

March 1, 2019

**To the Creditors of Elcano Exploration Inc., Elcano Exploration Ltd. and Elcano Energy Partnership (collectively referred to as the "Elcano Group")**

Dear Sirs/Mesdames:

**Re: Proceedings under the *Companies' Creditors Arrangement Act***

TAKE NOTICE that Elcano Exploration Inc. ("EEI") and Elcano Exploration Ltd. ("EEL") made an application to the Court of Queen's Bench of Alberta (the "Court") seeking protection from their creditors under the *Companies' Creditors Arrangement Act* (the "CCAA"). On February 26, 2019 a CCAA Initial Order and SISP Approval order (the "CCAA Order") was granted by the Honourable Madam Justice K.M. Horner of the Court. The Court appointed Hardie & Kelly Inc. as Monitor of the Elcano Group (the "Monitor").

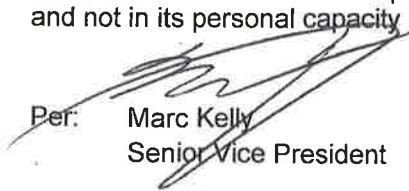
The CCAA Order grants various relief to EEI and EEL, as well as to the Elcano Energy Partnership, including, but not limited to, the imposition of an initial *Stay of Proceedings* (the "Stay of Proceedings") against the Elcano Group and their assets through to March 28, 2019 and provides the Elcano Group with an opportunity to prepare and file a plan of arrangement or compromise under the CCAA for the consideration of its creditors. Consequently, claims against the Elcano Group for payment for goods and services supplied to the Elcano Group prior to February 26, 2019 are suspended and creditors are prohibited from continuing or taking any actions or exercising any rights against the Elcano Group or the Monitor, except with leave of the Court. Under the CCAA Order, the Elcano Group is to continue to carry on business in a manner consistent with the commercially reasonable preservation of its business and assets while it engages in a Court supervised *Sale and Investment Solicitation Process* ("SISP").

A copy of the CCAA Order and a list of the names and addresses and amounts due to the Elcano Group's creditors as estimated by management of the Elcano Group can be found on the Monitor's website (the "Website") at <https://relieffromdebt.ca/elcano-group/> or by contacting the Monitor directly. **You are not required to file a proof of claim at this time.** A formal claims process is expected to be initiated in due course.

Additional materials will be posted to the Website from time to time. The next Court application in the proceedings is scheduled for March 28, 2019. Creditors are encouraged to check the Website regularly for updates as to the status of the proceedings. Should you have any questions or concerns please contact Mr. Richard Fulton, President & CEO of the Elcano Group, at 403-460-4188 ext. 679, or the undersigned at 403-536-8510.

Yours truly,

Hardie & Kelly Inc., in our capacity  
as Monitor of the Elcano Group  
and not in its personal capacity

Per:   
Marc Kelly  
Senior Vice President