

SETTLEMENT AGREEMENT

Made as of the 12th day of February, 2016

Between

**James Middlemiss, individually and in his capacity as the proposed representative plaintiff in
Middlemiss v. Penn West Petroleum Ltd. et al. (Court File No. CV-15-525189-00CP, Ontario)**

and

**Dennis Allen, individually and in his capacity as the proposed representative plaintiff in
Allen v. Penn West Petroleum Ltd. et al. (Court File No. 1401-08454, Alberta)**

and

**David Benadiva, individually and in his capacity as the proposed representative plaintiff in
Benadiva v. Penn West Petroleum Ltd. et al. (Court File No. 500-06-000713-145, Québec)**

and

Penn West Petroleum Ltd.

David E. Roberts

Murray R. Nunns

Todd H. Takeyasu

Frank Potter

James C. Smith

William E. Andrew

Jeffery Curran

TABLE OF CONTENTS

SECTION 1 – RECITALS	4
1.1 WHEREAS	4
SECTION 2 – DEFINITIONS	6
2.1 DEFINITIONS	6
SECTION 3 – THE MOTIONS	14
3.1 NATURE OF MOTIONS	14
3.2 SEQUENCE OF MOTIONS	15
SECTION 4 – NON-REFUNDABLE EXPENSES	15
4.1 PAYMENTS	15
4.2 DISPUTES CONCERNING NON-REFUNDABLE EXPENSES	16
SECTION 5 – THE SETTLEMENT AMOUNT	16
5.1 PAYMENT OF ESCROW SETTLEMENT AMOUNT	16
5.2 INTERIM INVESTMENT OF ESCROW ACCOUNT	16
5.3 TAXES ON INTEREST	16
SECTION 6 – NO REVERSION	17
SECTION 7 - DISTRIBUTION OF THE ESCROW SETTLEMENT AMOUNT	17
SECTION 8 – EFFECT OF SETTLEMENT	18
8.1 NO ADMISSION OF LIABILITY	18
8.2 AGREEMENT NOT EVIDENCE	18
8.3 BEST EFFORTS	18
SECTION 9 – CERTIFICATION, LEAVE AND SETTLEMENT APPROVAL	19
9.1 CERTIFICATION, LEAVE AND SETTLEMENT APPROVAL	19
SECTION 10 – NOTICE TO THE CLASS	19
10.1 FIRST NOTICE	19
10.2 SECOND NOTICE	19
10.3 REPORT TO THE COURTS	19
10.4 NOTICE OF TERMINATION	19
SECTION 11 – OPTING OUT	20
11.1 AWARENESS OF ANY POTENTIAL OPT-OUTS	20
11.2 OPT-OUT PROCEDURE	20
11.3 NOTIFICATION OF NUMBER OF OPT-OUTS	21
SECTION 12 – TERMINATION OF THE AGREEMENT	21
12.1 GENERAL	21
12.2 EFFECT OF EXCEEDING THE OPT-OUT THRESHOLD	23
12.3 ALLOCATION OF MONIES IN THE ESCROW ACCOUNT FOLLOWING TERMINATION	23
12.4 DISPUTES RELATING TO TERMINATION	24
SECTION 13 – DETERMINATION THAT THE SETTLEMENT IS FINAL	24
SECTION 14 – RELEASES AND JURISDICTION OF THE COURT	24
14.1 RELEASE OF RELEASEES	24
14.2 NO FURTHER CLAIMS	24
14.3 DISMISSAL OF THE ACTIONS	25

SECTION 15 – ADMINISTRATION	25
15.1 APPOINTMENT OF THE ADMINISTRATOR	25
15.2 APPOINTMENT OF THE REFEREE	25
15.3 INFORMATION AND ASSISTANCE FROM THE DEFENDANTS	26
15.4 CLAIMS PROCESS	26
15.5 DISPUTES CONCERNING THE DECISIONS OF THE ADMINISTRATOR	27
15.6 CONCLUSION OF THE ADMINISTRATION	27
SECTION 16 – THE PLAN OF ALLOCATION	28
SECTION 17 – CLASS COUNSEL FEES	28
17.1 MOTION FOR APPROVAL OF CLASS COUNSEL FEES	28
17.2 PAYMENT OF CLASS COUNSEL FEES	29
SECTION 18 – MISCELLANEOUS	29
18.1 MOTIONS FOR DIRECTIONS	29
18.2 DEFENDANTS HAVE NO RESPONSIBILITY OR LIABILITY FOR ADMINISTRATION	29
18.3 HEADINGS, ETC.	29
18.4 GOVERNING LAW	30
18.5 ENTIRE AGREEMENT	30
18.6 BINDING EFFECT	30
18.7 SURVIVAL	31
18.8 NEGOTIATED AGREEMENT	31
18.9 RECITALS AND SCHEDULES	32
18.10 ACKNOWLEDGEMENTS	32
18.11 AUTHORIZED SIGNATURES	33
18.12 COUNTERPARTS	33
18.13 TRANSLATION	33
18.14 NOTICE	33

SETTLEMENT AGREEMENT

SECTION 1 – RECITALS

1.1 WHEREAS

- A. The Plaintiffs commenced the Actions alleging that the Defendants misrepresented that Penn West's financial statements were prepared in accordance with GAAP and/or International Financial Reporting Standards;
- B. Parwaz Shaikh commenced the Shaikh Action and asserted the same allegations as the Plaintiffs in the Actions;
- C. The Shaikh Action has been held in abeyance and will be dismissed by the Ontario Second Order;
- D. The U.S. Action was commenced and the plaintiffs in that action made similar allegations as made in the Actions;
- E. Collectively, the Defendants, the Plaintiffs in the Actions and the plaintiffs in the U.S. Action negotiated a settlement of the Actions and the U.S. Action that is subject to, and conditional upon, approval by all of the Courts and by the U.S. Court;
- F. The Defendants deny liability in respect of the claims alleged in the Actions, the Shaikh Action, and the U.S. Action and believe that they have good and reasonable defences to the Actions, the Shaikh Action, and the U.S. Action;
- G. The Defendants assert that they would vigorously defend the Actions and the U.S. Action if the Actions and U.S. Action are pursued against them;
- H. Neither leave to commence a secondary market securities claim, nor certification or authorization, has been granted in the Actions;
- I. The Plaintiffs and certain of the Defendants, through counsel, have engaged in extensive arm's-length settlement discussions and negotiations in respect of the Actions and the U.S. Action through a mediation with the Honourable Justice Daniel Weinstein, mediator;
- J. As a result of these settlement discussions and negotiations, the Parties have entered into this Agreement, which embodies all of the terms and conditions of the Settlement among the Parties, both individually and on behalf of the Class and subject to approval of the Courts;

K. The Parties have negotiated and entered into this Agreement to fully, definitively and permanently resolve, settle and release and discharge all claims asserted, or which could have been asserted, against the Defendants by the Plaintiffs on their own behalf and/or on behalf of the classes they seek to represent, or by a third party for contribution and indemnity in respect of a claim asserted against them by the Plaintiffs, and to avoid the further expense, inconvenience, and burden of this litigation and avoid the risks inherent in uncertain, complex and protracted litigation, and thereby to put to rest this controversy;

L. The Plaintiffs have agreed to accept this Settlement, in part, because of the amount of the Settlement Funds to be provided by the Defendants under this Agreement, as well as the attendant risks of litigation in light of the potential defences that may be asserted by the Defendants, including the risks associated with collecting a judgment, if any. In regard to the risks associated with collecting a judgment, the Plaintiffs will be provided with certain documentation from Penn West and access to certain Penn West personnel for due diligence purposes prior to seeking court approval of this Settlement;

M. The Defendants do not admit, through the execution of this Agreement, any of the conduct alleged in the Actions and expressly deny any and all allegations of wrongdoing;

N. The Plaintiffs and Class Counsel confirm that neither this Agreement, nor any statement made in the negotiation thereof, shall be deemed or construed to be an admission by or evidence against the Defendants or evidence of the truth of any of the Plaintiffs' allegations against the Defendants;

O. The Plaintiffs and Class Counsel have reviewed and fully understand the terms of this Agreement and, based on their analyses of the facts and law applicable to the Plaintiffs, and having regard to the burdens and expense in prosecuting the Actions, including the risks and uncertainties associated with trials and appeals, subject to the completion of their due diligence described in Recital L above, have concluded that this Settlement is fair, reasonable and in the best interests of the Plaintiffs and the Class. The Parties therefore wish to, and hereby do, finally resolve on a global basis, without admission of liability, the Actions as against the Defendants;

P. For the purposes of settlement only and contingent on the conditions described herein, the Plaintiffs have consented to a dismissal of the Actions;

Q. The Plaintiffs assert that they are adequate class representatives for the classes they seek to represent and will seek to be appointed representative plaintiffs in their respective actions;

NOW THEREFORE, in consideration of the covenants, agreements, promises and releases set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is agreed by the Parties that the Actions be settled on the merits, subject to the approval of the Settlement by the Courts, and that all claims against the Defendants which any person, other than any Opt-Out Party, shall or may have or assert against any of the Defendants be forever extinguished and released on the following terms and conditions:

SECTION 2 – DEFINITIONS

2.1 Definitions

For the purposes of this Agreement, including the Recitals and Schedules hereto:

- (1) **Actions** means the Ontario Action, the Québec Action and the Alberta Action.
- (2) **Administration Expenses** means all fees, disbursements, expenses, costs, taxes and any other amounts incurred or payable relating to approval, implementation and administration of the Settlement including the costs of translating, publishing and delivering notices and the fees, disbursements and taxes paid to the Administrator, the person appointed to receive and report on objections to the Settlement to the Courts, the Referee, TMX Equity Transfer Services, Broadridge Financial Solutions Inc. and any other expenses approved by the Courts which shall all be paid from the Settlement Amount. For greater certainty, Administration Expenses include the Non-Refundable Expenses but do not include Class Counsel Fees.
- (3) **Administrator** means the third-party firm appointed by the Courts to administer the Agreement, and any employees of such firm.
- (4) **Agreement** means this agreement, including the Recitals and Schedules hereto.
- (5) **Alberta Action** means the action *Allen v. Penn West Petroleum Ltd., et al.* brought in the Alberta Court under court file number 1401-08454.
- (6) **Alberta Class Members** means all persons resident in Alberta who acquired Shares on the TSX or on an alternative trading market in Canada during the First Class Period and/or the

Second Class Period and held some or all of those Shares at the close of trading on July 29, 2014 or September 18, 2014 respectively, except for Excluded Persons.

- (7) **Alberta Court** means the Court of Queen's Bench of Alberta.
- (8) **Alberta CPA** means *Class Proceedings Act*, S.A. 2003, c. C-16.5.
- (9) **Alberta Defendants** means Penn West, David E. Roberts, Murray R. Nunns, Todd H. Takeyasu, Frank Potter and James C. Smith.
- (10) **Arch Policy** means the insurance policy issued by Arch Insurance Canada Ltd. to Penn West Petroleum Ltd. bearing policy number DOX0048219-02 with a policy period of January 31, 2014 – January 31, 2015.
- (11) **Authorized Claimant** means any Class Member who has been approved for compensation by the Administrator.
- (12) **Axis Policy** means the insurance policy issued by Axis Reinsurance Company (Canadian Branch) to Penn West Petroleum Ltd. and others bearing policy number MMCC140127 / CTS750074/01/2014 with a policy period of January 31, 2014 – January 31, 2015.
- (13) **Chubb Policy** means the insurance policy issued by Chubb Insurance Company of Canada to Penn West Petroleum Ltd. bearing policy number 8209-5727 with a policy period of January 31, 2014 – January 31, 2015.
- (14) **Claim Form** means the form or forms, to be approved by the Courts, which, when completed and submitted in a timely manner to the Administrator, enables a Class Member to apply for compensation pursuant to the Agreement.
- (15) **Claims Bar Deadline** means the date by which each Class Member must file a Claim Form and all required supporting documentation with the Administrator which date shall be set out in the Second Notice and which shall be at least one hundred twenty days (120) days after the date on which the Second Notice is last published.
- (16) **Class or Class Members** means the Ontario Class Members, the Québec Class Members and the Alberta Class Members.
- (17) **Class Counsel** means Sutts, Strosberg LLP, Koskie Minsky LLP, Rochon Genova LLP, D'Arcy & Deacon LLP and Merchant Law Group LLP.

(18) ***Class Counsel Fees*** means the fees, disbursements, costs, HST and other applicable taxes or charges of Class Counsel and a *pro rata* share of all interest earned on the Settlement Amount to the date of payment, as approved by the Courts.

(19) ***Class Period*** means the First Class Period and the Second Class Period.

(20) ***Class Proceedings Fund*** means the entity established by the Law Foundation of Ontario to provide financial assistance to plaintiffs in Ontario class actions pursuant to the *Law Society Act*, R.S.O. 1990, c. L.8.

(21) ***Contributing Parties*** means the Insurers.

(22) ***Courts*** means the Ontario Court, the Québec Court and the Alberta Court.

(23) ***CPA*** means the *Class Proceedings Act, 1992*, S.O. 1992, c. 6, as amended.

(24) ***Defendants*** means the Ontario Defendants, the Québec Respondents and the Alberta Defendants.

(25) ***Eligible Shares*** means Shares purchased during the First Class Period or the Second Class Period and held at the close of trading on July 29, 2014 or September 18, 2014 respectively.

(26) ***Effective Date*** means the later of: (i) the date on which all of the Second Orders have become final orders and the time for any appeals has expired; and (ii) if an appeal is taken from the Second Orders, or one of them, relating only to Class Counsel Fees, then thirty (30) days after the date of the last of the Second Orders.

(27) ***Escrow Account*** means the interest bearing trust account with one of the Canadian Schedule 1 banks or a liquid money market account or equivalent security with a rating equivalent to, or better than, that of an interest bearing account in a Canadian Schedule 1 bank in Ontario, initially under the control of Sutts, Strosberg LLP and then transferred to the control of the Administrator once the Settlement is final.

(28) ***Escrow Settlement Amount*** means the Settlement Amount plus any interest accruing thereon as a result of investment thereof after payment of all Non-Refundable Expenses.

- (29) ***Excluded Persons*** means
- (a) Penn West, David E. Roberts, Murray R. Nunns, Todd H. Takeyasu, Frank Potter, James C. Smith, William E. Andrew and Jeffery Curran;
 - (b) Penn West's past or present subsidiaries, affiliates, legal representatives, General Counsel, predecessors, successors and assigns;
 - (c) any person who was an officer or director of Penn West during the Class Period;
 - (d) any immediate member of the Individual Defendants' families; and
 - (e) any entity in which any of the above persons has or had during the Class Period any legal or de facto controlling interest.
- (30) ***First Class Period*** means the period from and including March 17, 2011 to and including July 29, 2014.
- (31) ***First Motion*** means the motions brought before the Courts, for orders:
- (i) setting the date for the hearing of the Second Motion;
 - (ii) approving the form of and authorizing the manner of publication and dissemination of the First Notice;
 - (iii) appointing Sutts, Strosberg LLP to manage the Escrow Account; and
 - (iv) appointing Gregory Wrigglesworth of Kirwin Partners LLP to receive and report on objections to the Settlement, if any.
- (32) ***First Notice*** means notice to the Class in a form to be approved by the Courts, which shall generally be in accordance with the notice at Schedule "C" and a French translation thereof.
- (33) ***First Order*** means the orders made by the Courts granting the relief sought on the First Motion, generally in the form of the order at Schedule "B".
- (34) ***Fonds d'aide aux actions collectives*** means the agency and legal person established in the public interest as per the *Act respecting the Fonds d'aide aux actions collectives CQLR c. F-3.2.0.1.1*, to whom the Administrator will remit the percentage provided for by the applicable regulation for individual recovery of claims as defined by article 599 of the *Québec Code of Civil Procedure, CQLR c. C-25.01*.

- (35) **Individual Defendants** means David E. Roberts, Murray R. Nunns, Todd H. Takeyasu, Frank Potter, James C. Smith, William E. Andrew and Jeffery Curran.
- (36) **Insurance Policies** means the Arch Policy, Axis Policy, Chubb Policy, Navigators Policy and Travelers Policy.
- (37) **Insurers** means Arch Insurance Canada Ltd., Chubb Insurance Company of Canada, Travelers Insurance Company of Canada, Axis Reinsurance Company (Canadian Branch), and Lloyd's Syndicate NAV 1221.
- (38) **Navigators Policy** means the insurance policy issued by Lloyd's Syndicate NAV 1221 to Penn West Petroleum Ltd. and others bearing policy number ZA002814 with a policy period of January 31, 2014 – January 31, 2015.
- (39) **Newspapers** means the following newspaper publications: Globe and Mail (National Edition), National Post, La Presse and Le Soleil.
- (40) **Non-Refundable Expenses** means certain administration expenses stipulated in section 4.1(1) of the Agreement to be paid from the Settlement Amount.
- (41) **Ontario Action** means the action *Middlemiss v. Penn West Petroleum Ltd.*, et al., brought in the Ontario Court under Court File No. CV-15-525189-00CP.
- (42) **Ontario Class or Ontario Class Members** means all persons wherever resident, other than Québec Class Members and Alberta Class Members, who acquired Shares of Penn West on the TSX or on an alternative trading market in Canada during the First Class Period and/or the Second Class Period and held some or all of those Shares at the close of trading on July 29, 2014 or September 18, 2014 respectively, except for Excluded Persons.
- (43) **Ontario Court** means the Ontario Superior Court of Justice.
- (44) **Ontario Defendants** means Penn West and the Individual Defendants.
- (45) **Opt-Out Deadline** means the date to be specified in the Second Notice which shall be at least sixty (60) days after the date on which the Second Notice is last published in the Newspapers.
- (46) **Opt-Out Form** means the documents in English and French, as approved by the Courts, which shall generally be in accordance with the document at Schedule G, that if properly completed and submitted by a Class Member to Gregory Wrigglesworth of Kirwin Partners LLP

(for the Ontario Action and the Alberta Action) and to both Gregory Wrigglesworth and the Québec Court (for the Québec Action) before the expiry of the Opt-Out Deadline, excludes that Class Member from the Class, the Actions and participation in the Settlement. For the Québec Action, the opt out procedure will also be approved by the Québec Court.

(47) **Opt-Out Party** means any person who would otherwise be a Class Member who validly opts out of one of the Actions.

(48) **Opt-Out Threshold** means the total number of Eligible Shares particularized in an agreement entered into by counsel for the Parties dated February 12, 2016.

(49) **Opting-Out** means properly completing and submitting an Opt-Out Form and all necessary supporting documents before the expiry of the Opt-Out Deadline.

(50) **OSA** means the Ontario *Securities Act*, RSO. 1990 c S 5, as amended.

(51) **Parties** means the Plaintiffs and the Defendants.

(52) **Penn West** means Penn West Petroleum Ltd.

(53) **Plaintiffs** means James Middlemiss, Dennis Allen and David Benadiva.

(54) **Plan of Allocation** means the plan, as approved by the Courts, which shall generally be in accordance with the plan at Schedule “D”.

(55) **Plan of Notice** means the plan for disseminating the Second Notice to the Class, as approved by the Courts, which shall generally be in accordance with the plan attached as Schedule “E”.

(56) **Québec Action** means the action *Benadiva v. Penn West Petroleum Ltd., et al.* brought in the Québec Court under court file number 500-06-000713-145.

(57) **Québec Class or Québec Class Members** means all persons resident in Québec who acquired Shares of Penn West on the TSX or on an alternative trading market in Canada during the First Class Period and/or the Second Class Period and held some or all of those Shares at the close of trading on July 29, 2014 or September 18, 2014 respectively, except for Excluded Persons.

(58) **Québec Court** means the Québec Superior Court.

- (59) **Québec Respondents** means Penn West, David E. Roberts, Murray R. Nunns, Todd H. Takeyasu, Frank Potter and James C. Smith.
- (60) **Referee** means Gregory Wrigglesworth of Kirwin Partners LLP or such other person or persons appointed by the Courts to serve in that capacity.
- (61) **Released Claims** (or **Released Claim** in the singular) means any and all manner of claims, demands, actions, suits, causes of action, whether class, individual or otherwise in nature, whether personal or subrogated, damages whenever and wherever incurred, and rights and liabilities of any nature whatsoever, including interest, costs, expenses, administration expenses, penalties, Class Counsel Fees and lawyers' fees, known or unknown, suspected or unsuspected, in law, under statute or in equity or at common law, that the Releasors, or any of them, whether directly, indirectly, derivatively, or in any other capacity, ever had, now have, or hereafter can, shall, or may have as against the Releasees relating in any way to the purchase, sale, pricing, marketing or distributing of Shares, or to any conduct alleged, or that could have been alleged, in the Actions, including, without limitation, any such claims that have been asserted, would have been asserted or could have been asserted, whether in Canada or elsewhere, as a result of or in connection with the purchase or sale, or lack of purchase or sale, of Shares in the Class Period. The term "Released Claims" does not include any claims against KPMG, its parents, affiliates, subsidiaries, successors, or predecessors, or current or former officers, directors and partners thereof unless such person is an Individual Defendant, in which case the claim as against such person is a Released Claim.
- (62) **Releasees** means the Defendants, their insurers, their reinsurers, and their respective past and present affiliates, subsidiaries, directors, officers, partners, employees, agents, trustees, servants, parents, consultants, underwriters, advisors, lawyers, representatives, successors, predecessors, assigns and each of their respective heirs, executors, administrators, successors and assigns; provided, however, that KPMG, and its parents, affiliates, subsidiaries, successors, and predecessors, as well as any current or former officers, directors and partners thereof, shall not be a Releasee and shall not be released in this Settlement unless such person is an Individual Defendant, in which case such person is a Releasee.
- (63) **Releasors** means, jointly and severally, the Plaintiffs, the Class Members (excluding those who have validly opted out), including any person having a legal and/or beneficial interest in the Shares purchased or acquired by these Class Members and their respective past and

present directors, officers, employees, agents, trustees, servants, consultants, underwriters, advisors, representatives, heirs, executors, attorneys, administrators, guardians, estate trustees, successors and assigns, as the case may be.

(64) **Second Class Period** means the period from and including July 30, 2014 to and including September 18, 2014.

(65) **Second Motion** means the motions brought in the Courts for orders:

- (a) granting certification (or authorization, as the case may be) for settlement purposes only;
- (b) granting leave to commence a claim under s. 138.3 of the *Securities Act* (Ontario) and equivalent provisions of *Securities Acts* of other Provinces;
- (c) approving the Settlement;
- (d) appointing the Administrator and the Referee;
- (e) approving the Second Notice;
- (f) approving the Plan of Notice;
- (g) approving the Plan of Allocation;
- (h) approving the Claim Form;
- (i) approving the Opt-Out Form;
- (j) approving the levy payable to the Class Proceedings Fund;
- (k) approving the amount payable to the Fonds d'aide aux recours collectifs;
- (l) dismissing the Actions and the Shaikh action; and
- (m) approving Class Counsel Fees.

(66) **Second Notice** means notices to the Class in a form to be approved by the Courts, which shall generally be in accordance with the notice at Schedule "F" and a French translation thereof.

(67) **Second Order** means the orders made by the Courts granting the relief sought on the Second Motion, generally in the form of the order at Schedule "A".

(68) **Settlement** means the settlement provided for in the Agreement.

(69) **Settlement Amount** means \$26,500,000 Canadian dollars, inclusive of the Administration Expenses, Class Counsel Fees, interest, taxes and any other costs or expenses related to the Actions or the Settlement.

(70) **Shaikh Action** means *Shaikh v. Penn West Petroleum Ltd.*, et al., brought in the Ontario Court under Court File No. CV-14-510391-00CP.

(71) **Shares** means securities of Penn West that are or were listed for trading on the TSX or on alternative trading platforms in Canada.

(72) **Travelers Policy** means the insurance policy issued by Travelers Insurance Company of Canada to Penn West Petroleum Ltd. and others bearing policy number MMCC140129 / 75284577 with a policy period of January 31, 2014 – January 31, 2015.

(73) **TSX** means the Toronto Stock Exchange.

(74) **U.S. Action** means In Re Penn West Petroleum Ltd. Securities Litigation, Case No. 14-cv-06046-JGK, United States District Court for the Southern District of New York.

(75) **U.S. Court** means the United States District Court for the Southern District of New York.

SECTION 3 – THE MOTIONS

3.1 Nature of Motions

(1) The Parties shall use their best efforts to implement the Agreement and to secure the prompt, complete and final dismissal, with prejudice, of the Actions.

(2) The First Motion shall be brought as soon as is reasonably possible following the execution of the Agreement. The Defendants shall consent to the First Order provided that it is consistent with the terms of this Agreement.

(3) Following the determination of the First Motion, the First Notice shall be published in accordance with section 10.1 of the Agreement.

(4) Following the determination of the First Motion, the Second Motion will be brought and the Defendants shall consent to the Second Order provided that it is consistent with the terms of this Agreement.

(5) Following the determination of the Second Motion, provided that the Settlement is approved by the Courts, the Second Notice shall be published in accordance with section 10.2 of the Agreement.

3.2 Sequence of Motions

David Benadiva and Dennis Allen shall not proceed with a motion to approve the Settlement unless and until the Ontario Court approves the Settlement. The Second Motion may be filed in the Québec Court and the Alberta Court, but, if necessary, the parties to the Québec Action and the Alberta Action will seek adjournments of the hearings to permit the Ontario Court to render its decision on the Second Motion first. The Parties may agree to waive this provision.

SECTION 4 – NON-REFUNDABLE EXPENSES

4.1 Payments

- (1) Expenses reasonably incurred for the following purposes shall be the Non-Refundable Expenses, and shall be payable from the Escrow Account, when incurred:
- (a) the costs incurred in connection with establishing and operating the Escrow Account;
 - (b) the costs incurred for translating, publishing and disseminating the First Notice and the Second Notice;
 - (c) the costs of Gregory Wrigglesworth in connection with receiving objections and Opt-Out Forms and reporting to the Courts to a maximum of \$6,000 for fees, plus disbursements and HST;
 - (d) the costs incurred in translating the Settlement Agreement;
 - (e) if necessary, the costs incurred in translating, publishing and disseminating notice to the class that the Agreement has been terminated; and
 - (f) if the Courts appoint the Administrator and thereafter the Agreement is terminated by the Defendants pursuant to section 12, the costs reasonably incurred by the Administrator for performing the services required to prepare to implement the Settlement, including any mailing expenses, to a maximum of \$35,000.

(2) Sutts, Strosberg LLP shall account to the Courts and the Parties for all payments it makes from the Escrow Account. In the event that the Agreement is terminated, this accounting shall be delivered no later than ten (10) days after such termination.

4.2 Disputes Concerning Non-Refundable Expenses

Any dispute concerning the entitlement to or quantum of Non-Refundable Expenses shall be dealt with by a motion to the Ontario Court on notice to the Parties.

SECTION 5 – THE SETTLEMENT AMOUNT

5.1 Payment of Escrow Settlement Amount

The Contributing Parties, or some of them, on behalf of the Defendants, shall pay the Settlement Amount to Sutts, Strosberg LLP, in trust, within (30) calendar days of the execution of this Agreement. The Defendants shall have no individual liability for the Settlement Amount.

5.2 Interim Investment of Escrow Account

Sutts, Strosberg LLP, and then the Administrator after the Settlement becomes final, shall hold the Settlement Amount in the Escrow Account and shall invest the Settlement Amount in a liquid money market account or equivalent security with a rating equivalent to, or better than that of an interest bearing account in a Canadian Schedule 1 bank and shall not pay out any amount from the Escrow Account, except in accordance with the terms of the Agreement including, but not limited to:

- (a) Payment of Class Counsel fees pursuant to s. 17.2 of this Agreement; and
- (b) Payment to the Class Proceedings Fund and the Fonds d'aide aux recours collectifs pursuant to the Second Order by the Ontario and Québec Courts respectively.

5.3 Taxes on Interest

(1) Except as provided in section 5.3(2), all taxes payable on any interest which accrues in relation to the Settlement Amount, shall be the Class' responsibility and shall be paid by Class Counsel or the Administrator, as appropriate, from the Escrow Settlement Amount, or by the Class as the Administrator considers appropriate.

(2) If the Administrator or Class Counsel returns any portion of the Settlement Amount plus accrued interest to the Contributing Parties pursuant to the provisions of the Agreement, the taxes payable on the interest portion of the returned amount shall be the responsibility of the Contributing Parties to be allocated by agreement among themselves.

SECTION 6 – NO REVERSION

Unless the Agreement is terminated as provided herein or otherwise by the Courts, the Contributing Parties shall not, under any circumstances, be entitled to the repayment of any portion of the Settlement Amount and then only to the extent of and in accordance with the terms provided herein.

SECTION 7 - DISTRIBUTION OF THE ESCROW SETTLEMENT AMOUNT

If the Settlement becomes final as contemplated by section 13, the Administrator shall distribute the Settlement Amount out of the Escrow Account in accordance with the following priorities:

- (a) to pay all of the costs and expenses reasonably and actually incurred in connection with the provision of notices, locating Class Members for the sole purpose of providing notice to them, soliciting Class Members to submit a Claim Form (including the notice expenses reasonably and actually incurred by TMX Equity Transfer Services and Broadridge Financial Solutions Inc. in connection with the provision of notice of this Settlement to Class Members). For greater certainty, the Defendants are specifically excluded from eligibility for any payment of costs and expenses under this subsection;
- (b) to pay all of the costs and expenses reasonably and actually incurred by the Administrator and the Referee, relating to determining eligibility, the filing of Claim Forms, processing Opt-Out Forms and Claim Forms, resolving disputes arising from the processing of Claim Forms and administering and distributing the Settlement Amount;
- (c) to pay any taxes required by law to be paid to any governmental authority; and
- (d) to pay a *pro rata* share of the balance of the Escrow Settlement Amount to each Authorized Claimant in proportion to his/her/its claim as recognized in accordance with the Plan of Allocation.

SECTION 8 – EFFECT OF SETTLEMENT

8.1 No Admission of Liability

Neither the Agreement, nor anything contained herein, shall be interpreted as a concession or admission of wrongdoing or liability by the Releasees, or as a concession or admission by the Releasees of the truthfulness or merit of any claim or allegation asserted in the Actions. Neither the Agreement, nor anything contained herein, shall be used or construed as an admission by the Releasees of any fault, omission, liability or wrongdoing in connection with any statement, release or written document or financial report.

8.2 Agreement Not Evidence

(1) Neither the Agreement, nor anything contained herein, nor any of the negotiations or proceedings connected with it, nor any related document, nor any other action taken to carry out the Agreement shall be referred to, offered as evidence or received in evidence in any pending or future civil, criminal, quasi-criminal, regulatory or administrative action or proceeding.

(2) Notwithstanding section 8.2(1), the Agreement may be referred to or offered as evidence in a proceeding to approve or enforce the Agreement, to defend against the assertion of Released Claims, and as otherwise required by law.

(3) Penn West will provide the Plaintiffs with access to certain Penn West documentation and to certain Penn West personnel for the purpose of allowing the Plaintiffs to conduct due diligence on Penn West's ability as of the date of settlement to satisfy a judgment if one were issued against the company. The Parties agree that none of the information or documentation provided to Plaintiffs may be used against Penn West or any Releasee for any purpose, and that all such documentation and notes containing such information must be destroyed or returned, at Penn West's choosing, upon the settlement becoming final or terminating.

8.3 Best Efforts

The Parties shall use their best efforts to implement the terms of the Agreement. The Parties agree to hold in abeyance all steps in the Actions, including all discovery, other than proceedings provided for in the Agreement, the First Motion, the Second Motion and such other proceedings required to implement the terms of the Agreement, until the date the Settlement becomes final or the termination of the Agreement.

SECTION 9 – CERTIFICATION, LEAVE AND SETTLEMENT APPROVAL

9.1 Certification, Leave and Settlement Approval

- (1) For the purposes of Settlement only, the Ontario Defendants will consent to the certification of the Ontario Action pursuant to the *CPA* and leave pursuant to Part XXIII.1 of the *Securities Act*, R.S.O. 1990, c. S.5..
- (2) For the purposes of settlement only, the Québec Respondents will consent to the authorization to institute a class action pursuant to the *Code of Civil Procedure, CQLR, c. C-25.01*, as amended and authorization pursuant to section 225.4 of the *Securities Act, CQLR. C. V-1*.
- (3) For the purposes of settlement only, the Alberta Defendants will consent to the certification of the Alberta Action pursuant to the Alberta *CPA* and leave pursuant to Part 17.01 of the *Securities Act*, R.S.A. 2000, c. S-4.

SECTION 10 – NOTICE TO THE CLASS

10.1 First Notice

Class counsel shall cause the First Notice to be translated, published and disseminated in accordance with the First Order and the costs of doing so shall be paid as a Non-Refundable Expense as provided in 4.1(1)(b).

10.2 Second Notice

Class Counsel shall cause the Second Notice to be translated, published and disseminated in accordance with the Plan of Notice and the costs of so doing shall be paid as a Non-Refundable Expense as provided in section 4.1(1)(b).

10.3 Report to the Courts

Forthwith after the publication and dissemination of each of the notices required by this section, Class Counsel shall file with the Courts an affidavit confirming that the notices have been translated, published and disseminated in accordance with this Agreement and the Plan of Notice or order of the Court.

10.4 Notice of Termination

If the Agreement is terminated after the Second Notice has been translated, published and disseminated, a notice of the termination will be given to the Class. Class Counsel will cause the notice of termination, in a form approved by the Courts, to be translated, published and disseminated as directed and the costs of so doing shall be paid as a Non-Refundable Expense as provided in section 4.1(1)(e).

SECTION 11 – OPTING OUT

11.1 Awareness of any Potential Opt-Outs

The Defendants and Class Counsel represent and warrant that:

- (a) they are unaware of any Class Member who has expressed an intention to opt out of the Class;
- (b) they will not encourage or solicit any Class Member to opt out of the Class; and
- (c) they will not represent any Class Member who opts out of the Class.

11.2 Opt-Out Procedure

(1) Each Ontario Class Member and Alberta Class Member who wishes to opt out must submit a properly completed Opt-Out Form, along with all required supporting documents, to Gregory Wrigglesworth on or before the Opt-Out Deadline. Each Québec Class Member who wishes to opt out must submit a properly completed Opt-Out Form on or before the Opt-Out Deadline in accordance with the Opt-Out procedure approved by the Québec Court. In addition to any additional procedure approved by the Québec Court, Québec Class Members shall send any Opt-Out Forms, along with all required supporting documents, to Gregory Wrigglesworth on or before the Opt-Out Deadline.

(2) If a Class Member fails to submit a properly completed Opt-Out Form and/or all required supporting documents before the Opt-Out Deadline, the Class Member shall not have opted out of the Actions, subject to any order of the respective Court to the contrary, and will in all respects be subject to, and bound by, the provisions of the Agreement and the releases contained herein, and any orders made in the Actions.

(3) The Opt-Out Deadline shall not be extended unless the Courts order otherwise.

(4) All Opt-Out Parties will be excluded from any and all rights and obligations arising from the Settlement. Class Members who do not opt out shall be bound by the Settlement and the

terms of the Agreement regardless of whether he/she/it files a Claim Form or receives compensation from the Settlement.

11.3 Notification of Number of Opt-Outs

Within five (5) days after the Opt-Out Deadline, Gregory Wrigglesworth shall report to the Courts and to the Parties as to the number of Opt-Out Parties, the number of Eligible Shares held by each Opt-Out Party, a summary of the information delivered by each Opt-Out Party and the total number of Eligible Shares held by the Opt-Out Parties.

SECTION 12 – TERMINATION OF THE AGREEMENT

12.1 General

(1) The Agreement may only be terminated by Penn West or a majority of the Individual Defendants if:

- (a) the Second Order (excluding approval of Class Counsel Fees) is not granted by the Courts, generally in accordance with the form at Schedule “A”.
- (b) the Second Order (excluding approval of Class Counsel Fees) is granted by the Courts but are issued by any of the Courts in a materially modified form;
- (c) the Second Order is reversed on appeal and the reversal becomes final;
- (d) the Opt-Out Threshold is exceeded, as provided for in s. 12.2 of the Agreement, but the right of termination in respect of this subsection (d) is held only by Penn West;
- (e) the U.S. Court does not approve the settlement in the U.S. Action; or
- (f) the U.S. settlement is terminated for any reason.

(2) The failure of the Courts to approve in full the request by Class Counsel for Class Counsel Fees shall not be grounds to terminate this Agreement.

(3) In the event the Agreement is terminated in accordance with its terms, or is not approved by the Courts, or any Second Order is reversed, vacated or terminated by any appellate court and/or the Second Orders do not become final:

- (a) the Parties will be restored to their respective positions prior to the execution of the Agreement;

- (b) the Parties will consent to orders setting aside any order granting leave to commence a claim under s. 138.3 of the *Securities Act* (Ontario) and equivalent provisions of *Securities Acts* of other Provinces for the purposes of implementing this Agreement;
 - (c) the Parties will consent to orders setting aside any order certifying the Ontario Action and the Alberta Action as a class proceeding for the purposes of implementing this Agreement and any judgment authorizing the bringing of a class action for Settlement purposes by the Québec Court for the purposes of implementing this Agreement;
 - (d) the Agreement will have no further force and effect and no effect on the rights of the Parties;
 - (e) the certification of the Ontario Action and the Alberta Action and the authorization of the Québec Action will be deemed to have been without prejudice to any position that any of the Parties may later take on any issue in the Actions;
 - (f) any amounts paid for establishing and operating the Escrow Account, translating, publishing and disseminating the Settlement Agreement, the First Notice, the Second Notice and the Termination Notice, if any, and to Gregory D. Wrigglesworth and the Administrator pursuant to section 4.1(1) are non-recoverable from the Plaintiffs, the Class Members;
 - (g) the Settlement Amount will be returned to the Contributing Parties less any Non-Recoverable Expenses that have already been properly incurred;
 - (h) the Agreement will not be introduced into evidence or otherwise referred to in any litigation or proceeding against the Defendants.
- (4) Notwithstanding the provisions of section 12.1(3)(c), if the Agreement is terminated, the provisions of this section and sections 2, 4, 5.2, 5.3, 8.1, 8.2, 8.3, 10.4, 12.1(3), 12.1(4), 12.3, 12.4, 15.1(2), 15.3(4), 15.5(2), 15.6(2), 18.1, 18.2, 18.3, 18.4, 18.5, 18.6(2), 18.7, 18.8, 18.9, 18.10, 18.11, 18.12, 18.13, 18.14, 18.15 and the recitals and schedules applicable thereto shall survive termination and shall continue in full force and effect.

12.2 Effect of Exceeding the Opt-Out Threshold

(1) Notwithstanding any other provision in the Agreement, Penn West, in its sole discretion, may elect to terminate the Agreement if the Opt-Out Threshold is exceeded provided its election is made within twenty (20) days of receiving notice from both Gregory Wrigglesworth and Class Counsel notifying them of the information described in section 11.3. If Penn West does not elect to terminate the Agreement within this period, its right to terminate the Agreement pursuant to the provisions of this section will expire.

(2) If the Opt-Out Threshold is not exceeded, Penn West's right to terminate the Agreement pursuant to the provisions of this section is inoperative.

12.3 Allocation of Monies in the Escrow Account Following Termination

(1) The Administrator and Sutts, Strosberg LLP shall account to the Courts for the amounts maintained in the Escrow Account. If the Agreement is terminated, this accounting shall be delivered no later than ten (10) days after such termination.

(2) If the Agreement is terminated, the Defendants shall, within thirty (30) days after termination, apply to the Courts for orders:

- (a) declaring the Agreement null and void and of no force or effect except for the provisions of those sections listed in section 12.1(4);
- (b) requiring the notice of termination to be sent out to the Class Members and, if so, the form and method of disseminating such a notice;
- (c) setting aside, *nunc pro tunc*, all prior orders or judgments entered in accordance with the terms of this Agreement; and
- (d) authorizing the payment of:
 - (i) all funds received by Sutts Strosberg LLP from any of the Contributing Parties and not yet paid into the Escrow Account pursuant to section 4.1; and
 - (ii) all funds in the Escrow Account, including accrued interest, to the Contributing Parties, apportioned *pro rata* based on their respective contributions, directly or indirectly, to the Escrow Account, as the case may be,

minus any amounts paid out of the Escrow Account in accordance with the terms of this Agreement.

(3) Subject to section 12.4, the Parties shall consent to the orders sought in any motion made by the Defendants pursuant to section 12.3(2).

12.4 Disputes Relating to Termination

If there are any disputes about the termination of the Agreement, the Ontario Court shall determine any dispute by motion on notice to the Parties.

SECTION 13 – DETERMINATION THAT THE SETTLEMENT IS FINAL

(1) The Settlement shall be considered final on the Effective Date.

(2) Within ten (10) days after the Effective Date, Sutts, Strosberg LLP shall transfer the Escrow Account to the Administrator.

SECTION 14 – RELEASES AND JURISDICTION OF THE COURT

14.1 Release of Releasees

As of the Effective Date, provided that the Settlement Amount has been deposited into the Escrow Account, the Releasers in exchange for and in consideration of the foregoing, and inasmuch as the terms and conditions of the Settlement are approved by the Courts, forever and absolutely release the Releasees from the Released Claims.

14.2 No Further Claims

Notwithstanding sections 2.1 (61) and 2.1 (62) of this Agreement:

(1) As of the Effective Date and provided that the Settlement Amount has been deposited into the Escrow Account, the Releasers and Class Counsel shall not now or hereafter institute, continue, maintain or assert, either directly or indirectly, whether in Canada or elsewhere, on their own behalf or on behalf of any class or any other person (including on behalf of any Opt-Out Party), any action, suit, cause of action, claim or demand against any Releasee or any other person (including but not limited to auditors) who may claim contribution or indemnity from any Releasee in respect of any Released Claim or any matter related thereto; and

(2) For greater certainty, the Releasers and Class Counsel acknowledge that they may subsequently discover facts adding to those they now know, but nonetheless agree that on the

Effective Date, they shall have fully, definitively and permanently settled and released and discharged all claims, no matter if they were unknown, unsuspected, not disclosed, and regardless of the subsequent discovery of facts different from those they are aware of on the Effective Date. By means of the Settlement, the Releasers waive any right they might have under the law, common law, civil law, in equity or otherwise, to disregard or avoid the release and discharge of the unknown claims and bar against the commencement of new claims for any reason whatsoever and expressly relinquish any such right and each Class Member shall be deemed to have waived and relinquished such right. Furthermore, the Releasers agree to this waiver of their own volition, with full knowledge of its consequences and that this waiver was negotiated and constitutes a key element of the Settlement.

14.3 Dismissal of the Actions

- (1) Except as otherwise provided in the Agreement and the Second Order, and as a condition of Settlement, the Actions and the Shaikh Action shall be dismissed without costs and with prejudice.
- (2) Except as otherwise provided in the Agreement and the Second Order, the Québec Action shall be settled, without costs and without reservation as against the Defendants.

SECTION 15 – ADMINISTRATION

15.1 Appointment of the Administrator

- (1) The Courts will appoint the Administrator to serve until further order of the Courts, to implement the Agreement and the Plan of Allocation, on the terms and conditions and with the powers, rights, duties and responsibilities set out in the Agreement and in the Plan of Allocation.
- (2) If the Agreement is terminated, the Administrator's fees, disbursements and taxes will be fixed as set out in section 4.1(1)(f).
- (3) If the Settlement becomes final as contemplated by section 13 the Courts will fix the Administrator's compensation and payment schedule.

15.2 Appointment of the Referee

- (1) The Courts will appoint the Referee with the powers, duties and responsibilities set out in the Agreement and the Plan of Allocation.

(2) The fees, disbursements and taxes of the Referee will be fixed by the Ontario Court and shall not exceed \$25,000, exclusive of disbursements and HST. When directed by the Ontario Court, the Administrator will pay the Referee from the Escrow Settlement Amount.

15.3 Information and Assistance from the Defendants

(1) Within thirty (30) days of the approval of the Settlement, upon request Penn West will authorize and direct TMX Equity Transfer Services to deliver a computerized list of the names and addresses of persons who purchased Shares during either the First Class Period or the Second Class Period in its possession to Class Counsel and the Administrator. Upon request, Penn West will also authorize Broadridge Financial Solutions Inc. to obtain information about Class Members who hold or held beneficial interests in the Shares during the Class Period.

(2) Penn West will identify a person to whom the Administrator may address any requests for information in respect of s. 15.3(1) of the Agreement. Penn West agrees to make reasonable efforts to answer any reasonable inquiry from the Administrator in order to facilitate the administration and implementation of the Agreement and the Plan of Allocation.

(3) Class Counsel and/or the Administrator may use the information obtained pursuant to sections 15.3(1) and (2) only for the purposes of delivering the Second Notice and administering and implementing the Agreement and the Plan of Allocation.

(4) Any information obtained or created in the administration of this Agreement is confidential and, except as required by law, shall be used and disclosed only for the purpose of distributing notices and the administration of the Agreement and Plan of Allocation.

15.4 Claims Process

(1) In order to seek payment from the Settlement Amount, a Class Member must submit a completed Claim Form to the Administrator, in accordance with the provisions of the Plan of Allocation, on or before the Claims Bar Deadline and any Class Member who fails to do so shall not share in any distribution made in accordance with the Plan of Allocation unless the relevant court orders otherwise as provided in section 18.4.

(2) In order to remedy any deficiency in the completion of a Claim Form, the Administrator may require and request that additional information be submitted by a Class Member who submits a Claim Form. Such Class Members shall have until the later of thirty (30) days from the date of the request from the Administrator or the Claims Bar Deadline to rectify the

deficiency. Any person who does not respond to such a request for information within the thirty (30) day period shall be forever barred from receiving any payments pursuant to the Settlement, subject to any order of the relevant court to the contrary as provided in section 18.4, but will in all other respects be subject to, and bound by, the provisions of the Agreement and the releases contained herein.

15.5 Disputes Concerning the Decisions of the Administrator

(1) In the event that a Class Member disputes the Administrator's decision, whether in whole or in part, the Class Member may appeal the decision to the Referee in accordance with the provisions in the Plan of Allocation. The decision of the Referee will be final with no right of appeal.

(2) No action shall lie against the Releasees, the Defendants, the Defendants' counsel, Class Counsel, the Administrator, the Referee, or Kirwin Partners LLP for any decision made in the administration of the Agreement and Plan of Allocation without an order from the Ontario Court authorizing such an action.

15.6 Conclusion of the Administration

(1) Following the Claims Bar Deadline, and in accordance with the terms of the Agreement, the Plan of Allocation, and such further order of the Courts, as may be necessary, or as circumstances may require, the Administrator shall distribute the Escrow Settlement Amount to Authorized Claimants.

(2) No claims or appeals shall lie against the Releasees, the Defendants, the Defendants' counsel, Class Counsel, the Administrator, the Referee, or Kirwin Partners LLP based on distributions made substantially in accordance with the Agreement and the Plan of Allocation.

(3) If the Escrow Settlement Account is in a positive balance (whether by reason of tax refunds, un-cashed cheques or otherwise) after one hundred eighty (180) days from the date of distribution of the Escrow Settlement Amount to the Authorized Claimants, the Administrator shall, if economically feasible, allocate such balance among Authorized Claimants in an equitable fashion up to the limit of each person's actual loss. If there is a balance in the Escrow Settlement Account after each Authorized Claimant is paid up to his/her/its actual loss, the remaining funds shall be paid in part (X%) *cy près* to a recipient selected by Class Counsel, approved by the Ontario Court and subject to a ten (10) percent deduction for the Class

Proceedings Fund, in part (Y%) *cy près* to a recipient selected by Class Counsel, approved by the Québec Court and subject to the applicable deduction for the Fonds d'aide aux actions collectifs, and in part (Z%) *cy près* to a recipient selected by Class Counsel and approved by the Alberta Court. The respective percentages, X, Y and Z, shall be equal to the percentages of the distribution of the Escrow Settlement Amount to Authorized Claimants in the Ontario Action, the Québec Action and the Alberta Action respectively.

(4) Upon the conclusion of the administration, or at such other time(s) as the Courts direct, the Administrator shall report to the Courts on the administration and shall account for all monies it has received, administered and disbursed and obtain an order from those courts discharging it as Administrator.

SECTION 16 – THE PLAN OF ALLOCATION

(1) The Defendants shall have no obligation to consent to but shall not oppose the approval of the Plan of Allocation.

(2) Section 16(1) is not an acknowledgement that the Defendants have standing to make any submissions regarding the Plan of Allocation.

SECTION 17 – CLASS COUNSEL FEES

17.1 Motion for Approval of Class Counsel Fees

(1) At the Second Motion, Class Counsel shall seek the approval of Class Counsel Fees to be paid as a first charge on the Settlement Amount. Class Counsel are not precluded from making additional applications to the Ontario Court for expenses incurred as a result of implementing the terms of the Agreement. All amounts awarded on account of Class Counsel Fees shall be paid from the Settlement Amount.

(2) The Defendants acknowledge that they are not parties to the motion concerning the approval of Class Counsel Fees, they will have no involvement in the approval process to determine the amount of Class Counsel Fees and they will not make any submissions to the Court concerning Class Counsel Fees.

(3) Any order or proceeding relating to Class Counsel Fees, or any appeal from any order relating thereto or reversal or modification thereof, shall not operate to terminate or cancel the

Agreement or affect or delay the finality of the Second Order and the Settlement of the Action as provided herein.

17.2 Payment of Class Counsel Fees

(1) Forthwith after the Settlement becomes final, as contemplated in section 13, Sutts, Strosberg LLP shall pay to Class Counsel the Class Counsel Fees approved by the Courts from the Escrow Account.

SECTION 18 – MISCELLANEOUS

18.1 Motions for Directions

(1) Any one or more of the Parties, Class Counsel, the Administrator or the Referee may apply to the Courts for directions in respect of any matter in relation to the Agreement and Plan of Allocation.

(2) All motions contemplated by the Agreement shall be on notice to the Parties.

18.2 Defendants Have No Responsibility or Liability for Administration

Except for the obligation to pay the Settlement Amount and provide the information and assistance contemplated by sections 15.3(1) and (2), none of the Releasees, the Defendants, or the Defendants' counsel shall have any responsibility for or any liability whatsoever with respect to the administration or implementation of the Agreement and Plan of Allocation, including, without limitation, the processing and payment of claims by the Administrator.

18.3 Headings, etc.

(1) In the Agreement:

- (a) the division of the Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of the Agreement;
- (b) the terms “the Agreement”, “herein”, “hereto” and similar expressions refer to the Agreement and not to any particular section or other portion of the Agreement;
- (c) all amounts referred to are in lawful money of Canada; and

- (d) “person” means any legal entity including, but not limited to, individuals, corporations, sole proprietorships, general or limited partnerships, limited liability partnerships or limited liability companies.
- (2) In the computation of time in the Agreement, except where a contrary intention appears:
 - (a) where there is a reference to a number of days between two events, they shall be counted by excluding the day on which the first event happens and including the day on which the second event happens, including all calendar days; and
 - (b) only in the case where the time for doing an act expires on a holiday, the act may be done on the next day that is not a holiday.

18.4 Governing Law

- (1) The Agreement shall be governed by and construed and interpreted in accordance with the laws of the Province of Ontario.
- (2) The Ontario Court shall exercise jurisdiction with respect to implementation, administration, interpretation and enforcement of the terms of this Agreement. Issues related to the administration of this Agreement, the Escrow Account, and other matters not specifically related to the claim of a Québec Class Member shall be determined by the Ontario Court.
- (3) Notwithstanding Section 18.4(2), for matters relating specifically to the claim of a Québec Class Member or the Québec Action, the Québec Court, as applicable, shall apply the law of its own jurisdiction.

18.5 Entire Agreement

The Agreement constitutes the entire agreement among the Parties and supersedes all prior and contemporaneous understandings, undertakings, negotiations, representations, promises, agreements, agreements in principle and memoranda of understanding in connection herewith. None of the Parties will be bound by any prior obligations, conditions or representations with respect to the subject matter of the Agreement, unless expressly incorporated herein. The Agreement may not be modified or amended except in writing and on consent of all Parties and any such modification or amendment must be approved by the Courts.

18.6 Binding Effect

(1) If the Settlement is approved by the Courts and becomes final as contemplated in section 13, the Agreement shall be binding upon, and enure to the benefit of the Plaintiffs, the Class Members, the Defendants, the Releasees, the Releasors, the Contributing Parties and all of their respective heirs, executors, predecessors, successors and assigns. Without limiting the generality of the foregoing, each and every covenant and agreement made herein by the Plaintiffs shall be binding upon all Releasors and each and every covenant and agreement made herein by the Defendants shall be binding upon all of the Releasees.

- (2) The person signing this Agreement represents and warrants (as applicable) that:
- (a) he/she has all requisite corporate power and authority to execute, deliver and perform the Agreement and to consummate the transaction contemplated hereby on his/her own behalf;
 - (b) the execution, delivery, and performance of the Agreement and the consummation of the Actions contemplated herein have been duly authorized by all necessary corporate action;
 - (c) the Agreement has been duly and validly executed and delivered by him/her and constitutes legal, valid, and binding obligations;
 - (d) he/she agrees to use his/her best efforts to satisfy all conditions precedent to the Effective Date.

18.7 Survival

The representations and warranties contained in the Agreement shall survive its execution and implementation.

18.8 Negotiated Agreement

The Agreement and the Settlement have been the subject of negotiations and many discussions among the Parties. Each of the undersigned has been represented and advised by competent counsel, so that any statute, case law, or rule of interpretation or construction that would or might cause any provision to be construed against the drafters of the Agreement shall have no force and effect. The Parties further agree that the language contained in or not contained in previous drafts of the Agreement, or any agreement in principle, shall have no bearing upon the proper interpretation of the Agreement.

18.9 Confidentiality

The Parties agree that prior to the filing of the First Motion or public disclosure of the Settlement by Penn West, whichever comes first: (1) this Settlement Agreement, its terms, and the Settlement Amount are and shall be treated as confidential and shall not be disclosed, described, or characterized to any other person, entity, publication or member of the media, except as may be required by law, judicial process, or order of a court, to enforce the terms of the Settlement Agreement, or as otherwise agreed by the Parties; and (2) any Party intending to disclose such information as may be required by law, judicial process or order of a court, will notify the other of its intention and give the non-disclosing party a reasonable opportunity to object. The Parties agree not to disclose the substance of the negotiations that led to this Settlement Agreement including the merits of any positions taken by any Party except as necessary to provide the Court with information necessary to consider approval of the Settlement. Notwithstanding the foregoing, any Settling Defendant may disclose such information to a regulatory authority if it determines that disclosure is warranted.

18.10 Recitals and Schedules

- (1) The recitals and schedules to the Agreement are material and integral parts hereof and are fully incorporated into, and form part of, the Agreement.
- (2) The schedules to the Agreement are:
 - (a) Schedule “A” – Second Order
 - (b) Schedule “B” – First Order
 - (c) Schedule “C” – First Notice
 - (d) Schedule “D” – Plan of Allocation
 - (e) Schedule “E” – Plan of Notice
 - (f) Schedule “F” – Second Notice
 - (g) Schedule “G” – Opt-Out Form
 - (h) Schedule “H” – Claim Form

18.11 Acknowledgements

Each of the Parties hereby represents, affirms and acknowledges that:

- (a) he, she or its representative has the authority to bind the Party with respect to the matters set forth herein has read and understood the Agreement;
- (b) the terms of the Agreement and the effects thereof have been fully explained to him, her or its representative by his, her or its counsel; and
- (c) he, she or its representative fully understands each term of the Agreement and its effect.

18.12 Authorized Signatures

- (1) Each of the undersigned represents that he or she is fully authorized to enter into the terms and conditions of, and to execute, the Agreement on behalf of the Party for whom he or she is signing.

18.13 Counterparts

The Agreement may be executed in counterparts, all of which taken together will be deemed to constitute one and the same Agreement, and a facsimile signature shall be deemed an original signature for purposes of executing the Agreement.

18.14 Translation

The Parties acknowledge that they have required and consented that this Agreement and all related documents be prepared in English; les parties reconnaissent avoir exigé que la présente convention et tous les documents connexes soient rédigés en anglais. Nevertheless, a French translation of the Agreement will be prepared, the cost of which shall be paid from the Settlement Amount. In the event of any dispute as to the interpretation or application of this Agreement, the English version shall govern.

18.15 Notice

Any notice, instruction, motion for court approval or motion for directions or court orders sought in connection with the Agreement or any other report or document to be given by any of the Parties to any of the other Parties shall be in writing and delivered personally, by facsimile or e-mail during normal business hours, or sent by registered or certified mail, or courier postage paid as follows:

For the Plaintiffs and Class Counsel to:

Jay Strosberg
Sutts, Strosberg LLP
Lawyers
600-251 Goyeau Street
Windsor, ON N9A 6V1

Telephone: 519.561.6285
Facsimile: 519.561.6203
Email: jay@strosbergco.com

**For Penn West Petroleum Ltd., David E. Roberts,
James C. Smith and Frank Potter to:**

Scott Kugler
Gowling LaFleur Henderson LLP
1600-100 King Street West
Toronto ON M5X 1G1

Telephone: 416.862.7525
Facsimile: 416.369-7250
Email: scott.kugler@gowlings.com

For Jeffery Curran to:

Alex Kotkas

Fasken Martineau
3400 First Canadian Centre
350 - 7th Avenue SW
Calgary Alberta T2P 3N9

Telephone: 1.403.261.5358
Facsimile: 1.403.261.5351
Email: akotkas@fasken.com

For William E. Andrew to:

D. Brian Foster
Rose LLP
810-333 5th Avenue SW
Calgary AB T2P 3B6

Telephone: 403.377.0510
Facsimile: 403.377.0501
Email: Brian.Foster@RoseLLP.com

For Murray R. Nunns to:

Lawrence E. Ritchie
Osler, Hoskin & Harcourt LLP
6200-100 King Street West
Toronto ON M5X 1B8

Telephone: 416.862-6608
Facsimile: 416.862-6666
Email: lritchie@osler.com

For Todd H. Takeyasu to:

S.B. Gavin Matthews

Peacock Linder Halt & Mack LLP
400-3rd Avenue SW, Suite 4050
Calgary AB T2P 4H2

Telephone: 403.296.2270
Facsimile: 403.296.2299
Email: gmatthews@plhlaw.ca

**For Penn West Petroleum Ltd., David E. Roberts,
James C. Smith and Frank Potter to:**

Scott Kugler
Gowling LaFleur Henderson LLP
1600-100 King Street West
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Telephone: 416.862.7525
Facsimile: 416.369-7250
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For Jeffery Curran to:

Alex Kotkas

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For William E. Andrew to:

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Calgary AB T2P 3B6

Telephone: 403.377.0510
Facsimile: 403.377.0501
Email: Brian.Foster@RoseLLP.com

For Murray R. Nunns to:

Lawrence E. Ritchie
Osler, Hoskin & Harcourt LLP
6200-100 King Street West
Toronto ON M5X 1B8

Telephone: 416.862-6608
Facsimile: 416.862-6666
Email: lritchie@osler.com

For Todd H. Takeyasu to:

S.B. Gavin Matthews

Peacock Linder Halt & Mack LLP
400-3rd Avenue SW, Suite 4050
Calgary AB T2P 4H2

Telephone: 403.296.2270
Facsimile: 403.296.2299
Email: gmatthews@pohlaw.ca

The Parties have executed the Agreement as of the date on the cover page.



David Benadiva

Dennis Allen

Penn West Petroleum Ltd.

By:

Name
Title

**For Penn West Petroleum Ltd., David E. Roberts,
James C. Smith and Frank Potter to:**

**Scott Kugler
Gowling Lafleur Henderson LLP
1600-100 King Street West
Toronto ON M5X 1G1**

**Telephone: 416.862.7525
Facsimile: 416.369-7250
Email: scott.kugler@gowlings.com**

For Jeffery Curran to:

Alex Kotkas

**Fasken Martineau
3400 First Canadian Centre
350 - 7th Avenue SW
Calgary Alberta T2P 3N9**

**Telephone: 1.403.261.5358
Facsimile: 1.403.261.5351
Email: akotkas@fasken.com**

For William E. Andrew to:

**D. Brian Foster
Rose LLP
810-333 5th Avenue SW
Calgary AB T2P 3B6**

**Telephone: 403.377.0510
Facsimile: 403.377.0501
Email: Brian.Foster@RoseLLP.com**

For Murray R. Nunn to:

**Lawrence E. Ritchie
Osler, Hoskin & Harcourt LLP
6200-100 King Street West
Toronto ON M5X 1B8**

**Telephone: 416.862-6608
Facsimile: 416.862-6666
Email: lritchie@osler.com**

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**Telephone: 403.296.2270
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James Middlemiss

Dennis Allen

David Benad
[Redacted Signature]

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By: _____
Name
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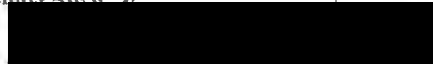
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By:

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Telephone: 403 296 2270
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Email: gmatthews@pnlaw.ca

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Dennis Allen

David Benadiya

Penn W

By: 

Name **Robert Wood**

General Counsel

**David A. Dyck
Senior VP & CFO**

David R. [REDACTED]
[REDACTED]

Murray R. Nunns

Todd H. Takeyasu

Frank Potter

James C. Smith

William E. Andrew

Jeffery Curran

Sutts, Strosberg LLP has executed the Agreement as of the date on the cover page to signify its consent to hold the Escrow Account on the terms provided in the Agreement and to be bound by the terms of the Agreement.

Sutts, Strosberg LLP
By:

Jay Strosberg
Partner

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Murray R. Nunns

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Jay Strosberg
Partner

David Benadiva

Penn West Petroleum Ltd.

By: _____

Name
Title

David E. Roberts

Murray R. Nuans

Todd H. Takayasu

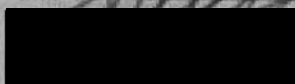
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By:

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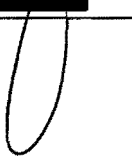
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Sutts, Strosberg LLP

By:

A large black rectangular redaction box covers the signature of Jay Strosberg.

Jay Strosberg
Partner

A handwritten signature in black ink, appearing to be 'Jay Strosberg', is written over a horizontal line and extends downwards.

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE) ● THE ●TH DAY
)
JUSTICE BELOBABA) OF ●, 2016

B E T W E E N

JAMES MIDDLEMISS

Plaintiff

- and -

PENN WEST PETROLEUM LTD., DAVID E. ROBERTS,
MURRAY R. NUNNS, TODD H. TAKEYASU, FRANK POTTER,
JAMES C. SMITH, WILLIAM E. ANDREW AND JEFFERY CURRAN

Defendants

Proceedings under the *Class Proceedings Act, 1992*

ORDER

THESE MOTIONS, made by:

- (a) James Middlemiss for certification of the Ontario Action as a class proceeding for the purposes of settlement, leave to commence a claim under s. 138.3 of the *Securities Act*, R.S.O. 1990 c. S.5 and equivalent provisions of *Securities Acts* of other Provinces, and for an order pursuant to subsection 29(2) of the *Class Proceedings Act, 1992*, S.O. 1992, c. 6 in accordance with the terms of the Settlement Agreement, approval of the Second Notice, the Plan of Notice, the Plan of Allocation, the Claim Form, the Opt-Out Form, the levy payable to the Class Proceedings Fund, the amount payable to the Fonds d'aide aux actions collectifs, and for the

dismissal of *Shaikh v. Penn West Petroleum Ltd.*, et al., brought in the Ontario Court under Court File No. CV-14-510391-00CP; and

- (b) Class Counsel for the approval of the agreement respecting fees and disbursements between Class Counsel and James Middlemiss pursuant to subsection 32(2) of the *Class Proceedings Act, 1992*, S.O. 1992, c. 6; were heard on ●, 2016 at Toronto, Ontario.

ON READING the following:

- (a) the notice of motion;
- (b) the Settlement Agreement;
- (c) the affidavits of:
- (i) ● sworn ●, 2016;
 - (ii) ● sworn ●, 2016;
 - (iii) ● sworn ●, 2016;
 - (iv) ● sworn ●, 2016;

AND ON HEARING the submissions of counsel for the parties in the action,

AND ON BEING ADVISED that:

- (a) the parties consent to these orders;
- (b) ● consents to being appointed Administrator;
- (c) Gregory Wrigglesworth of Kirwin Partners LLP consents to receive Opt-Out forms, to report to the Court regarding opt-outs, and to being appointed Referee; and

- (d) there have been • objections to the proposed settlement received by Gregory Wrigglesworth.

AND without any admission of liability on the part of any of the defendants, all defendants having denied liability,

1. THIS COURT ORDERS AND DECLARES that for the purposes of this order, the definitions in the Settlement Agreement apply to and are incorporated into this order and that the following definitions also apply:
 - (a) “Claims Bar Deadline” means 5:00 p.m. eastern time on [date that is no less than one hundred twenty (120) days after the anticipated date of the last newspaper publication of the Second Notice];
 - (b) “Class Counsel” means Sutts, Strosberg LLP, Koskie Minsky LLP and Rochon Genova LLP;
 - (c) “Escrow Account” means the interest bearing trust account with one of the Canadian Schedule 1 banks or a liquid money market account or equivalent security with a rating equivalent to, or better than, that of an interest bearing account in a Canadian Schedule 1 bank in Ontario, initially under the control of Sutts, Strosberg LLP and then transferred to the control of the Administrator once the Settlement is final;
 - (d) “Fee Agreement” means the agreement between Middlemiss and Class Counsel signed by Middlemiss on August 21, 2014.
 - (e) “Settlement Agreement” means the settlement agreement dated February 12, 2016 (without schedules) attached hereto as Schedule 1.

2. THIS COURT ORDERS that:
 - (a) leave to commence a claim under s. 138.3 of the *Securities Act*, R.S.O. 1990 c. S.5 and equivalent provisions in the *Securities Acts* of other Provinces is granted;
 - (b) this action is certified as a class proceeding for settlement purposes only;

(c) the Ontario Class is defined as:

all persons wherever resident, other than Québec Class Members and Alberta Class Members, who acquired Shares of Penn West on the TSX or on an alternative trading market in Canada during the First Class Period and/or the Second Class Period and held some or all of those Shares at the close of trading on July 29, 2014 or September 18, 2014 respectively, except for Excluded Persons;

(d) the common issue is:

Did any of Penn West's financial statements contain a misrepresentation for the purposes of s. 138.3(1) of the *Securities Act*, R.S.O. 1990 c. S.5 and equivalent provisions in the *Securities Acts* of other Provinces?;

(e) James Middlemiss is appointed as the representative plaintiff; and

(f) the cause of action certified is the right of action in section 138.3 of the *Securities Act*, R.S.O. 1990 c. S.5 and equivalent provisions in the *Securities Acts* of other Provinces.

3. THIS COURT ORDERS AND ADJUDGES that the Settlement is fair and reasonable and in the best interests of the Ontario Class Members and is approved.

4. THIS COURT ORDERS that:

(a) the Settlement Agreement, without schedules, attached as Schedule 1 to this order, is approved and shall be implemented in accordance with its terms;

(b) the Second Notice, generally in the form attached as Schedule 2A (English) and 2B (French) to this order, is approved;

(c) the Plan of Notice, generally in the form attached as Schedule 3 to this order, is approved;

- (d) the Plan of Allocation, generally in the form attached as Schedule 4 to this order, is approved;
 - (e) the Claim Form, generally in the form attached as Schedule 5A (English) and 5B (French) to this order, is approved; and
 - (f) the Opt-Out Form, generally in the form attached as Schedule 6A (English) and 6B (French) to this order, is approved.
5. THIS COURT ORDERS that • is appointed, until further order of the Court:
- (a) as the Administrator on the terms and conditions and with the powers, duties and responsibilities set out in the Settlement Agreement and Plan of Allocation; and
 - (b) to manage the Escrow Account and to hold, invest and disburse the Escrow Settlement Amount in accordance with the terms of the Settlement Agreement, the Plan of Allocation and this order.
6. THIS COURT ORDERS that if Penn West does not elect to terminate the Settlement Agreement, the Administrator shall be paid from the Escrow Account a fee in an amount to be approved by the Court.
7. THIS COURT ORDERS that if the Settlement Agreement is terminated, the Administrator may apply to the Ontario Court pursuant to the Settlement Agreement for directions relating to the amount it is to be paid for the services it rendered to the date of termination.

8. THIS COURT ORDERS that the Administrator may implement a procedure permitting brokers to make claims on behalf of their clients if they are authorized to do so.
9. THIS COURT ORDERS that Gregory Wrigglesworth is appointed as Referee, until further order of the Court, on the terms and conditions and with the powers, duties and responsibilities set out in the Settlement Agreement and Plan of Allocation.
10. THIS COURT ORDERS that the Ontario Class Members shall be given notice of the certification of the action as a class proceeding, the approval of the Settlement Agreement, the Plan of Allocation, the Opt-Out Deadline and the Claims Bar Deadline substantially in the form of the Second Notice published and disseminated in accordance with the Plan of Notice.
11. THIS COURT ORDERS AND DECLARES that the notice to the Ontario Class Members described in paragraph 10 satisfies the requirements of section 17(6) of the *CPA*.
12. THIS COURT ORDERS that after publication and distribution of the Second Notice in accordance with the Plan of Notice, Class Counsel shall file with the Ontario Court an affidavit confirming the publication and distribution of the notices in accordance with and as required by the Plan of Notice.

13. THIS COURT ORDERS that:
- (a) each Ontario Class Member who wishes to opt-out must submit, by mail, email or courier, a properly completed Opt-Out Form and all required supporting documents to Gregory Wrigglesworth by the Opt-Out Deadline;
 - (b) if a Ontario Class Member fails to submit a properly completed Opt-Out Form and/or all required supporting documents to the Administrator by the Opt-Out Deadline, the Ontario Class Member shall be deemed not to have opted out of the action, subject to any further order of the Ontario Court; and
 - (c) the Opt-Out Deadline shall not be extended unless ordered by the Ontario Court.
14. THIS COURT ORDERS that, within five (5) days after the Opt-Out Deadline, Gregory Wrigglesworth shall report to the Ontario Court, to the Defendants and to Class Counsel the names of those Class Members, if any, who have opted out of the Actions, the number of Eligible Shares held by each Class Member who opted out, and a summary of the information delivered by each Class Member who opted out.
15. THIS COURT ORDERS that, if the Opt-Out Threshold is exceeded, Penn West may elect to terminate the Settlement Agreement and set aside this order, provided that written notice of the election to terminate is provided to Class

Counsel within twenty (20) days after they receive the report from Gregory Wigglesworth on Opt-Out Parties required by paragraph 14 of this order.

16. THIS COURT ORDERS AND DECLARES that this order is binding upon each Ontario Class Member who does not opt-out in accordance with the terms of this order, including those persons who are minors or mentally incapable, and the requirements of Rules 7.04(1) and 7.08(4) of the *Rules of Civil Procedure* are dispensed with.

17. THIS COURT ORDERS AND DECLARES that each Releasor has released and shall be conclusively deemed to have fully, finally and forever released the Releasees from any and all manner of claims, demands, actions, suits, causes of action, whether class, individual or otherwise in nature, whether personal or subrogated, damages whenever and wherever incurred, and rights and liabilities of any nature whatsoever, including interest, costs, expenses, administration expenses, penalties, Class Counsel Fees and lawyers' fees, known or unknown, suspected or unsuspected, in law, under statute or in equity or at common law, that the Releasor, or any of them, whether directly, indirectly, derivatively, or in any other capacity, ever had, now have, or hereafter can, shall, or may have as against the Releasees relating in any way to the purchase, sale, pricing, marketing or distributing of Shares, or to any conduct alleged, or that could have been alleged, in the Actions, including, without limitation, any such claims that have been asserted, would have been asserted or could have been asserted,

whether in Canada or elsewhere, as a result of the purchase of Shares in the Class Period.

18. THIS COURT ORDERS that the Releasers and Class Counsel shall not now or hereafter institute, continue, maintain or assert, either directly or indirectly, whether in Canada or elsewhere, on their own behalf or on behalf of any class or any other person (including on behalf of any Opt-Out Party), any action, suit, cause of action, claim or demand against any Releasee or any other person (including but not limited to the auditors) who may claim contribution or indemnity from any Releasee in respect of any Released Claim or any matter related thereto.
19. THIS COURT ORDERS that to participate in this Settlement, a Ontario Class Member must file a Claim Form with the Administrator on or before the Claims Bar Deadline unless the Ontario Court orders otherwise.
20. THIS COURT ORDERS that the plaintiff, Class Counsel, the Referee or the Administrator may apply to the Ontario Court for directions in respect of the implementation and/or the administration of the Plan of Allocation or relating to any other matter.
21. THIS COURT ORDERS that the plaintiff and the Defendants may apply to the Ontario Court for directions in respect of the termination of the Settlement Agreement in accordance with its terms or any matter relating thereto.

22. THIS COURT ORDERS that no person may bring any action or take any proceedings against the plaintiff, Defendants, Administrator, the Referee, or their employees, agents, partners, lawyers, associates, representatives, successors or assigns for any matter in any way relating to the administration of the Plan of Allocation or the implementation of this order except with leave of the Ontario Court.
23. THIS COURT ORDERS that:
- (a) the Fee Agreement between James Middlemiss and Class Counsel is approved; and
 - (b) Class Counsel's fees, disbursements and taxes are fixed at \$● and shall be paid from the Escrow Account forthwith after the Settlement becomes final and any appeals have been completed or the time for any appeals has expired.
24. THIS COURT ORDERS that the levy payable to the Law Foundation of Ontario pursuant to Regulation 771/92 of the *Law Society Act* shall be fixed at \$●, calculated as follows and paid by the Administrator from the Escrow Account forthwith after the Settlement is final:
- (a) amount of the settlement fund notionally allocated to the Ontario Action \$●
 - (b) less amounts payable to Class Counsel on account of fees, disbursements and taxes \$●
 - (c) less the costs of administration of the settlement \$●

- (d) less disbursements payable to the Law Foundation of Ontario \$●
- (e) 10% levy on remaining Settlement Fund \$●

25. THIS COURT ORDERS that the levy payable to the Fonds d'aide aux actions collectifs shall be the amount determined by the Québec Court in the Québec Action.
26. THIS COURT ORDERS that the Ontario Action, except as provided for in this order, is dismissed without costs and with prejudice.
27. THIS COURT ORDERS that upon the Effective Date, the Shaikh Action is dismissed without costs and with prejudice and that a copy of this order be filed in the Shaikh Action.
28. THIS ORDER is contingent upon parallel orders being made by the Alberta Court and the Québec Court, and the terms of this Order shall not be effective unless and until such orders are made by the Alberta Court and the Québec Court. If such orders are not made in Alberta and Québec, this Order shall be null and void and without prejudice to the rights of the Parties and any agreement between the Parties incorporated in this Order shall be deemed in any subsequent proceedings to have been made without prejudice.
29. THIS COURT ORDERS AND DECLARES that the Insurers' contribution to the settlement under the Settlement Agreement and the amounts paid by the Insurers

for the defence of the Ontario Action, the Alberta Action, the Québec Action and the U.S. Action, to the extent of those amounts (collectively, the “Contribution”):

- (a) does not violate the interests of the Plaintiff or the Ontario Class Members, or any other party who might have a claim against any person or entity potentially covered under the Insurance Policies;
- (b) constitutes covered Loss (as defined in the Insurance Policies);
- (c) reduces the Limits of Liability (as defined in the Insurance Policies) under the Insurance Policies for all purposes, regardless of any subsequent finding by any court, tribunal, administrative body or arbitrator, in any proceeding or action, that the Defendants, or any of them, engaged in conduct that triggered or may have triggered any exclusion, term or condition of the Insurance Policies, or any of them, so as to disentitle them to coverage under the Insurance Policies, or any of them;
- (d) is without prejudice to any coverage positions or reservations of rights taken by the Insurers in relation to any other matter advised to the Insurers or any other Claim (as defined in the Insurance Policies) made or yet to be made against the Insureds (as defined in the Insurance Policies), provided that neither coverage nor payment in respect of the settlement of the Actions, nor the settlement of the Actions, will be voided or impacted by any such coverage position or reservation of rights; and
- (e) fully and finally releases the Insurers from any further obligation, and

from any and all claims against them under or in relation to the Insurance Policies, in respect of the portion of the Insurers' Limits of Liability that were expended to fund the Contribution.

30. THIS COURT ORDERS AND DECLARES that all persons and entities provided with notice of this motion shall be bound by the declarations made in, and the terms of, this Order.

JUSTICE BELOBABA

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE)
) ● THE ●TH DAY
)
JUSTICE BELOBABA) OF ●, 2016

B E T W E E N

JAMES MIDDLEMISS

Plaintiff

and

PENN WEST PETROLEUM LTD., DAVID E. ROBERTS, MURRAY R.
NUNNS, TODD H. TAKEYASU, FRANK POTTER, JAMES C. SMITH,
WILLIAM E. ANDREW AND JEFFERY CURRAN

Defendants

Proceedings under the *Class Proceedings Act, 1992*

ORDER

THIS MOTION, made by the plaintiff, was heard this day at the court house, 393
University Avenue, Toronto, Ontario.

ON READING the motion record, filed,

AND ON BEING ADVISED that all parties consent to this order,

AND ON BEING ADVISED that:

- (a) the parties have entered into a Settlement Agreement, subject to court approval, a copy of which is attached as Schedule 1 to this order;

- (b) the capitalized terms herein have the meanings assigned in the Settlement Agreement; and
- (c) Gregory D. Wigglesworth of Kirwin Partners LLP consents to being appointed to receive objections, if any, to the proposed settlement and to report to the parties and the court.

1. THIS COURT ORDERS that it will decide whether to:

- (a) certify the action as a class proceeding;
- (b) approve the Settlement Agreement; and
- (c) approve the Fee Agreement between the plaintiff and Class Counsel and fix the fees, disbursements and applicable taxes of Class Counsel;

and will deal with any related matters, at a hearing to be held on ●, 2016, beginning at 10:00 a.m. at the court house, 393 University Avenue, Toronto, Ontario (the “Approval Hearing”).

2. THIS COURT ORDERS that Gregory D. Wigglesworth is appointed to receive any written objections to the proposed settlement from putative Ontario Class Members.

3. THIS COURT ORDERS that at the Approval Hearing the court will consider objections to the Settlement Agreement by Ontario Class Members if their objections are sent in written form by no later than ●, 2016 to:

Gregory D. Wigglesworth
Kirwin Partners LLP
423 Pelissier Street
Windsor, ON N9A 4L2
Attention: Penn West Class Action
Fax: ●
Email: ●

4. THIS COURT ORDERS that the written objections must include the following:

- (a) the person's full name, current mailing address, fax number, telephone number and email address, as may be available;
- (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) a brief statement of the nature of and the reasons for the objection; and
- (e) whether the person or a representative intends to appear at the Second Motion in person or by counsel, and if by counsel, the name, address, telephone number, fax number and email address of counsel.

5. THIS COURT ORDERS that Gregory D. Wrigglesworth shall, on or before ●, 2016, report to the court, by affidavit, with a copy to Class Counsel and counsel for the defendants, the names of the persons who objected and copies of any materials filed in connection with the objection.

6. THIS COURT ORDERS that on or before ●, 2016, the proposed Ontario Class Members shall be given notice of this order and the Second Motion by:

- (a) Class Counsel publishing a notice, in English, generally in accordance with the notice attached as Schedule "A" in at least ¼ page size in the business/legal section of The Globe and Mail (national edition) and the National Post;
- (b) Class Counsel publishing a notice, in French, generally in accordance with the notice attached as Schedule "B" in at least ¼ page size in the business/legal section of La Presse and Le Soleil;
- (c) Class Counsel disseminating a press release advising of the settlement and the procedure to object to the settlement;

- (d) Penn West posting both notices in the investor relations section of www.pennwest.com; and
- (e) Class Counsel posting both notices on the website at www.pennwestclassaction.com.

7. THIS COURT ORDERS that on or before ●, 2016, Class Counsel shall file an affidavit with the court confirming compliance with the provisions of paragraph 6 of this order.

8. THIS COURT ORDERS that Sutts, Strosberg LLP is appointed, until further order of the Court, to manage the Escrow Account in accordance with sections 4.1(1), 5.2 and 5.3 of the Settlement Agreement, and shall account to the Court and to the Defendants for all payments it makes from the Escrow Account in accordance with section 4.1(2) of the Settlement Agreement.

9. THIS COURT ORDERS that the costs relating to the implementation of this order including the costs associated with the translation and publication of the notice and the fees, disbursements and taxes of Gregory D. Wrigglesworth shall be paid by Class Counsel as such costs are incurred out of the settlement proceeds and such costs shall be Non-Refundable Expenses.

JUSTICE BELOBABA

**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 who acquired securities of Penn West on an exchange in 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 and settlement of a proposed class action in the United States.

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 parallel class action was also commenced in the United States District Court for the Southern District of New York for persons who acquired Penn West shares on a stock exchange in the United States.

The parties to the Canadian actions and the U.S. action 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”) and 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.pennwestclassaction.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 on: **[insert]**.

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, by prepaid mail or e-mail to: Gregory D. Wigglesworth, Kirwin Partners LLP, 423 Pelissier Street, Windsor, Ontario, N9A 4L2, fax: 519.790.0058, email: pennwest@kirwinpartners.com, Attention: Penn West Class Action, by no later than ●, 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 shares on the New York Stock Exchange or another stock exchange 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 class member of the U.S. Action in respect of those shares only.

QUESTIONS

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

FOR CLASS MEMBERS OF THE ONTARIO AND ALBERTA CLASS ACTIONS

Jay Strosberg
Sutts, Strosberg LLP
600-251 Goyeau Street
Windsor, ON N9A 6V4

tel: 866.258.3892
fax: 866.316.5308
email: pennwest@strosbergco.com

FOR CLASS MEMBERS OF THE QUÉBEC CLASS ACTION

Daniel Chung
Merchant Law Group LLP
200-10 rue Notre-Dame Est
Montréal, QC H2Y 1B7

tel: 514.248.7777
fax: 514.842.6687
email: dchung@merchantlaw.com

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

PLAN OF ALLOCATION

THE DEFINED TERMS

1. The definitions set out in the Settlement Agreement, except as modified or defined herein, apply to and are incorporated into this Plan of Allocation:
 - (a) “**Acquisition Expense**” means the total monies paid by the Claimant (including brokerage commissions) to acquire Qualified Shares;
 - (b) “**Alberta Claimant**” means an Authorized Claimant that is an Alberta Class Member;
 - (c) “**Authorized Claimant**” means a Class Member who: (i) submitted a properly completed Claim Form and all required supporting documentation to the Administrator prior to the Claims Bar Deadline; and (ii) is eligible to receive a Distribution from the Compensation Fund;
 - (d) “**Claimant**” means a Class Member who submits a properly completed Claim Form and all required supporting documentation to the Administrator, on or before the Claims Bar Deadline;
 - (e) “**Compensation Fund**” means the Settlement Amount less Class Counsel Fees and the Administration Expenses;
 - (f) “**Database**” means the web-based database in which the Administrator stores information acquired through the claims process;
 - (g) “**Distribution**” means payment to Authorized Claimants in accordance with this Plan of Allocation, the Settlement Agreement and any order of the Courts;

- (h) “**Distribution List**” means a list containing the name and address of each Authorized Claimant, the calculation of his/her/its Net Loss and the calculation of the Authorized Claimant’s *pro rata* share of the Compensation Fund;
- (i) “**FIFO**” means the principle of first-in first-out, wherein securities are deemed to be sold in the same order that they were purchased (i.e. the first securities purchased are deemed to be the first sold), which requires, in the case of a Claimant who held Shares at the commencement of the Class Period, that those Shares be deemed to have been sold completely before Qualified Shares are sold;
- (j) “**Nominal Entitlement**” means an Authorized Claimant’s nominal damages as calculated pursuant to the formula set forth herein, which forms the basis upon which each Authorized Claimant’s *pro rata* share of the Compensation Fund is calculated;
- (k) “**Ontario Claimant**” means an Authorized Claimant that is an Ontario Class Member;
- (l) “**Period One Shares**” means Shares purchased or acquired during the First Class Period;
- (m) “**Period Two Shares**” means Shares purchased or acquired during the Second Class Period;
- (n) “**Qualified Shares**” means Period One Shares and Period Two Shares;
- (o) “**Québec Claimant**” means an Authorized Claimant that is a Québec Class Member;
- (p) “**Reference**” means the procedure by which a Claimant who disagrees with the Administrator’s decision relating to eligibility for compensation, the determination of the number of Qualified Shares, or the amount of the Nominal

Entitlement, may appeal the Administrator's decision and have it reviewed by the Referee; and

- (q) **“Website”** means the website at www.pennwestclassaction.com.

THE OVERVIEW

2. This Plan of Allocation contemplates a determination of eligibility and an allocation and Distribution to each Authorized Claimant of a share of the Compensation Fund calculated as the ratio of his/her/its Nominal Entitlement to the total Nominal Entitlement of all Authorized Claimants multiplied by the amount of the Compensation Fund.

CALCULATION OF COMPENSATION

Formulae for Calculating Nominal Entitlement

3. The Administrator will apply FIFO to distinguish the sale of Penn West securities held at the beginning of the Class Period from the sale of Qualified Shares, and will continue to apply FIFO to determine the purchase transactions which correspond to the sale of Qualified Shares. The date of sale or disposition shall be the trade date, as opposed to the settlement date, of the transaction. The Administrator will use this data in the calculation of an Authorized Claimant's Nominal Entitlement according to the formulae listed below.
4. An Authorized Claimant's Nominal Entitlement will be calculated as follows:

A. For Period One Shares

- (a) No Nominal Entitlement shall be available for any Period One Shares disposed of prior to the close of trading on July 29, 2014.
- (b) For Period One Shares disposed of during the ten (10) trading day period following July 29, 2014, that is, on or between July 30, 2014 and August 13,

2014, the Nominal Entitlement shall be an amount equal to the number of Period One Shares disposed of, multiplied by the difference between the volume weighted average price paid for those Period One Shares (including any commissions paid in respect thereof) and the price received upon the disposition of those Period One Shares (without deducting any commissions paid in respect of the disposition).

- (c) For Period One Shares disposed of after the ten (10) trading day period following July 29, 2014, that is, after the close of trading on August 14, 2014, the Nominal Entitlement shall be the lesser of:
- (i) an amount equal to the number of Period One Shares disposed of, multiplied by the difference between the volume weighted average price paid for those Period One Shares (including any commissions paid in respect thereof) and the price received upon the disposition of those Period One Shares (without deducting any commissions paid in respect of the disposition); and
 - (ii) an amount equal to the number of Period One Shares disposed of multiplied by the difference between the volume weighted average price paid for those Period One Shares (including any commissions paid in respect thereof) and \$8.36, being the 10 trading day volume weighted average trading price of Penn West common shares on the TSX from July 30, 2014 to August 13, 2014.
- (d) For Period One Shares still held at the time the Claim Form is completed, the Nominal Entitlement shall be an amount equal to the number of Period One Shares still held, multiplied by the difference between the volume weighted average price paid for those Period One Shares (including any commissions paid in respect thereof) and \$8.36, being the 10 trading day volume weighted average trading price of Penn West common shares on the TSX from July 30, 2014 to August 13, 2014.

B. For Period Two Shares

- (e) No Nominal Entitlement shall be available for any Period Two Shares disposed of prior to the close of trading on September 18, 2014.
- (f) For Period Two Shares disposed of during the ten (10) trading day period following September 18, 2014, that is, on or between September 19, 2014 and October 2, 2014, the Nominal Entitlement shall be an amount equal to the number of Period Two Shares disposed of, multiplied by the difference between the volume weighted average price paid for those Period Two Shares (including any commissions paid in respect thereof) and the price received upon the disposition of those Period Two Shares (without deducting any commissions paid in respect of the disposition).
- (g) For Period Two Shares disposed of after the ten (10) trading day period following the September 18, 2014, that is, after the close of trading on October 2, 2014, the Nominal Entitlement shall be the lesser of:
 - (i) an amount equal to the number of Period Two Shares disposed of, multiplied by the difference between the volume weighted average price paid for those Period Two Shares (including any commissions paid in respect thereof) and the price received upon the disposition of those Period Two Shares (without deducting any commissions paid in respect of the disposition); and
 - (ii) an amount equal to the number of Period Two Shares disposed of multiplied by the difference between the volume weighted average price paid for those Period Two Shares (including any commissions paid in respect thereof) and \$7.62, being the 10 trading day volume weighted average trading price of Penn West common shares on the TSX from September 19, 2015 and October 2, 2014.
- (h) For Period Two Shares still held at the time the Claim Form is completed, the Nominal Entitlement shall be an amount equal to the number of Period Two Shares still held, multiplied by the difference between the volume weighted

average price paid for those Period Two Shares (including any commissions paid in respect thereof) and \$7.62, being the 10 trading day volume weighted average trading price of Penn West common shares on the TSX from September 19, 2015 and October 2, 2014.

5. Subject to the provisions of paragraph 6 for Ontario Claimants, each Authorized Claimant's actual compensation will be a portion of the Compensation Fund calculated as the ratio of his/her/its Nominal Entitlement to the total Nominal Entitlements of all Authorized Claimants multiplied by the amount of the Compensation Fund.
6. The compensation of Ontario Claimants will be subject to a ten (10) percent deduction for the Class Proceedings Fund, which provided funding and an indemnity for the Ontario Action. The compensation of Québec Claimants will be subject to a deduction for the Fonds d'aide aux actions collectifs at the percentage provided for by the applicable regulation for individual recovery of claims as defined by article 599 of the *Québec Code of Civil Procedure, CQLR c. C-25.01*, which provided funding and an indemnity for the Québec Action.

GENERAL PRINCIPLES OF THE ADMINISTRATION

7. The administration to be established shall:
 - (a) implement and conform to the Plan of Allocation;
 - (b) employ secure, paperless, web-based systems with electronic registration and record keeping, wherever practical; and
 - (c) be bilingual (English, French) in all respects and include a bilingual website and a bilingual toll-free telephone helpline.

THE ADMINISTRATOR

8. The Administrator shall have such powers and rights reasonably necessary to discharge its duties and obligations to implement and administer the Escrow Account and the Plan of Allocation in accordance with their terms, subject to the direction of the Courts.

THE ADMINISTRATOR'S DUTIES AND RESPONSIBILITIES

9. The Administrator shall administer the Plan of Allocation under the oversight and direction of the Courts and act as trustee in respect of the monies held within the Escrow Account upon receipt from Sutts Strosberg LLP.
10. The Administrator shall, wherever practical, develop, implement and operate an administration system utilizing web-based technology and other electronic systems for the following:
 - (a) receipt of information from TMX Equity Transfer Services or Broadridge Financial Solutions Inc. concerning the identity and contact information of registered holders or beneficial owners of Shares, respectively;
 - (b) class notification, as required;
 - (c) claim filing and document collection;
 - (d) claim evaluation, analysis, and Reference procedures;
 - (e) distribution analysis and Distributions;
 - (f) *cy près* award distribution, if any, and reporting thereon;
 - (g) Administration Expense payments; and
 - (h) cash management, audit control and reporting thereon.

11. The Administrator's duties and responsibilities shall include the following:
 - (a) receiving the monies in the Escrow Account from Sutts Strosberg LLP and investing them in trust in accordance with the Settlement Agreement;
 - (b) preparing any protocols required for submission to and approval of the Courts;
 - (c) providing the hardware, software solutions and other resources necessary for an electronic web-based bilingual claims processing centre to function in a commercially reasonable manner;
 - (d) providing, training and instructing personnel in such reasonable numbers as are required for the performance of its duties in the most expedient, commercially reasonable manner;
 - (e) instituting a tracing process to locate a current address for those Class Members whose Second Notice is returned "address unknown," and re-mailing the Second Notice, at least forty five (45) days prior to the Claims Bar Deadline, to those Class Members for whom the tracing process provides a new mailing address, and who have not yet filed a Claim Form;
 - (f) developing, implementing and operating electronic web-based systems and procedures for receiving, processing, evaluating and decision making respecting the claims of Class Members, including making all necessary inquiries to determine the validity of such claims;
 - (g) if practicable, providing any Claimant whose Claim Form is not properly completed or does not include some of the required supporting documentation, an opportunity to remedy the deficiency as stipulated in the Settlement Agreement;
 - (h) making timely assessments of eligibility for compensation and providing prompt notice thereof;

- (i) making Distributions from the Compensation Fund in a timely fashion;
 - (j) dedicating sufficient personnel to communicate with a Claimant in English or French as the Claimant elects;
 - (k) using its best efforts to ensure that its personnel provide timely, helpful and supportive assistance to Claimants in completing the claims application process and in responding to inquiries respecting claims;
 - (l) preparing for, attending and defending its decisions at all References;
 - (m) distributing and reporting on any *cy près* awards;
 - (n) making payments of Administration Expenses;
 - (o) maintaining a database with all information necessary to permit the Courts to evaluate the progress of the administration, as may, from time to time, be required;
 - (p) reporting to the Courts respecting claims received and administered, and Administration Expenses; and
 - (q) preparing such financial statements, reports and records as directed by the Courts.
12. The Administrator shall cause the information in the Database to be secured and accessible from the Website to an individual with a user identification name and password.
13. Information in the Database concerning a claim shall be accessible to the Claimant electronically. Each Claimant shall use a unique personal user identification name and personal password that will permit the Claimant to access only his/her/its own information in the Database.
14. Once a Claim Form and required supporting documentation is received by the Administrator, the Administrator shall:

- (a) determine the number of Qualified Shares;
 - (b) decide whether the Claimant is eligible to participate in the Distribution;
 - (c) determine the number of Shares the Claimant held at the commencement of the Class Period;
 - (d) calculate the Claimant's Nominal Entitlement;
 - (e) if the total value of the Nominal Entitlements of all Authorized Claimants exceeds the settlement monies, calculate the amount of the Claimant's *pro rata* share of the Compensation Fund; and
 - (f) calculate the deduction for the Class Proceedings Fund for Ontario Claimants, if required.
 - (g) if the value of all valid claims for compensation is less than the amount of the Compensation Fund, the balance shall be distributed *cy près* as set out in section 34 of this Plan of Allocation.
15. Once the Administrator determines an authorized Claimant's status, the respective number of his, her or its Qualified Shares; his, her or its Nominal Entitlement and his, her or its *pro rata* share of the Compensation Fund, the Administrator shall advise the Claimant of the Administrator's decision by posting it on the Claimant's online claim file.
16. The Administrator may deal with Claimants in a manner that is not through an electronic medium as and when it determines that such a step is feasible and/or necessary. However, in all cases the information acquired concerning Claimants shall be entered into the Database.
17. A decision of the Administrator in respect of a claim and any Claimant's entitlement to participate in or a share of the Distribution, subject to the Claimant's right to elect to refer

the decision to the Referee for review, will be final and binding upon the Claimant and the Administrator.

THE REFEREE

18. The Referee shall have such powers and rights as are reasonably necessary to discharge his duties and obligations.
19. The Referee shall establish and employ a summary procedure to review any disputes arising from a decision of the Administrator, and may enter into such mediation and arbitration proceedings as the Referee may deem necessary.
20. All decisions of the Referee shall be in writing and shall be final and conclusive and there shall be no appeal therefrom whatsoever.

The Procedure for References

21. If a Claimant disagrees with the Administrator's decision relating to eligibility to share in the Distribution, the determination of the number of Qualified Shares, or the amount of the Nominal Entitlement, a Claimant may elect a Reference by the Referee by delivering a written election for review to the Administrator within fifteen (15) days of receipt of the Administrator's decision.
22. The election for a Reference must set out the basis for the disagreement with the Administrator's decision and attach all documents relevant to the review which have not previously been delivered to the Administrator. This election for a Reference must be accompanied by a certified cheque or money order, payable to the Administrator, in the amount of \$150.

23. Upon receipt of an election for a Reference, the Administrator shall provide the Referee with online access to a copy of:
 - (a) the election for a Reference and accompanying documents;
 - (b) the Administrator's decision on eligibility, the number of Qualified Shares and its calculation of the Nominal Entitlement, as applicable; and
 - (c) the Claim Form and supporting documents.
24. The Referee will carry out the Reference in an inexpensive, summary manner. The Referee will provide all necessary procedural directions and the review will be in writing unless the Referee provides otherwise.
25. The Administrator shall participate in the process established by the Referee to the extent directed by the Referee.
26. The Referee shall deliver a written decision to the Claimant and the Administrator. If the Referee disturbs the Administrator's decision relating to eligibility to share in the Distribution, the number of Qualified Shares or Nominal Entitlement, the Administrator shall return the \$150 deposit to the Claimant. If the Referee does not disturb the Administrator's decision, the Administrator shall add the \$150 to the Compensation Fund.

ADMINISTRATION EXPENSES

27. The Administrator shall pay the fees, disbursements, taxes and other costs of:
 - (a) the Administrator;
 - (b) the Referee; and
 - (c) such other persons at the direction of the Courts;

out of the Settlement Fund in accordance with the provisions of the Settlement Agreement, the Approval Order and any other orders of the Courts.

28. The costs of giving the notices required pursuant to the Approval Order are not to be paid by the Administrator from its fee.

DISTRIBUTION TO AUTHORIZED CLAIMANTS

29. As soon as practicable after the completion of the claims submission and election for review process, the Administrator will bring a motion for authorization to make Distributions from the Compensation Fund. In support of this motion the Administrator will file the Distribution List with the Courts in a manner that protects the privacy of persons on the Distribution List.
30. No Distribution shall be made by the Administrator until authorized by the Courts.
31. The Administrator may make interim Distributions if authorized by the Courts.
32. Each Authorized Claimant whose name appears on the Distribution List shall comply with any condition precedent to Distribution that the Courts may impose.
33. The Administrator shall make Distributions from the Compensation Fund forthwith after receipt of authorization from the Courts to make Distributions to the Authorized Claimants whose names are on the Distribution List.
34. If the Escrow Settlement Account is in a positive balance (whether by reason of tax refunds, un-cashed cheques or otherwise) after one hundred eighty (180) days from the date of distribution of the Escrow Settlement Amount to the Authorized Claimants, the Administrator shall, if economically feasible, allocate such balance among Authorized Claimants in an equitable fashion up to the limit of each person's actual loss. If there is a balance in the Escrow Settlement Account after each Authorized Claimant is paid up to

his/her/its actual loss, the remaining funds shall be paid in part (X%) *cy près* to a recipient selected by Class Counsel, approved by the Ontario Court and subject to a ten (10) percent deduction for the Class Proceedings Fund, in part (Y%) *cy près* to a recipient selected by Class Counsel and approved by the Québec Court, subject to a deduction for the Fonds d'aide aux actions collectifs at the percentage provided for by the applicable regulation for individual recovery of claims as defined by article 599 of the *Québec Code of Civil Procedure, CQLR c. C-25.01* and as directed by the Québec Court, and in part (Z%) *cy près* to a recipient selected by Class Counsel and approved by the Alberta Court. The respective percentages, X, Y and Z, shall be equal to the percentages of the distribution of the Escrow Settlement Amount to Ontario Claimants (before any deductions for the Class Proceedings Fund), Québec Claimants and Alberta Claimants respectively.

RESTRICTION ON CLAIMS

35. Any Class Member who does not submit a Claim Form and required supporting documentation with the Administrator on or before the Claims Bar Deadline will not be permitted to participate in the Distribution without permission of the Courts. The Administrator will not accept or process any Claim Form received after the Claims Bar Deadline unless directed to do so by the relevant Court.

NO ASSIGNMENT

36. No amount payable under the Plan of Allocation may be assigned without the written consent of the Administrator.

ADMINISTRATOR'S FINAL REPORT TO THE COURTS

37. Upon the conclusion of the administration, or at such other time as the Courts direct, the Administrator shall report to the Courts on the administration and shall account for all monies it has received, administered and disbursed by Distribution or otherwise and may obtain orders from the Courts discharging it as Administrator.

PLAN OF NOTICE

Capitalized terms used in this Plan of Notice have the meanings assigned in the Settlement Agreement.

Dissemination of the Second Notice

Newspaper Notice

Publication of the Second Notice, which notice will be at least a 1/4 page in size, will occur as soon as possible following issuance of the last of the Second Orders and, in any event, no later than forty (40) days following such date. The notice will be published in English in the business/legal section of the national edition of the *Globe and Mail*, the *National Post* and in French in *La Presse* and *Le Soleil*.

Internet Publication

The Second Notice will be posted, in English and French on: (i) www.pennwestclassaction.com; (ii) the website of the Administrator if it is different from (i); (iii) the website of Class Counsel if it is different from (i) and (iv) the investor relations section of www.pennwest.com.

A press release will be disseminated by Class Counsel advising of the settlement and the procedure to opt-out.

Individual Notice

Within forty (40) days of the issuance of the last of the Second Orders, Class Counsel shall direct Broadridge and/or the Administrator, as the case may be, to send the Second Notice to all putative Class Members identified as a result of (i) Penn West authorizing and directing TMX Equity Transfer Service to deliver a computerized list of the names and addresses of persons who purchased Shares during the Class Period to Class Counsel or the Administrator pursuant to section 15.3 of the Agreement; and (ii) Broadridge's, or the Administrator's, as the case may be,

solicitation of brokerage firms in Canada with the request that the brokerage firms send Broadridge, or the Administrator, the names and addresses of all individuals and entities identified by the brokerage firms as having a beneficial interest in the Shares.

Class Counsel shall mail whenever possible, and email, the Second Notice in English and French to those persons who have contacted Class Counsel regarding this litigation and have provided Class Counsel with their contact information.

Class Counsel shall make a toll free number and email address available to the public that will enable Class Members to obtain more information about the Settlement and the claims process and to request that a copy of the Second Notice be sent to them directly. Class Counsel or the Administrator, as appropriate, will send the Second Notice and/or Claim Form to any Class Member who contacts Class Counsel or the Administrator's offices and requests same.

Additionally, the public may view, or obtain copies of, the Settlement Agreement, Second Notice and Claim Form on the website www.pennwestclassaction.com.

U.S. Notice

Penn West will ensure that the notices published in the U.S. Action concerning the settlement of the U.S. Action will refer U.S. residents who may be Ontario Class Members to the website www.pennwestclassaction.com.

Penn West will also ensure that the notices published in Canada concerning the settlement of the Ontario, Québec and Alberta Actions will refer Canadian residents who may be U.S. Class Members to the website www.PennWestUSSecuritiesLitigation.com.

NOTICE OF CERTIFICATION AND 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 who acquired securities of Penn West on a stock exchange in 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 and settlement of a proposed class action in the United States.

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 parallel class action was also commenced in the United States District Court for the Southern District of New York in respect of Penn West shares acquired on a stock exchange in the United States.

The parties to the Canadian actions reached a settlement that was approved by the Ontario, Alberta and Québec courts (collectively the “Courts”). The Ontario Court and the Alberta Court also certified their actions for settlement purposes only and the Québec Court authorized the Québec action as class proceedings for settlement purposes only.

SUMMARY OF THE SETTLEMENT TERMS

The defendants have paid \$53,000,000 (the “Settlement Amount”) in full and final settlement of all claims against them in Canada and the United States, including class counsel fees and administration costs in return for releases and a dismissal of the class actions in both countries. The Settlement Amount has been allocated in equal parts of \$26,500,000 to the settlement of the class actions in Canada and the United States. Class counsel fees, including out-of-pocket expenses and taxes, were fixed by the Courts as a first charge on the Settlement Amount payable with respect to the class actions in Canada (the “Canadian Settlement Amount”) at \$●. The net settlement monies, after payment of administration expenses and Class Counsel Fees, will be distributed in accordance with the court-approved and supervised Plan of Allocation which can be reviewed at **www.pennwestclassaction.com**. Distributions to the Ontario Class Members will be subject to a ten (10) percent deduction for the Class Proceedings Fund. Distributions to the Québec Class Members will be subject to a deduction for the Fonds d’aide aux actions collectifs at the percentage provided for by the applicable regulation for individual recovery of claims as defined by article 599 of the *Québec Code of Civil Procedure*, *CQLR c. C-25.01*.

The defendants do not admit any wrongdoing or liability on their part. The settlement is a compromise of disputed claims.

Further information on the settlement, including the Settlement Agreement, Plan of Allocation and the court orders, may be found at www.pennwestclassaction.com.

A CLAIM FOR COMPENSATION MUST BE MADE BY ●, 2016

Each Class Member must submit a completed Claim Form on or before ●, 2016 in order to participate in the settlement. The Claim Form can be accessed or downloaded at www.pennwestclassaction.com or obtained by calling the Administrator at ●. If you do not submit a completed Claim Form by ●, 2016, you will not receive any part of the net Canadian Settlement Amount.

The Courts appointed ● as the Administrator of the settlement to, among other things: (i) receive and process Claim Forms; (ii) decide eligibility for compensation; and (iii) distribute the net Canadian Settlement Amount to eligible Class Members.

The Claim Form should be submitted to the Administrator by using the secure Online Claims System at **www.pennwestclassaction.com**. You may submit a paper Claim Form only if you do not have internet access.

The paper Claim Form may be sent by mail or courier to:

Administrator, Penn West Class Action, ●

●,

or by fax to: ●

The Courts appointed ● of ● as the Referee to resolve any dispute arising from a decision of the Administrator on eligibility or amount of compensation. A review by the Referee may be requested by delivery of a written submission setting out the basis for the dispute including all relevant documents provided that the request is submitted within thirty (30) days of the date of the decision in dispute. Complete information on requesting a review may be found in the Plan of Allocation available at **www.pennwestclassaction.com**.

TO OPT-OUT OF THE CLASS ACTION

All Class Members will be bound by the terms of the settlement, unless they opt-out of their class action. The Opt-Out Form is available at www.pennwestclassaction.com or by calling •.

Ontario Class Action: You are a member of the Ontario class action if you acquired Penn West shares on the TSX or on alternative trading markets in Canada during the First Class Period and held some or all of those shares at the close of trading on July 29, 2014, and/or during the Second Class Period and held some or all of those shares at the close of trading on September 18, 2014 and you are: (i) not resident in Québec; and (ii) not a resident of Alberta.

Alberta Class Action: You are a member of the Alberta class action if you acquired Penn West shares on the TSX or on alternative trading markets in Canada during the First Class Period and held some or all of those shares at the close of trading on July 29, 2014, and/or during the Second Class Period and held some or all of those shares at the close of trading on September 18, 2014 and you are a resident of Alberta.

Québec Class Action: You are a member of the Québec class action if you acquired Penn West shares on the TSX or on alternative trading markets in Canada during the First Class Period and held some or all of those shares at the close of trading on July 29, 2014, and/or during the Second Class Period and held some or all of those shares at the close of trading on September 18, 2014 and you are a resident of Québec.

Members of the Ontario class action and Alberta class action wishing to opt-out of the class action must send a completed Opt-Out Form to:

Gregory D. Wigglesworth
Kirwin Partners LLP
423 Pelissier Street
Windsor, ON N9A 4L2
fax: 519.790.0058, email: pennwest@kirwinpartners.com

Attention: Penn West Class Action

Members of the Québec class action wishing to opt-out of the class action must send a completed Opt-Out Form to both:

<p>Greffier de la Cour supérieure du Québec Palais de justice de Montréal Dossier no : 500-06-000713-145, 1 rue Notre-Dame Est salle • Montréal, Québec H2Y 1B6</p>	<p>Gregory D. Wigglesworth Kirwin Partners LLP 423 Pelissier Street Windsor, ON N9A 4L2 fax: 519.790.0058 email: pennwest@kirwinpartners.com Attention: Penn West Class Action</p>
---	--

The Opt-Out Form must be sent by registered mail or certified mail and must be received on or before •, 2016 at 5:00 pm eastern time.

U.S. ACTION

You may be a member of the U.S. Settlement Class if you (i) purchased or otherwise acquired Penn West Petroleum Ltd. (“Penn West”) common stock or trust units on an open market located within the United States, including but not limited to the New York Stock Exchange (“NYSE”) or another domestic exchange, or (ii) purchased or otherwise acquired Penn West call options, or sold or wrote Penn West put options, on an open market located within the United States, including but not limited to the NYSE or another domestic exchange, from February 18, 2010 through July 29, 2014, inclusive and were damaged thereby.

PERSONAL LEGAL ADVICE

Class Members who seek the advice or guidance of their personal lawyers do so at their own expense.

INTERPRETATION

If there is a conflict between the provisions of this Notice and the terms of the orders approving the Settlement issued by the Courts in Ontario, Alberta and Québec, the orders will prevail.

Questions for class counsel should be directed by telephone or in writing to:

FOR CLASS MEMBERS OF THE ONTARIO AND ALBERTA CLASS ACTIONS

Jay Strosberg
Sutts, Strosberg LLP
600-251 Goyeau Street
Windsor, ON N9A 6V4

tel: 866.258.3892
fax: 866.316.5308
email: pennwest@strosbergco.com

FOR CLASS MEMBERS OF THE QUÉBEC CLASS ACTION

Daniel Chung
Merchant Law Group LLP
200-10 rue Notre-Dame Est
Montréal, QC H2Y 1B7

tel: 514.248.7777
fax: 514.842.6687
email: dchung@merchantlaw.com

INQUIRIES

If you need help, or are having difficulty with the claims process, or if you do not have access to the internet, or if you prefer not to register online, you may telephone the

Administrator at •

This Notice has been approved by the Courts.

Questions about this Notice should NOT be directed to the Courts.

SCHEDULE G

PENN WEST PETROLEUM LTD. CLASS ACTION
OPT-OUT FORM: PAGE 1 OF 3

1. **This is an Opt-Out Form. Only complete and return this form if you want to be excluded from the Penn West class action.**

2. To opt-out of the Penn West class action:

- a. Deliver your completed and signed Opt-Out Form and supporting documents (the "Materials") so that the Materials are received no later than 5:00 p.m. E.S.T. on ●, 2016.
- b. If you are a resident of Québec then deliver your Materials by registered or certified mail to both:
 - I. Greffier de la Cour supérieure du Québec, Palais de justice de Montréal, Dossier no :500-06-000713-145, 1 rue Notre-Dame Est salle (NB : **What room?**), Montréal Québec H2Y 1B6; and
 - II. Gregory D. Wrigglesworth, 423 Pelissier Street, Windsor Ontario N9A 4L2, Attention: Penn West Class Action. Fax: 519.790.0058. Delivery by email is permitted to pennwest@kirwinpartners.com.
- c. If you are not a resident of Québec, you must deliver your materials by prepaid mail, courier or fax to Gregory D. Wrigglesworth, 423 Pelissier Street, Windsor Ontario N9A 4L2, Attention: Penn West Class Action. Fax: 519.790.0058. Delivery by email is permitted and emails may be sent to pennwest@kirwinpartners.com.

3. You can download a copy of this Opt-Out Form online at www.pennwestclassaction.com.

Did you purchase or acquire Penn West Petroleum Ltd. ("Penn West") shares ("Shares") on the Toronto Stock Exchange or on an alternative trading system in Canada: (1) in the period March 17, 2011 through July 29, 2014 and held some or all of those shares at the close of trading on July 29, 2014; or (2) in the period July 30, 2014 through September 18, 2014; and held some or all of those shares at the close of trading on September 18, 2014?

YES NO

If NO, you are not a class member and should not complete this Opt-Out Form.

Are you an "Excluded Person"?

YES NO

"Excluded Person" means: (a) Penn West, David E. Roberts, Murray R. Nunns, Todd H. Takeyasu, Frank Potter, James C. Smith, William E. Andrew and Jeffery Curran; (b) Penn West's past or present subsidiaries, affiliates, legal representatives, predecessors, successors and assigns; (c) any person who was an officer or director of Penn West during the class period; (d) any immediate member of the Individual Defendants' families; (e) any entity in which any of the above persons has or had during the Class Period any legal or de facto controlling interest.

If YES, you are not a class member and should not complete this Opt-Out Form.

Were all of the Shares held in a Mutual Fund?

YES NO

If YES, the Mutual Fund is the Class Member, and you should complete this Opt-Out Form only if you are a Mutual Fund.

OPT-OUT FORM CONTINUES ON NEXT PAGE

PENN WEST PETROLEUM LTD. CLASS ACTION
OPT-OUT FORM: PAGE 2 OF 3

A. CLASS PERIOD ONE: MARCH 16, 2011 - JULY 29, 2014

Record in Box 1 the number of Shares you held at the close of trading on March 16, 2011. **Provide supporting documents.**

Box 1

Record in Box 2 the number of Shares purchased or acquired on or between March 17, 2011 and July 29, 2014. **Provide supporting documents.**

Box 2

Add the number in Box 1 to the number in Box 2. **Record this sum in Box 3.**

Box 3

Record in Box 4 the number of Shares sold or disposed of on or between March 17, 2011 and July 29, 2014. **Provide supporting documents.**

Box 4

Is the number in Box 4 greater than or equal to the number in Box 3?

YES NO

If YES, you are *not* a class member and should *not* complete this Opt-Out Form.

Is the number in Box 4 less than the number in Box 3?

YES NO

If YES, you are a Class Member and eligible to Opt Out of this Settlement.

Subtract the number in Box 4 from the number in Box 3. The lesser of this difference or the number in Box 2 is the number of Period One Eligible Shares. **Record this number in Box 5.**

Box 5

Record in Box 6 the number of Shares sold or disposed of after July 29, 2014. **Provide supporting documents.**

Box 6

B. CLASS PERIOD TWO: JULY 30, 2014 - SEPTEMBER 18, 2014

Record in Box 7 the number of Shares you held at the close of trading on July 29, 2014. **Provide supporting documents.**

Box 7

Record in Box 8 the number of Shares purchased or acquired on or between

Box 8

July 30, 2014 and September 18, 2014. Provide supporting documents.	
Add the number in Box 7 to the number in Box 8. Record this sum in Box 9.	Box 9 <input type="text"/>
Record in Box 10 the number of Shares sold or disposed of on or between July 30, 2014 and September 18, 2014. Provide supporting documents.	Box 10 <input type="text"/>
Is the number in Box 10 greater than or equal to the number in Box 9?	<input type="checkbox"/> YES <input type="checkbox"/> NO
If YES, you are <i>not</i> a class member and should <i>not</i> complete this Opt-Out Form.	
Is the number in Box 10 less than the number in Box 9?	<input type="checkbox"/> YES <input type="checkbox"/> NO
If YES, you are a Class Member and eligible to Opt Out of this Settlement.	
Subtract the number in Box 10 from the number in Box 9. The lesser of this difference or the number in Box 8 is the number of Period Two Eligible Shares. Record this number in Box 11.	Box 11 <input type="text"/>
Record in Box 12 the number of Shares sold or disposed of after September 18, 2014. Provide supporting documents.	Box 12 <input type="text"/>

PENN WEST PETROLEUM LTD. CLASS ACTION

OPT-OUT FORM: PAGE 3 OF 3

Current legal name of the person who purchased or acquired the Eligible Shares and wishes to Opt-Out of the Settlement:

--

Current mailing address of this person:

Street Address

City or Town

Province or State

Postal or Zip Code

Country

Current contact information for this person (at least one of these must be provided):

Phone Number (including area code)

Fax Number

Mobile Number

Email

Address

Certification: By signing below, I certify that:

1. I do not wish to participate in the Penn West Class Action. I understand that by opting out, I will not receive any part of the \$26,500,000 settlement.
2. I am the person who is opting out or that I have the authority to complete this Opt-Out Form on behalf of the person opting out.
3. Complete details of all purchases, acquisitions, sales or dispositions of Shares before, during, and after the period, March 17, 2011 to September 18, 2014, have been disclosed in this Opt-Out Form.
4. The number of Shares held at the close of trading on each of March 16, 2011, July 29, 2014 and September 18, 2014 has been disclosed in this Opt-Out Form.
5. I acknowledge and agree that all information relating to this opt-out will be disclosed to the Ontario Superior Court of Justice, the Québec Superior Court and to the Court of Queen's Bench of Alberta and to the lawyers for the parties in the Penn West Class Action.
6. The information provided and the representations made in this Opt-Out Form are true and correct to the best of my knowledge, information and belief.

Signature of the person completing this Opt-Out Form:

Date Signed

--

Year

Month

Day

Print the full name of the person who signed above:

First Name

Middle Name

Last Name

Current address and information of the person who signed above (if different from current address and information for the person who purchased or acquired the Eligible Shares as recorded above):

Street Address

City or Town

Province or State

Postal or Zip Code

Country

Explain the relationship between the person opting out and the person who signed this Opt-Out Form.

- Person Opting-Out
 Signing Officer
 Partner
 Trustee
 Successor
 Agent
 Lawyer
 Other: Please specify _____

If the person who signed this Opt-Out Form is not the person opting out, provide the documents evidencing the authority to sign on behalf of the person opting out.

In the space below, list all supporting documents provided with this Opt-Out Form.

--

NOTE: Keep a copy of this completed Opt-Out Form and all supporting documents for your records.

**PENN WEST PETROLEUM LTD. (“PENN WEST”)
SECURITIES CLASS ACTION LITIGATION**

Ontario Superior Court of Justice, Court File No. CV-15-525189-00CP
Québec Superior Court, Court File No. 500-06-000713-145
Alberta Court of Queen’s Bench, Court File No. 1401-08454

PAPER CLAIM FORM

I. REQUIREMENTS/ GENERAL INSTRUCTIONS

1. Claims should be filed online using the secure Online Claims System at www.pennwestclassaction.com
2. This paper Claim Form is to be used only if you do not have a computer with a connection to the Internet.
3. The completed and signed Claim Form and required supporting documents must be received by the Administrator on or before the Claims Bar Deadline which is 5:00 pm (Eastern) on ●, 2016.
4. Send the completed and signed Claim Form and required supporting documents on or before the ●, 2016 deadline by prepaid mail to:

Penn West Securities Class Action

●
●, Ontario
●

5. Keep a copy of the completed Claim Form and all supporting documents for your records.

II. CLAIMANT IDENTIFICATION

1. In this claim form, “Shares” means common shares of Penn West that are or were listed for trading on the Toronto Stock Exchange or on alternative trading systems in Canada.
2. The “Claimant” is the person who purchased or acquired the Shares in the period March 17, 2011 to and including September 18, 2014.
3. Please be accurate as this information will be used by the Administrator if there is a payout for this Claim.
4. Is the Claimant an “Excluded Person”?

“Excluded Person” means: (a) the Defendants and Penn West’s subsidiaries, affiliates, officers, directors, senior employees, legal representatives, heirs, predecessors, successors and assigns; or (b) any member of the Individual Defendants’ families and any entity in which any of them has or had during the Class Period any legal or de facto controlling interest.

If Yes, the Claimant is not a Class Member and should not complete this Claim Form.

5. Is the Claimant deceased?

If the claimant is deceased the form must be filed out on behalf of the claimant’s estate. Proof of death must be included with the claim form.

Official Office Use Only



Penn West Securities Class Action Litigation PAPER CLAIM FORM

Must Be Postmarked No Later Than •, 2016

Please Type or Print in the Boxes Below Do NOT use Red Ink, Pencil, or Staples

PART I: CLAIMANT IDENTIFICATION

Last Name M.I. First Name

Last Name (Co-Beneficial Owner) M.I. First Name (Co-Beneficial Owner)

RRSP RRIF RESP Trust Pension IRA Other (specify)

Account Number

Is the claimant a resident of Québec for tax purposes? Yes No

Company Name (Beneficial Owner - If Claimant is not an Individual) or Custodian Name if an IRA

Filer Name, If Different from Beneficial Owner Listed Above

Capacity of the Filer, if Not Beneficial Owner

Account#/Fund# (Not Necessary for Individual Filers)

Social Insurance Number/Social Security Number/Unique Tax Identifier

Telephone Number (Work) Telephone Number (Home)

Email Address

FOR CLAIMS PROCESSING ONLY OB CB ATP BE FL OP KE DR ME RE ICI EM ND SH MM/DD/YYYY FOR CLAIMS PROCESSING ONLY

MAILING INFORMATION

Address 1

[Grid of 30 boxes for Address 1]

Address 2

[Grid of 30 boxes for Address 2]

City

[Grid of 25 boxes for City]

State

[Grid of 5 boxes for State]

Zip Code

[Grid of 10 boxes for Zip Code]

Province

[Grid of 15 boxes for Province]

Postal Code

[Grid of 7 boxes for Postal Code]

Country Name/Abbreviation

[Grid of 15 boxes for Country Name/Abbreviation]

Is the Claimant an "Excluded Person"? Yes No

"Excluded Person" means: (a) the Defendants and Penn West's subsidiaries, affiliates, officers, directors, senior employees, legal representatives, heirs, predecessors, successors and assigns; or (b) any member of the Individual Defendants' families and any entity in which any of them has or had during the Class Period any legal or de facto controlling interest.

If Yes, the Claimant is not a Class Member and should not complete this Claim Form.

A. Did the claimant purchase or acquire the Shares in the period March 17, 2011 to and including July 29, 2014 AND hold some or all of the Shares at the close of trading on July 29, 2014?

Yes No

B. Did the claimant purchase or acquire the Shares in the period July 30, 2014 to and including September 18, 2014 AND hold some or all of the Shares at the close of trading on September 18, 2014?

Yes No

If No to BOTH A and B, the Claimant is not a Class Member and should not complete this Claim Form

C. Were the Shares the Claimant purchased in the period March 17, 2011 to and including September 18, 2014 purchased on the Toronto Stock Exchange or on an alternative trading system in Canada?

Yes No

If No, the Claimant is not a Class Member and should not complete this Claim Form, however the Claimant may be eligible to participate in the settlement of the United States class action. If the Claimant purchased the Shares on both Canadian and non-Canadian exchanges or alternative trading systems, please complete this form only in respect of the Shares purchased on the Toronto Stock Exchange or on an alternative trading system in Canada. More information on the U.S. class action is available at www.blbglaw.com.

D. Were the Shares the Claimant purchased in the period March 17, 2011 to and including September 18, 2014 held in a Mutual Fund?

Yes No

If Yes, the Mutual Fund is the Class Member, and the Claimant should not complete this Claim Form unless the Claimant is the Mutual Fund.

E. Each of the questions below use the term "Eligible Shares". Eligible Shares are Shares the Claimant purchased or acquired from March 17, 2011 to and including September 18, 2014.

1. Does the Claimant's right to assert this claim come from some other person or entity, for example, by transfer or assignment of the Eligible Shares? Yes No

If YES, provide details of these acquired rights in the space below, and submit documents evidencing these acquired rights with this Claim Form.

2. Did the Claimant make an assignment in bankruptcy after purchasing or acquiring the Eligible Shares? Yes No

If YES, provide details of the assignment including date of assignment, and name and address of trustee in the space below, and submit documents evidencing this assignment with this Claim Form.

Date of the Assignment:

	Y		Y		Y		Y
--	---	--	---	--	---	--	---

 /

	M		M
--	---	--	---

 /

	D		D
--	---	--	---

Trustee's Last Name

 M.I.

 Trustee's First Name

Address

Address

City

 State

 Zip Code

Province

 Postal Code

 Country Name/Abbreviation

If you require additional space, attach extra schedules in the same format as above. Sign and print your name on each additional page.
 YOU MUST READ AND SIGN THE DECLARATION ON PAGE 7. FAILURE TO SIGN THE DECLARATION
 MAY RESULT IN A DELAY IN PROCESSING OR THE REJECTION OF YOUR CLAIM.

PART II. SCHEDULE OF TRANSACTIONS IN PENN WEST
Traded in Canadian Dollars (CAD)

Proof Enclosed?

A. Number of Shares held at the close of trading on March 16, 2011: □ □ □ □ □ □ □ □

Y
 N

B. Shares in Canadian Dollars purchased from March 17, 2011 through September 18, 2014, inclusive:

PURCHASES			
Trade Date(s) of Shares (List Chronologically)	Number of Shares Purchased	Total Purchase Price (Canadian \$) Including Commissions <i>Please</i> <i>round off to</i> <i>the nearest whole CAD</i>	Proof of Purchase Enclosed?
M M / D D / Y Y Y Y		\$	
1. □ □ / □ □ / □ □ □ □	□ □ □ □ □ □ □ □	\$ □ □ □ □ □ □ □ □	□ 00 <input type="radio"/> Y <input type="radio"/> N
2. □ □ / □ □ / □ □ □ □	□ □ □ □ □ □ □ □	\$ □ □ □ □ □ □ □ □	□ 00 <input type="radio"/> Y <input type="radio"/> N
3. □ □ / □ □ / □ □ □ □	□ □ □ □ □ □ □ □	\$ □ □ □ □ □ □ □ □	□ 00 <input type="radio"/> Y <input type="radio"/> N
4. □ □ / □ □ / □ □ □ □	□ □ □ □ □ □ □ □	\$ □ □ □ □ □ □ □ □	□ 00 <input type="radio"/> Y <input type="radio"/> N

C. Shares in Canadian Dollars sold from March 17, 2011 through and including the date the Claim Form is completed:

SALES			
Trade Date(s) of Shares (List Chronologically)	Number of Shares Sold	Total Sales Price (Canadian \$) Including Commissions <i>Please</i> <i>round off to</i> <i>the nearest whole CAD</i>	Proof of Sales Enclosed?
M M / D D / Y Y Y Y		\$	
1. □ □ / □ □ / □ □ □ □	□ □ □ □ □ □ □ □	\$ □ □ □ □ □ □ □ □	□ 00 <input type="radio"/> Y <input type="radio"/> N
2. □ □ / □ □ / □ □ □ □	□ □ □ □ □ □ □ □	\$ □ □ □ □ □ □ □ □	□ 00 <input type="radio"/> Y <input type="radio"/> N
3. □ □ / □ □ / □ □ □ □	□ □ □ □ □ □ □ □	\$ □ □ □ □ □ □ □ □	□ 00 <input type="radio"/> Y <input type="radio"/> N
4. □ □ / □ □ / □ □ □ □	□ □ □ □ □ □ □ □	\$ □ □ □ □ □ □ □ □	□ 00 <input type="radio"/> Y <input type="radio"/> N

D. Number of Shares held at the close of trading on July 29, 2014: □ □ □ □ □ □ □ □

Proof Enclosed?
 Y
 N

E. Number of Shares held at the close of trading on September 18, 2014: □ □ □ □ □ □ □ □

Proof Enclosed?
 Y
 N

F. Number of Shares held at the time the Claim Form is completed: □ □ □ □ □ □ □ □

Proof Enclosed?
 Y
 N

If you require additional space, attach extra schedules in the same format as above. Sign and print your name on each additional page.
YOU MUST READ AND SIGN THE DECLARATION ON PAGE 7. FAILURE TO SIGN THE DECLARATION
MAY RESULT IN A DELAY IN PROCESSING OR THE REJECTION OF YOUR CLAIM.

PART III. Declaration

How did you find out about this class action?

- Radio buttons for Newspaper Notice, Online (i.e. Facebook, Twitter, etc), Notice Mailing, Other, Information provided by Broker/Custodian.

Through what institution did you hold shares of Penn West?

- Radio buttons for TD, RBC, SCOTIA, CIBC, BMO, Other (specify).

I (we) declare under penalty of perjury that the information on this Claim Form is true, correct and complete to the best of my (our) knowledge, information and belief.

I (we) declare that I (we) have disclosed all of my (our) holdings and purchase and sales transactions in Shares for the time periods identified in this Claim Form.

I (we) also declare that I (we) am (are) not an Excluded Person or Excluded Persons as defined in the Settlement Agreement.

I (we) consent to the collection and use of my (our) personal information by the Claims Administrator for the purposes of administering my (our) claim and reporting to the parties and the Court. I (we) acknowledge that my (our) personal information will be kept in the Claims Administrator's data centres, which may be located in the United States of America and consent to this use. I (we) acknowledge and agree that the Claims Administrator may disclose all information relating to my (our) claim to the Court and counsel to the parties in the Actions.

Executed this _____ day of _____ in _____ (Month/Year) (City/Province/Country)

(Sign your name here)

(Sign your name here)

(Type or print your name here)

(Type or print your name here)

(Capacity of person(s) signing, e.g., Beneficial Purchaser, Executor or Administrator) Proof of Authority to File Enclosed? Yes No

(Capacity of person(s) signing, e.g., Beneficial Purchaser, Executor or Administrator) Proof of Authority to File Enclosed? Yes No

ACCURATE CLAIMS PROCESSING TAKES A SIGNIFICANT AMOUNT OF TIME. THANK YOU FOR YOUR PATIENCE.

Reminder Checklist:

- 1. Please sign the above declaration.
2. Remember to attach supporting documentation, if available.
3. Do not send original stock certificates; we may not be able to send them back.
4. Keep a copy of your Claim Form and all supporting documentation for your records.
5. The Claims Administrator will acknowledge receipt of your Claim Form by mail or email within • days. Your Claim Form is not deemed fully filed until you receive an acknowledgment postcard. If you do not receive an acknowledgment postcard within • days, please call the Claims Administrator toll free at •.
6. If you move, you are required to send the Claims Administrator your new address. Failure to notify the Claims Administrator of a new address may result in your settlement benefits not being paid to you.

If you require additional space, attach extra schedules in the same format as above. Sign and print your name on each additional page. YOU MUST READ AND SIGN THE DECLARATION ON PAGE 7. FAILURE TO SIGN THE DECLARATION MAY RESULT IN A DELAY IN PROCESSING OR THE REJECTION OF YOUR CLAIM.

Privacy Statement

All information provided by the Claimant is collected, used, and retained by the Claims Administrator and Class Counsel pursuant to the Personal Information Protection and Electronic Documents Act (PIPEDA) for the purposes of administering the Settlement, including evaluating the Claimant's eligibility status under the Settlement Agreement. Where your personal information is kept in the United States of America, the Claims Administrator is bound to maintain a comparable level of protection as there would be if the personal information were in Canada. The information provided by the Claimant is strictly private and confidential and will not be disclosed without the express written consent of the Claimant and an order of the Court.

"Class Counsel" is defined as Sutts, Strosberg LLP of Windsor, Ontario, Koskie Minsky LLP of Toronto, Ontario, Rochon Genova LLP of Toronto, Ontario, D'Arcy & Deacon LLP of Calgary, Alberta and Merchant Law Group LLP of Montréal, Québec.

"Claims Administrator" is defined as ● of ●.

If you require additional space, attach extra schedules in the same format as above. Sign and print your name on each additional page.
YOU MUST READ AND SIGN THE DECLARATION ON PAGE 7. FAILURE TO SIGN THE DECLARATION
MAY RESULT IN A DELAY IN PROCESSING OR THE REJECTION OF YOUR CLAIM.

THIS PAGE IS INTENTIONALLY LEFT BLANK