

This document is important and requires your immediate attention. If you are in doubt as to how to respond to the Improved Offer described in this notice of change you should consult with your investment dealer, lawyer or other professional advisor. Inquiries concerning this Notice of Change should be directed to Laurel Hill Advisory Group, the information agent retained by Osum, toll free at 1-877-452-7184 (416-304-0211 outside North America) or via email at assistance@laurelhill.com.



NOTICE OF CHANGE TO DIRECTORS' CIRCULAR

relating to the improved offer by

WEF OSUM ACQUISITION CORP.

to purchase up to 57,000,000 outstanding common shares

of

OSUM OIL SANDS CORP.

NO RECOMMENDATION

For the reasons set out herein, the Special Committee and the Board of Directors are not making any recommendation to Osum Shareholders regarding the improved offer by WEF Osum Acquisition Corp. As such, this Notice of Change contains no recommendation from the Special Committee or Board of Directors as to whether Osum Shareholders should accept or reject the improved offer by WEF Osum Acquisition Corp.

Osum Shareholders are urged to carefully review the factors considered by the Board of Directors under the heading "*Reasons of the Board of Directors for Making No Recommendation*" in this Notice of Change and come to their own conclusions as to whether or not to accept the offer by WEF Osum Acquisition Corp.

February 22, 2021

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QUESTIONS AND ANSWERS ABOUT THE IMPROVED OFFER

Capitalized terms used herein but not defined herein have the meanings ascribed thereto elsewhere in this Notice of Change.

Why am I receiving this Notice of Change?

On February 18, 2021, WEF announced the Improved Offer. As a result of the Improved Offer, the Board has prepared this Notice of Change advising that it is not making any recommendation to Osum Shareholders regarding the Improved Offer for the reasons set forth herein.

What is the Improved Offer?

Under the Improved Offer, WEF is offering to purchase up to 57,000,000 outstanding Osum Shares for \$3.00 per share, which represents an increase to its Initial Offer to purchase up to 52,500,000 Osum Shares and a 25% increase to the Initial Offer price of \$2.40 per share. See the WEF Notice of Variation for additional information with respect to the Improved Offer.

Should I accept the Improved Offer?

The Board of Directors, upon the recommendation of the Special Committee, has determined to make no recommendation as to whether Osum Shareholders should accept or reject the Improved Offer.

Osum Shareholders should carefully consider the information contained in this Notice of Change and the Directors' Circular and the WEF Notice of Variation and WEF Circular and make their own decisions regarding whether or not to accept the Improved Offer. Osum Shareholders who are in doubt as to how to respond to the Improved Offer, including whether or not to deposit their Osum Shares to or withdraw their Osum Shares from the Improved Offer should contact their broker, lawyer or other professional advisor.

As of the date of this Notice of Change, certain Osum Shareholders, including the members of the Special Committee and the executive officers of Osum, holding in aggregate approximately 44% of the outstanding Osum Shares (excluding Osum Shares beneficially owned, or over which control or direction is exercised, by the Waterous Entities or by any person acting jointly or in concert with the Waterous Entities) have entered into either the New Lock-Up Agreements or the Initial Lock-Up Agreements pursuant to which they have agreed to tender their Osum Shares to the Improved Offer, subject to the terms and conditions set forth therein. See "*Intentions with Respect to the Improved Offer*" herein.

Why is the Board of Directors making no recommendation as to whether to accept or reject the Improved Offer?

The Special Committee and the Board of Directors have met and carefully reviewed and considered the Improved Offer, with the benefit of advice from financial and legal advisors, including in respect of Osum's obligations under the Azimuth Consent Right (as defined later herein), and have determined to make NO RECOMMENDATION as to whether Osum Shareholders should accept or reject the Improved Offer.

In determining to make no recommendation to Osum Shareholders as to whether to accept or reject the Improved Offer, the Board has considered all aspects of the Improved Offer, including the following factors identified by the Board as being relevant to its determination:

- improved financial consideration for Osum Shareholders compared to the Initial Offer;
- the Improved Offer is supported by the members of the Special Committee and the executive officers of Osum, in their capacities as Osum Shareholders, and certain significant other Osum Shareholders holding, in aggregate, approximately 44% of the

outstanding Osum Shares (excluding Osum Shares held by WEF and the Waterous Entities);

- subject to the maximum of 57,000,000 Osum Shares, the Improved Offer provides liquidity and certainty of value for Osum Shareholders;
- the Improved Offer is fully financed;
- the Improved Offer has a high likelihood of completion;
- RBC Capital Markets delivered a Fairness Opinion (as defined herein) addressed to the Special Committee and the Board of Directors, concluding that, as of February 18, 2021 and based upon and subject to the assumptions, limitations and qualifications set forth therein, the consideration offered pursuant to the Improved Offer is fair, from a financial point of view, to the Osum Shareholders, other than WEF and the Waterous Entities;
- the Board has preserved its fiduciary duties to respond to alternative acquisition proposals; and
- due to the potential for the Azimuth Consent Right to apply to a Company supported transaction, the Board is of the view that it is in the best interests of Osum not to make any recommendation in respect of the Improved Offer.

See “Reasons of the Board of Directors for Making No Recommendation” and “Opinion of RBC Capital Markets” herein.

Do I have to accept the Improved Offer?

No. No Osum Shareholder is required to accept or tender their Osum Shares to the Improved Offer. As a shareholder you are entitled to do nothing and not accept the Improved Offer. Please see “Acquisition of Common Shares Not Deposited and/or Taken Up” in the WEF Circular for a discussion of WEF’s plans with respect to any Osum Shares that are not tendered to the Improved Offer.

How do I accept the Improved Offer?

Please see “Manner of Acceptance” on page 9 of the WEF Notice of Variation for a discussion of how to accept the Improved Offer.

If you have any questions or require assistance with tendering to the Improved Offer please contact Kingsdale Advisors, the depositary and information agent retained by WEF, by telephone toll-free in North America at 1-866-581-0506 and at 1-416-867-2272 outside North America or by e-mail at contactus@kingsdaleadvisors.com.

Have other Osum Shareholders indicated an intention to tender their Osum Shares to the Improved Offer?

The Initial Locked-Up Shareholders entered into the Initial Lock-Up Agreements with WEF in which they have agreed, subject to the terms of such agreements, to tender their Osum Shares to the Initial Offer and any improved offer, including the Improved Offer. Each Initial Lock-Up Agreement sets out the terms and conditions pursuant to which each Initial Locked-Up Shareholder is prepared to support the Improved Offer in respect of the Osum Shares held by them, representing approximately 39% of the Osum Shares (excluding Osum Shares beneficially owned, or over which control or direction is exercised, by the Waterous Entities or by any person acting jointly or in concert with the Waterous Entities), as of the date of this Notice of Change.

In addition, each director (other than the WEF Nominees) and each executive officer of Osum, in their capacities as Osum Shareholders, have entered into the New Lock-Up Agreements in which they have agreed, subject to the terms of such New Lock-Up Agreements, to tender Osum Shares held by them or over which they exercise control, to the Improved Offer. Such Osum Shares represent approximately 5% of the Osum Shares outstanding (excluding Osum Shares beneficially owned, or over which control or direction is exercised, by the Waterous Entities or by any person acting jointly or in concert with the Waterous Entities), and together with the Osum Shares held by the Initial Locked-Up Shareholders represents approximately 44% of the outstanding Osum Shares (excluding Osum Shares beneficially owned, or over which control or direction is exercised, by the Waterous Entities or by any person acting jointly or in concert with the Waterous Entities). See “*See “Intentions with Respect to the Improved Offer”*” herein.

I tendered my Osum Shares to the Initial Offer. Do I need to do anything to accept the Improved Offer?

No. Assuming that you properly followed the procedures described under the heading “*Manner of Acceptance*” in the WEF Circular and did not subsequently withdraw the Osum Shares you tendered, you do not need to do anything to accept the Improved Offer with respect to the previously tendered Osum Shares.

See “*Manner of Acceptance*” in the WEF Notice of Variation.

Can I withdraw my Osum Shares if I have already tendered?

Yes. Please see “*Withdrawal of Deposited Common Shares*” in the WEF Notice of Variation for a discussion of how to withdraw any Osum Shares that have previously been tendered.

How long do I have to decide whether to tender to the Improved Offer?

You have until the expiration date of the Improved Offer to tender your Osum Shares. The Improved Offer is scheduled to expire at 11:59 p.m. (Vancouver time), on March 1, 2021, unless it is extended or withdrawn.

See “*Time of Acceptance – Extension of the Offer*” in the WEF Notice of Variation.

If I accept the Improved Offer, when will I receive my payment?

See “*Take Up of and Payment for Deposited Common Shares*” in the WEF Notice of Variation.

Who do I ask if I have more questions?

The Special Committee and Board of Directors recommend that you thoroughly review the information contained in this Notice of Change in conjunction with the Directors’ Circular and the WEF Notice of Variation in conjunction with the WEF Circular. Osum has retained Laurel Hill Advisory Group as its information agent. You should contact your professional advisor or Laurel Hill Advisory Group if you have any questions about this Notice of Change. Shareholders who would like additional copies, without charge, of this Notice of Change or have additional questions should contact their broker or Laurel Hill Advisory Group by email or at the telephone number below.

Laurel Hill Advisory Group
 North America Toll Free: 1-877-452-7184
 Outside North America: 1-416-304-0211
 Email: assistance@laurelhill.com

NOTICE OF CHANGE TO DIRECTORS' CIRCULAR

This Notice of Change (this "**Notice of Change**") is dated February 22, 2021 and relates to and amends and supplements certain of the information contained in the directors' circular dated November 18, 2020 (the "**Directors' Circular**") issued by the board of directors (the "**Board of Directors**" or the "**Board**") of Osum Oil Sands Corp. in connection with the initial offer (the "**Initial Offer**") made by WEF Osum Acquisition Corp. ("**WEF**") to purchase up to 52,500,000 outstanding common shares ("**Osum Shares**") of Osum Oil Sands Corp. (excluding Osum Shares beneficially owned, or over which control or direction is exercised, by the Waterous Entities (as defined herein) or by any person acting jointly or in concert with the Waterous Entities) for cash consideration of \$2.40 per Osum Share described in the take-over bid circular dated November 4, 2020 (collectively, the "**WEF Circular**").

This Notice of Change should be read in conjunction with the Directors' Circular. This Notice of Change is issued by the Board of Directors in connection with the Improved Offer (as defined below).

By notice of variation and change of WEF dated February 18, 2021 (the "**WEF Notice of Variation**"), WEF amended and revised the Initial Offer (as so revised, the "**Improved Offer**"). Under the Improved Offer, WEF is offering to purchase up to 57,000,000 Osum Shares (excluding Osum Shares beneficially owned, or over which control or direction is exercised, by the Waterous Entities or by any person acting jointly or in concert with the Waterous Entities) for cash consideration of \$3.00 per Osum Share, on the terms and subject to the conditions set forth in the Improved Offer.

The Improved Offer is described in the WEF Notice of Variation. The Improved Offer will expire at 11:59 p.m. (Vancouver time) on March 1, 2021 (such time on such date, or such earlier or later date to which the Improved Offer may be abridged or extended from time to time by WEF in accordance with the terms of the Improved Offer, the "**Expiry Time**") unless extended, varied or withdrawn by WEF. The Improved Offer is subject to a number of conditions, including that more than 50% of the outstanding Osum Shares, excluding any Osum Shares beneficially owned, or over which control or direction is exercised by the Waterous Entities or by any person acting jointly or in concert with the Waterous Entities, are tendered to the Improved Offer.

DEFINED TERMS

Unless the context otherwise requires, all references in this Notice of Change to "**Osum**" or the "**Company**" refer to Osum Oil Sands Corp. and its subsidiaries. In addition, all references to "**WEF**" refer to WEF Osum Acquisition Corp. and all references to the "**Waterous Entities**" refer to the group of Alberta limited partnerships that wholly-own WEF (Waterous Energy Fund (Canadian) LP, Waterous Energy Fund (US) LP, Waterous Energy Fund (International) LP, WEF Osum Co-Invest I LP, WEF Osum Co-Invest II LP and WEF Osum Co-Invest III LP).

All references herein to the "**Special Committee**" refer to the special committee of independent directors of the Board of Directors formed on November 5, 2020 and consisting of William A. Friley (Chair), Vincent Chahley and George Crookshank as at the date hereof.

All references herein to the "**Financial Advisors**" refer to Osum's financial advisors being TD Securities Inc. ("**TD Securities**") and RBC Dominion Securities Inc. ("**RBC Capital Markets**").

All references herein to "**Osum Shareholders**" refers to the holders of Osum Shares.

NOTICE REGARDING INFORMATION

Certain information in this Notice of Change has been taken from or is based on documents that are expressly referred to in this Notice of Change. All summaries of, and references to, documents that are specified in this Notice of Change are qualified in their entirety by reference to the complete text of those

documents. Unless indicated otherwise, information contained in this Notice of Change is as at February 22, 2021.

Information contained in this Notice of Change concerning WEF, its affiliates and the Improved Offer, including forward-looking statements or information, is based solely upon the WEF Notice of Variation and WEF Circular, and the Special Committee and the Board have relied, without independent verification, exclusively upon information contained in the WEF Circular, the WEF Notice of Variation or that is otherwise publicly available. Neither Osum nor any of its officers or directors assumes any responsibility for the accuracy or completeness of such information or for any failure by WEF to disclose events or facts that may have occurred or may affect the significance or accuracy of any such information.

FINANCIAL INFORMATION

Unless otherwise indicated, all references in this Notice of Change to “\$” refer to Canadian dollars.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain information included in this Notice of Change, including, without limitation, the discussion of the reasons of the Board of Directors for not making any recommendation with respect to the Improved Offer, statements with respect to the Improved Offer, and other statements that express expectations or estimates of future performance, constitute ‘forward-looking statements’ within the meaning of applicable Canadian securities laws. Forward-looking statements are necessarily based upon a number of estimates, assumptions, expectations and projections that, while considered reasonable by Osum, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Generally, forward-looking information can be identified by use of words such as “outlook”, “objective”, “may”, “could”, “would”, “will”, “expect”, “intend”, “estimate”, “forecasts”, “project”, “seek”, “anticipate”, “believes”, “should”, “plans” or “continue”, and other similar terminology.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual financial results, performance or achievements to be materially different from the estimated future results, performance or achievements expressed or implied by those forward-looking statements and the forward-looking statements are not guarantees of future performance. The risks and other factors that may impact the forward-looking information contained herein include, but are not limited to, general economic conditions, industry conditions, including fluctuations in commodity prices, the ability to generate sufficient cash flow from operations to meet current and future obligations, including costs of projects and repayment of debt, expected cash flows, production levels or conditions and expected economic life of the Orion Project, government regulation, fluctuations in foreign exchange and interest rates, weather conditions, unanticipated operating events, uncertainty of reserve and resource estimates, risks relating to the COVID-19 pandemic and the ability of management to execute its business plan, retaining a high quality, experienced management and operating team, production delays, changing environmental and other regulations, the ability to attract and retain business partners, the ability to exploit hydrocarbon resources with available technology, the need to obtain and maintain proprietary rights over aspects of the technology, competition from other technologies, the ability to access the capital required for project development, research, technology development, operations and marketing, financial position, predictions of future actions or plans or strategies, and changes in energy prices.

Except as required by law, Osum disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, events or otherwise. Readers are cautioned not to put undue reliance on these forward-looking statements. Historical statements contained in this document regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. In particular, historical results should not be taken as a representation that such trends will be replicated in the future.

BOARD OF DIRECTORS MAKING NO RECOMMENDATION TO OSUM SHAREHOLDERS

The Board of Directors, after carefully reviewing and considering the terms of the Improved Offer, and receiving advice from Osum's Financial Advisors, and legal advisor, McCarthy Tétraut LLP, and the Special Committee's legal advisor, Norton Rose Fulbright Canada LLP, including in respect of Osum's obligations under the Azimuth Consent Right (as defined below), and following receipt of the recommendation of the Special Committee, has determined to make **NO RECOMMENDATION** as to whether Osum Shareholders should accept or reject the Improved Offer.

We encourage Osum Shareholders to consider the Improved Offer and the information contained in this Notice of Change and the WEF Notice of Variation carefully and make their own decisions regarding whether or not to accept the Improved Offer. Osum Shareholders who are in doubt as to how to respond to the Improved Offer should contact their broker, lawyer or other professional advisor.

While the Board of Directors is not making a recommendation to Osum Shareholders with respect to the Improved Offer, the members of the Special Committee and the executive officers of Osum, in their capacities as Osum Shareholders, have agreed, subject to the terms of the New Lock-Up Agreements, to tender their Osum Shares to the Improved Offer. See "*Intentions with Respect to the Improved Offer*" herein.

Directors Michael Buckingham, Andrew Kim, Adam Waterous and Rob Morgan (the "**WEF Nominees**") abstained from the determination of the Board to make no recommendation as a result of a conflict of interest due to their affiliations with WEF.

Director Steve Spence (the "**Management Nominee**"), the Company's President and CEO, also abstained from the determination of the Board to make no recommendation on the advice of legal counsel due to the potential for a perceived conflict of interest.

REASONS OF THE BOARD OF DIRECTORS FOR MAKING NO RECOMMENDATION

The principal factors considered by the Special Committee and Board in determining to make **NO RECOMMENDATION** to Osum Shareholders as to whether to accept or reject the Improved Offer are as follows:

1. Improved financial consideration for Osum Shareholders compared to the Initial Offer

- The Improved Offer of \$3.00 per share represents a 25% increase from the Initial Offer of \$2.40 per share.

2. The Improved Offer is supported by the members of the Special Committee and the executive officers of Osum, in their capacities as Osum Shareholders, and certain significant other Osum Shareholders holding, in aggregate, approximately 44% of the outstanding Osum Shares (excluding Osum Shares held by the Waterous Entities)

- As of the date of this Notice of Change, approximately 44% of the outstanding Osum Shares (excluding Osum Shares beneficially owned, or over which control or direction is exercised, by the Waterous Entities or by any person acting jointly or in concert with the Waterous Entities) are subject to either the New Lock-Up Agreements or the Initial Lock-Up Agreements. See "*Intentions with Respect to the Improved Offer*" herein.
- Taken together with the other Osum Shareholders who have already tendered or who have expressed their intention to tender, WEF has announced that it believes that the minimum tender condition required by applicable securities laws is expected to be satisfied and,

assuming that all other conditions to the Improved Offer are satisfied or waived, WEF expects to be in a position to acquire more than 50% of the outstanding Osum Shares (excluding Osum Shares beneficially owned, or over which control or direction is exercised, by the Waterous Entities or by any person acting jointly or in concert with the Waterous Entities) pursuant to the Improved Offer.

- The Initial Locked-Up Shareholders and the New Locked-Up Shareholders have agreed to tender their Osum Shares to the Improved Offer regardless of any recommendation from the Board of Directors with respect to the Improved Offer.

3. The Improved Offer provides liquidity and certainty of value for Osum Shareholders

- The Improved Offer provides 100% cash consideration for the Osum Shares tendered to the Improved Offer, subject to the maximum of 57,000,000 Osum Shares, giving Osum Shareholders certainty of value and immediate liquidity for such shares in the face of volatile markets. In addition, WEF has stated that it intends to complete a subsequent acquisition transaction to acquire the remainder of the outstanding Osum Shares as soon as possible following, but no later than 120 days after, the expiry of the Improved Offer for consideration per Osum Share that is equal in value to and in the same form as that payable to Osum Shareholders pursuant to the Improved Offer.
- Since receiving the Initial Offer, Osum, together with the Financial Advisors, conducted an extensive corporate sale process (the “**Sale Process**”) seeking alternative proposals. Twenty-five parties were contacted on behalf of Osum to canvass their potential interest in Osum. Seven parties entered into confidentiality agreements with the Company. The Special Committee considered a range of alternatives when reviewing the Improved Offer, as well as the likelihood of any proposals from other parties being available in a timely manner and with financial terms exceeding the value of the consideration payable under the Improved Offer. No alternatives emerged that are superior to the Improved Offer.

4. The Improved Offer is fully financed

- The Improved Offer is not subject to a financing condition. WEF has disclosed that it has secured, on a committed basis, all financing required to fund the entire consideration payable for the Osum Shares subject to the Improved Offer.

5. The Improved Offer has a high likelihood of completion

- In order for the Improved Offer to be successful, WEF must satisfy its minimum tender condition, such that more than 50% of the Osum Shares not currently owned by WEF and the Waterous Entities are tendered. The Osum Shares subject to the Initial Lock-Up Agreements and the New Lock-Up Agreements already represent in aggregate approximately 44% of the outstanding Osum Shares not currently owned by WEF and the Waterous Entities, or approximately 87% of the outstanding Osum Shares required to achieve the minimum tender condition. Accordingly, the Board of Directors believes there is a high likelihood that WEF will achieve the minimum tender condition and that the Improved Offer will be successful.

6. The Board has received an opinion from RBC Capital Markets that the consideration offered pursuant to the Improved Offer is fair, from a financial point of view, to the Osum Shareholders, other than WEF and the Waterous Entities

- RBC Capital Markets delivered an opinion (the “**Fairness Opinion**”) addressed to the Special Committee and the Board of Directors, concluding that, as of February 18, 2021 and based

upon and subject to the assumptions, limitations and qualifications set forth therein, the consideration offered pursuant to the Improved Offer is fair, from a financial point of view, to the Osum Shareholders, other than WEF and the Waterous Entities. See “*Opinion of RBC Capital Markets*” herein.

7. The Board has preserved its fiduciary duties to respond to alternative acquisition proposals

- The members of the Special Committee and the executive officers of Osum entered into the New Lock-Up Agreements solely in their capacities as shareholders of Osum. The Board has preserved its fiduciary duties to the Company and could, if required in accordance with the proper discharge of its fiduciary duties, make recommendations with respect to any alternative acquisition proposals that may arise after the date hereof.

8. Due to the potential for the Azimuth Consent Right to apply to a Company supported transaction, the Board is of the view that it is in the best interests of Osum not to make any recommendation in respect of the Improved Offer

- Pursuant to an investment agreement dated December 22, 2011, originally among Osum, KERN Energy Partners GP III LP, in its capacity as general partner of KERN Energy Partners III, L.P. and KERN Energy Partners III U.S., L.P. (“**Azimuth Capital**”), Caisse de Depot et Placement du Quebec, INFRA-PSP Canada Inc. and Pacific Mezz Investco SARL (collectively, the “**Azimuth Group**”), for so long as the Azimuth Group collectively owns at least 10% of the outstanding Osum Shares, Osum must obtain prior written approval from the representative of the Azimuth Group, such approval not to be unreasonably withheld or delayed, in order to, among other things, effect a change of control transaction involving Osum, at an effective price per Osum Share of less than \$12.50 (the “**Azimuth Consent Right**”).
- The Azimuth Consent Right does not apply to the Improved Offer, which, like the Initial Offer, was made on an unsolicited basis and without the involvement of Osum. However, any agreement by Osum to support or facilitate the Improved Offer may be subject to the Azimuth Consent Right and Azimuth Capital has advised that it would not consent to such an agreement in connection with the Improved Offer. Accordingly, Osum has not entered into any agreement with WEF to support or facilitate the Improved Offer and the Board is not making any recommendation to Osum Shareholders as to whether or not they should accept or reject the Improved Offer. The members of the Special Committee and the executive officers of Osum entered into the New Lock-Up Agreements solely in their capacities as shareholders of Osum.
- Caisse de Depot et Placement du Quebec and INFRA-PSP Canada Inc., two of the three remaining members of the Azimuth Group, entered into the Initial Lock-Up Agreements pursuant to which they agreed to tender their Osum Shares to the Improved Offer, subject to the terms and conditions set forth therein. See “*Intentions with Respect to the Improved Offer*” herein.

For the reasons set forth herein, the Special Committee and the Board of Directors are not making a recommendation to Osum Shareholders regarding the Improved Offer. As such this Notice of Change contains no recommendation from the Board of Directors as to whether Osum Shareholders should accept or reject the Improved Offer.

Osum Shareholders are urged to carefully review the factors considered by the Board of Directors under the heading “Reasons of the Board of Directors for Making No Recommendation” in this Notice of Change and come to their own conclusions as to whether or not to accept the Improved Offer.

If you have any questions concerning how to accept the Improved Offer or to withdraw your Osum Shares from the Improved Offer or with respect to this Notice of Change, you should contact your broker or Laurel Hill Advisory Group, the information agent retained by Osum, toll free at 1-877-452-7184 (416-304-0211 outside North America) or via email at assistance@laurelhill.com.

The foregoing summary of the information and factors considered by the Special Committee and Board of Directors is not intended to be exhaustive of the information, factors and analysis considered by the Board in reaching its determination to make no recommendation to Osum Shareholders with respect to the Improved Offer, but includes the material information, factors and analysis considered by the Board in making its determination. The members of the Board evaluated various factors summarized above in light of their own knowledge of the business, financial condition and prospects of Osum, and based upon the advice of Osum’s financial and legal advisors and the recommendations of the Special Committee. Given the numerous factors considered in connection with its evaluation of the Improved Offer, the Board did not find it practicable to, and did not, quantify or otherwise attempt to assign relative weight to specific factors in reaching its determinations. In addition, individual members of the Board may have given different weight to different factors. The determinations of the Board, upon the recommendation of the Special Committee, were made after considering all of the information and factors involved. Osum Shareholders should consider the terms of the Improved Offer carefully and come to their own decision as to whether to accept or reject the Improved Offer.

INTENTIONS WITH RESPECT TO THE IMPROVED OFFER

WEF and/or Waterous Energy Fund Management Corp., on behalf of WEF, have previously entered into lock-up agreements (the “**Initial Lock-Up Agreements**”) with certain Osum Shareholders, including certain funds and accounts managed by BlackRock dated November 3, 2020, Caisse de dépôt et placement du Québec dated November 2, 2020, certain funds and accounts managed by Goldman Sachs dated November 2, 2020, Korea Investment Corporation, in its capacity as agent of the Ministry of Economy and Finance of the Republic of Korea dated October 27, 2020, Infra-PSP Canada Inc. dated November 2, 2020 and certain funds and accounts managed by Camcor Partners dated December 14, 2020 (collectively, the “**Initial Locked-Up Shareholders**”). Each Initial Lock-Up Agreement sets out the terms and conditions pursuant to which each Initial Locked-Up Shareholder is prepared to support the Initial Offer and any improved offer, including the Improved Offer, in respect of the Osum Shares held by them, representing approximately 39% of the outstanding Osum Shares (excluding Osum Shares held by WEF and the Waterous Entities), as of the date of this Notice of Change.

In addition, each director (other than the WEF Nominees) and executive officer of Osum has entered into a new lock-up agreement dated February 18, 2021 (collectively, the “**New Lock-Up Agreements**”) pursuant to which they have agreed, subject to the terms of such New Lock-Up Agreements, to tender Osum Shares held by them or over which they exercise control to the Improved Offer. Such Osum Shares represent approximately 5% of the outstanding Osum Shares (excluding Osum Shares held by WEF and the Waterous Entities). Each such director and officer entered into a New Lock-Up Agreement solely in his or her capacity as an Osum Shareholder and not as a director or officer of Osum and the New Lock-Up

Agreement does not affect or restrict any fiduciary obligation imposed on such director or officer acting in the capacity of a director or officer of Osum.

As of the date of this Notice of Change, approximately 44% of the outstanding Osum Shares (excluding Osum Shares held by WEF and the Waterous Entities) are subject to either the New Lock-Up Agreements or the Initial Lock-Up Agreements.

Except for the Initial Lock-Up Agreements, the New Lock-Up Agreements or as otherwise disclosed in this Notice of Change, to the knowledge of the directors and officers of Osum, after reasonable enquiry, no insider of Osum, no associate or affiliate of any director, officer or other insider of Osum, no associate or affiliate of Osum nor any person acting jointly or in concert with Osum has accepted or indicated an intention to accept the Improved Offer.

BACKGROUND TO THE IMPROVED OFFER

The Special Committee and the Board of Directors have reviewed the disclosure contained in the WEF Notice of Variation relating to the Improved Offer. Set out below is additional background and commentary, which is intended to help Osum Shareholders to understand the context in which the Improved Offer was made and, in turn, understand the rationale for the Special Committee and the Board of Directors making no recommendation with respect to the Improved Offer. See "*Reasons of the Board of Directors for Making No Recommendation*".

On November 4, 2020, WEF commenced the Initial Offer and delivered a copy of the WEF Circular to Osum.

On November 17, 2020, the Board (excluding the WEF Nominees and the Management Nominee) unanimously resolved to recommend to Osum Shareholders that they reject the Initial Offer and not tender their Osum Shares to it. A summary of the principal reasons for the Board's recommendation is set forth under the heading "*Reasons for the Board of Directors Recommending Rejecting the Hostile Bid*" in the Directors Circular.

On December 3, 2020, Osum filed an application with the Alberta Securities Commission (the "**ASC**") contesting the validity of the Initial Offer and asking for a cease trade order on the grounds that the WEF acquisition financing could not be satisfied by the time payment for the Osum Shares would be due and that an independent valuation had not been provided (the "**Application**"). The ASC heard the Application on January 26, 2021. Between the time of the filing of the Application and the ASC hearing, WEF adjusted its financing such that conditions thereto were reasonably expected to be satisfied by the time payment for the Osum Shares would be due pursuant to the Initial Offer.

On December 8, 2020, the Company initiated the Sale Process for the sale of approximately 55% or 100% of the outstanding Osum Shares. As disclosed in the Directors' Circular, the Company had been preparing to commence a broad public strategic process in the first quarter of 2020, but such process was put on hold following the onset of the COVID-19 pandemic and rapidly deteriorating market conditions. In light of the Initial Offer, the Special Committee determined that it was in the best interests of Osum to initiate the Sales Process in December 2020 with a view to maximizing value for Osum Shareholders.

On December 10, 2020, the Waterous Entities requisitioned (the "**Requisition**") the Board to call a special meeting of Osum Shareholders for the purpose of considering, and if deemed advisable, passing ordinary resolutions: (i) to remove William A. Friley and Vincent Chahley as directors of the Company, and (ii) fixing the number of directors of the Company at seven. Notwithstanding the foregoing, the Waterous Entities agreed to withdraw their requisition in the event that two directors of the Company, other than Mr. Mele, provided written undertakings to resign as directors in the event that the minimum tender condition of the Initial Offer had been satisfied, and WEF notified the Company that it would take up and pay for the Osum Shares validly deposited under the Initial Offer. In consideration for the agreement of the Waterous Entities to withdraw the Requisition, George Crookshank and Steven Spence delivered written undertakings to

resign as directors of Osum subject to, and conditional upon, receipt of written confirmation that the minimum tender condition to the Initial Offer has been satisfied and WEF has taken up and accepted for payment the maximum number of Osum Shares validly deposited under the Initial Offer and not properly withdrawn as permitted by applicable securities laws. The Waterous Entities accepted the undertakings and withdrew the Requisition on December 16, 2020.

A hearing at the ASC was conducted on January 26, 2021 to consider the Application. On January 28, 2021, the ASC dismissed the Application without providing reasons. A written decision of the ASC is expected to be provided at a future date, but has not been released as of the date of this Notice of Change.

The Sale Process continued throughout January and February 2021. Pursuant to the Sale Process, the Financial Advisors contacted twenty-five parties to canvass their potential interest in Osum. Seven parties entered into confidentiality agreements with the Company. Osum received one proposal pursuant to the Sale Process that represented a value greater than that of the Initial Offer. While the proposal was credible and may have led to greater value for shareholders than the Initial Offer, the proposal was subject to material conditions and a significant inducement fee structure leading the Special Committee to believe that it was uncertain if a transaction could be successfully commenced prior to the expiry of the Initial Offer and subsequently consummated. The price per share offered in this proposal was less than the price per share offered under the Improved Offer. No other credible alternatives had emerged or, in the view of the Special Committee, on advice of its Financial Advisors, were likely to emerge prior to the expiry of the Initial Offer.

Following the ASC's dismissal of the Application, on February 1, 2021, the Special Committee engaged an investment bank to provide a formal independent valuation (the "**Valuation**") of the Osum Shares. In light of the Improved Offer, the Valuation has not been and will not be completed.

On February 4, 2021, Osum provided the Osum Shareholders with an update (the "**Shareholder Update**") highlighting the improvement in market conditions and Osum's outlook since the announcement of the Initial Offer. The Shareholder Update was announced in a press release issued by Osum on February 4, 2021 and posted on Osum's website at www.osumcorp.com.

On February 11, 2021, Adam Waterous of WEF proposed the Improved Offer to William Friley, Chair of the Special Committee, and requested that the members of the Special Committee (other than Francesco Mele, a representative of Azimuth Capital) and the executive officers of Osum enter into the New Lock-Up Agreements.

On February 13, 2021, WEF provided a draft form of the New Lock-Up Agreement for consideration by the directors and executive officers of Osum pursuant to which WEF contemplated making the Improved Offer.

On February 16, 2021, Francesco Mele, a representative of Azimuth Capital, tendered his resignation as a director of the Company and a member of the Special Committee.

On February 17, 2021, the Special Committee met with management of Osum, McCarthy Tétrault LLP, as legal counsel to the Company and the Board of Directors, Norton Rose Fulbright Canada LLP, as legal counsel to the Special Committee, and the Financial Advisors to consider and evaluate WEF's proposal with respect to the Improved Offer. The members of the Special Committee advised that they would enter into the New Lock-Up Agreements in their capacities as Osum Shareholders. Steven Spence, President and Chief Executive Officer of Osum and a director, advised the Special Committee that he and the other executive officers of Osum would enter into the New Lock-Up Agreements in their capacities as Osum Shareholders.

The Special Committee concluded on February 17, 2021 to terminate the engagement of the investment bank that was preparing the Valuation, which occurred prior to the Special Committee receiving any value or range of values with respect to the Osum Shares.

On February 18, 2021, WEF announced the Improved Offer, the Special Committee received the verbal opinion of RBC Capital Markets (which opinion was subsequently confirmed in writing, a copy of which is attached hereto as Schedule A) concluding that as of February 18, 2021 and based upon and subject to the assumptions, limitations and qualifications set forth therein, the consideration offered pursuant to the Improved Offer is fair, from a financial point of view, to the Osum Shareholders, other than WEF and the Waterous Entities, and Messrs. Friley, Crookshank and Chahley and the executive officers of Osum entered into the New Lock-Up Agreements with WEF in their capacities as Osum Shareholders.

On February 22, 2021, the Special Committee met with management of Osum, McCarthy Tétrault LLP, as legal counsel to the Company and the Board of Directors, Norton Rose Fulbright Canada LLP, as legal counsel to the Special Committee, to finalize the recommendations to be made to the Board of Directors with respect to the Improved Offer. Following discussion amongst the members of the Special Committee, and a thorough and careful review of the Improved Offer and the financial and legal advice it had received to date and a consideration of the best interests of Osum and the Osum Shareholders, the Special Committee determined, for the reasons described herein under the heading "*Reasons of the Board of Directors for Making No Recommendation*", to recommend that the Board of Directors not make any recommendation as to whether Osum Shareholders should accept or reject the Improved Offer.

On February 22, 2021, based on the recommendation of the Special Committee, and following a thorough and careful review of the Improved Offer and the financial and legal advice it had received to date and a consideration of the best interests of Osum and the Osum Shareholders, the Board of Directors (with the WEF Nominees and the Management Nominee abstaining) resolved, for the reasons described herein under the heading "*Reasons of the Board of Directors for Making No Recommendation*", not to make any recommendation as to whether Osum Shareholders should accept or reject the Improved Offer, and approved this Notice of Change.

HOW TO TENDER YOUR OSUM SHARES

If you have any questions or require assistance with tendering to the Improved Offer please contact Kingsdale Advisors, the depository and information agent retained by WEF, by telephone toll-free in North America at 1-866-581-0506 and at 1-416-867-2272 outside North America or by e-mail at contactus@kingsdaleadvisors.com.

See also "Manner of Acceptance" in the WEF Circular.

HOW TO WITHDRAW YOUR DEPOSITED OSUM SHARES

For assistance in withdrawing your Osum Shares from the Improved Offer, you should contact your broker or Laurel Hill Advisory Group, the information agent retained by Osum, toll free at 1-877-452-7184 (416-304-0211 outside North America) or via email at assistance@laurelhill.com.

See also "Withdrawal of Deposited Common Shares" in the WEF Circular.

OPINION OF RBC CAPITAL MARKETS

RBC Capital Markets delivered a written Fairness Opinion, dated February 18, 2021, addressed to the Special Committee and the Board of Directors, concluding that, as of the date thereof and based upon and subject to the assumptions, limitations and qualifications set forth therein, the consideration offered pursuant to the Improved Offer is fair, from a financial point of view, to the Osum Shareholders, other than WEF and the Waterous Entities.

A copy of the Fairness Opinion is attached as Schedule A to this Notice of Change. All summaries and references to the Fairness Opinion in this Notice of Change are qualified in their entirety by reference to the full text of such opinion. The Special Committee and the Board of Directors strongly recommend that

Osum Shareholders read the Fairness Opinion carefully and in its entirety for a description of the procedures followed, matters considered, and limitations on the review undertaken. The Fairness Opinion addresses only the fairness from a financial point of view of the consideration offered pursuant to the Improved Offer to the Osum Shareholders. The Fairness Opinion was provided for the information and assistance of the Special Committee and the Board of Directors for their exclusive use only in connection with their consideration of the Improved Offer. The description of the Fairness Opinion in this Notice of Change and the written opinion attached hereto do not constitute a recommendation to the Osum Shareholders as to whether or not they should tender their Osum Shares to the Improved Offer.

Pursuant to the terms of an engagement agreement with RBC Capital Markets, Osum has agreed to pay certain fees to RBC Capital Markets, including a fixed fee for the delivery of its written opinion (regardless of its conclusion) and fees that are contingent upon the completion or non-completion of the Improved Offer, a change of control of Osum or the occurrence of certain other events. Osum has also agreed to reimburse RBC Capital Markets for reasonable expenses and indemnify RBC Capital Markets against certain potential liabilities arising out of or in connection with its engagement.

ARRANGEMENTS BETWEEN OSUM AND ITS DIRECTORS AND OFFICERS

See “*Arrangements between Osum and its Directors and Officers*” in the Directors’ Circular for a discussion of the existing employment agreements and change of control agreements with officers of Osum and the change of control provisions under Osum’s incentive plans.

In accordance with Osum’s incentive stock option plan dated August 18, 2008, the Board approved the accelerated vesting of outstanding options in connection with WEF first taking up Osum Shares under the Improved Offer. The Board has also approved the cashless exercise of options in connection with the Improved Offer. In addition, in accordance with Osum’s performance share unit plan dated August 8, 2013 and amended and restated effective March 15, 2016, the Compensation, Governance and Nominating Committee of the Board has approved the accelerated vesting of all outstanding Restricted Share Units and Performance Share Units, such that they will settle and be redeemed in connection with WEF first taking up Osum Shares under the Improved Offer.

MATERIAL CHANGES IN THE AFFAIRS OF OSUM

Except as set forth herein or as disclosed in Osum’s Shareholder Update, the directors and officers of Osum are not aware of any information that indicates any material change in the affairs of Osum since the date of its last published financial statements, being its interim financial statements for the nine months ended September 30, 2020.

OTHER TRANSACTIONS

Other than as described or referred to in the WEF Notice of Variation or in this Notice of Change, as of February 22, 2021, no negotiations are underway in response to the Improved Offer that relate to or would result in (a) an extraordinary transaction such as a merger, reorganization or liquidation involving Osum or any of its subsidiaries, (b) the purchase, sale or transfer of a material amount of assets by Osum or any of its subsidiaries, (c) a take-over bid or other acquisition of securities of Osum by any person, (d) an issuer bid or other acquisition of securities by Osum or any of its subsidiaries, or (e) any material change in the indebtedness, capitalization or dividend rate or policy of Osum.

ADDITIONAL INFORMATION

Except as disclosed in the Directors’ Circular or this Notice of Change, there is no information that is known to the directors and officers of Osum that would reasonably be expected to affect the decision of Osum Shareholders to accept or reject the Improved Offer.

STATUTORY RIGHTS

Securities legislation in the provinces and territories of Canada provides security holders of Osum with, in addition to any other rights they may have at law, one or more rights of rescission, price revision or to damages if there is a misrepresentation in a circular or notice that is required to be delivered to those security holders. However, such rights must be exercised within prescribed time limits. Security holders should refer to the applicable provisions of the securities legislation of their province or territory for particulars of those rights or consult a lawyer.

APPROVAL OF THE NOTICE OF CHANGE

The contents of this Notice of Change has been approved and its sending has been authorized by the Board of Directors of Osum.

CONSENT OF RBC DOMINION SECURITIES INC.

Dated: February 22, 2021

To the Board of Directors of Osum,

We hereby consent to the references to our firm name and to our opinion dated February 18, 2021 contained in, and the inclusion of the text of such opinion as Schedule "A" to the notice of change of Osum Oil Sands Corp. dated February 22, 2021. Our opinion was provided exclusively for the information and assistance of the special committee and board of directors and is subject to the assumptions, qualifications and limitations contained therein.

(signed) "*RBC Dominion Securities Inc.*"

CERTIFICATE

Dated February 22, 2021.

The foregoing, together with the Directors' Circular of Osum dated November 18, 2020, contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

On behalf of the Board of Directors,

Signed "*William Friley*"

William Friley
Chair of the Board of Directors

Signed "*Vincent Chahley*"

Vincent Chahley
Director

SCHEDULE "A"

OPINION OF RBC DOMINION SECURITIES INC.



February 18, 2021

The Special Committee and the Board of Directors
Osum Oil Sands Corp.
Suite 1900, 255 – 5th Avenue SW
Calgary, Alberta, Canada T2P 3G6

To the Special Committee and the Board of Directors:

RBC Dominion Securities Inc. ("RBC"), a member company of RBC Capital Markets, understands that WEF Osum Acquisition Corp. ("WEF"), a company wholly-owned by Waterous Energy Fund (Canadian) LP, Waterous Energy Fund (US) LP, Waterous Energy Fund (International) LP, WEF Osum Co-Invest I LP, WEF Osum Co-Invest II LP and WEF Osum Co-Invest III LP (collectively, the "Waterous Entities"), each an Alberta limited partnership managed by Waterous Energy Fund Management Corp., intends to amend its offer (the "Offer") to acquire a significant portion of the outstanding common shares (the "Osum Shares") of Osum Oil Sands Corp. ("Osum" or the "Company") not already owned by the WEF Entities, by increasing the price to \$3.00 in cash for each Osum Share from \$2.40 in cash for each Osum Share, and by increasing the number of Osum Shares being bid for to up to 57,000,000 from up to 52,500,000 (the "Amended Offer"). The terms of the Offer are more fully described in a take-over bid circular dated November 4, 2020 (the "Circular"), which has been mailed to holders of Osum Shares (the "Osum Shareholders") and the Amended Offer will be more fully described in a notice of variation and change to be mailed to Osum Shareholders.

RBC understands that the Waterous Entities currently own approximately 45% of the Osum Shares. RBC also understands that WEF and/or Waterous Energy Fund Management Corp., on behalf of WEF, have entered into lock-up agreements (the "Initial Lock-Up Agreements") with certain Osum Shareholders, including certain funds and accounts managed by BlackRock dated November 3, 2020, Caisse de dépôt et placement du Québec dated November 2, 2020, certain funds and accounts managed by Goldman Sachs dated November 2, 2020, Korea Investment Corporation, in its capacity as agent of the Ministry of Economy and Finance of the Republic of Korea dated October 27, 2020, Infra-PSP Canada Inc. dated November 2, 2020 and certain funds and accounts managed by Camcor Partners dated December 14, 2020 (collectively, the "Initial Locked-Up Shareholders") pursuant to which, subject to certain conditions, the Initial Locked-Up Shareholders have agreed to tender their Osum Shares to the Offer, and, subject to the terms of the Initial Lock-up Agreements, any amended offer at a price not lower than the Offer, including the Amended Offer. In addition, RBC understands that each director (other than the WEF nominees to the Board (as defined below)) and executive officer of Osum intends to enter into a lock-up agreement (collectively, the "New Lock-Up Agreements") pursuant to which they will agree, subject to certain conditions, to tender their Osum Shares to the Amended Offer. The Initial Lock-Up Agreements and the New Lock-up Agreements collectively represent approximately 44% of the outstanding Osum Shares (excluding Osum Shares held by WEF and the Waterous Entities).

RBC further understands that a committee (the "Special Committee") of the board of directors of the Company (the "Board") who is independent of WEF, the Waterous Entities and their respective affiliates has been constituted to consider the Offer and the Amended Offer and to make recommendations thereon to the Board. The Company has retained RBC to provide advice and assistance to the Special Committee and the Board in evaluating the Offer and the Amended Offer, including the preparation and delivery to the Special Committee and the Board of RBC's opinion as to

the fairness of the consideration under the Amended Offer from a financial point of view to the Osum Shareholders, other than WEF and the Waterous Entities (the “Opinion”). RBC has not prepared a valuation of the Company or any of its securities or assets and the Opinion should not be construed as such.

Engagement

The Company initially contacted RBC regarding a potential advisory assignment in December 2019, and RBC was formally engaged by the Company through an agreement between the Company and RBC (the “Engagement Agreement”) dated effective December 11, 2019 and amended and restated as of November 16, 2020. The terms of the Engagement Agreement provide that RBC is to be paid a fee for its services as financial advisor, including fees that are contingent on completion of the Offer or the Amended Offer, a change of control of the Company or certain other events. In addition, RBC is to be reimbursed for its reasonable out-of-pocket expenses and to be indemnified by the Company in certain circumstances. RBC consents to the inclusion of the Opinion in its entirety and a summary thereof in the notice of change to directors’ circular to be mailed to the Osum Shareholders and to the filing thereof, as necessary, by the Company with securities commissions or similar regulatory authorities in each province of Canada. Pursuant to the Engagement Agreement, on November 17, 2020, RBC delivered to the Special Committee and Board RBC’s opinion that the consideration under the Offer was inadequate from a financial point of view to the Osum Shareholders, other than WEF and the Waterous Entities.

RBC acts as a trader and dealer, both as principal and agent, in major financial markets and, as such, may have had and may in the future have positions in the securities of the Company or any of its associates or affiliate or any associates or affiliates of the Waterous Entities and, from time to time, may have executed or may execute transactions on behalf of such companies or clients for which it received or may receive compensation. As an investment dealer, RBC conducts research on securities and may, in the ordinary course of its business, provide research reports and investment advice to its clients on investment matters, including with respect to the Company, WEF, the Waterous Entities or any of their respective associates and affiliates, the Offer and the Amended Offer.

Credentials of RBC Capital Markets

RBC is one of Canada’s largest investment banking firms, with operations in all facets of corporate and government finance, corporate banking, mergers and acquisitions, equity and fixed income sales and trading and investment research. RBC Capital Markets also has significant operations in the United States and internationally. The Opinion expressed herein represents the opinion of RBC and the form and content herein have been approved for release by a committee of its directors, each of whom is experienced in merger, acquisition, divestiture and opinion matters.

Scope of Review

In connection with our Opinion, we have reviewed and relied upon or carried out, among other things, the following:

1. the Circular;
2. the directors’ circular dated November 18, 2020 (the “Directors’ Circular”);
3. the Initial Lock-Up Agreements;
4. the most recent drafts, dated February 18, 2021, of the New Lock-Up Agreements;
5. audited financial statements of the Company for each of the five years ended December 31, 2015 to December 31, 2019;

6. the unaudited interim reports of the Company for the quarters ended March 31, 2020, June 30, 2020 and September 30, 2020;
7. annual reports of the Company for each of the two years ended December 31, 2018 and December 31, 2019;
8. the Notice of Meeting of Shareholders and Management Information Circulars for the Annual Meeting of Shareholders of the Company for each of the two years ended December 31, 2018 and December 31, 2019;
9. unaudited historical operating and financial information of the Company for each of the five years ended December 31, 2015 to December 31, 2019;
10. unaudited projected financial statements for the Company prepared by management of the Company for the years ending December 31, 2020 through December 31, 2116;
11. the independent petroleum engineering report of GLJ Ltd., dated effective April 30, 2020, evaluating the bitumen reserves and resources attributable to the Company's properties;
12. independent share valuation estimate reports of the Company, prepared by KPMG LLP, as at December 31, 2018 and December 31, 2019;
13. discussions with senior management of the Company;
14. discussions with the Company's legal counsel;
15. public information relating to the business, operations, financial performance and stock trading history of the Company and selected public companies considered by us to be relevant;
16. public information with respect to other transactions of a comparable nature considered by us to be relevant;
17. public information regarding the Canadian oil sands and global oil and gas industries;
18. representations contained in a certificate addressed to us, dated as of the date hereof, from senior officers of the Company as to the completeness and accuracy of the information upon which the Opinion is based; and
19. such other corporate, industry and financial market information, investigations and analyses as RBC considered necessary or appropriate in the circumstances.

RBC has not, to the best of its knowledge, been denied access by the Company to any information requested by RBC.

Assumptions and Limitations

With the Special Committee's and Board's approval and as provided for in the Engagement Agreement, RBC has relied upon the completeness, accuracy and fair presentation of all of the financial (including, without limitation, the financial statements of the Company) and other information, data, advice, opinions or representations obtained by it from public sources, senior management of the Company, and their consultants and advisors (collectively, the "Information"). The Opinion is conditional upon such completeness, accuracy and fair presentation of such Information. Subject to the exercise of professional judgment and except as expressly described herein, we have not attempted to verify independently the completeness, accuracy or fair presentation of any of the Information.

Senior officers of the Company have represented to RBC in a certificate delivered as of the date hereof, among other things, that (i) the Information (as defined above) provided to RBC orally by, or in the presence of, any officer or employee of the Company, or in writing by the Company, any of its affiliates (as such term is defined in National Instrument 62-104 *Take-Over Bids and Issuer Bids* of the Canadian Securities Administrators) or their respective agents or advisors, for the purpose of preparing the Opinion was, at the date provided to RBC, and is at the date hereof complete, true and correct in all material respects, and did not and does not contain any untrue statement of a material fact and did

not and does not omit to state any material fact necessary to make such Information, or any statement contained therein, not misleading in light of the circumstances in which it was provided to RBC; and that (ii) since the dates on which the Information was provided to RBC, except as disclosed in writing to RBC, there has been no material change or change in material facts, financial or otherwise, in or relating to the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of the Company or any of its subsidiaries and no material change in the Information or other material change or change in material facts, in each case, that might reasonably be considered material to the Opinion.

In preparing the Opinion, RBC has made several assumptions, including that all of the conditions required to implement the Amended Offer will be met and that the disclosure provided or incorporated by reference in the Circular and the Directors' Circular with respect to the Company, its subsidiaries and affiliates and the Offer is accurate in all material respects.

The Opinion is rendered on the basis of securities markets, economic, financial and general business conditions prevailing as at the date hereof and the condition and prospects, financial and otherwise, of the Company and its subsidiaries and affiliates, as they were reflected in the Information and as they have been represented to RBC in discussions with management of the Company. In its analyses and in preparing the Opinion, RBC made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of RBC or any party involved in the Offer or the Amended Offer.

The Opinion has been provided for the use of the Special Committee and the Board and may not be used by any other person or relied upon by any other person other than the Special Committee and the Board without the express prior written consent of RBC. The Opinion is given as of the date hereof and RBC disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Opinion which may come or be brought to RBC's attention after the date hereof. Without limiting the foregoing, in the event that there is any material change in any fact or matter affecting the Opinion after the date hereof, RBC reserves the right to change, modify or withdraw the Opinion.

RBC believes that its analyses must be considered as a whole and that selecting portions of the analyses or the factors considered by it, without considering all factors and analyses together, could create a misleading view of the process underlying the Opinion. The preparation of an opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis. The Opinion is not to be construed as a recommendation to any Osum Shareholder as to whether to tender its Osum Shares to the Amended Offer.

Conclusion

Based upon and subject to the foregoing, RBC is of the opinion that, as of the date hereof, the consideration under the Amended Offer is fair from a financial point of view to the Osum Shareholders, other than WEF and the Waterous Entities.

Yours very truly,

RBC Dominion Securities Inc.

RBC DOMINION SECURITIES INC.

**QUESTIONS MAY BE DIRECTED TO THE
INFORMATION AGENT**



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