


Heritage Royalty

587-956-1500 2500, 111-5th Ave SW, Calgary, AB T2P 3Y6
www.heritageroyalty.ca

January 28, 2016

TORC Oil & Gas Ltd.
525 8 Ave SW Ste 1800
Calgary, Alberta T2P 1G1

Attention: Sarah Kozan

Re: Assignment of Unit Interest dated July 30, 2015 – Royalty Owner Interest
Unit Agreement for Waskada Unit No. 15
dated February 01, 1987 ("Unit Agreement")
HRRC File No.: U000289

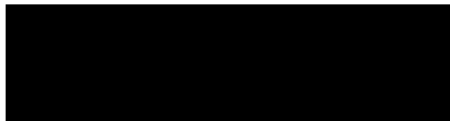
Effective July 30, 2015 through a series of transactions the interest in the Unit Agreement previously in the name of Heritage Royalty Partnership is now in the name of Heritage Royalty Resource Corp. Attached in this regard is an Acknowledgement Notice along with Certificates (referenced therein) and the above referenced Assignment.

In addition, please find the execution page to the Unit Agreement dully signed by Heritage Royalty for your records and distribution.

If you have any questions or concerns regarding the above please contact Gurdip Gundara, Manager, Contracts and Leases, at (587) 956-1554 or Gurdip.Gundara@heritageroyalty.ca.

Yours truly,

HERITAGE ROYALTY RESOURCE CORP.



Gurdip Gundara
Manager, Contracts and Leases

Rec'd Feb 16/16.

owning interest therein shall be completely released from the agreement with respect to it upon the expiration of 90 days after the Effective Date. This agreement inures to the benefit of and is binding upon the heirs, executors, administrators, successors and assigns of the Parties.

1502. Termination

This agreement terminates 90 days after all wells for the production of Unitized Substances in the Unit Area have been abandoned, plugged or disposed of, or upon the termination of the Unit Operating Agreement, and thereafter the Parties shall be governed by the terms and provisions of their Leases and other agreements or instruments relating to the Unitized Zone or Unitized Substances.

1503. Salvaging Equipment Upon Termination

The Royalty Owners grant the Working Interest Owners the right for a period of 6 months after termination of this agreement to salvage, sell, distribute or otherwise dispose of the personal property and facilities used in connection with unit operations.

1504. Notice To Royalty Owners

The Working Interest Owners shall give notice in accordance with their Leases to their respective Royalty Owners of the termination of this agreement within 30 days thereafter.

IN WITNESS WHEREOF the Parties have executed this agreement each on the date shown below.

HERITAGE ROYALTY RESOURCE CORP.

Date: January 28, 2016

Per: _____

Kevin Bolton
Authorized Signatory

Address for Service:

Heritage Royalty Resource Corp.
Suncor Energy Centre – East Tower
2500, 111 – 5th Avenue SW
Calgary, AB
T2P 3Y6

Attention: Joint Venture Analyst

November 14, 2015

Acknowledgement Notice

TAKE NOTICE that pursuant to the Heritage Royalty Partnership Agreement (the "Partnership Agreement") dated September 12, 2014, a general partnership was formed and registered as a general partnership on September 15, 2014, under the name Heritage Royalty Partnership.

Pursuant to an Amending Agreement dated July 27, 2015, between Cenovus Energy Inc., Cenovus FCCL Ltd. and 1528419 Alberta Ltd., as the partners of Heritage Royalty Partnership (the "Amending Agreement"), Heritage Royalty Partnership was converted to a limited partnership known as Heritage Royalty Limited Partnership and through the Amending Agreement the Partnership Agreement was amended to effect same.

On July 27, 2015, pursuant to the Amending Agreement and the filing of a Certificate of Limited Partnership, the limited partnership known as Heritage Royalty Limited Partnership was established.

On July 29, 2015, Cenovus Energy Inc., Cenovus FCCL Ltd. and 1528419 Alberta Ltd. transferred their partnership interests in Heritage Royalty Limited Partnership to Heritage Resource Trust, as general partner of Heritage Royalty Limited Partnership and Heritage Resource Trust II, as the sole limited partner of Heritage Royalty Limited Partnership.

Attached hereto for your information and records is a Certificate of Limited Partnership and a Notice to Amend the Certificate of Limited Partnership.

Cenovus Energy Inc. is providing this Acknowledgment Notice in its capacity as the former Managing Partner of the now dissolved Heritage Royalty Partnership.

CENOVUS ENERGY INC

Per: 

Gary F. Molnar

Vice-President, Legal & Assistant Corporate Secretary

10000807117963468
LP19114081

IN THE MATTER OF
Section 52 of the *Partnership Act*, RSA 2000, c P-3,
as amended

AND IN THE MATTER OF

Heritage Royalty Limited Partnership
("the Limited Partnership")

CERTIFICATE OF LIMITED PARTNERSHIP

On July 27, 2015, we, the undersigned, desire to form a partnership and to register such partnership, as a limited partnership pursuant to the *Partnership Act* (Alberta) (the "Act") and, in respect thereof, we certify as follows:

1. Firm Name (section 52(3)(a)):

The firm name under which the Limited Partnership is to be conducted is "Heritage Royalty Limited Partnership", or such other name as the General Partner may from time to time determine.

2. Character of Business (section 52(3)(b)):

The character of the business of the Limited Partnership shall be to carry on the business of conducting a stand-alone royalty business through the acquisition and management of:

- (a) fee simple mines and minerals interests subject to third party leases and the lessor royalties associated with such third party leases;
- (b) undeveloped fee simple mines and minerals interests for the purpose of granting rights to third parties and reserving lessor royalties or other similar interests;
- (c) other royalty or similar interests on other lands, including lands owned by the Crown;
- (d) seismic data, including licenses;
- (e) cash, accounts receivables and take-in-kind oil and natural gas inventory and all related liabilities therewith;
- (f) intangible property, such as miscellaneous interests, intellectual property, know-how and goodwill;
- (g) tangible property such as office equipment and computers;
- (h) records and books of account; and

all activities associated with or related to any of the foregoing, including acquiring, holding and disposing of land and interests therein, and holding, directly or indirectly, securities or similar interests in persons that carry on such businesses or conduct such activities, and such other related or unrelated business or activity as the General Partner may from time to time approve.

3. Name and Place of Residence of Partners (section 52(3)(c)):

The name and place of residence of each partner, general and limited, together with the partnership interest held by each partner being respectively designated is as follows:

<u>General Partner</u>	<u>Partnership Interest</u>
Cenovus Energy Inc. 500 Centre St. S.E. Calgary, Alberta T2P 0M5	0.8465%
<u>Limited Partner</u>	<u>Partnership Interest</u>
Cenovus Energy Inc. 500 Centre St. S.E. Calgary, Alberta T2P 0M5	88.307%
<u>Limited Partner</u>	<u>Partnership Interest</u>
Cenovus FCCL Ltd. 500 Centre St. S.E. Calgary, Alberta T2P 0M5	10%
<u>Limited Partner</u>	<u>Partnership Interest</u>
1528419 Alberta Ltd. 500 Centre St. S.E. Calgary, Alberta T2P 0M5	0.8465%

4. Term (section 52(3)(d)):

The Limited Partnership was formed as a limited partnership on July 27, 2015 and will continue to exist until the Limited Partnership is dissolved by:

- (a) the General Partner at any time;
- (b) the bankruptcy, insolvency, liquidation, dissolution or winding up (except as a consequence of merger or consolidation) of any Partner or the occurrence of any other event which would permit a trustee or receiver to acquire control of the property or affairs of such Partner, unless within ninety (90) days of the occurrence of any such event, the remaining Partners determine to continue the Limited Partnership in which case the Limited Partnership shall not be dissolved; or
- (c) the unanimous consent of the Partners;

but the Limited Partnership will not be dissolved or terminated by the resignation, removal, death, incompetence, bankruptcy, insolvency, dissolution, liquidation, winding-up or receivership of, or the admission or withdrawal of, the General Partner or any Limited Partner or upon the transfer of any partnership interest of any Limited Partner in the Limited Partnership, except as otherwise provided in the Limited Partnership Agreement.

The addition or withdrawal of any Partner shall not cause dissolution of the Limited Partnership, unless there is only one Partner remaining in the Limited Partnership, whereupon the Limited Partnership shall automatically dissolve by operation of law.

5. **Capital Contributions** (section 52(3)(e)):

The amount of cash and nature and fair value of other property contributed by each Partner is as follows:

(a) Cenovus Energy Inc.:

- (i) Cash and assets with fair market value in the amount of \$3,192,232,505 in its capacity as a Limited Partner.
- (ii) Cash and assets with fair market value in the amount of \$30,600,347 in its capacity as General Partner.

(b) Cenovus FCCL Ltd.:

- (i) Cash and assets with fair market value in the amount of \$361,492,673.

(c) 1528419 Alberta Ltd.:

- (i) Cash and assets with fair market value in the amount of \$30,601,202.

6. **Additional Capital Contributions** (section 52(3)(f)):

The Partners shall make from time to time such additional contributions to the capital of the Limited Partnership as the General Partner may require.

7. **Return of Capital Contributions** (section 52(3)(g)):

No Partner shall have the right to withdraw any amount from the Limited Partnership or to receive any distribution from the Limited Partnership, except upon the dissolution of the Limited Partnership or with the approval of the General Partner. The General Partner may, from time to time, make such other distributions as the General Partner may from time to time deem appropriate.

8. **Allocation of Profits** (section 52(3)(h)):

The income and loss of the Limited Partnership (including for income tax purposes), including any assistance or incentive programs received or receivable by the Limited Partnership, and any other expense, credit or other amount which is allocable shall be allocated to each Person that was a holder of a partnership interest at any time during such fiscal year or taxation year, as the case may be, on the last day of the fiscal year or taxation year, as the case may be, of the Limited Partnership in accordance with their respective weighted average partnership interest during such fiscal year or taxation year, as the case may be.

Notwithstanding the foregoing, in the taxation year of the Limited Partnership in which the closing of the transactions contemplated in the Partnership Interest Sale Agreement dated June 29, 2015 among Cenovus Energy Inc. ("CVE"), 1528419 Alberta Ltd. ("152"), Cenovus FCCL Ltd. ("CFL" and collectively with CVE and 152, "the Purchasers"), Heritage Resource

CRT 1501525 00002

Trust and Heritage Resource Trust II (collectively with Heritage Resource Trust, the "Vendors") occurs (the "Closing Time"):

- (a) the Limited Partnership's income for tax purposes for such taxation year shall be allocated: (A) to the Purchasers, collectively, an amount equal to the product obtained when the Limited Partnership's income for tax purposes for such taxation year is multiplied by a fraction, the numerator of which is the aggregate number of calendar days in such taxation year on which the Purchasers were, at any time during any such day, Partners of the Limited Partnership and the denominator of which is the number of days in the period commencing on (and including) February 1, 2015 and ending on (and including) the Closing Time, and (B) to the Vendors, collectively, the remainder of the Limited Partnership's income for tax purposes for such taxation year;
- (b) any gains or other amounts in respect of, arising upon or resulting from any disposition of property, and any other amounts permitted or required to be allocated to a partner pursuant to the provisions of the Income Tax Act, shall be allocated to the Partners in accordance with their weighted average partnership interest at the time of each disposition of property, and for such purposes the aggregate weighted average partnership interest of the Purchasers shall be deemed to be: (A) nil with respect to all dispositions of property occurring before the Closing Time; and (B) 100% with respect to all dispositions of property occurring after the Closing Time;
- (c) notwithstanding paragraph (b) above, any amount required to be allocated pursuant to the definitions of "Canadian oil and gas property expense", "Canadian development expense" and "Canadian exploration expense" in the Income Tax Act shall be allocated among those persons who are Partners at the end of such taxation year in proportion to their partnership interest at the end of such taxation year; and
- (d) the income for tax purposes allocated: (A) to the Purchasers, collectively, for the taxation year of the Limited Partnership in which the Closing Time occurs shall be allocated between each Purchaser in proportion to their partnership interest at the end of such taxation year; and (B) to the Vendors, collectively, for the taxation year of the Limited Partnership in which the Closing Time occurs shall be allocated between each Vendor in proportion to their weighted average partnership interest during such taxation year.

9. **Right to Assign Limited Partners' Interests** (section 52(3)(l)):

A Limited Partner may not sell, assign or otherwise transfer, pledge or encumber any partnership interest or other interest of such Limited Partner in the Limited Partnership without the prior written consent of the General Partner, which consent the General Partner may grant or withhold in its sole discretion.

10. **Right to Admit Additional Limited Partners** (section 52(3)(j)):

Subject to approval by the General Partner, an additional partner may be admitted at any time upon the acquisition of the partnership interest of an existing Partner or otherwise upon the making of a capital contribution.

11. **Priority on Return of Capital Contributions** (section 52(3)(k)):

Not applicable.

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12. Continuation of Business (section 52(3)(l)):

The Limited Partnership will not be dissolved or terminated by the resignation, removal, death, incompetence, bankruptcy, insolvency, dissolution, liquidation, winding-up or receivership of, or the admission or withdrawal of, the General Partner. In such an event, a new General Partner may be appointed by a resolution passed at a duly constituted meeting of Limited Partners by the affirmative vote, whether in person or by proxy, of Limited Partners representing at least 50% of the aggregate partnership interests held by the Limited Partners, or a written resolution signed in one or more counterparts by Limited Partners representing at least 50% of the aggregate partnership interests held by the Limited Partners.

13. Return of Capital by Means of Property Other than Cash (section 52(3)(m)):

The General Partner may, from time to time, make such distributions of cash or property or rights or interests in property as the General Partner may from time to time deem appropriate.



IN THE MATTER OF
HERITAGE ROYALTY LIMITED PARTNERSHIP

LP19114081

AND IN THE MATTER OF SECTION 52(1) AND 70(1) OF THE
PARTNERSHIP ACT (ALBERTA)

NOTICE TO AMEND:

CERTIFICATE OF LIMITED PARTNERSHIP

THE UNDERSIGNED hereby give notice pursuant of Section 70(1) of the *Partnership Act* (Alberta) that the Certificate of Limited Partnership of Heritage Royalty Limited Partnership (the "Partnership") registered on July 27, 2015 as Certificate of Limited Partnership No. LP19114081 (the "Certificate") is amended as follows:

1. Heritage Resource Trust has replaced Cenovus Energy Inc. ("CVE") as general partner of the Partnership and Heritage Resource Trust II has replaced CVE, Cenovus FCCL Ltd. and 1528419 Alberta Ltd. as limited partner.

In connection therewith, paragraph 3 of the Certificate is amended by deleting the text appearing therein in its entirety and replacing it as follows:

3. The name and place of residence of each partner, general and limited, together with the partnership interest held by each partner being respectively designated is as follows:

<u>General Partner</u>	<u>Partnership Interest</u>
Heritage Resource Trust c/o Ontario Teachers' Pension Plan Board 5650 Yonge Street Toronto, ON M2M 4H5	0.8465%
<u>Limited Partner</u>	<u>Partnership Interest</u>
Heritage Resource Trust II c/o Ontario Teachers' Pension Plan Board 5650 Yonge Street Toronto, ON M2M 4H5	99.1535%

Paragraph 5 of the Certificate is amended by deleting the text appearing therein in its entirety and replacing it as follows:

5. The amount of cash and nature and fair value of other property contributed by each Partner is as follows:

- (a) Heritage Resource Trust:
 - (i) Cash and assets with fair market value in the amount of \$30,600,347 in its capacity as General Partner.
- (b) Heritage Resource Trust II:
 - (i) Cash and assets with fair market value in the amount of \$3,584,326,380.

This Notice to Amend may be signed in one or more counterparts with all executed counterparts comprising a single legal and binding document.

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ASSIGNMENT OF UNIT INTEREST

Waskada Unit No. 15

THIS AGREEMENT dated July 30, 2015

BETWEEN:

HERITAGE ROYALTY LIMITED PARTNERSHIP, a limited partnership having an office in the City of Calgary, in the Province of Alberta, by its general partner **HERITAGE RESOURCE TRUST**, by its trustee **1905153 ALBERTA LTD.** (hereinafter called "**HRoyLP**")

OF THE FIRST PART

- and -

HERITAGE RESOURCE LIMITED PARTNERSHIP, a limited partnership having an office in the City of Calgary, in the Province of Alberta, by its general partner **HERITAGE RESOURCE TRUST**, by its trustee **1905153 ALBERTA LTD.** (hereinafter called "**HResLP**")

OF THE SECOND
PART

(HRoyLP and HResLP hereinafter collectively called the "**Assignor**")

- and -

HERITAGE ROYALTY RESOURCE CORP., a corporation having an office in the City of Calgary, in the Province of Alberta (hereinafter called the "**Assignee**")

OF THE THIRD PART

WHEREAS Assignor has conveyed to Assignee its interests in the lands that are subject to the Waskada Unit No. 15 ("Lands").

AND WHEREAS Assignor wishes to assign to Assignee all of its interest in the Waskada Unit No. 15 corresponding to the Lands ("Unit Interest"), together with a corresponding interest in the Waskada Unit No. 15 Agreement all as described in Schedule "A" ("Unit Agreement").

AND WHEREAS on July 29, 2015 Cenovus Energy Inc., Cenovus FCCL Ltd. and 1528419 Alberta Ltd. transferred their partnership interests in HRoyLP to Heritage Resource Trust, as the general partner of HRoyLP, and Heritage Resource Trust II, as the sole limited partner of HRoyLP;

AND WHEREAS on July 30, 2015, at 9:45 a.m. (Eastern Time), HRoyLP transferred all of its assets, including its Unit Interest, to HResLP;

AND WHEREAS on July 30, 2015, at 10:55 a.m. (Eastern Time), HResLP transferred all of its upstream assets, including its Unit Interest, to the Assignee;

AND WHEREAS in connection with the foregoing transactions HResLP hereby directs HRoyLP to assign its Unit Interest to the Assignee;

AND WHEREAS in connection with the foregoing transactions the Assignor hereby assigns its Unit Interest to the Assignee;

NOW, THEREFORE, THIS ASSIGNMENT OF UNIT INTEREST WITNESSES THAT the parties agree as follows:

1. Assignor hereby assigns to Assignee the Unit Interest for its sole benefit.
2. The effective date of this assignment and for adjustments in respect of this assignment is July 30, 2015. ("Effective Date").
3. Assignee hereby accepts this assignment and agrees with Assignor that it shall at all times be bound by all the duties and obligations on the part of Assignor with respect to the Unit Interest accruing from and after the Effective Date; **PROVIDED**, however, that nothing herein contained shall be construed as a release of Assignor from any of its duties, obligations or liabilities that accrued prior to the Effective Date.
4. The Assignee does wholly hereby release and discharge the Assignor from the observance and performance of its covenants and agreements in respect of the Unit Interest insofar as the same relates to the interest assigned and conveyed hereunder as of the Effective Date of this agreement, provided that nothing herein contained shall be construed as a release of the Assignor from any obligation or liability under the Unit Agreement, which obligation or liability has accrued prior to the Effective Date, saving and excepting only any obligation to give notice to a third party of such disposition by the Assignor to the Assignee.
5. This agreement shall be binding upon and enure to the benefit of each party and their respective receivers, receiver managers, successors and assigns.
6. Each party shall, from time to time, at the request of the other party but without further consideration, do all such further acts and execute all such further documents reasonably required to fully perform the terms of this agreement.

7. The Assignee's address for service is:

Heritage Royalty Resource Corp.
Suncor Energy Centre – East Tower
2500, 111 – 5th Avenue SW
Calgary, AB
T2P 3Y6

Attention: Joint Venture Analyst

IN WITNESS WHEREOF this assignment has been duly executed by the Assignor and Assignee on the date first indicated above.

ASSIGNOR:

HERITAGE ROYALTY LIMITED PARTNERSHIP, by its general partner HERITAGE RESOURCE TRUST, by its trustee, 1905153 ALBERTA LTD.

Per: _____

Christopher Metrakos
Authorized Signatory

ASSIGNEE:

HERITAGE ROYALTY RESOURCE CORP.

Per: _____

Kevin Bolton
Authorized Signatory

HERITAGE RESOURCE LIMITED PARTNERSHIP, by its general partner HERITAGE RESOURCE TRUST, by its trustee, 1905153 ALBERTA LTD.

Per: _____

Kevin Bolton
Vice President, Land

SCHEDULE "A"

This is Schedule "A" to the Assignment of Unit Interest made effective the 30th day of July, 2015 between Heritage Royalty Limited Partnership and Heritage Resource Limited Partnership, collectively, as Assignor and Heritage Royalty Resource Corp., as Assignee

Unit Interests:

The royalty (paid to) interest of Assignor, in the Waskada Unit No. 15

****For Clarity: the interest being assigned is in respect of a royalty interest pursuant to the Unit Agreement**

Unit Agreement(s):

Agreement for the Waskada Unit No. 15 dated February 01, 1987