

**NOTICE OF THE PROPOSED SETTLEMENT OF THE
PENN WEST PETROLEUM LTD.
CANADIAN SECURITIES CLASS ACTIONS**

Read this notice carefully as it may affect your rights.

This notice is directed to all persons, excluding certain persons associated with the defendants, who acquired common shares of Penn West Petroleum Ltd. (“Penn West”) on the Toronto Stock Exchange or on alternative trading systems in Canada during either: (1) the period from March 17, 2011 to and including July 29, 2014 (“First Class Period”) and held some or all of those shares at the close of trading on July 29, 2014; and/or (2) the period from July 30, 2014 to and including September 18, 2014 (“Second Class Period”) and held some or all of those shares at the close of trading on September 18, 2014 (collectively, “Class Members”).

Persons and entities who purchased or acquired Penn West common stock, trust units or call options or sold Penn West put options on the New York Stock Exchange or other open market located within the United States during the period from February 18, 2010 to and including July 29, 2014 are directed to the website www.PennWestUSSecuritiesLitigation.com for notice of certification of a proposed class action in the United States and the proposed settlement of the U.S. action.

In 2014, proposed class actions were commenced against Penn West and others in the Ontario Superior Court of Justice, *Middlemiss v. Penn West Petroleum Ltd. et al.*, Court File Number CV-15-525189-00CP, the Québec Superior Court, *Benadiva v. Penn West Petroleum Ltd. et al.*, Court File Number 500-06-000713-145 and the Alberta Court of Queen’s Bench, *Allen v. Penn West Petroleum Ltd. et al.*, Court File Number 1401-08454.

The plaintiffs in these actions allege that Penn West’s historical financial statements were not prepared in accordance with GAAP and/or International Financial Reporting Standards. A related class action was also commenced in the United States District Court for the Southern District of New York for persons and entities who purchased or otherwise acquired Penn West common stock, trust units or call options or sold Penn West

put options on an open market located within the United States, including but not limited to the New York Stock Exchange or another U.S. exchange, from February 18, 2010 through July 29, 2014, inclusive, and who were damaged thereby. (For information about the U.S. action, please visit www.PennWestUSSecuritiesLitigation.com.)

The parties to the Canadian actions have reached a proposed settlement, without admission of liability, which is subject to the approval by the courts in Ontario, Québec and Alberta (collectively the “Courts”). The parties to the U.S. action have also reached a proposed settlement, which is subject to approval by the U.S. court. This notice provides a summary of the proposed Canadian settlement.

THE TERMS OF THE PROPOSED SETTLEMENT AND PLAN OF ALLOCATION

The defendants will pay \$53 million in Canadian funds, in full and final settlement of all claims against them in the Canadian actions and the U.S. action. Of the \$53,000,000, \$26,500,000 is allocated to the Canadian settlement. The settlement funds, less the lawyers’ fees approved by the Courts and administration costs, will be distributed to or on behalf of the Class Members. Distributions to Ontario Class Members will be subject to a ten (10) percent deduction for the Class Proceedings Fund. Distributions to Québec Class Members will be subject to a deduction for the Fonds d’aide au actions collectifs. The Settlement Agreement and proposed Plan of Allocation may be reviewed at www.PennWestCanadianClassAction.com.

LAWYERS’ FEES, DISBURSEMENTS AND TAXES AND THE CLASS PROCEEDINGS FUND

The lawyers for the Class Members will ask the Courts to approve legal fees in the amount of thirty-three (33) percent of \$26,500,000, plus disbursements, plus taxes.

THE COURT HEARINGS

The courts in Ontario and Alberta will be asked to certify the Ontario and Alberta actions as class proceedings for settlement purposes only, and the court in Québec will be asked to authorize the Québec action as a class action for settlement purposes only, and all courts will be asked to approve the proposed settlement and the lawyers’ fees, disbursements and taxes at hearings to be held as set out below:

- Ontario: May 31, 2016 at 10:00 a.m. at the court house at 130 Queen Street West, Toronto;
- Québec: June 13, 2016 at 9:30 a.m. at the court house at 1, rue Notre-Dame Street East, Montreal;
- Alberta: June 27, 2016 at 2:00 p.m. at the court house at 601, 5th Street Southwest, Calgary.

Class Members who do not oppose the proposed settlement are not required to appear at a hearing or take any other action at this time to indicate their desire to participate in the proposed settlement. Class Members who consider it desirable or necessary to seek the advice and guidance of their own lawyers may do so at their own expense.

OBJECTIONS

At the hearings, the Courts will consider any objections to the proposed settlement by the Class Members if the objections are submitted in writing in English or in French at the option of the Class Member, by prepaid mail or e-mail to: Gregory D. Wrigglesworth, Kirwin Partners LLP, 423 Pelissier Street, Windsor, Ontario, N9A 4L2, fax: 519.790.0017, email: pennwest@kirwinpartners.com, Attention: Penn West Class Action. Class Members who wish to object must do so before the deadline established by each Court. The deadline for objections for the hearing in Ontario is May 26, 2016. The deadline for objections for the hearing in Québec is May 27, 2016. The deadline for objections for the hearing in Alberta is June 22, 2016.

A written objection should include the following information:

- (a) the objector's name, current mailing address, telephone number, fax number and email address;
- (b) the number of shares purchased during and held at the close of the First Class Period;
- (c) the number of shares purchased during and held at the close of the Second Class Period;
- (d) whether the objector is a proposed Class Member of the Ontario, Alberta or Québec action;
- (e) a brief statement of the nature of and reasons for the objection; and
- (f) whether the objector intends to appear at the hearing in person or by counsel, and, if by counsel, the name, address, telephone number, fax number and email address of counsel.

IF THE SETTLEMENT IS APPROVED

If the proposed settlement is approved, another notice will be published that will advise Class Members of how to make a claim for settlement monies or how to decline to participate in the class action (i.e. opt-out).

ELIGIBILITY FOR EACH CLASS ACTION

Provided you meet all of the other criteria for eligibility as a Class Member including but not limited to having acquired shares of Penn West on the Toronto Stock Exchange or on an alternative trading market in Canada you will be a Class Member of the Québec action if you are a resident of Québec, you will be a Class Member of the Alberta action if you are resident of Alberta, or a Class Member of the Ontario action in all other cases. If you acquired Penn West shares, trust units or call options (or sold Penn West put options) on the New York Stock Exchange or another open market located in the United States and meet all of the other criteria for eligibility as a class member of the U.S. Action, you will be a member of the U.S. Settlement Class in respect of those securities only.

QUESTIONS

Questions for the Class Members' lawyers may be directed to:

FOR CLASS MEMBERS OF THE ONTARIO AND ALBERTA CLASS ACTIONS

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FOR CLASS MEMBERS OF THE QUÉBEC CLASS ACTION

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**This notice has been approved by the Courts. Questions about matters
in this notice should NOT be directed to the Courts.**