

PROOF OF CLAIM INSTRUCTION LETTER

In the Matter of the CCAA Proceedings of Elcano Exploration Inc. ("EEI"), Elcano Exploration Ltd. ("EEL") and Elcano Energy Partnership ("EEP", and together with EEI and EEL, the "Elcano Group")

CLAIMS PROCEDURE FOR ALL CLAIMANTS

By order of the Alberta Court of Queen's Bench, dated March 28, 2019, (the "**Claims Procedure Order**"), pursuant to the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 (the "**CCAA**"), the Elcano Group and Hardie & Kelly Inc., in its capacity as Court-appointed monitor of the Elcano Group (the "**Monitor**"), have been authorized to conduct a claims procedure (the "**Claims Procedure**"). A copy of the Claims Procedure Order and other public information concerning this proceeding can be obtained from the Monitor's website at: www.relieffromdebt.ca/elcano-group/ (the "**Monitor's Website**").

Additional copies of all forms and notices relating to the Claims Procedure, including blank Proof of Claim forms, can also be obtained from the Monitor's Website.

This letter is intended to provide general instructions regarding the procedure to be followed in asserting a claim against the Elcano Group, or the directors and officers (a "**Claim**"). Capitalized terms not defined herein have the meaning ascribed to such terms in the Claims Procedure Order. Please review the Claims Procedure Order for the full terms and conditions of the Claims Procedure authorized by the Court.

All notices and inquiries with respect to the Claims Procedure should be directed to the Monitor by prepaid registered mail, courier, personal delivery, facsimile transmission, email, or telephone to the address below:

Hardie & Kelly Inc.
Monitor of the Elcano Group
110, 5800 - 2nd Street SW
Calgary, Alberta
T2H 0H2

Attention: Marc Kelly
Phone: 403-536-8510
Fax: 403-640-0591
Email: mkelly@insolvency.net

PROCESS FOR DISPUTING THE AMOUNT OF A CLAIM BY A KNOWN CLAIMANT

The Elcano Group and the Monitor have attempted, on a best efforts basis and on the basis of the books and records of the Elcano Group, to identify all Claims against the Elcano Group, and to assess the classification and value of all such Claims in accordance with the Claims Procedure. Any Person whose Claim against the Elcano Group has been identified and valued by the Elcano Group, in consultation with the Monitor, is a Known Claimant under the Claims Procedure.

If a Known Claimant receives a Claims Package, and does not dispute the amount of the Claim as set forth in the Claims Package, no further action is required. Such a Known Claimant may submit a Proof of Claim if it wishes, but this is not necessary.

A Known Claimant that wishes to dispute the amount of its Claim as set forth in the Claims Package must complete and return a Proof of Claim to the Monitor on or before 5:00 P.M. Mountain Time on May 13, 2019 (the “**Claims Bar Date**”).

If a Proof of Claim is not received from a Known Claimant on or before the Claims Bar Date, such Known Claimant is deemed to have accepted the determination of the Claim as set out in the Claims Package for all purposes, and any and all rights of such Known Claimant to dispute the Claim as so classified or valued, or otherwise to assert or pursue its Claim in an amount that exceeds the amount set forth in the Claims Package shall be forever extinguished and barred without further act or notification by the Elcano Group or the Monitor.

If a Known Claimant has additional Claims other than the Claims described in the Claims Package, such Known Claimant must file a separate Proof of Claim to assert such Claims prior to the Claims Bar Date, and in respect of such Claims must follow the procedure set forth below for Unknown Claimants.

PROCESS FOR ASSERTING A CLAIM BY AN UNKNOWN CLAIMANT

A Claimant that has not received a Claims Package assessing the value of its Claim, but believes it has a Claim (other than an Excluded Claim) against the Elcano Group is an Unknown Claimant under the Claims Procedure.

An Unknown Claimant may assert a Claim by submitting a completed Proof of Claim to the Monitor on or before the Claims Bar Date. All Proofs of Claim from Unknown Claimants must be received by the Monitor on or before the Claims Bar Date, unless otherwise ordered by the Court.

If an Unknown Claimant does not file a Proof of Claim in respect of any and all of its Claims on or before the Claims Bar Date, that Unknown Claimant will not be entitled to any vote at a meeting of creditors regarding the plan of compromise or arrangement being proposed by the Elcano Group (a “**Plan**”), will not be entitled to participate in any distributions under any Plan, and its Claims will be forever extinguished and barred without further act or notification by the Elcano Group or the Monitor.

PROCESS FOR DISPUTING A RESTRUCTURING PERIOD CLAIM

In the course of restructuring its business and affairs under the *CCAA*, the Elcano Group may, in accordance with the *CCAA* and in consultation with the Monitor, restructure, disclaim, resiliate, terminate or breach any contract, lease, or other agreement (written or oral).

If the Elcano Group takes any such action, it is required by the Claims Procedure to give notice to any affected party at least ten (10) Calendar Days before any Creditors' Meeting. Any such notice of restructuring, disclaimer, resiliation, termination, or breach of contract, lease or other agreement, must be accompanied by a Claims Package, setting forth the value of the resulting Claim (a "**Restructuring Period Claim**") as determined by the Elcano Group.

If a Claimant receives a Claims Package relating to a Restructuring Period Claim and does not dispute the amount of the Restructuring Period Claim as set forth in the Claims Package, no further action is required. Such a Claimant may submit a Proof of Claim if it wishes, but this is not necessary.

A Claimant that wishes to dispute the amount of its Restructuring Period Claim as set forth in the Claims Package must complete and return a Proof of Claim to the Monitor within five (5) Business Days of the date that such Claimant (or such Claimant's counsel of record) received the Claims Package.

If a Proof of Claim is not received in respect of a Restructuring Period Claim on or before the Claims Bar Date, the Claimant is deemed to have accepted the determination of the Restructuring Period Claim as set out in the Claims Package for all purposes, and any and all rights of such Claimant to dispute the Claim as so valued, or otherwise to assert or pursue its Claim in an amount that exceeds the amount set forth in the Claims Package shall be forever extinguished and barred without further act or notification by the Elcano Group or the Monitor.

DATED this 5th day of April, 2019

Hardie & Kelly Inc., in its capacity as Monitor of Elcano Exploration Inc., Elcano Exploration Ltd. and Elcano Energy Partnership

Per:



Marc Kelly
Senior Vice President