

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): February 11, 2016

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 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 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 October 9, 2015, 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 \$2,040,356.18 (“**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 \$248,168.78 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 RicePoint Administration Inc. 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: 1-866-432-5534

Mailing Address: **Donnybrook Securities Litigation**
Claims Administrator c/o RicePoint Administration Inc.
P.O. Box 3355
London, ON N6A 4K3

Website: www.donnybrookclassaction.com

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 February 11, 2016** (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 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, or on the internet at www.siskinds.com or 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