, using the remaining contracted terms.

As at December 31, 2014, DeeThree held the following commodity price contracts:

Crude Oil Contracts

Period	Commodity	Type of Contract	Quantity	Pricing Point	Contract Price
Jan.1/15 – Dec.31/15	Crude Oil	Collar	500 bbls/d	WTI-NYMEX	US$85.00/bbl (floor) - US$100.80/bbl (cap)
Jan.1/15 – Dec.31/15	Crude Oil	Fixed	500 bbls/d	WTI-NYMEX	Cdn$99.00
Jan.1/15 – Dec.31/15	Crude Oil	Fixed	500 bbls/d	WTI-NYMEX	Cdn$99.39
Jan.1/15 – Dec.31/15	Crude Oil	Fixed	500 bbls/d	WTI-NYMEX	Cdn$100.00

Foreign Currency Contract

Period	Currency	Type of Contract	Quantity	Pricing Point (Cdn$/US$)
Jan. 1/15 – Dec. 31/15	US$	Average Rate Range Forward	US$1,300,000	Trigger – 1.1300 Cdn$/US$ Floor – 1.1000 Cdn$/US$ Ceiling – 1.1110 Cdn$/US$

Interest Rate Contract

Term	Amount	Fixed Rate	Index
Feb. 18 /14 – Feb. 18/16	Cdn$40 million	1.44%	CDOR

Subsequent to December 31, 2014, DeeThree entered into the following crude oil risk management contracts:

Crude Oil Contracts

Period	Commodity	Type of Contract	Quantity	Pricing Point	Contract Price
March 1/15-June 30/16	Crude Oil	Fixed	250 bbls/d	WTI-NYMEX	Cdn$72.92/bbl
Jan.1/16-Dec. 31/16	Crude Oil	Fixed	250 bbls/d	WTI-NYMEX	Cdn$78.00/bbl

An unrealized gain of $15.9 million was recognized on contracts for the year ended December 31, 2014 (2013 - $1.5 million loss, 2012 - $1.0 million gain). A realized loss of $0.3 million was recognized on contracts for the year ended December 31, 2014 (2013 - $1.1 million loss, 2012 - $0.9 million gain). The majority of the unrealized gain and derivative financial instrument asset relates to the crude oil contracts.

13. Supplemental Disclosure

The aggregate payroll expense of employees and executive management was as follows:

Years Ended December 31,	**2014**	2013
(000s)	*($)*	*($)*
Salaries and wages (including bonuses)	**4,343**	2,697
Benefits and other personnel costs	**315**	144
Share-based compensation (gross)	**3,124**	1,734
Total employee remuneration	**7,782**	4,575

In addition to paying salaries, the Company also provides non-cash benefits to executive officers. The executive officers include the Executive Chairman, Chief Executive Officer (CEO), Chief Financial Officer (CFO), the Vice Presidents and the Controller. Executive officers also participate in the Company's stock option program. Compensation of key management personnel is comprised of the following:

Years Ended December 31,	**2014**	2013
(000s)	*($)*	*($)*
Salaries and wages (including bonuses)	**1,502**	865
Benefits and other personnel costs	**103**	46
Share-based compensation *(i)*	**1,092**	516
	2,697	1,427

(i) Represents the amortization of share-based compensation associated with options granted to executive officers as recorded in the financial statements.

14. Commitments

The Company has contractual obligations for its office leases totalling approximately $0.5 million to March 2016. The head office lease obligations are comprised of the lease payments as well as an estimate of occupancy costs of the Company's head office space and have been allocated based on Boulder Assets and Operations' share of the total DeeThree production volumes in the period. The Company also has contractual obligations for several vehicles and equipment totalling $0.03 million to October 2015.

BOULDER ENERGY LTD. (formerly 1867656 Alberta Ltd.)

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2014

This management's discussion and analysis ("MD&A") should be read in conjunction with the audited carve-out financial statements for the years ended December 31, 2014, 2013 and 2012 contained at Appendix I.

The audited carve-out financial statements of assets and operations of Boulder Energy Ltd. (formerly 1867656 Alberta Ltd.) ("Boulder" or the "Company") are prepared based on the proposed terms of the Arrangement, assumes that the Arrangement has already been effected at the relevant times, and present the historic carve-out financial position, results of operations, changes in owner's net investment and cash flows of the assets to be held by Boulder (the "Boulder Assets") and Operations. The audited carve-out financial statements have been derived from the accounting records of DeeThree Exploration Ltd ("DeeThree").

These carve-out financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") based on the records of DeeThree.

This MD&A complements and supplements the audited carve-out financial statements as at December 31, 2014 and 2013 and for the years ended December 31, 2014, 2013 and 2012 of Boulder Assets and Operations. For a full understanding of the financial position and results of operations of Boulder Assets and Operations, this MD&A should be read in conjunction with the audited carve-out financial statements as at December 31, 2014 and 2013 and for the years ended December 31, 2014, 2013 and 2012 of Boulder Assets and Operations, as well as DeeThree's historical annual and interim financial statements, and DeeThree's annual information form for the years ended December 31, 2014, 2013 and 2012. DeeThree's historical annual and interim financial statements are available at www.sedar.com under DeeThree's SEDAR profile.

Management is responsible for the integrity of the information contained in this MD&A and for consistency between the MD&A and the audited carve-out financial statements. In preparing these statements, estimates, judgments and allocations were necessary and management believes these have been based on careful judgments and are properly presented. The audited carve-out financial statements have been prepared using policies and procedures established by management and fairly reflect Boulder Assets and Operations financial position, results of operations and cash flow from operations. In this MD&A, unless otherwise indicated, all monetary amounts are in Canadian dollars as are all references to "$". Where amounts are expressed on a barrel of oil equivalent (boe) basis, natural gas volumes have been converted to oil equivalence at 6,000 cubic feet of gas to 1 barrel of oil. This conversion ratio of 6:1 is based on an energy-equivalent conversion for the individual products, primarily applicable at the burner tip, and does not represent a value equivalency at the wellhead. Such disclosure of boe may be misleading, particularly if used in isolation. Readers should be aware that historical results are not necessarily indicative of future performance.

DeeThree's Board of Directors have reviewed and approved the audited carve-out financial statements and MD&A as at December 31, 2014 and 2013 and for the years ended December 31, 2014, 2013 and 2012 of Boulder Assets and Operations. This MD&A is dated April 7, 2015.

Non-IFRS Measurements

Funds from Operations

This MD&A contains the terms "funds from operations", which should not be considered an alternative to or more meaningful than cash flow from (used in) operating activities as determined in accordance with IFRS. These terms do not have any standardized meaning under IFRS. Boulder's determination of funds from operations and funds from operations per share may not be comparable to that reported by other companies. Management uses funds from operations to analyze operating performance and leverage, and considers funds from operations to be a key measure as it demonstrates the Company's ability to generate cash necessary to fund future capital investments and to repay debt, if applicable. Funds from operations is calculated using cash flow from operating activities as presented in the statement of cash flows, before changes in non-cash working capital and abandonment and reclamation costs.

The following table reconciles funds from operations with cash flow from operating activities, which is the most directly comparable measure calculated in accordance with IFRS:

	Year Ended December 31,		
	2014	2013	2012
(000s)		*($)*	*($)*
Funds from operations	**109,816**	47,375	23,524
Abandonment and reclamation costs	**(17)**	(178)	(108)
Changes in non-cash working capital	**6,670**	915	(402)
Cash flow from operating activities	**116,469**	48,112	23,014

Financial and Operating Results

Sales Volumes

	Years Ended December 31,		
	2014	2013	2012
Sales			
Natural gas *(mcf/d)*	**10,991**	7,352	6,227
Crude oil *(bbls/d)*	**4,666**	1,862	1,052
NGLs *(bbls/d)*	**544**	328	266
Total sales *(boe/d)*	**7,042**	3,415	2,356
Production Split			
Natural gas	**26**	36	44
Crude oil	**66**	55	45
NGLs	**8**	9	11
Total	**100**	100	100

For the year ended December 31, 2014, Boulder's production averaged 7,042 boe/d compared to 3,415 boe/d in the previous year, representing a 106 percent increase. The increase in production was primarily due to strong production from the DeeThree's wells drilled and brought on stream during the year. Net cash capital expenditures were $211.7 million in 2014 compared to $111.8 million in 2013 which resulted in more new wells on initial production in 2014.

Revenue

	Years Ended December 31,		
	2014	2013	2012
(000s)	*($)*	*($)*	*($)*
Natural gas	**19,204**	9,098	5,871
Crude oil	**152,670**	62,358	32,625
NGLs and other	**9,783**	6,667	5,943
Total oil and natural gas revenue	**181,657**	78,123	44,439

During the year ended December 31, 2014, revenue increased by 133 percent to $181.7 million from $78.1 million in prior year. The year-over-year increase was a result of increased production and a higher overall realized sales price.

Pricing for the years ended December 31, 2014, 2013 and 2012 are discussed in further detail in "Commodity Prices and Foreign Exchange" below.

Commodity Prices and Foreign Exchange

	Years Ended December 31,		
	2014	2013	2012
	($)	*($)*	*($)*
Benchmark Prices			
Crude oil			
WTI *(US$/bbl)*	**92.92**	97.97	94.21
Edmonton Light (MSW) *(Cdn$/boe)*	**94.34**	93.03	86.35
Differential – MSW/WTI *(US$/bbl)*	**(7.19)**	(9.06)	(7.79)
Natural gas			
NYMEX *(US$/mmbtu)* (1)	**4.41**	3.67	2.80
AECO *(Cdn$/GJ)* (2)	**4.27**	3.01	2.26
Average Realized Prices			
Natural gas *($/mcf)*	**4.79**	3.39	2.58
Crude oil *($/bbl)*	**89.65**	91.74	84.97
NGLs *($/bbl)*	**48.66**	53.22	59.67
Combined average *($/boe)*	**70.68**	62.67	51.68
Foreign Exchange			
Cdn$/US$	**1.10**	1.03	0.99
US$/Cdn$	**0.91**	0.97	1.00

(1) Mmbtu is the abbreviation for millions of British thermal units. One mcf of natural gas is approximately 1.02 mmbtu.
(2) GJ is the abbreviation for gigajoule. One mcf of natural gas is approximately 1.05 GJ.

Royalties

	Years Ended December 31,		
	2014	2013	2012
	($)	*($)*	*($)*
Oil and natural gas revenues *(000s)*	**181,657**	78,123	44,439
Total royalties *(000s)*	**(30,225)**	(8,100)	(4,842)
Total royalties *($/boe)*	**11.76**	6.50	5.63
Percent of revenue *(%)*	**17**	10	11

The Boulder properties are primarily subject to Crown royalties payable to the provincial government and overriding royalties on oil, natural gas and NGL production. These types of royalties are sensitive to production levels and commodity prices; therefore, it is expected that Boulder's royalties will continue to fluctuate with commodity prices, well production rates, production declines of existing wells along with the performance and location of new wells drilled.

For the year ended December 31, 2014, royalties totalled $30.2 million or 17 percent of revenue compared to $8.1 million or 10 percent of revenue for prior year. The year-over-year royalty rate increase was due to new production from the DeeThree's wells brought on-stream during the year, some of which was subject to a 15 percent gross overriding royalty.

Operating and Transportation Expenses

	Years Ended December 31,		
	2014	2013	2012
(000s except per boe)	*($)*	*($)*	*($)*
Operating expenses	**27,324**	14,890	11,857
Transportation expenses	**5,662**	2,146	1,901
Total operating and transportation expenses	**32,986**	17,036	13,758
Operating expenses *($/boe)*	**10.63**	11.94	13.79
Transportation expenses *($/boe)*	**2.20**	1.72	2.21
Total operating and transportation expenses *($/boe)*	**12.83**	13.66	16.00

Operating costs include all costs associated with the production of crude oil and natural gas. The major components of operating costs include charges for contract operating, processing fees, lease rentals, property and pipeline taxes, utilities and well maintenance charges.

Operating expenses for the year ended December 31, 2014 totalled $27.3 million or $10.63/boe compared to $14.9 million or $11.94/boe in the prior year. The year-over year decrease was driven by the DeeThree's focus on decreasing operating costs through continued operating efficiencies being implemented in the field in Brazeau and in many of the minor properties in the Peace River Arch.

Transportation expenses for the year ended December 31, 2014 were $5.7 million or $2.20/boe compared to $2.1 million or $1.72/boe in the prior year. Over the past year, DeeThree has increased production of crude oil and NGLs, and the transportation costs associated with those products consist primarily of pipeline tariffs, terminal charges and trucking (crude oil and NGLs incur a higher cost per boe for transportation than natural gas). When DeeThree experiences pipeline capacity constraints, it must use alternative means of transportation to move production volumes to market. In particular, DeeThree saw several pipeline constraints, which led to a large increase in the cost per barrel for clean oil trucking costs during the year.

Risk Management

DeeThree maintains a risk management program to reduce the volatility of revenues and to increase the certainty of funds from operations. DeeThree considers all of its risk management contracts to be effective economic hedges of the underlying business transactions. The Company had the following crude oil, foreign exchange and interest rate risk management contracts, with a short-term mark-to-market asset of $14.7 million at December 31, 2014 (December 31, 2013 – short-term liability of $1.1 million), the majority of which pertains to crude oil contracts:

Crude Oil Contracts

Period	Commodity	Type of Contract	Quantity	Pricing Point	Contract Price
Jan.1/15 – Dec.31/15	Crude Oil	Collar	500 bbls/d	WTI-NYMEX	US$85.00/bbl (floor) – US$100.80/bbl (cap)
Jan.1/15 – Dec.31/15	Crude Oil	Fixed	500 bbls/d	WTI-NYMEX	Cdn$99.00/bbl
Jan.1/15 – Dec.31/15	Crude Oil	Fixed	500 bbls/d	WTI-NYMEX	Cdn$99.39/bbl
Jan.1/15 – Dec.31/15	Crude Oil	Fixed	500 bbls/d	WTI-NYMEX	Cdn$100.00/bbl

Foreign Exchange Contract

Period	Currency	Type of Contract	Quantity	Pricing Point (Cdn$/US$)
Jan. 1/15 – Dec. 31/15	US$	Average Rate Range Forward	US$1,300,000	Trigger – 1.1300 Cdn$/US$ Floor – 1.100 Cdn$/US$ Ceiling – 1.1110 Cdn$/US$

Interest Rate Contract

Term	Amount	Fixed Rate	Index
Feb. 18 /14 – Feb. 18/16	Cdn$40 million	1.44%	CDOR

Subsequent to December 31, 2014, DeeThree entered into the following crude oil risk management contracts:

Crude Oil Contracts

Period	Commodity	Type of Contract	Quantity	Pricing Point	Contract Price
March 1/15-June 30/16	Crude Oil	Fixed	250 bbls/d	WTI-NYMEX	Cdn$72.92/bbl
Jan.1/16-Dec. 31/16	Crude Oil	Fixed	250 bbls/d	WTI-NYMEX	Cdn$78.00/bbl

Gains and losses on risk management contracts are composed both of unrealized gains or losses that represent the change in the mark-to-market position of those contracts throughout the period and of realized gains and losses representing the portion of the contracts that have settled in cash during the period. The Company has elected not to use hedge accounting for its current risk management contracts.

	Years Ended December 31,		
	2014	2013	2012
	($)	*($)*	($)
Unrealized loss (gain) on financial instruments *(000s)*	**(15,850)**	1,462	(1,045)
Unrealized loss (gain) on financial instruments *($/boe)*	**(6.17)**	1.17	(1.21)

	Years Ended December 31,		
	2014	2013	2012
	($)	*($)*	*($)*
Realized loss (gain) on financial instruments *(000s)*	**266**	1,059	(902)
Realized loss (gain) on financial instruments *($/boe)*	**0.10**	0.85	(1.05)

During the year ended December 31, 2014, unrealized gain on financial instruments totalled $15.9 million and realized loss totalled $0.3 million. In the prior year, unrealized loss totalled $1.5 million and realized loss totalled $1.1 million. The unrealized gain resulted from the mark-to-market of financial risk management contracts at the period end. These non-cash unrealized derivative gains are generated by the change over the reporting period in the mark-to-market valuation of risk management contracts, which fluctuated significantly in 2014 due to the change in the forward price curves for crude oil. The realized gains or losses represent actual cash settlements under the respective commodity, foreign exchange and interest rate contracts in the respective periods.

General and Administrative (G&A) Expenses

	Years Ended December 31,		
	2014	2013	2012
(000s except per boe)	*($)*	*($)*	*($)*
G&A expense (net)	**5,167**	3,094	2,421
G&A expense (net) *($/boe)*	**2.01**	2.48	2.82

Net G&A expense totalled $5.2 million for the year ended December 31, 2014 compared to $3.1 million in the prior year. When compared to the prior year, G&A costs increased on an absolute basis due to increased staffing costs (including salaries, bonuses, consulting and office rent) required to manage Boulder's growing business.

Share-Based Compensation

	Years Ended December 31,		
	2014	2013	2012
(000s except per boe)	*($)*	*($)*	*($)*
Share-based compensation expense (net)	**1,805**	974	1,014
Share-based compensation expense (net) *($/boe)*	**0.70**	0.78	1.18

DeeThree has a stock option plan, which is described in note 10 to DeeThree's annual financial statements for the years ended December 31, 2014 and 2013. Options granted under the plan have a four-year vesting term and expire five years from the grant date, with the fair value of options granted estimated at the grant date using the Black-Scholes option-pricing model.

Share-based compensation expense is a non-cash expense that reflects the amortization over the vesting period of the fair value of stock options granted to the Company's employees, consultants and directors. For those stock options granted to field employees, their portion of the share-based compensation is reclassified to operating expenses, in order to be consistent with the recognition of their salaries on the statement of income and comprehensive income.

For the year ended December 31, 2014, net share-based compensation expense totalled $1.8 million or $0.70/boe versus $1.0 million or $0.78/boe in the prior year. The year-over-year absolute increase was directly attributable to grants issued during the year and the resulting share-based compensation from those issuances.

Depletion and Depreciation (D&D) Expense

	Years Ended December 31,		
	2014	2013	2012
	($)	*($)*	*($)*
Depletion and depreciation expense *(000s)*	**54,142**	27,496	18,706
Depletion and depreciation expense *($/boe)*	**21.07**	22.06	21.76

D&D expense on property and equipment is recorded over the individual useful lives of the assets, employing the unit-of-production method using proved plus probable reserves and associated estimated future development capital required for its oil and natural gas assets, the straight-line method for field facilities (20-year useful life) and the declining-balance method on corporate assets (20 to 30 percent). Assets in the E&E phase are not amortized.

For the year ended December 31, 2014, D&D expense totalled $54.1 million or $21.07/boe compared to $27.5 million or $22.06/boe in the prior year. The absolute increase in D&D expense year-over-year is attributable to the 106 percent increases in production volumes, slightly offset by lower costs related to finding and developing reserves.

Loss on Dispositions

	Years Ended December 31,		
	2014	2013	2012
	($)	*($)*	*($)*
Loss on dispositions *(000s)*	**90**	--	--
Loss on dispositions *($/boe)*	**0.04**	--	--

For the year ended December 31, 2014, loss on dispositions totalled $0.09 million or $0.04/boe. The loss was the result of the disposition of a minor property to the joint venture partner during the fourth quarter. There were no such expenses during the prior year.

Impairment of Oil and Gas Properties

Impairment is recognized when the carrying value of an asset or group of assets (referred to as a cash-generating unit or CGU) exceeds its recoverable amount, defined as the higher of its value in use and fair value less costs to sell. Any asset impairment is recoverable to its original value less associated D&D expense should there be indicators that the asset's recoverable value has increased since the time of recording the initial impairment. Impairment testing is performed at the CGU level and is required when there are indicators of impairment, such as a significant drop in commodity prices or a write-down of proved or probable reserves. No impairment charges were recorded in 2014, 2013 or 2012.

Exploration and Evaluation (E&E) Expense

		Year Ended December 31,	
	2014	2013	2012
	($)	*($)*	*($)*
Exploration and evaluation expense *(000s)*	**5,798**	6,230	2,777
Exploration and evaluation expense *($/boe)*	**2.26**	5.00	3.23

Costs related to E&E assets are accumulated in one pool pending determination of an asset's technical feasibility and commercial viability. E&E costs are primarily for seismic data, undeveloped land and drilling until the well in question is complete and results have been evaluated. Costs related to wells determined to be uneconomical as well as costs of undeveloped land lease expiries are expensed as they occur.

During the year ended December 31, 2014, E&E expense totalled $5.8 million or $2.26/boe, which included $0.4 million of lease expiries, $0.4 million related to the write-off of preliminary drilling costs and a $5.0 million related to dry and abandoned wells that were written off during the year. This compares to $6.2 million or $5.00/boe in the same period of 2013, consisting of $0.2 million of lease expiries, $0.09 million related to the write-off of preliminary drilling costs and $5.9 million related to dry and abandoned wells that were written off during the year.

Accretion and Finance Expenses

	Years Ended December 31,		
	2014	2013	2012
(000s except per boe)	*($)*	*($)*	*($)*
Accretion expense on decommissioning liabilities	**541**	302	230
Finance expense	**3,197**	1,459	796
Total accretion and finance expenses	**3,738**	1,761	1,026
Accretion expense on decommissioning liabilities *($/boe)*	**0.21**	0.25	0.27
Finance expense *($/boe)*	**1.24**	1.17	0.93
Total accretion and finance expenses *($/boe)*	**1.45**	1.42	1.20

Accretion expense represents the increase in the present value of the Company's decommissioning liabilities. In the year ended December 31, 2014, accretion expense totalled $0.5 million or $0.21/boe compared to $0.3 million or $0.25/boe in the prior year.

During the year ended December 31, 2014, interest and finance expenses totalled $3.2 million or $1.24/boe compared to $1.5 million or $1.17/boe in the prior year. Interest charges and standby fees were related to the DeeThree's $310 million credit facility (allocated to Boulder based on approximate reserve value), and was allocated a drawn value of $90.5 million at the end of the year (December 31, 2013 – $42.4 million).

Income Taxes

	Years Ended December 31,		
	2014	2013	2012
	($)	($)	*($)*
Deferred income tax expense *(000s)*	**16,274**	2,971	714
Deferred income tax expense *($/boe)*	**6.32**	2.38	0.83

During the year ended December 31, 2014, deferred income tax expense totalled $16.2 million or $6.32/boe compared to $2.9 million or $2.38/boe in the prior year. The deferred income tax expense was primarily related to positive net income in the period as well as an increase in the taxable base of the oil and natural gas assets, driven by capital spending during the period as well as the impact of capital spending associated with flow-through shares.

Boulder does not have current income taxes payable and does not expect to pay current income taxes in 2014 as the Company had estimated tax pools available at December 31, 2014 of $342 million (December 31, 2013 – $240 million).

Netbacks (per unit) [2]

	Year Ended December 31,		
	2014	2013	2012
	($/boe)	*($/boe)*	*($/boe)*
Average sales price	**70.68**	62.67	51.68
Royalties	**(11.76)**	(6.50)	(5.63)
Operating expenses	**(10.63)**	(11.94)	(13.79)
Transportation expenses	**(2.20)**	(1.72)	(2.21)
Operating netback [1]	**46.09**	42.51	30.05
G&A and other expenses (excludes non-cash items)	**(2.01)**	(2.48)	(2.82)
Realized gain (loss) on financial instruments	**(0.10)**	(0.85)	1.05
Finance expense	**(1.24)**	(1.17)	(0.93)
Funds flow netback [1]	**42.74**	38.01	27.35
D&D expense	**(21.07)**	(22.06)	(21.76)
Loss on dispositions	**(0.04)**	--	--
Accretion	**(0.21)**	(0.25)	(0.27)
Share-based compensation	**(0.70)**	(0.78)	(1.18)
Unrealized gain (loss) on financial instruments	**6.17**	(1.17)	1.21
E&E expense	**(2.26)**	(5.00)	(3.23)
Deferred income tax expense	**(6.32)**	(2.38)	(0.83)
Net income netback [1]	**18.31**	6.37	1.29

(1) Non-GAAP measure; refer to the commentary below. Operating netback, funds flow netback and net income netback are calculated by dividing operating income, funds flow from operations and net income by the sales volume in boe for the period then ended. For a description of the boe conversion ratio, refer to "Other Measurements" above.

(2) For a description of the boe conversion ratio, refer to "Other Measurements" above.

The operating netback was $46.09/boe for the year ended December 31, 2014 compared to $42.51/boe in the prior year. The higher netback was mainly due to a higher realized average sales price and lower operating expenses, but was also impacted by higher royalties and transportation costs than in the prior year.

Investment and Investment Efficiencies

Capital Expenditures and Acquisitions

(excluding decommissioning liabilities and capitalized share-based compensation)

	Years Ended December 31,		
	2014	2013	2012
(000s)	*($)*	*($)*	*($)*
Property acquisitions and adjustments	**21,925**	11,694	7,457
Drilling and completions	**144,983**	82,502	39,391
Equipment and facilities	**39,453**	12,655	4,045
Land and lease retention	**2,809**	1,935	574
Geological and geophysical	**977**	1,900	32
Capitalized G&A and other	**1,528**	1,100	806
Total capital expenditures	**211,675**	111,786	52,305
Total wells drilled (#)	**29 (28.93)**	18 (17.16)	9 (7.79)

Liquidity and Financial Resources

Boulder spent $211.7 million on its properties, drilling, completions and facilities of the allocated assets during the year ended December 31, 2014. This was up from $111.8 million for the year ended December 31, 2013, due primarily to an increased drilling program during 2014. During the year ended December 31, 2014, 29 gross (28.93 net) wells were drilled on the Brazeau and Peach River Arch properties.

The continued development of Boulder's oil and gas assets is dependent on the ability of Boulder to secure sufficient funds through operations, credit facilities and other sources. Short term capital is required to finance accounts receivable and other similar short term assets while the acquisition and development of oil and gas properties requires larger amounts of long-term capital. With its asset base, Boulder estimates that it has the ability to generate short-term and long-term cash flow to meet obligations as they become due.

Drilling Activity

	Exploration		Development		Total	
	Gross	Net	Gross	Net	Gross	Net
	(#)	*(#)*	*(#)*	*(#)*	*(#)*	*(#)*
Year Ended December 31, 2014						
Natural gas	**--**	**--**	**1**	**1.00**	**1**	**1.00**
Crude oil	**--**	**--**	**28**	**27.93**	**28**	**27.93**
Total wells	**--**	**--**	**29**	**28.93**	**29**	**28.93**
Success rate *(%)*		**--**		**100**		**100**
Average working interest *(%)*		**--**		**100**		**100**
Year Ended December 31, 2013						
Crude oil	4	3.97	12	11.22	16	15.19
Dry and abandoned	2	1.97	--	--	2	1.97
Total wells	6	5.94	12	11.22	18	17.16
Success rate *(%)*		67		100		89
Average working interest *(%)*		99		94		95
Year Ended December 31, 2012						
Crude oil	--	--	9	7.79	9	7.79
Total wells	--	--	9	7.79	9	7.79
Success rate *(%)*		--		100		100
Average working interest *(%)*		--		87		87

Related-Party Transactions and Off-Balance-Sheet Transactions

There were no related party transactions or off-balance-sheet transactions during the years ended December 31, 2014, 2013 and 2012.

Contractual Obligations and Commitments

Years Ended December 31,	2015	2016	2017	Total
(000s)	*($)*	*($)*	*($)*	*($)*
Operating lease – office	416	104	–	520
Operating lease – equipment	28	–	–	28
Total commitments	444	104	–	548

DeeThree has contractual obligations for its office leases totalling approximately $0.5 million to March 2016. The head office lease obligations are comprised of the lease payments as well as an estimate of occupancy costs of the Company's head office space and have been allocated based on Boulder Assets and Operations' share of the total DeeThree production volumes in the period. The Company also has contractual obligations for several vehicles and equipment totalling $0.03 million to October 2015.

Significant Accounting Policies

During the creation of the December 31, 2014 and 2013 and for the years ended December 31, 2014, 2013 and 2012 audited carve-out financial statement, significant accounting policies, estimates and judgments were used.

The preparation of the Company's financial statements requires management to adopt accounting policies that involve the use of significant estimates and assumptions. They are developed based on the best available information and are believed by management to be reasonable under the circumstances. New events or additional information may result in the revision of these estimates over time. Boulder's financial and operating results incorporate certain estimates, including:

- Estimated revenues, royalties and operating expenses on production as at a specific reporting date but for which actual revenues and costs have not yet been received;
- Estimated capital expenditures on projects that are in progress;
- Estimated D&D charges that are based on estimates of oil and gas reserves that Boulder expects to recover in the future;
- Estimated fair values of financial instruments that are subject to fluctuation depending on underlying commodity prices, foreign exchange rates and interest rates, volatility curves and the risk of non-performance;
- Estimated value of decommissioning liabilities that depend on estimates of future costs and timing of expenditures;
- Estimated future recoverable value of PP&E and any associated impairment charges or recoveries; and
- Estimated G&A and stock based compensation expense under DeeThree's share-based compensation plan.

Boulder will employ individuals and consultants who have the skills required to make such estimates and ensures that individuals or departments with the most knowledge of the activity are responsible for the estimates. Further, past estimates are reviewed and compared to actual results, and actual results are compared to budget in order to make more informed decisions on future estimates. For a full discussion on these items refer to Note 3 of the audited carve-out financial statements.

Business Risks and Risk Mitigation

The Boulder management team conducts focused strategic planning and has identified the key risks, uncertainties and opportunities associated with Company's business that can affect its financial results. They include, but are not limited to:

Reserves and Resource Estimates

Boulder's exploration and production activities are concentrated in the Western Canada Sedimentary Basin, where the industry is very competitive. There are a number of risks facing participants in the oil and natural gas industry, some of which are common to all businesses, while others are specific to the sector. These include risks such as finding and developing oil and natural gas reserves economically, estimating reserves, producing the reserves in commercial quantities, finding a suitable market at attractive commodity prices, financial and liquidity risks, and environmental and safety risks.

Boulder's future oil and natural gas reserves and production and, therefore, its cash flows, will be highly dependent on the Company's success in exploiting its reserve base and acquiring additional reserves. The Company mitigates the risk of finding and developing economical oil and natural gas reserves by utilizing a team of highly qualified professionals with expertise and experience in these areas. Boulder will attempt to maximize drilling success by exploring areas that have multi-zone opportunities, including targeting deeper horizons with uphole potential, continuously assessing new acquisition opportunities to complement existing activities and balancing higher-risk exploratory drilling with lower-risk development drilling.

Beyond exploration risk, there is the potential that the Company's oil and natural gas reserves may not be economically produced at prevailing prices. Boulder will minimize this risk by generating exploration prospects internally, targeting high-quality projects, operating the project, and by attempting to access sales markets through Company-owned infrastructure or mid-stream operators.

Boulder will retain an independent engineering consulting firm that assists the Company in evaluating oil and natural gas reserves. Reserve values are based on a number of variable factors and assumptions such as commodity prices, projected production, future production costs and governmental regulation. The reserves and recovery information contained in the independent reserves evaluation is an estimate. The actual

production and ultimate reserves from the properties may be greater or less than the estimates prepared by the independent reserves evaluator.

Volatility of Oil and Natural Gas Prices

The Company's operational results and financial condition depend on the prices received for oil and natural gas production. Differentials on Canadian crude oil showed significant volatility throughout 2014 due to pipeline and infrastructure constraints. There are numerous projects proposed to alleviate pipeline bottlenecks into and in the United States, expand refinery capacity and expand or build new pipelines in Canada and the United States to source new markets, many of which are in the regulatory application phase. There can be no assurance that such regulatory approvals will be secured on a timely basis or at all. Any movement in oil and natural gas prices will have an effect on Boulder's ability to conduct its capital expenditure program. Oil and natural gas prices are determined by economic and, in some circumstances, political factors. Supply and demand factors, including weather and general economic conditions as well as conditions in other oil and natural gas regions, influence prices.

Boulder will be exposed to commodity price risk whereby the fair value of future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for oil and natural gas are affected by not only the relationship between the Canadian and United States dollars, but also global economic events that dictate the levels of supply and demand. The Company protects itself from fluctuations in prices by maintaining an appropriate hedging strategy and may enter into oil and natural gas risk management contracts. If the Company engages in activities to manage its commodity price exposure, it may forego the benefits it would otherwise experience if commodity prices were to increase. In addition, commodity derivatives contracts activities could expose Boulder to losses. To the extent that Boulder engages in risk management activities related to commodity prices, it will be subject to credit risks associated with the counterparties with which it contracts. As at the date of this MD&A, DeeThree has six crude oil hedges (refer to "Risk Management" above for details).

Operational Matters

The operation of oil and natural gas wells involves a number of operating and natural hazards that may result in blowouts, environmental damage and other unexpected or dangerous conditions causing damage to Boulder and possible liability to third parties. Boulder has established an environmental, health and safety program and has updated its operational emergency response plan and operational safety manual to address these operational issues. Boulder maintains a comprehensive insurance plan, which includes liability insurance, where available, in amounts consistent with industry standards, as well as business interruption insurance for selected facilities, to the extent that such insurance is available, to mitigate risks and protect against significant losses where possible. Boulder may become liable for damages arising from such events against which it cannot insure or against which it may elect not to insure because of high premiums or other reasons. Boulder operates in accordance with all applicable environmental legislation and strives to maintain compliance with such regulations. Boulder's mandate includes ongoing development of procedures, standards and systems to allow its staff to make the best decisions possible and ensuring those decisions are in compliance with the Company's environmental, health and safety policies.

Access to Capital

The oil and natural gas industry is a very capital-intensive industry and, in order to fully realize the Company's strategic goals and business plans, Boulder will rely on equity markets as a source of new capital in addition to bank financing and internally generated cash flow to fund its ongoing capital investments. Boulder's ability to raise additional capital will depend on a number of factors that are beyond the Company's control, such as general economic and market conditions. Internally generated funds will also fluctuate with changing commodity prices. Boulder will enter into a syndicated facility and will be required to comply with covenants under this facility and in the event it does not comply, access to capital could be restricted or repayment could be required. Boulder routinely reviews the covenants based on actual and forecast results and has the ability to make changes to development plans to comply with the covenants under the credit facility. Boulder anticipates it will continue to have adequate liquidity to fund its financial liabilities through its future funds from operations and available bank credit. Boulder is committed to maintaining a strong balance sheet along with an adaptable capital expenditure program that can be adjusted to capitalize on, or reflect, acquisition opportunities and, if necessary, a tightening of liquidity sources. From its founding to the date of this MD&A, DeeThree has had no defaults or breaches on its bank debt or any of its financial liabilities.

Counterparty Risk

Boulder assumes customer credit risk associated with oil and gas sales, financial hedging transactions and joint venture participants. In the event that Boulder's counterparties default on payments to Boulder, cash flows will be impacted. The Company may be exposed to third-party credit risk through its contractual arrangements with its current or future joint venture partners, marketers of its commodities and other parties. Boulder has established credit policies and controls designed to mitigate the risk of default or non-payment with respect to oil and natural gas sales, financial hedging transactions and joint venture participants. The Company makes every effort to sell its commodities to major companies with excellent credit ratings.

Variations in Interest Rates and Foreign Exchange Rates

Variations in interest rates could result in an increase in the amount Boulder pays to service debt. World oil prices are quoted in US dollars and the price received by Canadian producers is therefore affected by the Canadian/US dollar exchange rate, which may fluctuate over time. A material increase in the value of the Canadian dollar would, other variables remaining constant, negatively impact Boulder's net production revenue. Volatility in interest rates and the Canadian dollar may affect future cash flow from operations and reduce funds available for capital expenditures. Boulder may initiate certain derivative contracts to attempt to mitigate these risks. To the extent Boulder engages in risk management activities related to foreign exchange rates, it will be subject to credit risk associated with counterparties with which it contracts. At December 31, 2014, DeeThree has one foreign currency exchange risk management contract and one interest rate swap risk management contract in place.

Changes in Income Tax Legislation

In the future, income tax laws or other laws may be changed or interpreted in a manner that adversely affects Boulder or its shareholders. Tax authorities having jurisdiction over Boulder or its shareholders may disagree with how Boulder calculates its income for tax purposes to the detriment of Boulder and its shareholders.

Environmental Concerns

The oil and natural gas industry is subject to environmental regulation pursuant to local, provincial and federal legislation. A breach of such legislation may result in the imposition of fines or issuance of clean-up orders in respect of Boulder or its working interests. Such legislation may be changed to impose higher standards and potentially more costly obligations to Boulder. Boulder focuses on conducting transparent, safe and responsible operations in the communities in which its people live and work.

Project Risks

Boulder's ability to execute projects and market oil and natural gas depends on numerous factors beyond its control, including: availability of processing capacity, availability and proximity of pipeline capacity, availability of storage capacity, supply of and demand for oil and natural gas, availability of alternative fuel sources, effects of inclement weather, availability of drilling and related equipment, unexpected cost increases, accidental events, change in regulations, and availability and productivity of skilled labour. Because of these factors, Boulder could be unable to execute projects on time, on budget or at all, and may not be able to effectively market the oil and natural gas that it produces.

In addition, Boulder is also subject to other risks and uncertainties which are described in the DeeThree's Annual Information Form (AIF) dated March 25, 2015.

Forward-Looking Information and Statements

Certain statements in this MD&A may constitute forward-looking statements. These statements relate to future events or the Company's future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon by investors. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement.

In particular, this MD&A contains forward-looking statements pertaining to the following: projections of market prices and costs, supply and demand for natural gas and crude oil, the quantity of reserves, natural gas and crude oil production levels, capital expenditure programs, treatment under governmental regulatory and taxation regimes, and expectations regarding the Company's ability to raise capital and to continually add to reserves through acquisitions and development.

With respect to forward-looking statements in this MD&A, the Company has made assumptions regarding, among other things, the legislative and regulatory environments of the jurisdictions where the Company carries on business or has operations, the impact of increasing competition and the Company's ability to obtain additional financing on satisfactory terms.

The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors discussed in this MD&A, such as: volatility in the market prices for natural gas and crude oil; uncertainties associated with estimating reserves; geological, technical, drilling and processing problems; liabilities and risks, including environmental liabilities and risks inherent in natural gas and crude oil operations; incorrect assessments of the value of acquisitions; and competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel. In addition, test results are not necessarily indicative of long-term performance or of ultimate recovery.

This forward-looking information represents the Company's views as of the date of this MD&A and such information should not be relied upon as representing its views as of any subsequent date. Boulder has attempted to identify important factors that could cause actual results, performance or achievements to vary from those current expectations or estimates expressed or implied by the forward-looking information. There may be other factors, however, that cause results, performance or achievements not to be as expected or estimated and that could cause actual results, performance or achievements to differ materially from current expectations. There can be no assurance that forward-looking information will prove to be accurate, as results and future events could differ materially from those expected or estimated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by applicable securities legislation.

Additional information regarding the Company and factors that could affect its operations and financial results are included in reports on file with Canadian securities regulatory authorities, including the Company's Annual Information Form, and may be accessed through the SEDAR website (www.sedar.com), or at the Company's website (www.deethree.ca). Furthermore, the forward-looking statements contained in this MD&A are made as of the date of this MD&A and the Company does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws. The Company's forward-looking statements are expressly qualified in their entirety by this cautionary statement.

APPENDIX "J"
Pro Forma Financial Statements of Boulder

Pro-Forma Financial Statements of

Boulder Energy Ltd.
(formerly 1867656 Alberta Ltd.)

As at and for the year ended December 31, 2014

Boulder Energy Ltd. (formerly 1867656 Alberta Ltd.)

PRO-FORMA STATEMENT OF FINANCIAL POSITION
(unaudited)

As at *(000's of Canadian dollars)*	Note	Boulder December 31, 2014 *($)*	Carve-out December 31, 2014 *($)*	Pro-Forma Adjustments *($)*	Pro-Forma December 31, 2014 ($)
Assets					
Current assets					
Accounts receivable	4(c)	--	23,073	(23,073)	--
Deposits and prepaid expenses	4(c)	--	425	(425)	--
Derivative financial assets	4(e)	--	14,725	(14,725)	--
Total current assets		--	38,223	(38,223)	--
Exploration and evaluation assets	4(h)	--	26,969	--	26,969
Property and equipment	4(h)	--	395,253	--	395,253
Total assets		**--**	**460,445**	**(38,223)**	**422,222**
Liabilities and Owner's Net Investment					
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities	4(c)	--	40,777	(40,777)	--
Total current liabilities		--	40,777	(40,777)	--
Long-term bank debt	4(d)	--	90,502	29,155	119,657
Decommissioning liabilities	4(i)	--	22,526	--	22,526
Deferred tax liability	4(g)	--	18,177	8,022	26,199
Owner's Net Investment					
Owner's net investment	4(f)	--	288,463	(34,623)	253,840
Total owner's net investment		--	288,463	(34,623)	253,840
Total liabilities and owner's net investment		--	**460,445**	**(38,223)**	**422,222**

The notes are an integral part of these pro-forma financial statements.

Boulder Energy Ltd. (formerly 1867656 Alberta Ltd.)

PRO-FORMA STATEMENT OF INCOME AND COMPREHENSIVE INCOME
(unaudited)

(000's of Canadian dollars)	Note	Boulder December 31, 2014	Carve-out December 31, 2014	Pro-Forma Adjustments	Pro-Forma December 31, 2014
		($)	($)	($)	($)
Revenue					
Oil and natural gas revenues		--	181,657	--	181,657
Royalties		--	(30,225)	--	(30,225)
Oil and natural gas revenues, net of royalties		--	151,432	--	151,432
Expenses					
Operating and transportation		--	32,986	--	32,986
General and administrative		--	5,167	--	5,167
Depletion and depreciation		--	54,142	--	54,142
Stock based compensation	4(b)	--	1,805	(1,805)	--
Loss on disposition		--	90	--	90
Exploration and evaluation expense		--	5,798	--	5,798
			99,988	(1,805)	98,183
Unrealized gain on financial instruments	4(e)	--	(15,850)	15,850	--
Realized loss on financial instruments	4(e)	--	266	(266)	--
Accretion and finance expenses	4(a)	--	3,738	1,129	4,867
		--	88,142	14,908	103,050
Income before income tax		--	63,290	(14,908)	48,382
Taxes					
Deferred income tax expense	4(g)	--	16,274	(3,727)	12,547
Net income and comprehensive income for the period		**--**	**47,016**	**(11,181)**	**35,835**

The notes are an integral part of these pro-forma financial statements.

Boulder Energy Ltd. (formerly 1867656 Alberta Ltd.)

NOTES TO THE PRO-FORMA FINANCIAL STATEMENTS

As at and for the year ended December 31, 2014
(000's of Canadian dollars, except share amounts)
(unaudited)

1. Reporting Entity

1867656 Alberta Ltd. (the "Company" or "Boulder") was incorporated under the Business Corporations Act (Alberta) on December 19, 2014. On April 7, 2015, Articles of Amendment were filed to change the name of the Company to Boulder Energy Ltd. and to remove the share transfer restrictions. The Company is a wholly owned subsidiary of DeeThree Exploration Ltd. ("DeeThree").

The Company has not yet commenced commercial operations. Boulder was incorporated for the sole purpose of participating in the arrangement under the Business Corporations Act (Alberta) (the "Arrangement") with DeeThree, whereby each common share of DeeThree will be exchanged for 0.33 of one new common share of DeeThree and 0.5 of one common share of Boulder. Pursuant to the Arrangement and a conveyance agreement to be entered into by DeeThree and Boulder and upon closing of the Arrangement, DeeThree will transfer certain petroleum and natural gas assets to Boulder.

The principal office of Boulder is located at Suite 2200, 520 Third Avenue S.W., Calgary, Alberta and the registered office of Boulder is located at Suite 1000, 250 Second Street S.W., Calgary, Alberta.

2. Basis of Presentation

The pro-forma financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The line items in the pro-forma financial statements have been prepared in all material respects using the accounting policies that are described in note 2 and 3 of the Audited Carve-out Financial Statements of Boulder Assets and Operations from DeeThree Exploration Ltd.

The pro-forma Statement of Financial Position as at December 31, 2014, pro-forma Statement of Income and Comprehensive Income for the year ended December 31, 2014 give effect to the Arrangement and assumptions described in note 4, as if they had occurred January 1, 2014.

The pro-forma statements have been prepared using the following information:

- audited financial statements of Boulder for the period of incorporation on December 19, 2014 to December 31, 2014;
- audited carve-out financial statements of Boulder Assets and Operations from DeeThree as at December 31, 2014 and 2013 and for the years ended December 31, 2014, 2013 and 2012;
- the Arrangement Agreement between DeeThree and Boulder.

The pro-forma statements are not necessarily indicative of the results of operations or the financial position that would have resulted had the Arrangement been effected on the dates indicated, or the results that may be obtained in the future.

The pro-forma statements have been prepared for illustrative purposes only.

3. Significant Accounting Policies

These pro-forma financial statements have been prepared following the same accounting policies and methods of computation as the Audited Carve-out Financial Statements of Boulder Assets and Operations from DeeThree as at December 31, 2014 and 2013 and for the years ended December 31, 2014, 2013 and 2012 (the "Carve-Out Financial Statements"). Significant accounting policies are described in note 2 and 3 of the Carve-out Financial Statements.

Business combinations involving entities under common control are outside the scope of IFRS 3 Business Combinations. IFRS provides no guidance on the accounting for these types of transactions and an entity is required to develop an accounting policy. A business combination involving entities under common control is a business combination in which all of the combining entities are ultimately controlled by the same party, both before and after the business combination, and control is not transitory. Management has determined the predecessor values method to be most appropriate. The predecessor method requires the financial statements to be prepared using the predecessor carrying values without any step up to fair value.

4. Pro-Forma Adjustments as at and for the year ended December 31, 2014

(a) Finance Expenses

Interest expense has been allocated based on the allocation of bank indebtedness, which was attributed to Boulder Assets and Operations based on the proved plus probable (2P) reserve values attributable to the Brazeau and Peace River Arch areas as a percentage of the total DeeThree proved plus probable reserves value. The pro-forma adjustment to Finance Expenses reflects an adjustment allocation of bank indebtedness as determined by management described in Note 4(d) below.

(b) Stock Based Compensation

Stock based compensation is allocated for the purposes of the Carve-Out Financial Statements to Boulder based on a proportion of these expenses based on Boulder Assets and Operations share of the total DeeThree production volumes in the period. The pro-forma adjustment eliminates the stock based compensation as Boulder does not have any stock options outstanding.

(c) Working Capital

Accounts receivable, deposits and prepaid expenses and accounts payable and accrued liabilities have been eliminated as these amounts will not be transferred to Boulder under the proposed Arrangement.

(d) Bank Debt

On the Carve-Out Financial Statements, bank indebtedness attributed to Boulder Assets and Operations was estimated based on the proved plus probable (2P) reserves value attributable to the Brazeau and Peace River Arch areas as a percentage of the total DeeThree proved plus probable fair value. Under the proposed Arrangement and as determined by management, $119.7 million in bank debt will be transferred to Boulder, in which the difference between the carve-out amount of $29.2 million was added to the pro-forma statements.

(e) Derivative financial instruments

On the Carve-Out Financial Statements, amounts related to commodity contracts were calculated on a fair value basis, allocating the realized and unrealized gains or losses to the Boulder Assets and Operations based on Boulder Assets and Operations share of the total DeeThree production volumes in the period. The unrealized gain or loss in the period then determined the fair value of the contracts at the period end dates. Under the proposed Arrangement, all of the commodity contracts will stay with DeeThree and will not be transferred to Boulder. As such, all assets, liabilities, unrealized gains (losses) and realized gains (losses) have been eliminated from the pro-forma statements.

(f) Owner's net investment

Pursuant to the Arrangement described in note 1, Boulder will obtain 100% of the assets and liabilities related to the interests in the Brazeau and Peace River Arch oil and gas properties in northern and central Alberta from DeeThree. The assets and liabilities were transferred to Boulder using the predecessor values method as described in note 3 where the Brazeau and Peace River Arch assets are transferred to Boulder based on the historical carrying value carved-out of DeeThree.

	(000's)
Net assets transferred:	
Cash	--
Exploration and evaluation assets	26,969
Property and equipment	395,253
Decommissioning liabilities	(22,526)
Bank loan	(119,657)
Deferred tax liability	(26,199)
	253,840
Pro-forma owner's net investment	253,840

(g) Deferred income taxes

Deferred income tax payable has been adjusted from the Carve-Out Financial Statements to reflect the impact of actual approximated tax pools transferred to Boulder after the completion of the Arrangement compared to the carve-out net assets, adjusting for permanent differences such as decommissioning liabilities. This difference was multiplied by the combined federal and provincial tax rate of 25% to equate to a deferred tax liability at December 31, 2014 of $26.2 million.

(h) Exploration and evaluation assets and property and equipment

The Company will acquire producing properties and undeveloped assets from DeeThree and it will be recorded at DeeThree's previous cost of $27.0 million and $395.3 million, respectively, based on a continuity of interests.

(i) Decommissioning liabilities

The Company has estimated the present value of its total decommissioning liabilities to be $22.5 million based on a total future liability of $31.2 million. The decommissioning liabilities represent the cost of DeeThree's obligation based on a continuity of interests. A risk free rate of 2.5 percent and an inflation rate of 2.0 percent was used to calculate the fair value of the decommissioning liabilities.

(j) Common control transaction

The spin-off of the assets and liabilities from DeeThree to Boulder is a common control transaction as the assets and liabilities will be controlled by the same party before and after the arrangement. As a result, the assets and liabilities will be recorded in Boulder at the predecessor book value of DeeThree.

5. Share Capital

Issued and Outstanding

Share capital of the Company will include common shares issued to shareholders of DeeThree as follows:

(000's of Canadian dollars, except share amounts)	Number of common shares	Amount (000's) ($)
Issued on incorporation	1	--
Boulder shares issued to DeeThree shareholders	44,487,230	249,128
Shares issued of the "in the money" dilutive options of DeeThree	860,941	4,821
Reserve from common control transaction	--	(110)
Balance at December 31, 2014	**45,348,172**	**253,840**

Please see Note 1 regarding the details of the Arrangement and the adjustment reflecting that each common share of DeeThree will be exchanged for 0.33 of one new common share of DeeThree and 0.5 of one common share of Boulder. Post-consolidation, share capital will include 44,487,230 Boulder shares issued to DeeThree shareholders and 860,941 issued on "in the money" dilutive securities including vested options of DeeThree which are assumed to be exercised on a cashless basis prior to closing the Arrangement.

The implied share price was determined by calculating the pro-forma net assets as a portion of DeeThree's total net assets at December 31, 2014 and applying that percentage to the closing share price for DeeThree shares at December 31, 2014 ($5.11).

APPENDIX "K"
Section 191 of the *Business Corporations* Act (Alberta) - Dissent Provisions

Pursuant to the Interim Order, Registered Shareholders have the right to dissent in respect of the Arrangement. Such right of dissent is described in the Circular. The full text of section 191 of the ABCA is set forth below. Note that certain provisions of such section have been modified by the Interim Order, a copy which is attached as Appendix "L" to the Information Circular.

SECTION 191 OF THE BUSINESS CORPORATIONS ACT (ALBERTA)

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.

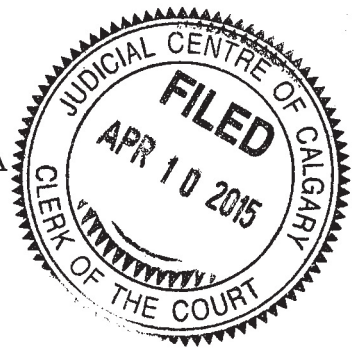
(20) A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that

(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.

RSA 2000 cB-9 s191;2005 c40 s7;2009 c53 s30

APPENDIX "L"
Interim Order



COURT FILE NUMBER: 1501 - 03900

COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
APPLICANT	**DEETHREE EXPLORATION LTD.**

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

AND IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING DEETHREE EXPLORATION LTD. and BOULDER ENERGY LTD.

DOCUMENT	**INTERIM ORDER**

I hereby certify this to be a true copy of the original Order
dated this 10 day of April 2015
for Clerk of the Court

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**DAVIS LLP** Barristers & Solicitors 1000, 250 - 2ND ST. SW. CALGARY, AB T2P 0C1 **ATTN: TIMOTHY P. CHICK** TEL: (403) 698-8710 FAX: (403) 213-4463 Email: tchick@davis.ca FILE NO.: 76791-00031

Judge who Pronounced the Order:	**The Honourable Madam Justice K. Horner**
Place Order was Pronounced:	**Calgary, Alberta**
Date Order was Pronounced:	**April 10, 2015**

UPON hearing the application of DeeThree Exploration Ltd. ("**DeeThree**") regarding a proposed plan of arrangement;

AND UPON READING the proposed Originating Application, the Affidavit of Gail Hannon, Chief Financial Officer of DeeThree (the "**Hannon Affidavit**"), and the documents referred to therein;

AND UPON HEARING counsel for DeeThree;

IT IS HEREBY ORDERED THAT:

General

1. The capitalized terms not defined in this Order shall have the meanings given to them in the draft management information circular of DeeThree to be dated on or about April 9, 2015 (the "**Information Circular**"), which is attached as Exhibit "A" to the Hannon Affidavit.

2. All references to the Arrangement herein mean the plan of arrangement as described in the Hannon Affidavit and which is Schedule A to the Arrangement Agreement attached as Appendix B to the Information Circular.

3. DeeThree shall seek approval of the Arrangement by the holders of common shares of DeeThree in the manner set forth below.

4. Further, subject to this Court determining on the Final Application (as defined below) that the Arrangement is substantially and procedurally fair and reasonable to the DeeThree Shareholders, this Court acknowledges the advice of the parties that the parties intend to rely on the exemption from registration provided by Section 3(a)(10) of the U.S. Securities Act for the New DeeThree Common Shares, the DeeThree Special Shares and the Boulder Common Shares to be issued under the Arrangement.

The Meeting

5. DeeThree shall call and conduct the DeeThree Meeting on or about 2:00 p.m. MST, Thursday, May 14, 2015 (hereinafter referred to as the "**Meeting**") to, among other things, consider, and if deemed advisable, to pass the Arrangement Resolution to approve the Arrangement and such other business as may properly be brought before the Meeting or any proper adjournment thereof.

6. Each DeeThree Shareholder shall be entitled to vote at the Meeting on the basis of one vote for each DeeThree Share held by them.

7. A quorum at the Meeting shall consist of two or more individuals present in person holding or representing by proxy in the aggregate not less than 5% of the DeeThree Shares then outstanding.

8. If a quorum is not present within 30 minutes of the appointed time of the Meeting, it shall be adjourned to such place and time as may be determined by the Chairman of the Meeting. No notice of the adjourned Meeting shall be required, and if at such adjourned Meeting a quorum is still not present, the DeeThree Shareholders then present in person or represented by proxy will constitute a quorum for all purposes of the Meeting.

9. Only the DeeThree Shareholders whose names have been entered in the register of DeeThree Shareholders as at the close of business on April 9, 2015, 2015 (the "**DeeThree**

Record Date") shall be the DeeThree Shareholders entitled to receive notice of and to vote at the Meeting. However, where:

(a) the holder has transferred the ownership of any of his DeeThree Shares after the DeeThree Record Date, and

(b) the transferee of those DeeThree Shares produces properly endorsed DeeThree Share certificates, or otherwise establishes that he owns the DeeThree Shares, and demands not later than 10 days before the day of the Meeting that his name be included in the list of persons entitled to vote at the Meeting,

the transferee will also be entitled to vote his DeeThree Shares at the Meeting.

10. The DeeThree Record Date for the DeeThree Shareholders entitled to receive notice of and to vote at the DeeThree Meeting will not change in respect of or as a consequence of any adjournment or postponement of the DeeThree Meeting.

Conduct of Meeting

11. The Chairman of the Meeting shall be any officer or director of DeeThree.

12. The only persons entitled to attend and speak at the Meeting shall be the DeeThree Shareholders or their authorized representatives and their legal counsel, DeeThree's directors, officers, auditors and legal counsel, and such others that the Chairman of the Meeting so permits. The accidental omission to give notice of the Meeting to or the non-receipt of the notice by one or more of the aforesaid persons shall not invalidate any resolution passed or proceeding taken at the Meeting.

13. The DeeThree Shareholders may vote either by way of votes cast in person at the Meeting or by proxy. To be valid, a proxy must be deposited in the manner described in the Information Circular.

14. The requisite approval of the Arrangement Resolution will be at least 66⅔% of the votes cast on the Arrangement Resolution by the DeeThree Shareholders present in person or by proxy at the DeeThree Meeting voting as a single class, with each DeeThree Shareholder entitled to one vote for each DeeThree Share held by such holder (the "**DeeThree Shareholder Approval**").

15. Notwithstanding the presence of a quorum, if DeeThree deems it advisable, it may adjourn or postpone the Meeting on one or more occasions, without the necessity of first convening the Meeting or first obtaining any vote of DeeThree Shareholders respecting the adjournment or postponement or obtaining further Order from this Court. Notice of any such adjournment or postponement shall be given by press release, newspaper advertisement or by mail, as determined by DeeThree.

Notice

16. The Information Circular, substantially in the form attached as Exhibit "A" to the Hannon Affidavit with amendments thereto as counsel to DeeThree may determine necessary or desirable (provided such amendments are not inconsistent with the terms of this Order), shall be delivered to the intermediaries at least 3 business days prior to the date that is 21 days prior to the date of the Meeting and mailed by prepaid ordinary mail, or at the option of DeeThree, electronically through email to those DeeThree Shareholders who have consented to the electronic delivery of materials prepared for meetings of DeeThree Shareholders, on or before the date that is 21 days prior to the date of the Meeting to DeeThree Shareholders and the DeeThree Optionholders at the address for such holders recorded in the records of DeeThree at the close of business on the DeeThree Record Date and to the directors and auditors of DeeThree.

17. Delivery of the Information Circular in the manner directed by this Order shall be deemed to be good and sufficient service upon the DeeThree Shareholders of:

(a) this Order;

(b) the Notice of Annual General and Special Meeting of Shareholders (the "**DeeThree Notice of Meeting**"); and

(c) the Notice of Originating Application;

all in substantially the form set forth in the Information Circular, together with instruments of proxy, letters of transmittal and such other material as DeeThree may consider fit.

18. DeeThree may make such additions, amendments or revisions to the Information Circular and/or the DeeThree Notice of Meeting as it determines to be appropriate (the "**Amended Materials**"), which shall be distributed to the persons entitled to receive the Information Circular pursuant to this Order by the method and in the time determined by DeeThree to be most practicable in the circumstances. Without limiting the generality of the foregoing, if any material change or material fact arises between the date hereof and the date of the Meeting, and if such change or fact had been made known prior to mailing of the Information Circular such information would have been included in the Information Circular, then DeeThree shall advise the DeeThree Shareholders of such material change or material fact by disseminating a news release through a widely-circulated news service (a "**News Release**") and, provided the News Release describes the applicable material change or material fact in reasonable detail, then, other than dissemination of the News Release as aforesaid, DeeThree shall not be required to deliver an amendment to the Information Circular to the DeeThree Shareholders or otherwise give notice to the DeeThree Shareholders of the applicable material change or material fact.

19. DeeThree may amend, modify and/or supplement the Arrangement Agreement, including the Plan of Arrangement, at any time and from time to time (before or after the Meeting and before the Effective Time) in accordance with the Arrangement and the Arrangement Agreement, provided, however, that no such amendment may reduce or materially affect the number of New DeeThree Common Shares and Boulder Common Shares to be received by the DeeThree

Shareholders under the Arrangement without their approval at the DeeThree Meeting or, following the DeeThree Meeting, without their approval given in the same manner as required by applicable Laws for the approval of the Arrangement as may be required by the Court.

Dissent

20. The DeeThree Shareholders on the DeeThree Record Date are accorded the right of dissent with respect to the Arrangement Resolution in accordance with the provisions of Section 191 of the ABCA, provided that:

(a) a written objection to the Arrangement Resolution from a Dissenting DeeThree Shareholder be received by Davis LLP, 1000, 250 – 2nd Street S.W., Calgary, Alberta, T2P 0C1, Attention Daniel Kenney on or before 9:00 a.m. (MST) May 12, 2015, or the day that is two (2) Business Days immediately preceding the date of any adjournment or postponement of the DeeThree Meeting;

(b) a Dissenting DeeThree Shareholder shall not have voted any of its DeeThree Shares at the Meeting, either in person or by proxy, in favour of the Arrangement Resolution;

(c) a Dissenting DeeThree Shareholder may dissent only with respect to all of the DeeThree Shares held by it; and

(d) a Dissenting DeeThree Shareholder exercising its right of dissent otherwise complies with the requirements of Section 191 of the ABCA.

21. The fair value of a Dissenting DeeThree Shareholder's DeeThree Shares shall be determined as of the close of business on the last Business Day before the day on which the Arrangement is approved by the DeeThree Shareholders and shall be paid to any validly Dissenting DeeThree Shareholder by DeeThree as contemplated by the Arrangement and this Order.

22. Any registered Dissenting DeeThree Shareholder:

(a) who has duly exercised Dissent Rights, as set out in paragraph 19, which remain valid immediately prior to the Effective Time, shall be deemed to have transferred their DeeThree Shares as of the Effective Time, without any further act or formality on its part, free and clear of all liens, claims and encumbrances, to DeeThree and DeeThree shall thereupon be obliged to pay the amount therefor determined and payable in accordance with Article 3 of the Plan of Arrangement, and the name of such holder shall be removed from the central securities register of DeeThree as a holder of DeeThree Shares and DeeThree shall be recorded as the registered holder of the DeeThree Shares so transferred and shall be deemed to be the legal owner of such DeeThree Shares; or

(b) who is ultimately not entitled, for any reason, to be paid the fair value of the Dissenting DeeThree Shareholder's DeeThree Shares, shall be treated as if the holder had participated in the Arrangement on the same basis as a DeeThree Shareholder who has not exercised Dissent Rights, as at and from the time specified in Article 3 of the Plan of Arrangement, and be entitled to receive only the consideration set forth in Article 3of the Plan of Arrangement;

but in no event shall DeeThree or any other person, be required to recognize such Dissenting DeeThree Shareholder as a holder of DeeThree Shares at or after the Effective Time, and each Dissenting DeeThree Shareholder will cease to be entitled to the rights of a DeeThree Shareholder in respect of the DeeThree Shares in relation to which such Dissenting DeeThree Shareholder has exercised Dissent Rights and the central securities register of DeeThree will be amended to reflect that such former holder is no longer the holder of such DeeThree Shares as and from the completion of the steps set out in Article 3 of the Plan of Arrangement.

Final Application

23. Subject to further Order of this Court and provided that the DeeThree Shareholders have approved the Arrangement as set out herein and the DeeThree Board have not exercised their right to not proceed with the Arrangement and revoked the Arrangement Resolution in accordance with such resolution, and subject to the conditions set out in the Arrangement Agreement being met or waived, DeeThree may proceed with an application for approval of the Arrangement and the Final Order on May 15, 2015 at 2:00 p.m. (MST) or so soon thereafter as counsel may be heard at the Calgary Courts Centre, 601 - 5th Street S.W., Calgary, Alberta. Subject to the Final Order, DeeThree, Boulder, the DeeThree Shareholders and all other persons will be bound by the Arrangement in accordance with its terms.

24. Any DeeThree Shareholder or any other interested party, including the DeeThree Optionholders (collectively, an "**Interested Party**") desiring to appear and make submissions at the application for the Final Order is required to file with this Court and serve, upon DeeThree, at or before 12:00 noon (Calgary time) on May 12, 2015, a Notice of Intention to Appear including the Interested Party's address for service, indicating whether such Interested Party intends to support or oppose the application or make submissions at the application, together with a summary of the position such Interested Party intends to advocate before this Honourable Court and any evidence or materials which the Interested Party intends to present to the Court. Service of this notice shall be effected by service as follows:

Davis LLP
Barristers & Solicitors
1000, 250 - 2nd St. S.W.
Calgary, Alberta, T2P 0C1
Attention: Daniel Kenney

25. In the event that the application for the Final Order is adjourned, only those parties appearing before this Court for the application for the Final Order, and those Interested Parties

serving a Notice of Intention to Appear in accordance with paragraph 23 of this Order, shall have notice of the adjourned date.

Leave to Vary Interim Order

26. The Applicant is 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.

27. To the extent of any inconsistency or discrepancy with respect to the matters determined in the Order, between this Order and the terms of any instrument creating or governing or collateral to the DeeThree Shares or to which the DeeThree Shares are collateral, or to the articles and/or by-laws or other constating documents of DeeThree, this Order shall govern.

J.C.Q.B.A.

APPENDIX "M"
Originating Application

COURT FILE NUMBER: 1501 - 03900

COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
APPLICANT	**DEETHREE EXPLORATION LTD.**

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

AND IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING DEETHREE EXPLORATION LTD. and BOULDER ENERGY LTD.

DOCUMENT **ORIGINATING APPLICATION**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

DAVIS LLP
Barristers & Solicitors
1000, 250 - 2ND ST. SW.
CALGARY, AB T2P 0C1

ATTN: TIMOTHY P. CHICK
TEL: (403) 298-8710
FAX: (403) 213-4463
Email: tchick@davis.ca
FILE NO.: 76791-00031

This application will be heard as shown below:

Date:	**MAY 15, 2015**
Time:	2:00 p.m.
Where:	Court of Queen's Bench of Alberta, 601 - 5th Street SW, Calgary, AB
Before:	The Honourable Madame Justice K. Horner

Basis for this Claim:

1. The Applicant, DeeThree Exploration Ltd. ("**DeeThree**"), is a corporation amalgamated under the *Business Corporations Act*, R.S.A. 2000, c.B-9 (the "**ABCA**"). DeeThree's head office is located at 2250, 520-3rd Avenue S.W., Calgary, Alberta, T2P 0R3, and its registered and records office is located at 1000, 250 - 2nd Street S.W., Calgary, Alberta, T2P 0C1.

2. The common shares of DeeThree ("**DeeThree Shares**") are listed on the Toronto Stock Exchange under the trading symbol "DTX" and on the United States OTCQX under the symbol "DTHRF".

3. Boulder Energy Ltd. ("**Boulder**") is a corporation incorporated under the laws of the Province of Alberta. Boulder is currently a wholly owned subsidiary of DeeThree that does not carry on any active business, but after the Arrangement has been approved its shares are expected to be listed for trading on the Toronto Stock Exchange.

4. The authorized share capital and the issued and outstanding shares of DeeThree, as well as the issued and outstanding options in respect of DeeThree Shares, are as set out in paragraphs 12 and 13 of the affidavit of Gail Hannon dated April 9, 2015 (the "**Hannon Affidavit**").

5. DeeThree seeks the approval of this Honourable Court, pursuant to Section 193 of the ABCA, of a proposed arrangement (the "**Arrangement**") involving DeeThree, Boulder and the holders of DeeThree Shares (the "**Plan of Arrangement**" and the "**DeeThree Shareholders**").

6. Where used hereinafter in this Originating Application, defined terms have the same meaning as used in the management information circular to be dated April 9, 2015 (the "**Information Circular**"), which is attached as Exhibit "A" to the Hannon Affidavit.

7. The actions and steps to be taken pursuant to the Plan of Arrangement are set out at paragraph 25 of the Hannon Affidavit.

8. The Hannon Affidavit also sets out:

   (a) the advantages of the Plan of Arrangement to DeeThree and to the DeeThree Shareholders;

   (b) the reasons for this Honourable Court to approve the Plan of Arrangement; and

   (c) the effect of the completion of the implementation of the Plan of Arrangement.

9. The DeeThree Board as a whole has unanimously determined that the Arrangement is fair and reasonable to the DeeThree Shareholders.

10. An independent fairness opinion has been obtained by the DeeThree Board which also confirms that the Arrangement is fair and reasonable to the DeeThree Shareholders.

11. The DeeThree Shareholders will be granted a right of dissent, as well as a right to appear in this proceeding.

12. No creditor of DeeThree will be adversely affected by the Arrangement.

13. It is not practicable for DeeThree to effect the same result, by way of amalgamation or otherwise under any provision of the ABCA other than under Section 193, without substantial difficulties or expense.

Remedy Sought:

14. DeeThree seeks the following relief:

(a) an Interim Order and directions as to the calling and holding of the DeeThree Meeting, the return of this Originating Application, the conduct of the DeeThree Meeting, the rights of dissent of the DeeThree Shareholders, the majority required to pass the Arrangement Resolution approving the Arrangement, and similar matters as seem just and reasonable in the circumstances;

(b) an Order unconditionally approving the Plan of Arrangement proposed by DeeThree in accordance with Section 193 of the ABCA and pursuant to the terms and conditions of the Arrangement Agreement;

(c) a declaration that the terms and conditions of the Plan of Arrangement, and the procedures relating thereto, are fair and reasonable to the persons affected, both from a substantive and procedural point of view, and that the Order obtained will serve as a basis of a claim to an exemption, pursuant to section 3(a)(10) of the United States Securities Act of 1933, as amended, from the registration requirements otherwise imposed by that act as it regards the distribution of the New DeeThree Common Shares, the DeeThree Special Shares and the Boulder Common Shares pursuant to the Plan of Arrangement;

(d) a declaration that the Plan of Arrangement will, upon the filing of the Articles of Arrangement, be effective under the ABCA in accordance with its terms and will be binding on each of DeeThree, Boulder, the DeeThree Shareholders and all other affected persons on and after the Effective Time; and

(e) such other and further orders and directions as this Honourable Court may deem just and required.

Evidence to be Used in Support of This Application:

15. The Hannon Affidavit dated April 9, 2015;

16. Such other Affidavit(s) as DeeThree may file following the DeeThree Meeting; and

17. Such further materials as this Honourable Court may deem just and necessary.

Applicable Acts and Regulations:

18. Sections 191 and 193 of the ABCA; and

19. Alberta Rules of Court Rule 3.2(2)(d).

ANY QUESTIONS AND REQUESTS FOR ASSISTANCE MAY BE DIRECTED TO THE PROXY SOLICITATION AGENT:

D.F. KING

A CST*One* Company

North American Toll Free Phone:

1-800-398-2142

Banks, Brokers and collect calls: 1-201-806-7301

Toll Free Facsimile: 1-888-509-5907

Email: inquiries@dfking.com

If you have questions or require any assistance in executing your proxy or voting instruction form, please call D.F. King at 1-800-398-2142 toll free in North America or by email at inquiries@dfking.com