

**SETTLEMENT AGREEMENT**

MADE AS OF THE 10<sup>th</sup> DAY OF JULY, 2015

BETWEEN

WAYNE PHILPOTT

– and –

STONEHAVEN EXPLORATION LTD. (FORMERLY KNOWN AS DONNYBROOK  
ENERGY INC.)  
KICKING HORSE ENERGY INC. (FORMERLY KNOWN AS DONNYCREEK ENERGY  
INC.)  
MALCOLM TODD  
ROBERT TODD  
MURRAY SCALF  
DAVID PATTERSON  
RANDY KWASNICIA  
KEN STEPHENSON  
COLIN WATT

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## **SETTLEMENT AGREEMENT**

Subject to the approval of the Court as provided herein, the Parties hereby stipulate and agree that, in consideration of the promises and covenants set forth in this Agreement and upon the Approval Order approving the Settlement and directing the implementation of the terms and conditions of the Settlement as set forth in the Agreement becoming final, the Action will be settled and compromised on the terms and conditions contained herein.

### **SECTION 1 – RECITALS**

#### **WHEREAS:**

- A. The Plaintiff commenced the Action against the Defendants in connection with the Arrangement and the Private Placement;
- B. The Action has been certified by the Court as a class proceeding on behalf of a class of persons who held Donnybrook shares at the time of the Arrangement and received Donnycreek shares through the Arrangement, other than certain excluded persons. The Parties acknowledge that certification by the Court is not a decision on the merits of the class action;
- C. The Defendants have denied and continue to deny the Plaintiff's claims in the Action, and deny any wrongdoing or liability to the Class of any kind, and have raised numerous affirmative defences and would raise numerous other defences had the Action not been settled;
- D. Based upon an analysis of the facts and law applicable to the issues in this case, and taking into account the extensive burdens, complexity, risks and expense of continued litigation, the uncertainty of the Defendants' liability and potential limits thereto, the determination of damages to the Class, any potential appeals, and fair, cost-effective and assured resolution of the Class's claims, the Plaintiff, with the benefit of advice from Class Counsel, concluded that this Agreement is fair and reasonable, and in the best interests of the Class;
- E. The Defendants, with the benefit of advice from legal counsel for the Defendants, similarly have concluded that this Agreement is desirable in order to avoid the time, risk and expense, including the executive time and expense, of continuing with the litigation, including any potential appeals, and to resolve finally and completely the pending claims of the Class;
- F. The Plaintiff and the Defendants have engaged in hard-fought litigation and arm's-length negotiation;

G. The Parties intend to, agree, and hereby do finally resolve the Action and all claims that were or could have been asserted in it, subject to the approval of the Court, without any admission of liability or wrongdoing by the Defendants;

**NOW, THEREFORE, FOR VALUE RECEIVED**, the Parties stipulate and agree, subject to the approval of the Court, that any and all claims made or that could have been made in the Action shall be finally settled and resolved on the terms and conditions set forth in this Agreement.

## **SECTION 2 – DEFINITIONS**

In this Settlement Agreement, including the recitals hereto:

- (1) **Action** means *Philpott v Donnybrook Energy Inc., et al.*, brought in the Court of Queen's Bench of Alberta (Calgary Judicial Centre) and bearing Court File Number 1301-10050.
- (2) **Administration Expenses** means all fees, disbursements, expenses, costs, taxes and any other amounts incurred or payable relating to approval, implementation and administration of the Settlement, including the costs of publishing and delivering notices, the fees, disbursements and taxes paid to the Administrator, and any other expenses approved by the Court which shall all be paid from the Settlement Amount. For greater certainty, Administration Expenses include the Non-Refundable Expenses for the purposes of the Agreement but do not include Class Counsel Fees.
- (3) **Administrator** means the third-party firm selected at arm's-length by Class Counsel and appointed by the Court to administer this Agreement and the Plan of Allocation, and any employees of such firm.
- (4) **Agreement** means this settlement agreement, including the recitals and Schedules.
- (5) **Approval Application** means an application to be brought by the Plaintiff in the Court for the Approval Order.
- (6) **Approval Order** means the order made by the Court, which, among other things:
  - (i) approves the Settlement;
  - (ii) approves the Plan of Allocation; and
  - (iii) approves the form of, and authorizes the manner of publication and dissemination of, the Short Form Notice of Settlement Approval and the Long Form Notice of Settlement Approval,

substantially in the form attached as Schedule “B” or fixed by the Court.

- (7) **Arrangement** means the statutory plan of arrangement completed between Donnybrook, Donnycreek and the shareholders of Donnybrook on or around November 4, 2011.
- (8) **Authorized Claimant** means any Class Member who has submitted a properly completed Claim Form and all required supporting documentation to the Administrator on or before the Claims Bar Deadline and, pursuant to the terms of the Agreement, has been approved for compensation by the Administrator in accordance with the Plan of Allocation.
- (9) **Circular** means the management information circular dated October 3, 2011 issued by Donnybrook in connection with the Arrangement and the Private Placement.
- (10) **Claim Form** means the form to be approved by the Court which, when completed and submitted in a timely manner to the Administrator, constitutes a Class Member’s claim for compensation pursuant to the Settlement.
- (11) **Claims Bar Deadline** means the date by which each Class Member must file a Claim Form and all required supporting documentation with the Administrator, which date shall be ninety (90) days after the date on which the Short Form Notice of Settlement Approval or the Long Form Notice of Settlement Approval is first published.
- (12) **Class or Class Members** means all persons and entities, wherever they may reside or be domiciled, who held Donnybrook shares at the time of the Arrangement and received Donnycreek shares through the Arrangement, other than (i) the Excluded Persons, and (ii) any person who validly opted out of the Action in accordance with the Consent Certification Order of the Court filed on January 22, 2015.
- (13) **Class Counsel** means, collectively, Siskinds LLP and Jensen Shawa Solomon Duguid Hawkes LLP.
- (14) **Class Counsel Fees** means the fees, disbursements, costs, HST and other applicable taxes or charges of Class Counsel.
- (15) **Court** means the Court of Queen’s Bench of Alberta.
- (16) **Defendants** means, collectively, Stonehaven Exploration Ltd. (formerly known as Donnybrook Energy Inc.), Kicking Horse Energy Inc. (formerly known as Donnycreek Energy Inc.), Malcolm Todd, Robert Todd, Murray Scalf, David Patterson, Randy Kwasnicia, Ken Stephenson and Colin Watt.
- (17) **Donnybrook** means Stonehaven Exploration Ltd., formerly known as Donnybrook Energy Inc.

- (18) ***Donnycreek*** means Kicking Horse Energy Inc., formerly known as Donnycreek Energy Inc.
- (19) ***Effective Date*** means the date on which all of the following occur or have occurred:
- (a) the Defendants have paid the Settlement Amount into the Escrow Account; and
  - (b) the Approval Order becomes a Final Order.
- (20) ***Escrow Account*** means the interest bearing trust account with one of the Canadian Schedule 1 banks in Ontario initially under the control of Siskinds LLP and then transferred to the control of the Administrator within ten (10) days of the Effective Date.
- (21) ***Escrow Settlement Amount*** means the Settlement Amount plus any interest accruing thereon after payment of all Non-Refundable Expenses.
- (22) ***Excluded Persons*** means the Defendants, and the past and present subsidiaries, affiliates, officers, directors, senior employees, legal representatives, heirs, predecessors, successors and assigns of Donnybrook or Donnycreek, and any individual who is an immediate member of the family of an Individual Defendant, and any other persons who purchased Donnycreek shares in the Private Placement.
- (23) ***Final Order*** means any order contemplated by this Agreement from which no appeal lies or in respect of which any right of appeal has expired without the initiation of proceedings in respect of that appeal, such as the delivery of a notice of appeal.
- (24) ***Individual Defendants*** means, collectively, Malcolm Todd, Robert Todd, Murray Scalf, David Patterson, Randy Kwasnacia, Ken Stephenson and Colin Watt.
- (25) ***Long Form Notice of Settlement Approval*** means notice to the Class of the Approval Order, substantially in the form attached as Schedule “G” or fixed by the Court.
- (26) ***Non-Refundable Expenses*** means certain Administration Expenses stipulated in section 4.1(1) of the Agreement to be paid from the Settlement Amount.
- (27) ***Notice of Settlement Approval Hearing*** means notice to the Class of the Approval Application, substantially in the form attached as Schedule “E” or fixed by the Court.
- (28) ***Parties*** means the Plaintiff and the Defendants in the Action.
- (29) ***Plaintiff*** means Wayne Philpott.
- (30) ***Plan of Allocation*** means the distribution plan stipulating the proposed implementation and administration of the Settlement, which shall be substantially in the form attached as Schedule “C” or fixed by the Court.

(31) ***Plan of Notice*** means the plan for disseminating the Notice of Settlement Approval Hearing, the Short Form Notice of Settlement Approval and the Long Form Notice of Settlement Approval to the Class, which shall be substantially in the form attached as Schedule “D” or fixed by the Court.

(32) ***Pre-Approval Application*** means an application to be brought by the Plaintiff in the Court for the Pre-Approval Order.

(33) ***Pre-Approval Order*** means the order made by the Court, which, among other things:

- (i) appoints the Administrator;
  - (ii) sets the date for the hearing of the Approval Application in the Court; and
  - (iii) approves the form of, and authorizes the manner of publication and dissemination of, the Notice of Settlement Approval Hearing,
- substantially in the form attached as Schedule “A” or fixed by the Court.

(34) ***Private Placement*** means the private placement offering by Donnycreek of 6,486,477 shares for gross proceeds of approximately \$2.4 million, which closed concurrently with the completion of the Arrangement.

(35) ***Released Claims*** (or ***Released Claim*** in the singular) means any and all manner of claims, demands, actions, suits, causes of action, whether class, individual or otherwise in nature, whether personal or subrogated, in respect of damages whenever incurred, and liabilities of any nature whatsoever, including interest, costs, expenses, Administration Expenses, penalties, Class Counsel Fees and lawyers’ fees, known or unknown, suspected or unsuspected, in law, under statute or in equity, that the Releasers, or any of them, whether directly, indirectly, derivatively, or in any other capacity, ever had, now have, or hereafter can, shall, or may have as against the Releasees, relating in any way to the Action or to any allegations made or which could have been made in the Action, including, without limitation, representations made by the Releasees to the Class Members concerning the matters alleged by the Plaintiff in the Action.

(36) ***Releasees*** means the Defendants, their insurers, their respective past and present affiliates and subsidiaries, and all of their respective past and present directors, officers, trustees, partners, employees, servants, consultants, underwriters, advisors, lawyers, representatives, successors, assigns and their heirs, executors, administrators, successors and assigns, as the case may be.

(37) ***Releasers*** means, jointly and severally, the Plaintiff and the Class Members, including any person having a legal and/or beneficial interest in the Donnybrook shares held by the Class Members at the time of the Arrangement or the Donnycreek shares received by the Class, 2652936.4



Members through the Arrangement, and their respective past and present directors, officers, employees, agents, trustees, servants, consultants, underwriters, advisors, representatives, heirs, executors, attorneys, administrators, guardians, estate trustees, successors and assigns, as the case may be.

(38) ***Settlement*** means the settlement provided for in the Agreement.

(39) ***Settlement Amount*** means \$5,500,000.00 to be paid by the Defendants, inclusive of the Administration Expenses, Class Counsel Fees, and any other costs or expenses related to the Action or the Settlement.

(40) ***Short Form Notice of Settlement Approval*** means notice to the Class of the Approval Order, substantially in the form attached as Schedule “F” or fixed by the Court.

## **SECTION 3 – APPROVAL AND NOTICE PROCESS**

### **3.1 Pre-Approval Application and Notice**

(1) The Plaintiff will, as soon as is reasonably possible following the execution of this Agreement, bring the Pre-Approval Application. The Defendants will consent to the Pre-Approval Order.

(2) Upon the granting of the Pre-Approval Order, Class Counsel or the Administrator, as the case may be, shall cause the Notice of Settlement Approval Hearing to be published and disseminated in accordance with the Plan of Notice as approved by the Court, and the costs of so doing shall be paid as a Non-Refundable Expense as provided in section 4.1(1)(b).

### **3.2 Approval Application and Notice**

(1) The Plaintiff will thereafter bring the Approval Application before the Court in accordance with its directions. The Defendants will consent to the Approval Order.

(2) Upon the granting of the Approval Order, Class Counsel or the Administrator, as the case may be, shall cause the Short Form Notice of Settlement Approval and the Long Form Notice of Settlement Approval to be published and disseminated in accordance with the Plan of Notice as approved by the Court, and the costs of so doing shall be paid as a Non-Refundable Expense as provided in section 4.1(1)(c).

### **3.3 Notice of Termination**

If this Agreement is terminated after the Short Form Notice of Settlement Approval and the Long Form Notice of Settlement Approval has been published and disseminated, a notice of the termination will be given to the Class. Class Counsel or the Administrator, as the case may

be, will cause the notice of termination, in a form approved by the Court, to be published and disseminated as the Court directs and the costs of so doing shall be paid as a Non-Refundable Expense as provided in section 4.1(1)(d).

### **3.4 Report to the Court**

After publication and dissemination of each of the notices required by this section, Class Counsel or the Administrator, as the case may be, shall file with the Court an affidavit confirming publication and dissemination.

## **SECTION 4 – NON-REFUNDABLE EXPENSES**

### **4.1 Payments**

(1) Expenses reasonably incurred for the following purposes, as approved by the Court, shall be Non-Refundable Expenses, and shall be payable from the Settlement Amount, as and when incurred:

- (a) the costs incurred in connection with establishing and operating the Escrow Account;
- (b) the costs incurred in publishing and distributing the Notice of Settlement Approval Hearing, including the associated professional fees and mailing expenses as may be applicable;
- (c) the costs incurred in publishing and distributing the Short Form Notice of Settlement Approval and the Long Form Notice of Settlement Approval, including the associated professional fees and mailing expenses as may be applicable;
- (d) if necessary, the costs incurred in publishing notice to the Class that the Agreement has been terminated, including the associated professional fees; and
- (e) if the Court appoints the Administrator and thereafter the Agreement is terminated, the costs reasonably incurred by the Administrator for performing the services required to prepare to implement the Settlement, including any mailing expenses, to a maximum of \$40,000, whether or not a claim has been filed or reviewed, as approved by the Court.

(2) In the event that this Agreement is terminated, Class Counsel shall account to the Court and the Parties for all payments it makes from the Escrow Account by no later than ten (10) days after such termination.

#### **4.2 Disputes Concerning Non-Refundable Expenses**

Any dispute concerning the entitlement to or quantum of Non-Refundable Expenses shall be dealt with by an application to the Court on notice to the Parties.

### **SECTION 5 – THE SETTLEMENT BENEFITS**

#### **5.1 Payment of Settlement Amount**

The Defendants shall cause the Settlement Amount to be paid into the Escrow Account no later than 30 days after execution of this Agreement.

#### **5.2 Escrow Account**

Siskinds LLP, and then the Administrator after the Settlement becomes final, shall hold the Escrow Settlement Amount in the Escrow Account and shall not pay out any amount from the Escrow Account, except in accordance with the terms of this Agreement, or pursuant to an order of the Court made on notice to the Parties.

#### **5.3 Taxes on Interest**

(1) Except as provided in section 5.3(2), all taxes payable on any interest which accrues in relation to the Settlement Amount, shall be the responsibility of the Class and shall be paid by Siskinds LLP or the Administrator, as appropriate, from the Escrow Settlement Amount, or by the Class as the Administrator considers appropriate.

(2) If the Administrator or Siskinds LLP returns any portion of the Settlement Amount plus accrued interest to the Defendants pursuant to the provisions of this Agreement, the taxes payable on the interest portion of the returned amount shall be the responsibility of the Defendants.

### **SECTION 6 – NO REVERSION**

Unless this Agreement is terminated as provided herein, the Defendants shall not, under any circumstances, be entitled to the repayment of any portion of the Settlement Amount and then only to the extent of and in accordance with the terms provided herein.

### **SECTION 7 – DISTRIBUTION OF THE SETTLEMENT AMOUNT**

On or after the Effective Date, the Administrator shall distribute the remainder of the Settlement Amount in accordance with the following priorities:

- (a) to pay Class Counsel Fees as approved by the Court;

- (b) to pay all of the costs and expenses reasonably and actually incurred in connection with the provision of notices, locating Class Members for the sole purpose of providing notice to them, soliciting Class Members to submit a Claim Form, including the notice expenses reasonably and actually incurred by the Administrator and brokerage firms in connection with the provision of notice of this Settlement to Class Members (provided, however, that the Administrator shall not pay in excess of ten thousand Canadian dollars (\$10,000.00) in the aggregate to all brokerage firms and, if the aggregate amount claimed by such brokerage firms exceeds ten thousand Canadian dollars (\$10,000.00), then the Administrator shall distribute the sum of ten thousand Canadian dollars (\$10,000.00) to such brokerage firms on a *pro rata* basis). The Defendants are specifically excluded from eligibility for any payment of notice expenses under this subsection;
- (c) to pay all of the Administration Expenses. For greater certainty, the Defendants are specifically excluded from eligibility for any payment of costs and expenses under this subsection;
- (d) to pay to the Plaintiff any honorarium approved by the Court;
- (e) to pay any taxes required by law to be paid to any governmental authority;
- (f) to pay a *pro rata* share of the balance of the Escrow Settlement Amount to each Authorized Claimant in accordance with the Plan of Allocation; and
- (g) if necessary, to make any *cy prè*s distribution as contemplated herein.

## **SECTION 8 – EFFECT OF SETTLEMENT**

### **8.1 No Admission of Liability**

Neither this Agreement nor anything contained herein shall be interpreted as an admission of wrongdoing or liability by the Releasees, or as an admission by the Releasees of the validity of any claim or allegation asserted in the Action. Neither the Agreement nor anything contained herein shall be used or construed as an admission by the Releasees of any fault, omission, liability or wrongdoing in connection with any statement, release or written document or financial report, and in fact the Defendants continue to vigorously dispute, deny and contest the allegations made in the Action.

## **8.2 Agreement Not Evidence**

(1) Neither this Agreement, nor anything contained herein, nor any of the negotiations or proceedings connected with it, nor any related document, nor any other action taken to carry out the Agreement shall be referred to, offered as evidence or received in evidence in any pending or future civil, criminal, quasi-criminal, administrative or disciplinary action or proceeding.

(2) Notwithstanding section 8.2(1), this Agreement may be referred to or offered as evidence in order to obtain the orders or directions from the Court contemplated by this Agreement, in a proceeding to approve or enforce this Agreement, or to defend against the assertion of Released Claims, or as otherwise required by law.

## **8.3 Best Efforts**

The Parties shall use their best efforts to implement the terms of this Agreement. The Parties agree to hold in abeyance all steps in the Action, including all discovery, other than proceedings provided for in this Agreement, the Pre-Approval Application, the Approval Application and such other proceedings required to implement the terms of this Agreement, until the date the Settlement becomes final or the termination of the Agreement, whichever occurs last.

# **SECTION 9 – TERMINATION OF THE AGREEMENT**

## **9.1 General**

(1) This Agreement shall, without notice, be automatically terminated if:

- (a) an order substantially in the form of the Approval Order is not granted by the Court; or
- (b) the Approval Order is reversed on appeal and the reversal becomes a Final Order.

(2) The failure of the Court to approve in full the request by Class Counsel for Class Counsel Fees shall not be grounds to terminate this Agreement.

(3) In the event this Agreement is terminated in accordance with its terms:

- (a) the Plaintiff and the Defendants will be restored to their respective positions prior to the execution of this Agreement;
- (b) the Escrow Settlement Amount will be returned to the Defendants in accordance with section 9.2(2)(d) hereof;
- (c) this Agreement will have no further force and effect and no effect on the rights of the Plaintiff or the Defendants except as specifically provided for herein;

- (d) all statutes of limitation applicable to the claims asserted in the Action shall be deemed to have been tolled during the period beginning with the execution of this Agreement and ending with the day on which the orders contemplated by section 9.2(2)(c) are entered;
  - (e) any amounts paid for Non-Refundable Expenses pursuant to section 4.1(1) are non-recoverable from the Plaintiff, the Class Members, the Administrator or Class Counsel; and
  - (f) this Agreement will not be introduced into evidence or otherwise referred to in any litigation against the Defendants.
- (4) Notwithstanding the provisions of section 9.1(3)(c), if this Agreement is terminated, the provisions of this section and sections 2, 4, 5.2, 5.3, 8.1, 8.2, 9.1(3), 9.2 and 15.4 and the recitals applicable thereto shall survive termination and shall continue in full force and effect.

**9.2 Allocation of Monies in the Escrow Account Following Termination**

- (1) The Administrator and Class Counsel shall account to the Court and the Parties for the amounts maintained in the Escrow Account. If this Agreement is terminated, this accounting shall be delivered no later than ten (10) days after such termination.
- (2) If this Agreement is terminated, the Defendants shall, within thirty (30) days after termination, apply to the Court, on notice to the Plaintiff and the Administrator, for an order:
- (a) declaring this Agreement null and void and of no force or effect except for the provisions of those sections listed in section 9.1(4);
  - (b) determining whether a notice of termination shall be sent out to the Class Members and, if so, the form and method of disseminating such a notice;
  - (c) requesting an order setting aside, *nunc pro tunc*, all prior orders or judgments entered by the Court in accordance with the terms of this Agreement; and
  - (d) authorizing the payment of all funds in the Escrow Account, including accrued interest, to the Defendants and apportioned *pro rata*, based on their respective contributions, directly or indirectly, to the Escrow Account, as the case may be, minus any amounts paid out of the Escrow Account in accordance with this Agreement.
- (3) Subject to section 9.3, the Parties shall consent to the orders sought in any application made by the Defendants pursuant to section 9.2.

### **9.3 Disputes Relating to Termination**

If there is any dispute about the termination of this Agreement, the Court shall determine any dispute by application on notice to the Parties.

## **SECTION 10 – DETERMINATION THAT THE SETTLEMENT IS FINAL**

- (1) The Settlement shall be considered final on the Effective Date.
- (2) Within ten (10) days after the Effective Date, Siskinds LLP shall transfer the Escrow Settlement Amount to the Administrator, net of the Class Counsel Fees approved by the Court.

## **SECTION 11 – RELEASES AND JURISDICTION OF THE COURT**

### **11.1 Release of Releasees**

As of the Effective Date, the Releasors forever and absolutely release the Releasees from the Released Claims.

### **11.2 Mutual Release Between Releasees**

As of the Effective Date, each of the Releasees, except the insurers and their insureds, forever and absolutely remise, release, waive and forever discharge the other Releasees, their successors and assigns of and from all claims, demands, actions, costs, and debts whatsoever in law or in equity arising from or relating to the Released Claims, save and except for any entitlements to indemnification. For greater clarity, nothing herein shall be taken as, or shall constitute, a release by any insured of rights he or she or it may have under any applicable policies of insurance.

### **11.3 No Further Claims**

As of the Effective Date, the Releasors shall not now or hereafter institute, continue, maintain or assert, either directly or indirectly, whether in Canada or elsewhere, on their own behalf or on behalf of any class or any other person, any action, suit, cause of action, claim or demand against any Releasee or any other person who may claim contribution or indemnity from any Releasee in respect of any Released Claim or any matter related thereto.

### **11.4 Dismissal of the Action**

Except as otherwise provided in this Agreement and the Approval Order, the Action shall be dismissed without costs and with prejudice no earlier than the Effective Date.

### **11.5 No Claims in Interim**

As of the date of this Agreement, Class Counsel do not represent the plaintiff in any other proceeding related to any matter at issue in the Action.

## **SECTION 12 – ADMINISTRATION**

### **12.1 Appointment of the Administrator**

(1) The Court will appoint the Administrator to serve until such time as the Escrow Settlement Amount is distributed in accordance with the Plan of Allocation, to implement the Agreement and the Plan of Allocation, on the terms and conditions and with the powers, rights, duties and responsibilities set out in this Agreement and in the Plan of Allocation.

(2) If the Agreement is terminated, the Administrator's fees, disbursements and taxes will be fixed as set out in section 4.1.

(3) If the approval of the Settlement becomes final as contemplated by section 10, the Court will fix the Administrator's compensation and payment schedule.

### **12.2 Information and Assistance from the Defendants**

(1) The Plaintiff acknowledges that he received a Computershare Trust list of all Donnybrook stakeholders as of November 1, 2011 from the Defendants on February 5, 2015 (the "**Shareholder List**") and he is entitled to use this Shareholder List to contact the Class Members when administering this Settlement. To the extent necessary, Donnybrook, and if it is unable to assist, Donnycreek, will assist Class Counsel or the Administrator as may reasonably be required in obtaining any further information required about Class Members who held beneficial interests in Donnybrook or Donnycreek shares at the time of the Arrangement.

(2) Donnybrook, and if it is unable to assist, Donnycreek, will identify an individual employee or agent whom Class Counsel and/or the Administrator may address any requests for information for the purpose of implementing this Agreement. Donnybrook, and if it is unable to assist, Donnycreek, agrees to make reasonable efforts to answer any reasonable inquiry from Class Counsel and/or the Administrator in order to facilitate the administration and implementation of this Agreement, the Plan of Notice and the Plan of Allocation.

(3) Class Counsel and/or the Administrator may use the Shareholder List and other information obtained in accordance with sections 12.2(1) and 12.2(2) for the purpose of delivering the Notice of Settlement Approval Hearing, the Short Form Notice of Settlement



Approval and the Long Form Notice of Settlement Approval and for the purposes of administering and implementing this Agreement, the Plan of Notice and the Plan of Allocation.

(4) Any information obtained or created in the administration of this Agreement is confidential and, except as required by law, shall be used and disclosed only for the purpose of distributing notices and the administration of this Agreement and the Plan of Allocation.

### **12.3 Claims Process**

(1) In order to seek payment from the Settlement Amount, a Class Member must submit a completed Claim Form to the Administrator, in accordance with the provisions of the Plan of Allocation, on or before the Claims Bar Deadline. Class Members shall be bound by the terms of the Settlement regardless of whether they submit a completed Claim Form or receive payment from the Settlement Amount.

(2) In order to remedy any deficiency in the completion of a Claim Form, the Administrator may require and request that additional information be submitted by a Class Member who submits a Claim Form. Such Class Members shall have until the later of thirty (30) days from the date of the request from the Administrator or the Claims Bar Deadline to rectify the deficiency. Any person who does not respond to such a request for information within this period shall be forever barred from receiving any payments pursuant to the Settlement, subject to any order of the Court to the contrary, but will in all other respects be subject to, and bound by, the provisions of this Agreement and the releases contained herein.

(3) By agreement between the Administrator and Class Counsel, the Claims Bar Deadline may be extended. Class Counsel and the Administrator shall agree to extend the Claims Bar Deadline if, in their opinions, doing so will not adversely affect the efficient administration of the Settlement and it is in the best interests of the Class to do so.

### **12.4 Disputes Concerning the Decisions of the Administrator**

(1) In the event that a Class Member disputes the Administrator's decision, whether in whole or in part, the Class Member may appeal the decision to the Court in accordance with the provisions in the Plan of Allocation. The decision of the Court will be final with no right of appeal.

(2) No action, claim or proceeding of any kind shall lie against Class Counsel or the Administrator for any decision made in the administration of the Agreement and Plan of Allocation without an order from the Court authorizing such an action, claim or proceeding.

## **12.5 Conclusion of the Administration**

- (1) Following the Claims Bar Deadline, and in accordance with the terms of this Agreement, the Plan of Allocation, and such further approval or order of the Court as may be necessary, or as circumstances may require, the Administrator shall distribute the Escrow Settlement Amount to Authorized Claimants.
- (2) No claims or appeals shall lie against Class Counsel or the Administrator based on distributions made substantially in accordance with the Agreement, the Plan of Allocation, or with any other order or judgment of the Court.
- (3) If the Escrow Settlement Account is in a positive balance (whether by reason of tax refunds, un-cashed cheques or otherwise) after one hundred and eighty (180) days from the date of distribution of the Escrow Settlement Amount to the Authorized Claimants, the Administrator shall, if feasible, allocate such balance among Authorized Claimants in an equitable and economic fashion. Any balance below \$25,000.00 which still remains thereafter shall be donated to the Alberta Law Foundation.
- (4) Upon the conclusion of the administration, or at such other time as the Court directs, the Administrator shall report to the Court on the administration and shall account for all monies it has received, administered and disbursed and obtain an order from the Court discharging it as Administrator.

## **SECTION 13 – THE PLAN OF ALLOCATION**

- (1) The Defendants shall have no obligation to consent to, but shall not oppose, the Court's approval of the Plan of Allocation.
- (2) Unless directed to do so by the Court, the Defendants will not make any submissions to the Court relating to the Plan of Allocation.
- (3) Sections 13(1) and (2) are not an acknowledgement by the Class or Class Counsel that the Defendants have standing to make any submissions to the Court about the Plan of Allocation.

## **SECTION 14 – THE FEE AGREEMENT AND CLASS COUNSEL FEES**

### **14.1 Application for Approval of Class Counsel Fees**

- (1) At the hearing of the Approval Application by the Court, Class Counsel may seek the approval of Class Counsel Fees to be paid as a first charge on the Settlement Amount. Class Counsel are not precluded from making additional applications to the Court for expenses.

incurred as a result of implementing the terms of the Agreement. All amounts awarded on account of Class Counsel Fees shall be paid from the Settlement Amount.

(2) The Defendants acknowledge that they are not parties to the application concerning the approval of Class Counsel Fees, they will have no involvement in the approval process to determine the amount of Class Counsel Fees and they will not take any position or make any submissions to the Court concerning Class Counsel Fees.

(3) The procedure for, and the allowance or disallowance by the Court of, any requests for Class Counsel Fees to be paid out of the Settlement Amount are not part of the Settlement provided for herein, except as expressly provided in section 7(a), and are to be considered by the Court separately from its consideration of the fairness, reasonableness and adequacy of the Settlement provided for herein.

(4) Any order or proceeding relating to Class Counsel Fees, or any appeal from any order relating thereto or reversal or modification thereof, shall not operate to terminate or cancel this Agreement or affect or delay the finality of the Approval Order and the Settlement of the Action provided herein.

#### **14.2 Payment of Class Counsel Fees**

In accordance with section 10(2), after the Effective Date, Siskinds LLP shall be entitled to deduct the Class Counsel Fees approved by the Court from the Escrow Settlement Amount prior to transferring the balance of the Escrow Settlement Amount to the Administrator.

### **SECTION 15 – MISCELLANEOUS**

#### **15.1 Applications for Directions**

(1) Any one or more of the Parties, Class Counsel or the Administrator may apply to the Court for directions in respect of any matter in relation to this Agreement and the Plan of Allocation.

(2) All applications contemplated by this Agreement shall be on notice to the Parties.

#### **15.2 Defendants Have No Responsibility or Liability for Administration**

Except for the obligation to pay the Settlement Amount and provide the information and assistance contemplated by sections 12.2(1) and 12.2(2), the Defendants shall have no responsibility for and no liability whatsoever with respect to the administration or implementation of this Agreement and the Plan of Allocation, including, without limitation, the processing and payment of claims by the Administrator.

### **15.3 Headings, etc.**

- (1) In this Agreement:
  - (a) the division of this Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement;
  - (b) the terms “the Agreement”, “this Agreement”, “herein”, “hereto” and similar expressions refer to this Agreement and not to any particular section or other portion of the Agreement;
  - (c) all dollar amounts referred to are in lawful money of Canada; and
  - (d) “person” means any legal entity, including, but not limited to, individuals, corporations, sole proprietorships, general or limited partnerships, limited liability partnerships or limited liability companies.
- (2) In the computation of time in this Agreement, except where a contrary intention appears:
  - (a) where there is a reference to a number of days between two events, they shall be counted by excluding the day on which the first event happens and including the day on which the second event happens, including all calendar days; and
  - (b) only in the case where the time for doing an act expires on a holiday, the act may be done on the next day that is not a holiday.

### **15.4 Governing Law**

- (1) The Agreement shall be governed by and construed and interpreted in accordance with the laws of the Province of Alberta.
- (2) The Parties agree that the Court shall retain exclusive and continuing jurisdiction over the Action, the Parties and Class Members to interpret and enforce the terms, conditions and obligations under this Agreement and the Approval Order.

### **15.5 Severability**

Any provision hereof that is held to be inoperative, unenforceable or invalid in any jurisdiction shall be severable from the remaining provisions which shall continue to be valid and enforceable to the fullest extent permitted by law.

### **15.6 Entire Agreement**

This Agreement constitutes the entire agreement among the Parties and supersedes all prior and contemporaneous understandings, undertakings, negotiations, representations, promises, agreements, agreements in principle and memoranda of understanding in connection,

herewith. None of the Parties will be bound by any prior obligations, conditions or representations with respect to the subject matter of this Agreement, unless expressly incorporated herein. This Agreement may not be modified or amended except in writing and on consent of all Parties and any such modification or amendment must be approved by the Court.

#### **15.7 Binding Effect**

(1) If the Settlement is approved by the Court and becomes final as contemplated in section 10, this Agreement shall be binding upon, and enure to the benefit of, the Plaintiff, the Class Members, the Defendants, the Releasees, the Releasors and all of their respective heirs, executors, predecessors, successors and assigns. Without limiting the generality of the foregoing, each and every covenant and agreement made herein by the Plaintiff shall be binding upon all Releasors and each and every covenant and agreement made herein by the Defendants shall be binding upon all of the Releasees.

(2) Each of Donnybrook and Donnycreek represents and warrants that:

- (a) it has all requisite corporate power and authority to execute, deliver and perform this Agreement and to consummate the transaction contemplated hereby on its own behalf;
- (b) the execution, delivery and performance of this Agreement and the consummation of the Action contemplated herein have been duly authorized by all necessary corporate action on its part;
- (c) this Agreement has been duly and validly executed and delivered by it and constitutes its legal, valid and binding obligations;
- (d) it agrees to use its best efforts to cause all conditions precedent to the Effective Date to occur.

#### **15.8 Survival**

The representations and warranties contained in this Agreement shall survive its execution and implementation.

#### **15.9 Negotiated Agreement**

This Agreement and the underlying settlement have been the subject of arm's-length negotiations and many discussions among the Parties and their counsel. Each of the Parties has been represented and advised by competent counsel, so that any statute, case law, or rule of interpretation or construction that would or might cause any provision to be construed against the drafters of this Agreement shall have no force and effect. The Parties further agree that the

language contained in or not contained in previous drafts of the Agreement, or any agreement in principle, shall have no bearing upon the proper interpretation of this Agreement.

#### **15.10 Recitals**

The recitals to this Agreement are material and integral parts hereof and are fully incorporated into, and form part of, this Agreement.

#### **15.11 Acknowledgements**

Each Party hereby affirms and acknowledges that:

- (a) the Party's signatory has the authority to bind the Party with respect to the matters set forth herein and has reviewed this Agreement; and
- (b) the terms of this Agreement and the effects thereof have been fully explained to the Party by his or its counsel.

#### **15.12 Authorized Signatures**

Each of the undersigned represents that he is fully authorized to enter into the terms and conditions of, and to execute, this Agreement on behalf of the Party for whom he is signing.

#### **15.13 Counterparts**

This Agreement may be executed in counterparts, all of which taken together will be deemed to constitute one and the same agreement, and a signature transmitted by facsimile or email shall be deemed an original signature for purposes of executing this Agreement.

#### **15.14 Confidentiality and Communications**

(1) In any public discussion of, comment on, press release, website posting or other communication of any kind (with the media or otherwise) about this Agreement and the Plan of Allocation, the Parties and their counsel agree and undertake to describe the Settlement and the terms of this Agreement as fair, reasonable and in the best interests of the Parties and the Class. Any press release, website posting or other formal written statement to the media or otherwise shall be agreed upon in advance between the Parties. Any verbal communications with the media on behalf of the Plaintiff, the Class or Class Counsel shall be referred to and dealt with by Carsten Jensen of Class Counsel, and in any such verbal communications between Mr. Jensen and the media, Mr. Jensen shall comply with section 15.14(3) and, with respect to any media inquiries regarding the allegations and claims in the Action, Mr. Jensen shall simply refer the media to a source where the Plaintiff's statement of claim can be found. The form and content of the press releases to be issued by the Defendants in announcing the Settlement are attached as

Schedule “H” to this Agreement. The language of the pages of the websites of Class Counsel relating to the Action shall be in accordance with Schedule “I” to this Agreement.

(2) Nothing in this section shall prevent the Parties or their counsel, or any of them, from reporting to their clients, from complying with any order of the Court, or from making any disclosure or comment required by this Agreement, or from making any necessary disclosure or comment for the purposes of any applicable securities or tax legislation or from making any disclosure or comment to Class Members or the Court or for the purposes of any proceedings as between the Defendants.

(3) Without limiting the generality of the foregoing, the Parties specifically agree that the Parties will not make any public statements, comment or any communication of any kind about any negotiations or information exchanged as part of the settlement process. In addition, to the extent that there is public discussion of, comment on or communication of any kind about this Agreement, the Parties and their counsel agree and undertake to make no statement or comment that the Agreement is other than fair, reasonable and in the best interests of all Parties, including the Class.

#### **15.15 Notice**

Any notice, instruction, application for Court approval or application for directions or Court orders sought in connection with this Agreement or any other report or document to be given by any Party to any other Party shall be in writing and delivered personally, by facsimile or email during normal business hours, or sent by registered or certified mail, or courier postage paid to:

For Wayne Philpott:

Darren J. Reed  
Jensen Shawa Solomon Duguid Hawkes LLP  
800, 304 - 8 Avenue SW  
Calgary, AB T2P 1C2  
Phone: 403-571-1516  
Fax: 403-571-1528  
Email: reedd@jssbarristers.ca

- and -

Douglas M. Worndl  
Siskinds LLP  
302 – 100 Lombard Street  
Toronto, ON M5C 1M3  
Phone: 416-594-4379  
Fax: 416-594-4380  
Email: doug.worndl@siskinds.com

For Donnybrook:

Anthony L. Friend Q.C.  
Bennett Jones LLP  
4500 Bankers Hall East  
855 2nd Street SW  
Calgary, AB T2P 4K7  
Phone: 403-298-3182  
Fax: 403-265-7219  
Email: frienda@bennettjones.com

For Donnycreek:

David Madsen Q.C.  
Borden Ladner Gervais LLP  
Centennial Place, East Tower  
1900, 520 - 3rd Avenue S.W.  
Calgary, AB T2P 0R3  
Phone: 403-232-9612  
Fax: 403-266-1395  
Email: dmadsen@blg.com

For the Individual Defendants:

Daniel J. McDonald Q.C.  
Burnet, Duckworth & Palmer LLP  
2400, 525 - 8th Avenue S.W.  
Calgary, AB T2P 1G1  
Phone: 403-260-5724  
Fax: 403-260-0332  
Email: djm@bdplaw.com



The Parties have executed the Agreement effective as of the date on the cover page.

**For the Plaintiff and the Class Members**

Per:

  
\_\_\_\_\_  
Carsten Jensen Q.C.  
Partner, Jensen Shawa Solomon Duguid Hawkes LLP

**For Stonehaven Exploration Ltd. (formerly known as Donnybrook Energy Inc.)**

Per:

\_\_\_\_\_  
Anthony L. Friend Q.C.  
Partner, Bennett Jones LLP

**For Kicking Horse Energy Inc. (formerly known as Donnycreek Energy Inc.)**

Per:

\_\_\_\_\_  
David Madsen Q.C.  
Partner, Borden Ladner Gervais LLP

**For Malcolm Todd, Robert Todd, Murray Scalf, David Patterson, Randy Kwasnicia, Ken Stephenson and Colin Watt**

Per:

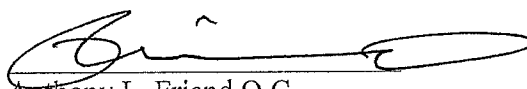
\_\_\_\_\_  
Daniel J. McDonald Q.C.  
Partner, Burnet, Duckworth & Palmer LLP

The Parties have executed the Agreement effective as of the date on the cover page.

**For the Plaintiff and the Class Members**

Per: \_\_\_\_\_  
Carsten Jensen Q.C.  
Partner, Jensen Shawa Solomon Duguid Hawkes LLP

**For Stonehaven Exploration Ltd. (formerly known as Donnybrook Energy Inc.)**

Per:   
Anthony L. Friend Q.C.  
Partner, Bennett Jones LLP

**For Kicking Horse Energy Inc. (formerly known as Donnycreek Energy Inc.)**

Per: \_\_\_\_\_  
David Madsen Q.C.  
Partner, Borden Ladner Gervais LLP

**For Malcolm Todd, Robert Todd, Murray Scalf, David Patterson, Randy Kwasnicia, Ken Stephenson and Colin Watt**

Per: \_\_\_\_\_  
Daniel J. McDonald Q.C.  
Partner, Burnet, Duckworth & Palmer LLP

The Parties have executed the Agreement effective as of the date on the cover page.

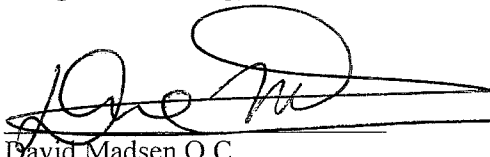
**For the Plaintiff and the Class Members**

Per: \_\_\_\_\_  
Carsten Jensen Q.C.  
Partner, Jensen Shawa Solomon Duguid Hawkes LLP

**For Stonehaven Exploration Ltd. (formerly known as Donnybrook Energy Inc.)**

Per: \_\_\_\_\_  
Anthony L. Friend Q.C.  
Partner, Bennett Jones LLP

**For Kicking Horse Energy Inc. (formerly known as Donnycreek Energy Inc.)**

Per:  \_\_\_\_\_  
David Madsen Q.C.  
Partner, Borden Ladner Gervais LLP

**For Malcolm Todd, Robert Todd, Murray Scalf, David Patterson, Randy Kwasnacia, Ken Stephenson and Colin Watt**

Per: \_\_\_\_\_  
Daniel J. McDonald Q.C.  
Partner, Burnet, Duckworth & Palmer LLP

The Parties have executed the Agreement effective as of the date on the cover page.

**For the Plaintiff and the Class Members**

Per:

\_\_\_\_\_  
Carsten Jensen Q.C.

Partner, Jensen Shawa Solomon Duguid Hawkes LLP

**For Stonehaven Exploration Ltd. (formerly known as Donnybrook Energy Inc.)**

Per:

\_\_\_\_\_  
Anthony L. Friend Q.C.

Partner, Bennett Jones LLP

**For Kicking Horse Energy Inc. (formerly known as Donnycreek Energy Inc.)**


Per:

\_\_\_\_\_  
David Madsen Q.C.

Partner, Borden Ladner Gervais LLP

**For Malcolm Todd, Robert Todd, Murray Scalf, David Patterson, Randy Kwasnacia, Ken Stephenson and Colin Watt**

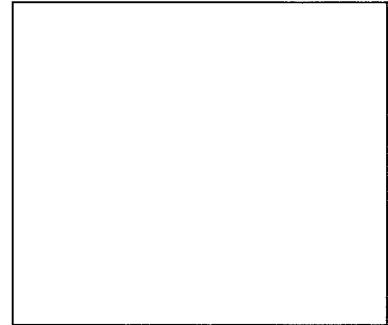
Per:

  
\_\_\_\_\_  
Daniel J. McDonald Q.C.

Partner, Burnet, Duckworth & Palmer LLP

SCHEDULE "A"

Clerk's Stamp



COURT FILE NUMBER 1301-10050

COURT OF QUEEN'S BENCH OF ALBERTA  
JUDICIAL CENTRE CALGARY

PLAINTIFF WAYNE PHILPOTT

DEFENDANTS STONEHAVEN EXPLORATION LTD. (FORMERLY  
KNOWN AS DONNYBROOK ENERGY INC.), KICKING  
HORSE ENERGY INC. (FORMERLY KNOWN AS  
DONNYCREEK ENERGY INC.), MALCOLM TODD,  
ROBERT TODD, MURRAY SCALF, DAVID  
PATTERSON, RANDY KWASNICIA, KEN  
STEPHENSON and COLIN WATT

**Brought under the *Class Proceedings Act***

DOCUMENT **ORDER**

ADDRESS FOR SERVICE AND CONTACT  
INFORMATION OF PARTY FILING THIS  
DOCUMENT **JENSEN SHAWA SOLOMON DUGUID HAWKES LLP**  
Barristers  
800, 304 - 8 Avenue SW  
Calgary, AB T2P 1C2

Carsten Jensen, Q.C.  
Darren J. Reed  
Shane Sackman  
Phone: 403-571-1526  
Fax: 403-571-1528

**SISKINDS LLP**  
Barristers & Solicitors  
302 – 100 Lombard Street  
Toronto, ON M5C 1M3

Douglas M. Worndl  
Anthony O'Brien  
Phone: 416-594-4379  
Fax: 416-594-4380

**DATE ON WHICH ORDER WAS PRONOUNCED:** \_\_\_\_\_, 2015

**NAME OF JUDGE WHO MADE THIS ORDER:** The Honourable Justice A. D. Macleod

**LOCATION WHERE ORDER WAS PRONOUNCED:** Calgary, Alberta

**UPON THE APPLICATION** filed ●, 2015 by the Plaintiff, Wayne Philpott, for orders, among other things, appointing a settlement administrator, setting the date for the hearing of the settlement approval application, approving the form of notice of the settlement approval hearing, and approving the method of publication and dissemination of the notice; **AND UPON READING** the materials and briefs submitted, including the Settlement Agreement between the Plaintiffs and the Defendants dated July 10, 2015 attached hereto as **Schedule "A"** (the "**Settlement Agreement**"); **AND UPON HEARING** the submissions of counsel for the Plaintiff and counsel for the Defendants, and noting the consent of the Defendants to the following orders;

**IT IS HEREBY ORDERED THAT:**

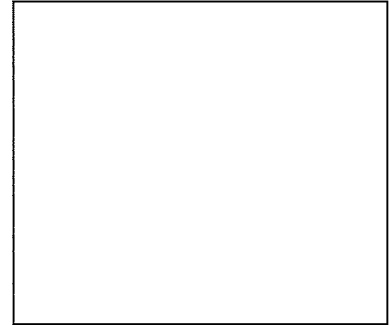
1. Except as otherwise stated, this Order incorporates and adopts the definitions set out in the Settlement Agreement.
2. The Approval Hearing and the hearing of the Plaintiff's application for approval of the Class Counsel Fees shall take place on ●.
3. ● is appointed as the Administrator.
4. The form and content of the Notice of Settlement Approval Hearing, substantially in the form attached hereto as **Schedule "B"**, is hereby approved.
5. The Notice of Settlement Approval Hearing shall be published and disseminated in accordance with the Plan of Notice attached hereto as **Schedule "C"**.
6. Class Counsel shall, at or before the Approval Hearing, file with the Court proof of the publication and dissemination of the Notice of Settlement Approval Hearing in accordance with the Plan of Notice.
7. Class Members who wish to file with the Court an objection or comment to the Settlement or to the approval of Class Counsel Fees shall deliver a written statement to Class Counsel, at the address indicated in the Notice of Settlement Approval Hearing, no later than ●.

---

Justice A. D. Macleod

SCHEDULE "B"

Clerk's Stamp



COURT FILE NUMBER 1301-10050

COURT OF QUEEN'S BENCH OF ALBERTA  
JUDICIAL CENTRE CALGARY

PLAINTIFF WAYNE PHILPOTT

DEFENDANTS STONEHAVEN EXPLORATION LTD. (FORMERLY  
KNOWN AS DONNYBROOK ENERGY INC.), KICKING  
HORSE ENERGY INC. (FORMERLY KNOWN AS  
DONNYCREEK ENERGY INC.), MALCOLM TODD,  
ROBERT TODD, MURRAY SCALF, DAVID  
PATTERSON, RANDY KWASNICIA, KEN  
STEPHENSON and COLIN WATT

**Brought under the *Class Proceedings Act***

DOCUMENT **ORDER**

ADDRESS FOR SERVICE AND CONTACT  
INFORMATION OF PARTY FILING THIS  
DOCUMENT **JENSEN SHAWA SOLOMON DUGUID HAWKES LLP**  
Barristers  
800, 304 - 8 Avenue SW  
Calgary, AB T2P 1C2

Carsten Jensen, Q.C.  
Darren J. Reed  
Shane Sackman  
Phone: 403-571-1526  
Fax: 403-571-1528

**SISKINDS LLP**  
Barristers & Solicitors  
302 – 100 Lombard Street  
Toronto, ON M5C 1M3

Douglas M. Worndl  
Anthony O'Brien  
Phone: 416-594-4379  
Fax: 416-594-4380

**DATE ON WHICH ORDER WAS PRONOUNCED:** \_\_\_\_\_, 2015

**NAME OF JUDGE WHO MADE THIS ORDER:** The Honourable Justice A. D. Macleod

**LOCATION WHERE ORDER WAS PRONOUNCED:** Calgary, Alberta

**UPON THE APPLICATION** filed ●, 2015 by the Plaintiff, Wayne Philpott, for orders, among other things, approving the settlement and plan of allocation, approving the form of notices of settlement approval, and approving the method of publication and dissemination of the notices; **AND UPON READING** the materials and briefs submitted, including the Settlement Agreement between the Plaintiffs and the Defendants dated July 10, 2015 attached hereto as **Schedule "A"** (the "**Settlement Agreement**"); **AND UPON HEARING** the submissions of counsel for the Plaintiff and counsel for the Defendants, and noting the consent of the Defendants to the following orders;

**IT IS HEREBY ORDERED THAT:**

1. Except as otherwise stated, this Order incorporates and adopts the definitions set out in the Settlement Agreement.
2. The Settlement Agreement is fair, reasonable and in the best interests of the Class.
3. The Settlement Agreement is approved pursuant to section 35 of the *Class Proceedings Act*, SA 2003, c C-16.5.
4. The Settlement Agreement shall be implemented in accordance with its terms.
5. The Settlement Agreement, in its entirety, forms part of this Order and is binding upon the Defendants, the Plaintiff and the Class Members, including those persons or estates that require litigation representatives, and the requirements of Rules 2.11 and 2.18 are hereby disposed of.
6. The Plan of Allocation, attached hereto as **Schedule "B"**, is hereby approved as fair and reasonable, and the Escrow Settlement Amount shall be distributed in accordance with the Plan of Allocation after the payment of Class Counsel Fees and Administration Expenses.
7. The form and content of the Short Form Notice of Settlement Approval, substantially in the form attached hereto as **Schedule "C"**, is hereby approved.
8. The form and content of the Long Form Notice of Settlement Approval, substantially in the form attached hereto as **Schedule "D"**, is hereby approved.
9. The Claim Form, substantially in the form attached hereto as **Schedule "E"**, is hereby approved.



10. The Plan of Notice, attached hereto as **Schedule "F"**, is hereby approved.
11. The Short Form Notice of Settlement Approval, the Long Form Notice of Settlement Approval and the Claim Form shall be published and disseminated in accordance with the Plan of Notice.
12. On notice to the Court but without further order of the Court, the parties to the Settlement Agreement may agree to reasonable extensions of time to carry out any of the provisions of the Settlement Agreement.
13. Except for the obligation to pay the Settlement Amount and provide the information and assistance contemplated by sections 12.2(1) and 12.2(2) of the Settlement Agreement, the Releasees have no responsibility for and no liability whatsoever with respect to the administration of the Settlement Agreement.
14. If the Settlement Agreement is terminated pursuant to any rights of termination therein, then:
  - (a) the Order (except for paragraphs 1, 13 and 14 herein) shall be set aside, be of no further force or effect, and be without prejudice to any party; and
  - (b) each party to the Action shall be restored to his or its respective position in the Action as it existed immediately prior to the execution of the Settlement Agreement.
15. As of the Effective Date, the Releasors forever and absolutely release the Releasees from the Released Claims in accordance with section 11 of the Settlement Agreement.
16. As of the Effective Date, the Releasors shall not now or hereafter institute, continue, maintain or assert, either directly or indirectly, whether in Canada or elsewhere, on their own behalf or on behalf of any class or any other person, any action, suit, cause of action, claim or demand against any Releasee or any other person who may claim contribution or indemnity from any Releasee in respect of any Released Claim or any matter related thereto.
17. Upon the Effective Date, the Action shall be dismissed against the Defendants without costs and with prejudice.

---

Justice A. D. Macleod

## SCHEDULE "C"

### PLAN OF ALLOCATION

#### DEFINED TERMS

1. For the purposes of this Plan of Allocation, the definitions set out in the Settlement Agreement dated July 10, 2015 apply to and are adopted.
2. In addition, in this Plan of Allocation, "**Net Settlement Amount**" means the Settlement Amount remaining in the Escrow Account after payment of Administration Expenses and Class Counsel Fees.

#### CALCULATION OF COMPENSATION

3. Each Authorized Claimant's actual compensation shall be a portion of the Net Settlement Amount equivalent to:
  - (a) the ratio of the number of Donnybrook shares held by the Authorized Claimant at the time of the Arrangement (for which the Authorized Claimant received Donnycreek shares through the Arrangement), to the number of Donnybrook shares held by all Authorized Claimants at the time of the Arrangement (for which those Authorized Claimants received Donnycreek shares through the Arrangement);

multiplied by:

- (b) the Net Settlement Amount,  
as calculated by the Administrator.

4. By way of illustration, if:
  - (a) a particular Authorized Claimant ("**Authorized Claimant A**") held 5,000 Donnybrook shares at the time of the Arrangement (for which they would have received 125 Donnycreek shares through the Arrangement);
  - (b) all Authorized Claimants held a combined total of 50,000,000 Donnybrook shares at the time of the Arrangement (for which they would have received a combined total of 1,250,000 Donnycreek shares through the Arrangement); and
  - (c) the Net Settlement Amount is \$3,500,000,then Authorized Claimant A would receive \$350 as compensation (calculated as [5,000 divided by 50,000,000] multiplied by \$3,500,000).

5. If the compensation payable to an Authorized Claimant is less than \$5.00, the Authorized Claimant will not receive any payment pursuant to this Plan of Allocation. Such amounts will instead be redistributed *pro rata* to the other Authorized Claimants.
6. Compensation shall be paid to Authorized Claimants in Canadian currency.

7. The Administrator shall be authorized to distribute the Net Settlement Amount in accordance with this Plan of Allocation upon having received and reviewed the Claim Forms submitted by the Claims Bar Deadline without further order of the Court.
8. If the Escrow Settlement Account is in a positive balance (whether by reason of tax refunds, un-cashed cheques or otherwise) after one hundred and eighty (180) days from the date of distribution of the Net Settlement Amount to Authorized Claimants, the Administrator shall, if feasible, allocate such balance among Authorized Claimants in an equitable and economic fashion. Any balance below \$25,000.00 which still remains thereafter shall be donated to the Alberta Law Foundation.
9. Under no circumstances will any repayment be made to the Defendants.

## SCHEDULE "D"

### PLAN OF NOTICE

Capitalized terms used in this Plan of Notice have the meanings ascribed to them in the Settlement Agreement dated July 10, 2015.

#### PART 1 – NOTICE OF SETTLEMENT APPROVAL HEARING

At least twenty eight (28) days prior to the Approval Hearing:

- (a) the Administrator will arrange for the Notice of Settlement Approval Hearing to be published once in English in *The Globe and Mail* (weekday publication in the business/legal section);
- (b) the Administrator will arrange for the Notice of Settlement Approval Hearing to be published once in French in *La Presse* (weekday publication in the business section);
- (c) the Administrator will arrange for the Notice of Settlement Approval Hearing to be issued by way of press release across BusinessWire, in English and in French;
- (d) Class Counsel will send a copy of the Notice of Settlement Approval Hearing to all Class Members who have provided them with their contact information; and
- (e) Class Counsel will post the Notice of Settlement Approval Hearing, in English and in French, and the Settlement Agreement on JSS Barristers' website at [www.jssbarristers.ca/pages/class-actions/class-actions.cfm](http://www.jssbarristers.ca/pages/class-actions/class-actions.cfm) and on Siskinds LLP's website at <http://www.siskinds.com/donnybrook-energy-and-donnycreek-energy/>.

#### PART 2 – SHORT FORM NOTICE OF SETTLEMENT APPROVAL

Within fourteen (14) days following the Effective Date:

- (a) the Administrator will arrange for the Short Form Notice of Settlement Approval to be published once in English in *The Globe and Mail* (weekday publication in the business/legal section);
- (b) the Administrator will arrange for the Short Form Notice of Settlement Approval to be published once in French in *La Presse* (weekday publication in the business section); and
- (c) the Administrator will arrange for the Short Form Notice of Settlement Approval to be issued by way of press release across BusinessWire, in English and in French.

### **PART 3 – LONG FORM NOTICE OF SETTLEMENT APPROVAL AND CLAIM FORM**

Within thirty (30) days following the Effective Date:

- (a) Class Counsel will send a copy of the Long Form Notice of Settlement Approval and the Claim Form to all Class Members who have provided them with their contact information;
- (b) Class Counsel will post the Long Form Notice of Settlement Approval and the Claim Form, in English and in French, on JSS Barristers' website at [www.jssbarristers.ca/pages/class-actions/class-actions.cfm](http://www.jssbarristers.ca/pages/class-actions/class-actions.cfm) and on Siskinds LLP's website at <http://www.siskinds.com/donnybrook-energy-and-donnycreek-energy/>;
- (c) the Administrator will post the Long Form Notice of Settlement Approval and the Claim Form, in English and in French, on its website;
- (d) the Administrator will arrange for the Long Form Notice of Settlement Approval and the Claim Form to be sent by email or regular mail to all individuals on the list of Class Members previously provided by the Defendants to Class Counsel; and
- (e) the Administrator will send the Long Form Notice of Settlement Approval and the Claim Form to the brokerage firms in the Administrator's proprietary databases requesting that the brokerage firms either send a copy of the Long Form Notice of Settlement Approval and the Claim Form to all individuals and entities identified by the brokerage firms as being Class Members, or to send the names and addresses of all such individuals and entities to the Administrator who shall mail the Long Form Notice of Settlement Approval and the Claim Form to the individuals and entities so identified.

Class Counsel and the Administrator will also send the Long Form Notice of Settlement Approval and the Claim Form by mail or email to any person who requests such documents prior to the Claims Bar Deadline.

SCHEDULE "E"

**NOTICE OF HEARING OF APPLICATION FOR APPROVAL OF SETTLEMENT IN  
DONNYBROOK AND DONNYCREEK SECURITIES CLASS ACTION**

READ THIS NOTICE CAREFULLY. IT MAY AFFECT YOUR RIGHTS.

This notice is directed to the following **"Class Members"**: all persons and entities, wherever they may reside or be domiciled, who held shares of Donnybrook Energy Inc. (now known as Stonehaven Exploration Ltd.) (**"Donnybrook"**) at the time of a plan of arrangement completed by Donnybrook on November 4, 2011 (the **"Arrangement"**) and received shares of Donnycreek Energy Inc. (now known as Kicking Horse Energy Inc.) (**"Donnycreek"**) through the Arrangement, other than (i) Excluded Persons (certain persons associated with the Defendants and persons who purchased Donnycreek shares in the Private Placement (defined below)), and (ii) persons who have previously opted out of the class action.

In August 2013, the Plaintiff Wayne Philpott commenced a class action against Donnybrook, Donnycreek, Malcolm Todd, Robert Todd, Murray Scalf, David Patterson, Randy Kwasnicia, Ken Stephenson and Colin Watt (collectively, the **"Defendants"**) in the Court of Queen's Bench of Alberta (the **"Court"**). The class action claims arise out of the Arrangement whereby various assets of Donnybrook were transferred to Donnycreek, as well as a concurrent private placement by Donnycreek pursuant to which shares were issued to various persons (including the individual Defendants) at \$0.37 per share (the **"Private Placement"**).

On January 22, 2015, the Court certified this proceeding as a class action on consent. Certification by the Court is not a decision on the merits of the class action.

On July 10, 2015, the parties to the class action executed a Settlement Agreement (the **"Settlement Agreement"**) providing for the settlement of the class action. The settlement is subject to the approval of the Court. The Settlement Agreement provides for the payment of CDN\$5,500,000.00 (the **"Settlement Amount"**) in consideration for full and final settlement of the claims of Class Members. The Settlement Amount includes all legal fees, disbursements, taxes and administration expenses. In return for the Settlement Amount, the Defendants will receive releases and a dismissal of the class action. The settlement is a compromise of disputed claims and is not an admission of liability, wrongdoing or fault on the part of any of the Defendants, all of whom have denied, and continue to deny, the allegations against them.

**A Settlement Approval Hearing Will Be Held in Calgary, Alberta**

The settlement must be approved by the Court before it can be implemented. Class Members may, but are not required to, attend at the settlement approval hearing which will be held on ● at ● am, at the Calgary Courts Centre, 601 - 5 Street SW, Calgary, Alberta.

Class Members who approve of or do not oppose the settlement do not need to appear at the settlement approval hearing or take any other action at this time.

In addition to seeking the Court's approval of the settlement, Siskinds LLP and Jensen Shawa Solomon Duguid Hawkes LLP (together, **"Class Counsel"**) will seek the Court's approval of its legal fees not to exceed 32.5% of the Settlement Amount, plus disbursements and applicable taxes (**"Class Counsel Fees"**) at the settlement approval hearing. Class Counsel will also seek the appointment of an Administrator for the settlement whose fees, together with any other costs

relating to approval, notification, implementation and administration of the settlement (“**Administration Expenses**”), will be paid from the Settlement Amount. In addition, Class Counsel will seek the Court’s approval for the payment of an honorarium of CDN\$2,000 to the Plaintiff Wayne Philpott. Class Counsel Fees, Administration Expenses and the honorarium will be deducted from the Settlement Amount before it is distributed to Class Members.

### **Terms of the Settlement Agreement**

The Settlement Amount, after deduction of Class Counsel Fees, Administration Expenses and the honorarium to Mr. Philpott (the “**Net Settlement Amount**”), will be distributed to Class Members in accordance with the Plan of Allocation which is also subject to Court approval.

The amount of each Class Member’s actual compensation from the Net Settlement Amount will depend upon: (i) the number of Donnybrook shares held by the Class Member at the time of the Arrangement for which they received Donnycreek shares through the Arrangement; (ii) the number of Donnybrook shares held at the time of the Arrangement by all Class Members who submit a claim for compensation to the Administrator. It is therefore not possible to predict what any individual Class Member’s share of the Net Settlement Amount will be.

If the Court approves the settlement, Class Members may participate in the Settlement by filing a claim for compensation. All Class Members will be bound by the terms of the settlement, regardless of whether they submit a claim for compensation or receive payment from the Settlement Amount. Class Members will not be able to bring or maintain any other claim or legal proceeding against the Defendants or any other person released by the settlement in relation to the matters alleged in the class action.

If the settlement is approved, another notice to Class Members will be published which will provide instructions on how to make a claim to receive compensation from the settlement.

Copies of the Settlement Agreement and the proposed Plan of Allocation may be found on the websites of Class Counsel at [www.jssbarristers.ca/pages/class-actions/class-actions.cfm](http://www.jssbarristers.ca/pages/class-actions/class-actions.cfm) or <http://www.siskinds.com/donnybrook-energy-and-donnycreek-energy/>, or by contacting Class Counsel at the contact information provided below.

### **Class Members May Object to the Settlement**

Class Members who wish to comment on or object to the settlement should do so in writing. All objections should be received by Class Counsel (contact details below) no later than ●. Class Counsel will file all such submissions with the Court. You may attend at the settlement approval hearing whether or not you deliver an objection. The Court may permit you to participate in the settlement approval hearing whether or not you deliver an objection.

A written objection should use the heading “Donnybrook/Donnycreek Securities Class Action”, and should include: (i) the Class Member’s name, address, telephone number, fax number (where applicable) and email address; (ii) a brief statement outlining the nature of, and reasons for, the objection; and (iii) a statement as to whether the objector intends to appear at the settlement approval hearing in person or through a lawyer and, if through a lawyer, the name, address, telephone number, fax number and email address of the lawyer.

Questions related to this Notice should NOT be addressed to the Court of Queen's Bench for Alberta.

For further information, please contact Class Counsel at:

Siskinds LLP  
Nicole Young  
680 Waterloo Street  
London, ON N6A 3V8  
Tel: 1-877-672-2121 x 2380  
Fax: 519-672-6065  
Email: [nicole.young@siskinds.com](mailto:nicole.young@siskinds.com)

or visit Class Counsel's websites at [www.siskinds.com](http://www.siskinds.com) or [www.jssbarristers.ca](http://www.jssbarristers.ca).

DISTRIBUTION OF THIS NOTICE HAS BEEN AUTHORIZED BY THE COURT OF  
QUEEN'S BENCH OF ALBERTA



SCHEDULE "F"

**NOTICE OF SETTLEMENT APPROVAL IN DONNYBROOK AND DONNYCREEK  
SECURITIES CLASS ACTION**

This notice is directed to the following **"Class Members"**: all persons and entities, wherever they may reside or be domiciled, who held shares of Donnybrook Energy Inc. (now known as Stonehaven Exploration Ltd.) (**"Donnybrook"**) at the time of a plan of arrangement completed by Donnybrook on November 4, 2011 (the **"Arrangement"**) and received shares of Donnycreek Energy Inc. (now known as Kicking Horse Energy Inc.) (**"Donnycreek"**) through the Arrangement, other than (i) Excluded Persons (certain persons associated with the Defendants and persons who purchased Donnycreek shares in the Private Placement (defined below)), and (ii) persons who have previously opted out of the class action.

**READ THIS NOTICE CAREFULLY AS IT MAY AFFECT YOUR LEGAL RIGHTS.  
YOU MAY NEED TO TAKE PROMPT ACTION.**

Please note: This is a summary notice, produced for publication purposes, announcing Court approval of the settlement reached in this litigation. A long form notice containing additional detail is available on the Administrator's website: ●; or Class Counsel's website: [www.jssbarristers.ca/pages/class-actions/class-actions.cfm](http://www.jssbarristers.ca/pages/class-actions/class-actions.cfm) or <http://www.siskinds.com/donnybrook-energy-and-donnycreek-energy/>.

**Court Approval of the Class Action Settlement**

In August 2013, the Plaintiff Wayne Philpott commenced a class action against Donnybrook, Donnycreek, Malcolm Todd, Robert Todd, Murray Scalf, David Patterson, Randy Kwasnicia, Ken Stephenson and Colin Watt (collectively, the **"Defendants"**) in the Court of Queen's Bench of Alberta (the **"Court"**). The class action claims arise out of the Arrangement whereby various assets of Donnybrook were transferred to Donnycreek, as well as a concurrent private placement by Donnycreek pursuant to which shares were issued to various persons (including the individual Defendants) at \$0.37 per share (the **"Private Placement"**).

On January 22, 2015, the Court certified this proceeding as a class action on consent. Certification by the Court is not a decision on the merits of the class action.

On ●, the Court approved the Settlement Agreement between the parties dated July 10, 2015 (the **"Settlement Agreement"**). The settlement is a compromise of disputed claims and is not an admission of liability, wrongdoing or fault on the part of any of the Defendants, all of whom have denied, and continue to deny, the allegations against them.

The Settlement Agreement provides for the payment of CDN\$5,500,000.00 (the **"Settlement Amount"**) in consideration for full and final settlement of the claims of Class Members, including legal fees, disbursements, taxes and administration expenses, in return for releases and a dismissal of the class action. Persons who are not Class Members are not permitted to participate in the settlement.

### **Administration of the Settlement Agreement**

The Court has appointed ● as the Administrator of this settlement. The Administrator will oversee the claims process and will manage and distribute the balance of the Settlement Amount after payment of fees, expenses and taxes (the “**Net Settlement Amount**”).

Those Class Members who wish to receive compensation from the Net Settlement Amount must mail or otherwise submit a completed Claim Form and any supporting documents to the Administrator, by no later than ●, to the following address:

●

The Class Members who file a valid claim will be paid a *pro rata* share of the Net Settlement Amount. The long form notice of settlement approval contains the complete details of the process for filing a Claim Form and how the Net Settlement Amount will be distributed.

All Class Members will be bound by the terms of the settlement, regardless of whether they submit a claim for compensation or receive payment from the Settlement Amount. Class Members will not be able to bring or maintain any other claim or legal proceeding against the Defendants or any other person released by the settlement in relation to the matters alleged in the class action.

For further information regarding the terms of the Settlement Agreement, the Plan of Allocation and/or filing a claim, or to obtain a Claim Form, visit the Administrator’s website at ● or contact the Administrator by calling ●.

The law firms of Siskinds LLP and Jensen Shawa Solomon Duguid Hawkes LLP (together, “**Class Counsel**”) are counsel to the Class Members, and can be reached by telephone, toll free, at 1-877-672-2121 x 2380, by email at [nicole.young@siskinds.com](mailto:nicole.young@siskinds.com), or on the internet at [www.siskinds.com](http://www.siskinds.com) or [www.jssbarristers.ca](http://www.jssbarristers.ca).

PLEASE DO NOT CONTACT THE COURT WITH INQUIRIES ABOUT THE CLASS ACTION OR THE SETTLEMENT. All inquiries should be directed to the Administrator or Class Counsel.

DISTRIBUTION OF THIS NOTICE HAS BEEN AUTHORIZED BY THE COURT OF  
QUEEN’S BENCH OF ALBERTA

## SCHEDULE "G"

### NOTICE OF SETTLEMENT APPROVAL IN DONNYBROOK AND DONNYCREEK SECURITIES CLASS ACTION

This notice is directed to the following “**Class Members**”: all persons and entities, wherever they may reside or be domiciled, who held shares of Donnybrook Energy Inc. (now known as Stonehaven Exploration Ltd.) (“**Donnybrook**”) at the time of a plan of arrangement completed by Donnybrook on November 4, 2011 (the “**Arrangement**”) and received shares of Donnycreek Energy Inc. (now known as Kicking Horse Energy Inc.) (“**Donnycreek**”) through the Arrangement, other than (i) Excluded Persons (certain persons associated with the Defendants and persons who purchased Donnycreek shares in the Private Placement (defined below)), and (ii) persons who have previously opted out of the class action.

**READ THIS NOTICE CAREFULLY AS IT MAY AFFECT YOUR LEGAL RIGHTS.  
YOU MAY NEED TO TAKE PROMPT ACTION.**

#### **Important Deadline**

**Claims Bar Deadline** (to file a claim for compensation): ●

*Claim Forms will not be accepted after the Claims Bar Deadline. As a result, it is necessary that you act without delay.*

#### **Court Approval of the Class Action Settlement**

In August 2013, the Plaintiff Wayne Philpott commenced a class action against Donnybrook, Donnycreek, Malcolm Todd, Robert Todd, Murray Scaif, David Patterson, Randy Kwasnacia, Ken Stephenson and Colin Watt (collectively, the “**Defendants**”) in the Court of Queen’s Bench of Alberta (the “**Court**”). The class action claims arise out of the Arrangement whereby various assets of Donnybrook were transferred to Donnycreek, as well as a concurrent private placement by Donnycreek pursuant to which shares were issued to various persons (including the individual Defendants) at \$0.37 per share (the “**Private Placement**”).

On January 22, 2015, the Court certified this proceeding as a class action on consent. Certification by the Court is not a decision on the merits of the class action.

On July 10, 2015, the parties to the class action executed a Settlement Agreement (the “**Settlement Agreement**”) providing for the settlement of the class action. The settlement was subject to the approval of the Court. The Settlement Agreement provides for the payment of CDN\$5,500,000.00 (the “**Settlement Amount**”) in consideration for full and final settlement of the claims of Class Members. The Settlement Amount includes all legal fees, disbursements, taxes and administration expenses. In return for the Settlement Amount, the Defendants receive releases and a dismissal of the class action. The settlement is a compromise of disputed claims and is not an admission of liability, wrongdoing or fault on the part of any of the Defendants, all of whom have denied, and continue to deny, the allegations against them.

On ●, the Court approved the settlement and declared that it is fair, reasonable and in the best interests of the Class Members.

The Court also awarded Siskinds LLP and Jensen Shawa Solomon Duguid Hawkes LLP (together, “**Class Counsel**”) legal fees, expenses and applicable taxes in the amount of \$● (“**Class Counsel Fees**”). As is customary in such cases, Class Counsel conducted the class action on a contingent fee basis. Class Counsel was not paid as the matter proceeded and funded the expenses of conducting the litigation. The amount awarded for Class Counsel Fees includes \$● for the reimbursement of amounts spent by Class Counsel in the conduct of the class action. The remainder, net of applicable taxes, will be Class Counsel’s only compensation for conducting the class action. Class Counsel Fees will be deducted from the Settlement Amount before it is distributed to Class Members.

In addition, the Court approved the payment of an honorarium of CDN\$2,000 to the Plaintiff Wayne Philpott.

Expenses incurred or payable relating to approval, notification, implementation and administration of the Settlement (“**Administration Expenses**”) will also be paid from the Settlement Amount before it is distributed to Class Members.

#### **Administrator**

The Court has appointed ● as the Administrator of the Settlement. The Administrator will, among other things: (i) receive and process the Claim Forms; (ii) make determinations of each Class Member’s eligibility for compensation pursuant to the Plan of Allocation; (iii) communicate with Class Members regarding their eligibility for compensation; and (iv) manage and distribute the Settlement Amount. The Administrator can be contacted at:

Telephone: ●

Mailing Address: ●

Website: ●

#### **Class Members’ Entitlement to Compensation**

Class Members will be eligible for compensation pursuant to the settlement if they timely submit a completed Claim Form, including any supporting documentation, with the Administrator.

To be eligible for compensation under the settlement, Class Members must submit their Claim Form postmarked **no later than** ● (the “**Claims Bar Deadline**”).

Only Class Members are permitted to participate in the settlement. In particular, the following persons are not permitted to participate in the settlement: (i) “Excluded Persons”, which are defined as the Defendants, and the past and present subsidiaries, affiliates, officers, directors, senior employees, legal representatives, heirs, predecessors, successors and assigns of Donnybrook or Donnycreek, and any individual who is an immediate member of the family of an Individual Defendant, and any other persons who purchased Donnycreek shares in the Private Placement; and (ii) persons who have previously opted out of the class action pursuant to the certification order of the Court dated January 22, 2015.

The remainder of the Settlement Amount, after deduction of Class Counsel Fees, Administration Expenses and the honorarium to Mr. Philpott (the “**Net Settlement Amount**”), will be distributed to Class Members in accordance with the Plan of Allocation.

Under the Plan of Allocation, each Class Member who has filed a valid claim will receive a portion of the Net Settlement Amount equivalent to:

- (a) the ratio of the number of Donnybrook shares held by the Class Member at the time of the Arrangement (for which the Class Member received Donnycreek shares through the Arrangement), to the number of Donnybrook shares held by all Class Members (who have filed valid claims) at the time of the Arrangement (for which those Class Members received Donnycreek shares through the Arrangement);

multiplied by:

- (b) the Net Settlement Amount.

Entitlements of less than \$5.00 will not be paid.

If there is a positive balance after one hundred and eighty (180) days from the date of distribution of the Net Settlement Amount to Class Members, the Administrator shall, if feasible, allocate such balance among Class Members in an equitable and economic fashion. Any balance below \$25,000.00 which still remains thereafter shall be donated to the Alberta Law Foundation.

#### **Copies of the Settlement Documents**

Copies of the Settlement Agreement and the Plan of Allocation may be found on the websites of Class Counsel at [www.jssbarristers.ca/pages/class-actions/class-actions.cfm](http://www.jssbarristers.ca/pages/class-actions/class-actions.cfm) or <http://www.siskinds.com/donnybrook-energy-and-donnycreek-energy/>, or by contacting Class Counsel at the contact information provided below.

#### **Class Counsel**

The law firms of Siskinds LLP and Jensen Shawa Solomon Duguid Hawkes LLP are Class Counsel and can be reached by telephone, toll free, at 1-877-672-2121 x 2380, by email at [nicole.young@siskinds.com](mailto:nicole.young@siskinds.com), or on the internet at [www.siskinds.com](http://www.siskinds.com) or [www.jssbarristers.ca](http://www.jssbarristers.ca).

#### **Interpretation**

If there is a conflict between the provisions of this notice and the Settlement Agreement, the terms of the Settlement Agreement will prevail.

PLEASE DO NOT CONTACT THE COURT WITH INQUIRIES ABOUT THE CLASS ACTION OR THE SETTLEMENT. All inquiries should be directed to the Administrator or Class Counsel.

DISTRIBUTION OF THIS NOTICE HAS BEEN AUTHORIZED BY THE COURT OF  
QUEEN’S BENCH OF ALBERTA

SCHEDULE "H"



700, 717 Seventh Avenue Southwest  
Calgary, Alberta, T2P 0Z3, Canada  
Telephone: (403) 237-5700  
Facsimile: (403) 265-3506

Number: 04-15

**STONEHAVEN REPORTS AGREEMENT FOR SETTLEMENT OF CLASS ACTION PROCEEDINGS**

Calgary, Alberta, July •, 2015 – Stonehaven Exploration Ltd. ("**Stonehaven**" or the "**Company**") (TSXV: **SE**) reports that the parties to the class action proceedings (the "**Class Action**") commenced in the Alberta Court of Queen's Bench (the "**Court**"), in August 2013, have entered into an agreement ("**Settlement Agreement**") whereby they have, subject to Court approval, agreed to settle the Class Action upon the terms and conditions set forth in the Settlement Agreement.

Under the terms of the Settlement Agreement, the parties have agreed, among other things, for the full and final release and dismissal of all claims and allegations made in the Class Action, by the establishment of a \$5.5 million settlement fund. If the settlement is approved by the Court, Stonehaven will contribute \$1.0 million to the settlement amount. The Settlement Agreement provides for no admission of liability on the part of the defendants. An application by the parties to the Court to approve the Settlement Agreement is scheduled for October 9, 2015.

Stonehaven and the other defendants have denied and continue to deny any and all liability with respect to any of the claims made in the Class Action. The settlement is being made to avoid the burden and expense of further litigation and to allow Stonehaven to conduct its business without the continuing encumbrance of the lawsuit.

Further information relating to Stonehaven is also available on its website at [www.stonehavenexp.com](http://www.stonehavenexp.com).

For further information, please contact Malcolm Todd, President and Chief Executive Officer.

Telephone: (403) 237-5700 Email: [info@stonehavenexp.com](mailto:info@stonehavenexp.com)

**ADVISORY ON FORWARD-LOOKING STATEMENTS:** This news release contains certain forward-looking information and statements ("**forward-looking statements**") within the meaning of applicable securities laws. In particular and without limitation, this news release contains forward-looking statements concerning the timing of the approval of the Settlement Agreement.

Forward-looking statements are based on a number of material factors, expectations or assumptions of the Company which have been used to develop such statements and information but which may prove to be incorrect. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, undue reliance should not be placed on them because the Company can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Additional information regarding some of these risks, expectations, assumptions and other factors may be found in the Company's Annual Information Form and Management's Discussion and Analysis prepared for the year ended December 31, 2014. The reader is cautioned not to place undue reliance on these forward-looking statements. The forward-looking statements contained in this news release are made as of the date hereof and the Company undertakes no obligations to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

NEITHER TSX VENTURE EXCHANGE NOR ITS REGULATION SERVICES PROVIDER (AS THAT TERM IS DEFINED IN THE POLICIES OF THE TSX VENTURE EXCHANGE) ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS NEWS RELEASE.



**CALGARY, CANADA (TSX-V: KCK)  
NEWS RELEASE**

## ***Kicking Horse Energy Inc. Reports Agreement For Settlement Of Class Action Proceedings***

**July •, 2015 (Calgary, Alberta)** Kicking Horse Energy Inc. ("Kicking Horse" or the "Company") (TSX-V: KCK) reports that the parties to the class action proceedings (the "Class Action") commenced in the Alberta Court of Queen's Bench (the "Court"), Action Number 1301-10050, have entered into an agreement ("Settlement Agreement") whereby they have, subject to Court approval, agreed to settle the Class Action upon the terms and conditions set forth in the Settlement Agreement. Kicking Horse is one of a total of nine defendants in the Class Action, by way of being the corporate successor to Donnycreek Energy Inc.

Under the terms of the Settlement Agreement, the parties have agreed, among other things, for the full and final release and dismissal of all claims and allegations made in the Class Action, by the establishment of a \$5.5 million settlement fund. If the settlement is approved by the Court, Kicking Horse has agreed to fund a total of \$1.75 million to the settlement fund. The Settlement Agreement provides for no admission of liability on the part of the defendants. An application by the parties to the Court to approve the Settlement Agreement is scheduled for October 9, 2015.

Kicking Horse and the other defendants have denied and continue to deny any and all liability with respect to any of the claims made in the Class Action. The settlement is being made to avoid the burden and expense of further litigation and to allow Kicking Horse to conduct its business without the continuing encumbrance of the lawsuit.

### About Kicking Horse Energy Inc.

Kicking Horse Energy Inc. is a public oil and gas company which is focused on the development of Alberta's liquids-rich Montney Formation tight gas play. For more information, please see the Company's website: [www.kickinghorseenergy.com](http://www.kickinghorseenergy.com)

*For more information please contact:*

**Steve Harding  
President and Chief Executive Officer**

Kicking Horse Energy Inc.  
Phone: (403) 771-1091  
Fax: (403) 695-3915  
Email: [sharding@kickinghorseenergy.com](mailto:sharding@kickinghorseenergy.com)  
[www.kickinghorseenergy.com](http://www.kickinghorseenergy.com)

**Chad Kalmakoff  
Vice President Finance and Chief Financial Officer**

Kicking Horse Energy Inc.  
Phone: (403) 234-8663  
Fax: (403) 695-3915  
Email: [ckalmakoff@kickinghorseenergy.com](mailto:ckalmakoff@kickinghorseenergy.com)  
[www.kickinghorseenergy.com](http://www.kickinghorseenergy.com)

**ADVISORY ON FORWARD-LOOKING STATEMENTS:** *This press release contains certain forward-looking information and statements within the meaning of applicable securities laws. The use of any of the words "expect", "continue", "anticipate", "estimate", "may", "will", "should", "believe", "plans", "cautions" and similar expressions are intended to identify forward-looking information or statements. In particular, but without limiting the foregoing, this press release contains statements concerning the timing for the application to be held at the Court to approve the Settlement Agreement. Forward-looking statements or information are based on a number of material factors, expectations or assumptions of Kicking Horse which have been used to develop such statements and information but which may prove to be incorrect. Although Kicking Horse believes that the expectations reflected in these forward-*



**KICKING HORSE**  
ENERGY INC.

*looking statements are reasonable, undue reliance should not be placed on them because Kicking Horse can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Further, events or circumstances may cause actual results to differ materially from those predicted as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company, including, without limitation, the risks detailed from time-to-time in Kicking Horse's public disclosure documents. Additional information regarding some of these risk factors may be found under "Risk Factors" in the Company's Annual Information Form dated as of December 31, 2014 filed on [www.sedar.com](http://www.sedar.com). The reader is cautioned not to place undue reliance on these forward-looking statements. The forward-looking statements contained in this press release are made as of the date hereof and Kicking Horse undertakes no obligations to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.*

***Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.***



## SCHEDULE "I"

### **Donnybrook Energy Inc. and Donnycreek Energy Inc.**

In August 2013, Siskinds LLP and Jensen Shawa Solomon Duguid Hawkes LLP filed a class action against Donnybrook Energy Inc. (now known as Stonehaven Exploration Ltd.) ("**Donnybrook**"), Donnycreek Energy Inc. (now known as Kicking Horse Energy Inc.) ("**Donnycreek**") and their current or former directors and officers in the Alberta Court of Queen's Bench.

The lawsuit relates to a plan of arrangement between Donnybrook and Donnycreek that was completed and approved by the Court of Queen's Bench of Alberta on November 4, 2011 whereby various assets of Donnybrook were transferred to Donnycreek (the "**Arrangement**"), as well as a private placement of Donnycreek shares on November 4, 2011 (the "**Private Placement**").

On January 22, 2015, Justice A.D. Macleod of the Alberta Court of Queen's Bench certified the action as a class proceeding. The Alberta court also approved a notice of certification and an opt out form. The opt out deadline for this class action was May 5, 2015.

View a copy of the certification notice – English [\[link\]](#)

View a copy of the certification notice – French [\[link\]](#)

View a copy of the opt out form – English [\[link\]](#)

View a copy of the opt out form – French [\[link\]](#)

In July 2015, the parties to the class action proceedings entered into a Settlement Agreement agreeing, among other things, for the full and final release of all claims and allegations made in the class action, by the establishment of a \$5.5 million settlement fund. The settlement is subject to court approval. The settlement class comprises all persons and entities, wherever they may reside or be domiciled, who held shares of Donnybrook at the time of the Arrangement and received shares of Donnycreek through the Arrangement, other than (i) certain excluded persons (certain persons associated with the defendants and persons who purchased Donnycreek shares in the Private Placement), and (ii) persons who have previously opted out of the class action. The settlement is made without any admission of liability, wrongdoing or fault by the defendants.

View a copy of the Settlement Agreement – English [\[link\]](#)

### **[Following the first court approval, the following language would be added:]**

The Alberta Court of Queen's Bench has approved a notice that provides information to class members about when the settlement approval hearing will take place and how class members may object to the settlement.

View a copy of the notice – English [\[link\]](#)

View a copy of the notice – French [\[link\]](#)

**[Following the second court approval, the following language would be added:]**

On **[insert date]**, a settlement approval order was issued by the Alberta Court of Queen's Bench. In addition to approving the settlement, the court also approved a notice that provides information on how class members may file a claim, and approved a claim form.

View a copy of the settlement approval order – English [\[link\]](#)

View a copy of the notice – English [\[link\]](#)

View a copy of the notice – French [\[link\]](#)

View a copy of the claim form – English [\[link\]](#)

View a copy of the claim form – French [\[link\]](#)