Dear [REDACTED],

Re: Your request for access to information under Part II of the Access to Information and Protection of Privacy Act [Our File #: EC/6/2014]

On September 23, 2014, Executive Council received your request for access to the following records/information:

"Records related to assurances provided by the provincial government to the acquiring entity of North Atlantic Refining Ltd. about responsibility for any pre-existing environmental liabilities at the refinery site relating to soil, sediment, groundwater and surface water. Request includes correspondence, in any and all formats, including paper and electronic and any final agreement on the issue."

On September 24, 2014 you clarified the time line for your request was September 1, 2013 to September 23, 2014.

On September 26, 2014, you agreed the acquiring entities of North Atlantic Refining Ltd. are NARL Acquisitions LLC and SilverRange Financial Partners LLC, based on information provided by the Department of Natural Resources.

On October 8, 2014 we advised you that the 30-day time period for responding to your request had been extended for an additional 30 days as consultations with the Department of Natural Resources, the Department of Environment and Conservation and SilverRange Financial Partners LLC were required before we could determine whether or not to grant access to the requested records.

Executive Council has reviewed your request in the context of the Act and we are able to provide you with partial access to the information that you have requested. Portions of the attached documents have been severed in accordance with the following sections of the Access to Information and Protection of Privacy Act (the Act), which states:

November 25, 2014

30(1)
18. (1) In this section

(a) "cabinet record" means

   (i) advice, recommendations or policy considerations submitted or prepared for submission to the Cabinet,

   (iv) a discussion paper, policy analysis, proposal, advice or briefing material, including all factual and background material prepared for the Cabinet,

   (v) an agenda, minute or other record of Cabinet recording deliberations or decisions of the Cabinet,

   (vi) a record used for or which reflects communications or discussions among ministers on matters relating to the making of government decisions or the formulation of government policy,

   (vii) a record created for or by a minister for the purpose of briefing that minister on a matter for the Cabinet,

   (viii) a record created during the process of developing or preparing a submission for the Cabinet,

   (ix) that portion of a record which contains information about the contents of a record within a class of information referred to in subparagraphs (i) to (viii);

(b) "official cabinet record" means a cabinet record referred to in paragraph (a) which has been prepared for and considered in a meeting of the Cabinet; and

d) "supporting cabinet record" means a Cabinet record referred to in paragraph (a) which informs the Cabinet process, but which is not an official cabinet record.

(2) The head of a public body shall refuse to disclose to an applicant a Cabinet record, including

(a) an official Cabinet record;

(c) a supporting Cabinet record.

20 (1) The head of a public body may refuse to disclose to an applicant information that would reveal

(a) advice, proposals, recommendations, analyses or policy options developed by or for a public body or minister;

(c) consultations or deliberations involving officers or employees of a public body, a minister or the staff of a minister; or
24 (1) The head of a public body may refuse to disclose to an applicant information which could reasonably be expected to disclose

   (f) positions, plans, procedures, criteria or instructions developed for the purpose of contractual or other negotiations by or on behalf of the government of the province or a public body, or considerations which relate to those negotiations;

27. (1) The head of a public body shall refuse to disclose to an applicant information that would reveal

   (a) trade secrets of a third party;

   (b) commercial, financial, labour relations, scientific or technical information of a third party, that is supplied, implicitly or explicitly, in confidence and is treated consistently as confidential information by the third party;

Please note that the following information has been fully redacted from the package:

- pages 1-286 are official Cabinet records as the documents were prepared for and considered by Cabinet. Therefore these documents are withheld in accordance with Sections 18(1)(a)(i), 18(1)(a)(iv), 18(1)(a)(v), 18(1)(a)(vi), 18(1)(a)(vii), 18(1)(c), and 18(2)(a)
- Page 287 in accordance with Sections 20(1)(a) and 24(1)(f)
- Page 288 in accordance with Sections 20(1)(c) and 27(1)(b)
- Page 291 in accordance with Sections 20(1)(a), 20(1)(c), 24(1)(f) and 27(1)(b)
- Page 295 in accordance with Section 24(1)(f)
- Pages 296-324 are supporting Cabinet records as they were records created during the process of developing/preparing a submission for the Cabinet are withheld in accordance with Sections 18(1)(a)(viii), 18(1)(d), and 18(2)(c).

Section 43 of the Act provides that you may ask the Information and Privacy Commissioner to review this partial refusal of access or you may appeal the refusal to the Supreme Court Trial Division. A request to the Information and Privacy Commissioner shall be made in writing within 60 days of the date of this letter or within a longer period that may be allowed by the Commissioner.

Records that are refused on the basis of section 18(2)(a) (official cabinet record), you must appeal directly to the Supreme Court Trial Division within 30 days after you receive the decision of the public body, pursuant to section 60. You may also contact the Office of the Information and Privacy Commissioner who may decide to initiate an appeal pursuant to subsection 60(1.1).

The address and contact information of the Information and Privacy Commissioner is as follows:

Office of the Information and Privacy Commissioner
2 Canada Drive
P. O. Box 13004, Stn. A
St. John’s, NL. A1B 3V8

Telephone: (709) 729-6309
Facsimile: (709) 729-6500

P.O. Box 8700, St. John’s, NL, Canada A1B 4J6 t 709.729.2844 f 709.729.5466
In the event that you choose to appeal to the Trial Division, you must do so within 30 days of the date of this letter. Section 60 of the *Act* sets out the process to be followed when filing such an appeal.

Please be advised that responsive records will be published following a 72 hour period after the response is sent electronically to you or five business days in the case where records are mailed to you. It is the goal to have the responsive records posted to the Office of Public Engagement's website within one business day following the applicable period of time. Please note that requests for personal information will not be posted online.

If you have any questions, please feel free to contact Rachelle Cutler at (709) 729-5691 or by e-mail at rachellecutler@gov.nl.ca.

Sincerely,

\[signature\]

PAULA BURT  
Deputy Clerk and Associate Secretary to Cabinet  

Enclosure
Title: Potential Acquisition of North Atlantic Refining Limited (NARL) by SilverRange

Issue: This note is to inform of the environmental and associated financial implications of SilverRange’s proposed acquisition of NARL.

Background and Current Status:
- On February 24, 2014, SilverRange Financial Partners submitted, on a confidential basis, a presentation to government representatives on the proposed acquisition of NARL.
- SilverRange is in negotiations with current refinery owner, Korea National Oil Corporation (KNOC), and are seeking support from the province on some environmental issues.

Sulphur Dioxide (SO₂) versus Petroleum Storage
- There are two (2) main areas of environmental focus associated with the refinery operations: atmospheric SO₂ emissions and the condition of petroleum storage tanks. SO₂ levels periodically exceed provincial regulatory limits near the refinery. The majority of NARL’s storage tanks are overdue for internal inspection.
- NARL is currently operating under a three-year Certificate of Approval (CofA) and Compliance Agreement (CA) that were issued by ENVC in November 2013. Through these documents, NARL can maintain ‘status quo’ on their SO₂ emission intensity with an annual cap of 17,000 tonnes. In return, NARL is required to inspect and repair certain crude tanks along with select other tanks over the next three (3) years. NARL has further indicated a long-term plan to bring all other tank inspections up to date by 2022.

- NARL currently processes a high-sulphur Basrah crude and combuts heavy fuel oil having significant sulphur content. SilverRange proposes to process a low-sulphur West Texas Intermediate (WTI) crude and use sulphur-free butane and propane for refinery fuel. SilverRange estimates that this will reduce refinery SO₂ emissions by at least 33 per cent. This is a very substantial SO₂ reduction. For comparison, ENVC has required an overall refinery SO₂ reduction of 20 per cent over the past 11 years.
This proposal will not bring the refinery into compliance with proposed federal Base Level Industrial Emissions Requirements (BLIERs). As the tentative implementation deadline for these BLIERs is 2025, the refinery should have sufficient time to implement the necessary upgrades for BLIERs compliance during 2019-2025.

Many of NARL’s tanks have not been inspected since their installation 40 years ago. The onsite containment system (tank berms, collection ditches and holding basin) is designed to handle one (1) tank failure.

The towns near the refinery have expressed to ENVC that air emissions from the refinery are their top concern.

Liabilities

SilverRange does not wish to assume any responsibility for pre-existing liabilities. KNOC does not wish to grant SilverRange any environmental indemnity for these liabilities. To ENVC’s knowledge, liabilities include: removal of site infrastructure, contamination of refinery treatment basins, maintenance of an on-site hazardous waste landfill, on-site hazardous waste (including tank sludge, used catalyst material and stored sour water) and remediation of any soil and/or groundwater contamination.
• NARL’s current plan would bring all tank inspections up to date by 2022.

Prepared/approved by: D. Pittman/D. Michielsen/M. Goebel/J. Chippett
Reviewed by: J. Garrett/T. King, Cabinet Secretariat
Ministerial approval: Received from Hon. Joan Shea

March 7, 2014
Hi everyone,

This is to confirm a meeting with Premier Marshall to discuss the North Atlantic Refinery for Thursday, March 13, 2014 at 4:00 pm in the Premier’s Boardroom, 4th Floor, East Block.

Thanks
Daisy

Daisy Heath
Secretary to the Clerk of the Executive Council
Confederation Building
9th Floor, East Block
P. O. Box 8700
St. John's, NL A1B 4J6
Tel: 709 729 3490
Fax: 709 729 5218
E-mail: dheath@gov.nl.ca
D’oh!! document attached.

Please review attached which summarizes our discussion this morning. A more detailed note will follow.

Charles
Decision Note
Department of Natural Resources

Title: Environmental Agreement with NARL Acquisitions LLC ("NACQ") and North Atlantic Refining Ltd ("NARL") for Existing Contamination at the NARL Refinery

Decision/Direction Required:
Whether to approve changes to the Memorandum of Agreement ("MOA") and Environmental Agreement ("EA") attached as Annex 1, relating to the NARL Refinery, approved under 18(1)(a)(ix), 18(1)(b), 18(2)(a). Approval will allow the Minister of Natural Resources to move forward with execution of the MOA and EA on behalf of NL.

Background and Current Status:

In late June, the MOA and EA were in substantially satisfactory form and agreed by the parties, but negotiations were still ongoing between Harvest Energy and NARL Acquisitions LLC, as represented by SilverRange, for the purchase and sale of NARL. Until all commercial agreements were complete, finalization and execution of the MOA and EA could not be concluded as Government wanted to ensure resolution of the commercial agreements.

• NR was informed in August 2014 by SilverRange/NACQ that the purchase and sale agreement had been finalized and approved by the parties. However, SilverRange/NACQ were delayed in moving forward as market conditions did not support immediate implementation of the business plan.

• At the end of August 2014, SilverRange/NACQ informed NR that the acquisition was ready to move forward and an announcement is anticipated for September 5, 2014.

• The result has delayed the schedule contemplated for the purchase agreement and other commercial agreements from July 2014 to late August 2014. As well, the closing date for the acquisition is now contemplated to occur by November 30, 2014 (although may occur earlier) instead of September 30, 2014. These schedule adjustments have had an impact on the timing of provisions in the MOA and EA. This is discussed further below and in Annex 3.

• NARL Acquisitions LLC and Harvest have provided NR with a letter confirming the execution of the agreement of purchase and sale, for the acquisition of NARL, including the Refinery at Come by Chance. See Annex 2.

Content of Agreements:

• The substantive terms of the MOA and EA have not changed significantly however due to ongoing discussions several small amendments have been made.

• The primary variance involves timing provisions in the MOA and EA particularly as relates to the later acquisition closing date, now expected by November 30, 2014 instead of September 30, 2014, and the resulting impact on the Environmental Site Assessment (ESA) schedule. The
ESA is still to be completed within 12 months but the start will be delayed as a result of the later closing date.

- The delay in the ESA is not viewed as material as preliminary work can be undertaken and completed during the winter period when site access is restricted due to weather so that site testing and sampling can be undertaken in Spring/Summer 2015.
- SilverRange/NACQ has indicated acceptance of the negotiated MOA and EA.
- See Annex 3 for an overview and explanation of the amendments to the MOA and EA.

Next Steps
- The parties having reached agreement on the terms of the MOA and EA, the next step is execution.
- SilverRange/NACQ will be seeking to execute the MOA following execution of the purchase of sale agreement, but prior to the announcement of the transaction.
- As described in the MOA, NR has agreed to sign and execute both the MOA and the EA following the execution of the purchase and sale agreement. NARL Acquisitions LLC will sign and execute the MOA at the same time as NR. On the day that the purchase and sale transaction closes, which is anticipated on or before November 30, 2014, and NARL Acquisitions LLC has acquired NARL, NARL Acquisitions LLC and NARL will sign and execute the EA (as agreed in the MOA).

Alternatives:
1. Approve the revised MOA and EA:

Recommendation:
- 18(1)(a)(ix), 18(1)(c), 18(2)(a), 20(1)(a)
Annexes:
1. MOA and EA for Execution
2. Letters from NARL Acquisitions LLC and Harvest Operations confirming the Agreement of Purchase and Sale for the Acquisition of NARL
3. List of amendments between the Memorandum of Agreement and Environmental Agreement attached to 18(1)(a)(ix), 18(1)(b), 18(2)(a) and the subsequent versions for execution by the Parties

Prepared by/Approved by: Paul Parsons (NR) & Meaghan McConnell (JUS) /

Ministerial Approval: 

Date: August 29, 2014
Annex 1 – MOA and EA for Execution
Annex 2 – Letters from NARL Acquisitions LLC and Harvest Operations confirming the Agreement of Purchase and Sale for the Acquisition of NARL
Annex 3 – List of amendments between the Memorandum of Agreement and Environmental Agreement attached to NR2014-014 and the subsequent versions for execution by the Parties

Memorandum of Agreement (MOA)

Section 2 (new part 2): term added, to specify that MOA expires with EA.

Section 2.3: the date before which NARL Acquisitions must acquire NARL has been pushed back from September to November, to reflect revised transaction timelines.

Section 5.2 (was 4.2): “except as otherwise specified in Section 10 of the Environmental Agreement” added, for greater clarity.

Section 6.1: title of NACQ contact added

Environmental Agreement (EA)

Recitals:
(2) SilverRange described as a “limited liability company” instead of a “body corporate”, for greater accuracy.
(5) NACQ replaced with SilverRange, since all dealings to date have been with representatives of SilverRange.
(6) “of the Refinery” added for greater clarity.

Section 1.1(g): “contamination at” added for greater clarity.

Section 1.1(o)(ii): “or threatens to suspend” removed from definition of “Insolvency Event”, in order to create more certainty about when such an event occurs.

Section 1.1(p): definition of “Legal Proceeding” moved from Representations and Warranties section to definitions, for ease of reading.

Section 3.1(a): requirement added that NARL and NACQ must notify NR if NARL is no longer wholly owned or controlled by NARL, or if NACQ is no longer controlled by SilverRange. It is an event of default if NARL is no longer controlled by NACQ, or NACQ by SilverRange (14.1(b)).

Section 4.6: Due to revised project timelines, NARL must now only submit a sampling plan for Phase II of the ESA prior to January 1st, 2015, and must submit Phase II prior to June 30th, 2015 (rather than December 31st, 2014).

Section 5.1: “or other regulatory authority” added, to reflect the fact that it may not be the Department of Environment and Conservation that directs remediation.

Section 12.2(b): NACQ described as a “limited liability company” for greater accuracy.

Section 12.2(h)(ii): defined term “legal proceeding” used for greater clarity.
Section 13.3: "Government" replaced with "government of Newfoundland and Labrador" for greater clarity.

Section 14.6: "NR" replaced with "the Department of Natural Resources", since NR is a defined term referring to "Her Majesty in Right of Newfoundland and Labrador" and restriction is limited to the Department itself rather than the GNL as a whole.

Section 15.2: members of executive committee for NR, NACQ, NARL and ENV added.

Section 16.1: title for NACQ contact added, NARL contact added.
THIS AGREEMENT made at St. John's, in the Province of Newfoundland and Labrador, this __________ day of May, 2014.

MEMORANDUM OF AGREEMENT

BETWEEN: HER MAJESTY IN RIGHT OF NEWFOUNDLAND AND LABRADOR, as represented by the Minister of Natural Resources

("NR")

AND: NARL ACQUISITIONS LLC, a body corporate registered as an extra-provincial company pursuant to the laws of the Province of Newfoundland and Labrador, with a registered office in St. John's, in the Province of Newfoundland and Labrador

("NACQ")

WHEREAS NACQ has entered into an agreement whereby NACQ has agreed, subject to performance of the terms and conditions of the said agreement, to purchase all of the shares of North Atlantic Refining Limited, a corporation registered in Newfoundland and Labrador ("NARL"), previously registered as Newfoundland Processing Limited ("NPL");

AND WHEREAS NARL owns and operates the Come By Chance Refinery (the "Refinery") and will continue to own and operate the Refinery following the completion of the purchase of all NARL shares by NACQ;

AND WHEREAS the parties hereto wish to confirm their mutual understanding of environmental matters at the Refinery as such exist or as might arise;

NOW THEREFORE THIS MEMORANDUM OF AGREEMENT WITNESSES that for and in consideration of the sum of Ten Canadian Dollars ($10.00) now paid by each of the parties to the other and other good and valuable consideration, the parties hereto agree as follows:

1. DEFINITIONS

1.1 In addition to the terms defined Schedules attached hereto, the following words and phrases shall have the following meanings:

a) "Closing Date" means the day that NACQ completes the purchase of all of the shares of NARL;

August 29th, 2014
b) "Environmental Agreement" shall have the meaning ascribed in Section 2.1;

c) "Environmental Site Assessment" or "ESA" means an assessment of the baseline environmental conditions relating to soil, sediment, surface water and groundwater contamination at the Refinery carried out in accordance with the Environmental Agreement;

d) "Refinery" shall have the meaning in the second recital;

e) "Site Professional" means a consultant selected by NACQ pursuant to Part 3;

f) "NPL" shall have the meaning ascribed in the first recital;

1.2 In the event of a conflict between the definitions in this Memorandum of Agreement and the Appendices to this Memorandum of Agreement, the definitions in this Memorandum of Agreement shall prevail.

1.3 The following schedules are attached to, and form part and parcel of, this Memorandum of Agreement:

Appendix "A" - Environmental Agreement; and
Appendix "B" - Guidance Document for the Management of Impacted Sites.

2. **TERM**

2.1 This Agreement shall be effective as of the date of execution of all the Parties and shall expire upon the expiration or termination of the Environmental Agreement.

3. **ENVIRONMENTAL AGREEMENT**

3.1 The agreement in respect of environmental matters relating to the operation of the Refinery (the "Environmental Agreement"), which is attached as Appendix "A", is acceptable in its entirety to the Parties, without modification except as mutually agreed to in writing.

3.2 Prior to the Closing Date, NR shall execute the Environmental Agreement and deliver the executed Agreement to NACQ.

3.3 On the Closing Date, NACQ shall execute the Environmental Agreement and shall direct NARL to execute the Environmental Agreement, at which time the Environmental Agreement shall become binding upon the Parties and NARL, provided however, that should the Closing Date not occur on or before the 30th day of November, 2014, this Memorandum of Agreement shall become null and void and the Environmental Agreement shall be of no force or effect whatsoever.

3.4 NACQ shall deliver the executed Environmental Agreement to NR within 10 days of the Closing Date.

**August 29th, 2014**
4. **SITE PROFESSIONAL**

4.1 Upon execution of this Memorandum of Agreement, NACQ shall select a Site Professional that meets the requirements set out in Section 6 of the document entitled "Guidance Document for the Management of Impacted Sites, v. 2.0", attached as Appendix "B" hereto, to perform an Environmental Site Assessment of the Refinery.

4.2 NACQ shall submit the name of the selected Site Professional to NR for approval. NACQ shall not hire, engage, employ or enter into an agreement with a Site Professional for the purposes of an ESA until the Site Professional has been approved by NR.

4.3 NACQ shall be responsible for all costs related to the Site Professional and all work conducted by the Site Professional, and NR shall have no liability for the approval of the Site Professional.

5. **GENERAL**

5.1 NR shall make reasonable efforts to support NACQ in obtaining approval from Federal, Provincial and municipal authorities related to the purchase of NARL.

5.2 The Parties agree that they shall be covered by and shall be entitled to rely upon the provisions of this Memorandum of Agreement. The Parties further agree that to the extent to which this Memorandum of Agreement applies to NACQ, it shall not apply to the successors and assigns of NACQ, except as otherwise specified in Section 10 of the Environmental Agreement. For greater certainty, the Parties agree that NACQ shall not have the right to assign this Memorandum of Agreement in any manner.

5.3 This Memorandum of Agreement shall be interpreted, performed and enforced in accordance with the laws of Newfoundland and Labrador and all actions, suits or proceedings arising out of this Memorandum of Agreement shall be determined in a court of competent jurisdiction in Newfoundland and Labrador, subject to any right of appeal.

5.4 This Memorandum of Agreement and the Environmental Agreement may be executed in any number of counterparts, each of which will be considered an original, and which together will constitute one and the same instrument. This Memorandum of Agreement shall not be effective unless and until both Parties have executed a counterpart. A facsimile signature or an otherwise electronically reproduced signature of either Party shall be deemed to be an original.

6. **NOTICES**

6.1 Except as otherwise specifically provided for herein, all notices, claims, payments, reports and other communications required under this Memorandum of Agreement shall be in writing. The addresses for service are:

August 29th, 2014
6.2 Except as otherwise specifically provided for herein, notices, requests or documents shall be deemed to have been received by the addressee as follows:

a) As of the date on which they are delivered where delivery is by personal service;

b) As of the date on which they are sent where delivery is by facsimile or other means of electronic communication; or

c) Six (6) days after delivery to Canada Post Corporation where the postal service is used.
IN WITNESS WHEREOF, this Memorandum of Agreement has been executed.

HER MAJESTY IN RIGHT OF
NEWFOUNDLAND AND LABRADOR

NARL ACQUISITIONS LLC

Minister of Natural Resources
(or his/her authorized designate)

Authorized Signature

Date: ______________________ Date: ______________________

August 29th, 2014
APPENDIX "A"

THIS AGREEMENT made at St. John's, in the Province of Newfoundland and Labrador, this _day of _____, 2014

ENVIRONMENTAL AGREEMENT

BETWEEN:  
HER MAJESTY IN RIGHT OF NEWFOUNDLAND AND LABRADOR, as represented by the Minister of Natural Resources
("NR")

AND:  
NARL ACQUISITIONS LLC, a body corporate registered as an extra-provincial corporation pursuant to the laws of the Province of Newfoundland and Labrador, with a registered office in St. John's, in the Province of Newfoundland and Labrador
("NACQ")

AND:  
NORTH ATLANTIC REFINING LIMITED, a body corporate existing pursuant to the laws of the Province of Newfoundland and Labrador, with its registered head office in St. John's, in the Province of Newfoundland and Labrador
("NARL")

WHEREAS NARL is a wholly owned subsidiary of NACQ;

AND WHEREAS NACQ is Controlled by SilverRange Financial Partners LLC ("SilverRange"), a limited liability company existing pursuant to the laws of the State of Delaware, United States of America, with its offices at 1330 Sixth Avenue, Suite 1200, New York, New York, 10019, United States of America;

AND WHEREAS NARL owns and operates the Refinery located at ComeByChance, in the Province of Newfoundland and Labrador;

______________________________
August 29th, 2014
AND WHEREAS SilverRange has communicated to NR its business plan and a program of initiatives which will be of positive and long lasting benefit to the environmental integrity of the Refinery;

AND WHEREAS these initiatives include the processing of a majority of light sweet crudes from the United States of America, or other light sweet crudes and using significantly more butane and propane as fuel instead of fuel oil, which SilverRange reasonably believes will lead to material reductions in sulphur dioxide emissions at the Refinery;

AND WHEREAS NR has agreed to make reasonable efforts to support NARL and NACQ in obtaining approval from federal, provincial, and municipal authorities to increase the processing capacity of the Refinery;

AND WHEREAS the parties hereto wish to confirm their mutual understanding of environmental matters at the Refinery as such exist or as might arise;

NOW THEREFORE, IN CONSIDERATION of the mutual agreements, promises, conditions and arrangements contained herein, the Parties agree as follows:

1. DEFINITIONS

1.1 In addition to the terms defined Schedules attached hereto, the following words and phrases shall have the following meanings:

a) "Affiliate" means, with respect to any Person, any other Person that, directly or indirectly, through one or more intermediaries, Controls or is Controlled by such Person, or is under common Control with such Person;

b) "Approved ESA" shall have the meaning ascribed in Section 4.10;

c) "Business Day" means a day other than a Saturday, Sunday or a provincial holiday in the Province of Newfoundland and Labrador;

d) "Control" (including, with correlative meanings, the terms "Controlled by" and "under common Control with") means the ability or power, directly or indirectly, to direct or cause the direction of the management and policies of such other Person whether through the ownership of voting securities, by contract or otherwise;

e) "Default" shall have the meaning ascribed in Section 14.1;

f) "Effective Date" shall have the meaning ascribed in Section 2.1;

g) "Existing Contamination" means soil, sediment, surface water and groundwater contamination at the Refinery to the extent that the contamination is identified in the Approved ESA as existing prior to the Effective Date, but for greater certainty shall not include contamination at the closed hazardous waste facility and the closed solid waste landfill;

August 29th, 2014
h) "Expiry Date" shall have the meaning ascribed in Section 2.1;

i) "Environmental Law" means all applicable federal (Government of Canada), provincial, municipal and local laws, statutes, ordinances, by-laws, regulations and orders, directives and decisions rendered by any ministry, department or administrative or regulatory agency relating to environmental matters and governing the use, storage, treatment, generation, transportation, processing, manufacturing, handling, production, discharge or disposal of Hazardous Substances, including without limitation, air pollution, soil and subsoil pollution, and water (including surface water and groundwater) pollution and requirements under Environmental Permits;

j) "Environmental Permit" means all permits, licences, approvals, authorizations, certificates, consents, or registrations, required by Environmental Law;

k) "Environmental Site Assessment" or "ESA" shall have the meaning ascribed in Section 4.1;

l) "Executive Committee" shall have the meaning ascribed in Section 15.2;

m) "Hazardous Substance" means any pollutants, contaminants, chemicals, industrial, toxic or hazardous waste, or substances regulated under Environmental Law;

n) "Immediate Remediation Plan" or "IRP" shall have the meaning ascribed in Section 4.5;

o) "Insolvency Event" means, in relation to NARL or NACO, the occurrence of one or more of the following:

(i) an order is made, or an effective resolution passed, for the winding-up, liquidation or dissolution of such Party;

(ii) such Party voluntarily institutes proceedings for its winding up, liquidation or dissolution, or to authorize or enter into an arrangement under the Corporations Act (Newfoundland and Labrador) or similar legislation in any other jurisdiction affecting any of its creditors, or takes action to become bankrupt, or consents to the filing of a bankruptcy application against it, or files an assignment, a proposal, a notice of intention to make a proposal, an application, or answer or consent seeking reorganization, readjustment, arrangement, composition, protection from creditors, or similar relief under any bankruptcy or insolvency law or any other similar law, or consents to the filing of any such application for a bankruptcy order, or consents to the appointment of an interim receiver, receiver, monitor, liquidator, restructuring officer or trustee in bankruptcy of all or substantially all the property of such Party or makes an assignment for the benefit of creditors, or admits in writing its inability to pay its debts generally as they come due or commits any other act of bankruptcy or insolvency, or suspends transaction of its usual business, or any action is taken by such Party in furtherance of any of the foregoing;
(iii) a court having jurisdiction enters a judgment or order adjudging such Party a bankrupt or an insolvent person, or approving as properly filed an application or motion seeking an arrangement under the Corporations Act (Newfoundland and Labrador) or similar legislation in any other jurisdiction affecting any of its creditors or seeking reorganization, readjustment, arrangement, composition, protection from creditors, or similar relief under any bankruptcy or insolvency law or any other similar law, or an order of a court having jurisdiction for the appointment of an interim receiver, receiver, monitor, liquidator, restructuring officer or trustee in bankruptcy of all or substantially all of the undertaking or property of such Party, or for the winding up, liquidation or dissolution of its affairs, is entered and such order is not contested and the effect thereof stayed, or any material part of the property of such Party is sequestered or attached and is not returned to the possession of such Party or released from such attachment within 30 days thereafter;

(iv) any proceeding or application is commenced respecting such Party without its consent or acquiescence pursuant to any law relating to bankruptcy, insolvency, reorganization of debts, winding up, liquidation or dissolution, and such proceeding or application (i) results in a bankruptcy order or the entry of an order for relief and a period of 30 days has elapsed since the issuance of such order without such order having been reversed or set aside, or (ii) is not dismissed, discharged, stayed or restrained in each case within 30 days of the commencement of such a proceeding or application; or

(v) such Party has ceased paying its current obligations in the ordinary course of business as they generally become due:

p) "Legal Proceeding" means an action, suit, proceeding or hearing in, or before, any court, municipal, provincial, or federal government, or agency thereof, or before any mediator or arbitrator:

q) "Person" means any natural person, governmental entity or authority, corporation, limited partnership, general partnership, limited liability company, limited liability partnership, joint stock company, joint venture, association, company, trust, bank, trust company, land trust, business trust or other organization, whether or not a legal entity;

r) "Proposed Tank Farm Schedule" shall have the meaning ascribed in Section 6.2;

s) "Province" means the Government of the Province of Newfoundland and Labrador;

t) "Refinery" means the Refinery Assets and Refinery Site;

u) "Refinery and Tank Farm Land" shall have the meaning ascribed in Paragraph 1.1(w)(i);
v) "Refinery Assets" means the oil refinery located at Come By Chance, in the Province of Newfoundland and Labrador, which is owned and operated by NARL, and the buildings, erections and assets on the Refinery Site, including:

(i) the wharf, jetty and dock located on the Wharf Lands;
(ii) the Tank Farm and pipelines;
(iii) basins utilized in the management of stormwater and wastewater;
(iv) the processing area;
(v) the closed hazardous waste facility;
(vi) the closed solid waste landfill;
(vii) the refrigerated storage tank for butane; and
(viii) all administrative office buildings and trailers;

w) "Refinery Site" means the land owned and leased by NARL, located at Come By Chance, in the Province of Newfoundland and Labrador, including:

(i) the lands related to the wharf, transferred to NPL in a Deed of Conveyance dated December 15th, 1986, and registered in the Registry of Deeds of the Province at Roll 321/Frame 886, as more particularly described in Schedule "A" (the "Wharf Land");

(ii) the land associated with the Refinery and the Tank Farm, transferred to NPL in a Deed of Conveyance dated December 5th, 1986, and registered in the Registry of Deeds of the Province at Roll 321/Frame 879, as more particularly described in Schedule "B" (the "Refinery and Tank Farm Land");

(iii) 7.37 acres of land transferred to NPL in a Deed of Conveyance dated April 17th, 1989, and registered in the Registry of Deeds of the Province at Roll 819/Frame 2165, as more particularly described in Schedule "C";

(iv) 3 parcels of land granted to NPL in a Crown Grant dated December 21st, 1994, and registered in the Crown Lands Registry at Volume 204/Folio 102, as more particularly described in Schedule "D";

(v) 3 parcels of land granted to NARL as a Water Line Easement, in a Crown Lease dated December 1st, 1995, registered in the Crown Lands Registry as Lease No. 87029, as more particularly described in Schedule "E"; and

(vi) land granted to NARL for the purpose of a butane storage facility, in a Crown Grant dated May 12th, 2009, registered in the Crown Lands Registry at Volume 291/Folio 99, as more particularly described in Schedule "F";
but excluding:

(vii) land owned by NARL and leased to a third party (or third parties);

(viii) land leased by NARL and subleased to a third party (or third parties);

(ix) land not located at Come By Chance; and

(x) retail locations owned or leased by NARL;

x) "Refining Operations" means the use of the Refinery to process crude oil into refined petroleum products, and for greater certainty does not include the use of the Refinery exclusively as a marine terminal, transshipment facility, storage facility and/or distribution facility;

y) "SilverRange" shall have the meaning ascribed in the second recital;

z) "Site Professional" means a consultant selected by NACQ and approved by NR, pursuant to the Memorandum of Agreement between NR and NACQ;

aa) "Start Date" means the day that is six (6) months after the Effective Date;

bb) "Tank Farm" shall mean all the tanks for the storage of petroleum and other products at the Refinery Site; and

cc) "Wharf Land" shall have the meaning ascribed in Paragraph 1.1(w)(i).

1.2 In the event of a conflict between the definitions in this Agreement, the Schedules to this Agreement, and the Memorandum of Agreement, the definitions in this Agreement shall prevail.

1.3 The following schedules are attached to, and form part and parcel of, this Agreement:

Schedule "A" – Wharf Land;
Schedule "B" – Refinery and Tank Farm Land;
Schedule "C" – Refinery Site, 7.37 Acres;
Schedule "D" – Refinery Site, Crown Grant;
Schedule "E" – Refinery Site, Crown Easement;
Schedule "P" – Refinery Site, Crown Grant 2;
Schedule "G" – Guidance Document for the Management of Impacted Sites;
Schedule "H" – Environmental Compliance Agreement;
Schedule "I" – SilverRange Tank and Capex Program (June 2014);
Schedule "J" – Certificate of Approval; and
Schedule "K" – Environmental Disclosure.

2. TERM

2.1 This Agreement shall be effective as of the date of execution of all the Parties ("Effective Date") and shall expire ten (10) years after the Effective Date (the "Expiry Date").

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2.2 The following provisions shall survive the Expiry Date: Section 4.13 and Part 13.

3. DISCLOSURE OF INFORMATION

3.1 NARL and NACQ shall:

a) notify NR promptly in writing of any event or occurrence that will, or may, give rise to a material report, warning, inquiry or investigation, or any Legal Proceeding, relating to, or a violation, or alleged violation of the requirements of Environmental Law by NARL or NACQ, or if NARL is no longer wholly owned or Controlled by NACQ or NACQ is no longer Controlled by SilverRange;

b) provide NR, upon request, such information, certificates, or statutory declarations, and shall conduct such environmental audits or site assessments, as may be reasonably necessary to ensure the compliance by NARL and NACQ with all requirements of Environmental Law; and

c) execute all consents, authorizations and directions to appropriate governmental authorities that are required to permit any inspection of the Refinery and the release to NR, or its representatives, of information in relation to the Refinery.

4. ENVIRONMENTAL SITE ASSESSMENT

4.1 Upon execution of this Agreement, NARL shall direct the Site Professional to perform an assessment of the baseline environmental conditions relating to soil, sediment, surface water and groundwater contamination at the Refinery ("Environmental Site Assessment").

4.2 NARL shall be responsible for all costs related to the ESA and all work conducted by the Site Professional in relation thereto, and NR shall have no liability for the ESA, except as otherwise specifically provided for in this Agreement.

4.3 NARL shall direct the Site Professional to provide all ESA sampling plans and work plans to NR for its review and approval prior to the commencement of the field testing, sampling or other work described in the plan by the Site Professional. In order to facilitate the expeditious completion of the ESA, NR shall within a reasonable time after receipt of such plans either approve them or request additions or revisions thereto.

4.4 The implementation of the ESA shall, to the extent possible, minimize economic impact on the Refinery.

4.5 The ESA shall be conducted in accordance with the standards set out in Schedule "G" and shall include:

a) Phase I: a review of current and historical activities associated with the Refinery, in order to determine any existing contamination or the potential for contamination;
b) Phase II: the preliminary collection and laboratory analysis of samples of potentially impacted media;

c) Phase III: further sampling and laboratory analysis to delineate the extent of impacts identified during Phase II; and

d) Remedial action planning and remediation/risk management planning, including:

(i) a remediation plan which shall specifically identify any remediation which is required to be undertaken immediately due to a high risk of the contamination migrating offsite and causing unacceptable risks to human or ecological health (the "Immediate Remediation Plan" or "IRP");

(ii) a remediation plan which shall specifically identify any remediation which is recommended; and

(iii) a detailed estimate of all costs associated with the remediation plans under (i) and (ii).

4.6 NARL shall submit to NR a copy of:

a) Phase I of the ESA and the sampling plan for Phase II of the ESA prior to January 31st, 2015;

b) Phase II of the ESA prior to June 30th, 2015; and

c) the entire completed ESA within 12 months of the Effective Date.

4.7 Notwithstanding Section 4.6, NARL shall submit each Phase of the ESA to NR as it is completed, and may submit part of a Phase of the ESA to NR as it is completed.

4.8 Upon receiving and reviewing the ESA, or part thereof, NR shall:

a) Approve the ESA, or part thereof; or

b) Request further information, sampling, analysis, amendments, revisions or additions to the ESA, or part thereof.

4.9 Where NR makes a request under Subsection 4.8(b), NARL shall direct the Site Professional to revise the ESA accordingly and shall submit the revised ESA to NR for its review and approval in accordance with 4.8.

4.10 Where NR has approved the ESA, or part thereof, under Subsection 4.8(a) ("Approved ESA"), the ESA will be considered prima facie evidence as to the existence of soil, sediment, surface water and groundwater contamination, Hazardous Substances or other conditions as of the Effective Date.

4.11 The Parties intend that either of them has the unlimited right to use the Approved ESA in any mediation, arbitration or other proceedings, and that the burden of proving in those proceedings the existence of a condition differing in kind or degree from those described in the Approved ESA rests with the party alleging a differing condition, but that this

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provision and the use of the Approved ESA is not to be construed or interpreted so as to limit the indemnities and releases provided in this Agreement.

4.12 For the purposes of this Agreement only, the exclusion, absence or omission of any reference to soil, sediment, surface water and/or groundwater contamination in the Approved ESA shall be deemed to be evidence of the absence thereof as of the Effective Date. Where Phase I of the ESA finds that there may be soil, sediment, surface water and/or groundwater contamination, but this finding is not substantiated in further Phases, the Phase I findings shall not constitute a reference to, or evidence of, soil, sediment, surface water and/or groundwater contamination.

4.13 Notwithstanding Part 13, NR may use the ESA for any purpose whatsoever, including a use not related to this Agreement and may share the ESA within government and with contractors, and this right shall survive the Expiry Date.

5. REMEDIATION

5.1 Where an Approved ESA includes an IRP, and the provincial Department of Environment and Conservation or other regulatory authority has directed that remediation is required, NR may, at its option, in consultation with NARL:

a) hire the Site Professional or a contractor to carry out the IRP; or

b) direct NARL to hire the Site Professional to carry out the IRP.

5.2 NR shall be responsible for all costs related to an IRP completed in accordance with this Part 5, including any remediation under the IRP and additional remediation under 5.7(b), but not the costs of ongoing monitoring of soil, sediment, surface water and groundwater contamination.

5.3 NARL shall not select, hire, engage, employ or enter into an agreement with the Site Professional for the purposes of carrying out the IRP, until directed to do so under Section 5.1(b).

5.4 Where NARL has been directed to hire the Site Professional under Section 5.1(b), NARL shall direct and require that the Site Professional:

a) submit the name of all subcontractors that it is considering engaging for the purpose of carrying out the IRP to NR for approval;

b) not hire, engage, employ or enter into an agreement with a subcontractor for the purposes of carrying out the IRP, until that subcontractor has been approved by NR;

c) not begin work based on the IRP until the IRP has been approved by NR under Section 4.8;

d) only carry out the work in accordance with the IRP and any amendments thereto approved by NR under Subsection 4.8(a).

5.5 Any amendments to the IRP shall be submitted to NR for approval under Section 4.8.
5.6 NARL shall grant the Site Professional or a contractor hired by NR access to the Refinery for the purpose of carrying out the IRP.

5.7 Once the Site Professional has completed the IRP, NR shall:
   a) approve the remediation, or
   b) request that NARL direct the Site Professional to perform additional remediation.

6 RESPONSIBILITIES

6.1 NACQ and NARL shall be responsible, *inter alia*, for the remediation, monitoring and/or containment of contamination at the Refinery including ongoing monitoring under Section 5.2, with the exception of the remediation and/or containment of Existing Contamination.

6.2 NARL may seek an amendment to the timeframes set out in the “Tank Schedule” to the Environmental Compliance Agreement, attached hereto as Schedule “H”, in which case NARL shall submit to the Department of Environment and Conservation:
   a) a plan to improve overall safety of the Tank Farm; and
   b) a plan for the inspection, repair, alteration and reconstruction, of the Tank Farm, and approximate dates for the removal and return of service of all the tanks, which provides details in addition to those included in SilverRange’s Tank and Capex Program, attached hereto as Schedule “I”, and which is in accordance with the standards set out in the Certificate of Approval, attached hereto as Schedule “J”, and more particularly described in the American Petroleum Institute Standard API 653, “Tank Inspection, Repair, Alteration, and Reconstruction”, or its successor (the “*Proposed Tank Farm Schedule*”).

6.3 The *Proposed Tank Farm Schedule* shall not replace any regulatory and/or reporting requirements contained in the Certificate of Approval, attached hereto as Schedule “J”, or the Environmental Compliance Agreement, attached hereto as Schedule “H”.

6.4 NARL shall operate the Refinery so that the annual amount of sulphur dioxide released into the atmosphere from the Refinery during the period of one (1) year, beginning on the Start Date, and during the following period of one (1) year, remains at or below eleven thousand three hundred and ninety (11,390) Tonnes, which level represents a thirty-three percent (33%) decline in sulphur dioxide emissions from the annual maximum of seventeen thousand (17,000) Tonnes imposed pursuant to Section 2.1 of the Environmental Compliance Agreement, attached hereto as Schedule “H”.

6.5 On or before the day that:
   a) is two (2) years after the Start Date, or
b) NARL anticipates that the daily output of the Refinery will exceed one hundred and twenty thousand (120,000) barrels per stream day; whichever is earlier, NARL shall enter into a new or amended compliance agreement with the Department of Environment and Conservation which includes sulphur dioxide emissions targets. If NARL enters into a new compliance agreement prior to the day that is one (1) year after the Start Date, NARL shall not be obligated to meet the requirements under 6.4 beginning in the subsequent period of one (1) year.

6.6 NARL shall measure sulphur dioxide emission levels in accordance with:

a) the terms and conditions described in the Certificate of Approval, attached hereto as Schedule "J", as amended; and

b) Section 2.0 of the Environmental Compliance Agreement, attached hereto as Schedule "H", as amended.

6.7 To the extent commercially reasonable, any measures undertaken by NARL under Section 6.4 shall not limit the availability of petroleum products in the Newfoundland and Labrador market.

6.8 NARL acknowledges that as of the Effective Date, approximately 450 full time employees are employed at the Refinery, and NARL shall make all commercially reasonable efforts to maintain this number of full time employees, or equivalent employment levels, during the term of this Agreement.

6.9 NR shall be responsible for costs incurred by NARL, with the prior approval of NR, for remediation and/or containment related to Existing Contamination, but, notwithstanding any other provision in this Agreement, NR shall not be responsible for costs related to:

a) actions, omissions, or negligence of NACQ, NARL and their Affiliates after the Effective Date;

b) business losses resulting from or associated with Existing Contamination, or the remediation and/or containment thereof; or

c) ongoing monitoring as set out in Section 5.2.

7 INDEMNIFICATION

7.1 Any existing environmental indemnifications previously enjoyed by NARL relating to the Refinery are null and void.

7.2 Sections 7.3 and 7.4 do not apply in relation to Existing Contamination.

7.3 NACQ and NARL release the Province, and all others for whom the Province is responsible at law, from any costs, liabilities, claims, expenses and responsibility related to the Refinery, including environmental liabilities and any required remediation and/or containment.
7.4 NACQ and NARL agree that the Province shall not be responsible or liable in any manner for, and shall at all times fully indemnify, defend and hold harmless the Province, and the Province's agents, servants, employees, contractors, invitees, and all others for whom the Province is responsible for at law, from and against any and all claims (including any claims related to any extension of timelines for Tank Farm permits and/or approvals, including but not limited to failure to inspect or negligent inspection of the Tank Farm), demands, injuries, actions, damages, judgments, fines, orders, interest, losses, costs, proceedings, suits and/or liabilities (including environmental liabilities and any required clean-up, containment or remediation) and expenses of whatever sort and by whomever made, brought or prosecuted, arising out of, related to, occasioned by, attributable to, accruing from, or connected with NACQ and NARL's ownership, operation, remediation and maintenance of the Refinery and any other related loss, injury, or damage whatsoever (including without limitation bodily injury, death, and property damage), that is caused in whole or in part by or relates to their ownership, operation, maintenance and remediation of the Refinery.

7.5 NR releases NACQ and NARL, and all others for whom NACQ and NARL are responsible at law, from any liability and responsibility related to Existing Contamination.

7.6 NR agrees that NACQ and NARL shall not be responsible or liable in any manner for, and shall at all times fully indemnify, defend and hold harmless NACQ and NARL, and NACQ and NARL's agents, servants, employees, officers, directors, shareholders, contractors, invitees, and all others for whom NACQ and NARL are responsible for at law, from and against any and all claims, demands, injuries, actions, damages, judgments, fines, orders, interest, losses, costs, proceedings, suits and/or liabilities and expenses (including expenses in respect of any actual or alleged non-compliance with any environmental laws, environmental liabilities or any required clean-up, containment or remediation), of whatever sort and by whomever made, brought or prosecuted, arising out of, related to, occasioned by, attributable to, accruing from, or connected with Existing Contamination and any other related loss, injury, or damage whatsoever (including without limitation bodily injury, death, and property damage), that is caused in whole or in part by or relates to Existing Contamination.

7.7 The releases and indemnities under Sections 7.5, 7.6 and 7.8 do not apply in respect of:

a) actions, omissions, or negligence of NACQ, NARL and their Affiliates after the Effective Date;

b) business losses resulting from or associated with Existing Contamination and remediation and/or containment thereof;

c) ongoing monitoring as set out in Section 5.2; or

d) costs relating to Existing Contamination that are incurred by NARL without the prior approval of NR.

7.8 NR confirms that NACQ and NARL shall not be required to bear the cost of remediating contamination relating to Existing Contamination, including without limitation any requirement to remediate that, but for this indemnity, could be imposed against NACQ.
and NARL pursuant to the Environmental Protection Act, SNL 2002, c E-14.2 or the Water Resources Act, SNL 2002, c W-4.01.

7.9 NACQ and/or NARL shall give NR prompt written notice of, and all information requested by NR with respect to, any order, action, suit, litigation or other proceeding which is commenced or threatened against NACQ and/or NARL and which involves either a claim or potential claim involving Existing Contamination.

7.10 NR may, at its sole discretion, defend any legal action or claim that may arise in respect of, in connection with or related to the indemnities and releases provided by NR hereunder on NACQ and/or NARL's behalf, or without NACQ and/or NARL being added as a party thereto. NR may, at its sole discretion, retain its own legal counsel to defend its interests in any such legal action or claim, and NR shall have the sole right, at its expense, to control any legal action or claim and to settle on terms and conditions approved by NR. NR shall consult with NACQ and/or NARL before entering into or making any settlement, compromise, admission or acknowledgment of the validity of any such action or claim, or any liability in respect thereof, if injunctive or other equitable relief would be imposed against NACQ or NARL as a result.

8 INSURANCE

8.1 NARL shall maintain or have maintained environmental liability insurance for sudden and accidental contamination in the name of NARL, covering any third party claims for bodily injury, property damage and remediation for any environmental incidents in an amount, with such deductibles and under policies in a form as is customary for persons engaged in businesses similar to that of NARL.

8.2 Evidence of such insurance and all renewals and replacements thereof shall be delivered to NR on request, together with evidence of payment of all premiums therefor.

8.3 The policy contemplated under Section 8.1 shall:

a) Be with an independent and reputable insurer that has a rating of not less than A- from A.M. Best Company or a rating of not less than A- from S&P; and

b) provide that no cancellation or termination thereof or change therein, for any reason whatsoever, shall take effect unless the insurer concerned has given NR not less than sixty (60) days' notice of such proposed action (with the exception of cancellation for non-payment of premium for which fifteen (15) days' notice may apply).

8.4 NACQ and NARL agree that the insurance provided herein in no way limits NACQ and NARL's liability pursuant to the indemnity provisions provided for in this Agreement. NACQ and NARL shall also be responsible for deciding if additional insurance coverage is necessary to fulfill their obligations under this Agreement and to ensure compliance with Environmental Law. Any additional insurance coverage is at NACQ and/or NARL's expense.
9 NATURE OF AGREEMENT

9.1 The Parties acknowledge that this Agreement is intended to create legally binding obligations upon the Parties in respect of the commitments made herein, and the Parties to this Agreement shall be covered by and shall be entitled to rely upon the provisions of this Agreement.

10 TRANSFER

10.1 This Agreement may not be transferred or assigned in whole or in part by a Party without the written consent of the other Parties. Notwithstanding the foregoing, but subject to Section 10.2, nothing herein shall limit the right of NACQ to engage in any reorganization or merger with an Affiliate or Affiliates, or with NARL, which results in NARL continuing to be Controlled by, or under common Control with, NACQ.

10.2 This Agreement shall apply to NACQ and NARL only as long as:

a) NARL is a wholly owned subsidiary of NACQ or Controlled by NACQ; and

b) NACQ is Controlled by SilverRange,

and it shall not apply to the successors and assigns of NACQ and NARL.

11 AMENDMENT

11.1 This document and the schedules attached hereto represent the entirety of this Agreement, subject to any amendments made pursuant to Section 11.2.

11.2 This Agreement may be amended with the written agreement of the Parties.

12 REPRESENTATIONS AND WARRANTIES

12.1 NR represents and warrants to NACQ and NARL, and acknowledges that NACQ and NARL have relied upon such representations and warranties in entering into this Agreement, that:

a) it has all the requisite power and authority to enter into this Agreement and to perform its obligations in accordance with the terms of this Agreement;

b) it has duly executed and delivered this Agreement; and

c) none of the execution, delivery or performance of this Agreement by NR does or, with the giving of notice or the lapse of time or both, will conflict with, result in a breach of, constitute a default under or accelerate or permit the acceleration of the performance required by any agreement to which NR is a party.

12.2 NACQ represents and warrants to NR, and acknowledges that NR has relied upon such representations and warranties in entering into this Agreement, that:

a) it has duly executed and delivered this Agreement;
b) it is a limited liability company duly organized under the laws of Delaware, United States of America, and validly subsisting and in good standing under the laws of Delaware and the Province;

c) it has the requisite power and authority to carry out all aspects of this Agreement;

d) this Agreement, and the agreements, contracts and instruments required by this Agreement, are a valid and binding obligation of NACO and enforceable against NACO in accordance with the terms of this Agreement;

e) the execution and delivery by NACO of this Agreement and the performance by it of its obligations thereunder and the completion by it of the transactions contemplated thereby does not result in the violation of any of the terms and provisions of the constituting documents or by-laws of NACO or, to the best of its knowledge, violate any law or regulation or any municipal by-law or ordinance, or any order or decree of any Court or tribunal to which NACO is subject, and will not conflict with, result in a breach of, constitute a default under or accelerate or permit the acceleration of the performance required by any agreement to which NACO is a party;

f) except as otherwise provided in this Agreement, NACO does not have knowledge of any authorization, consent or approval of, or filing with or notice to, any governmental agency, regulatory body, court or other Person, being required in connection with the execution, delivery, or performance of this Agreement by NACO;

g) to the best of NACO's knowledge, it has carried out its business in relation to the purchase of NARL in compliance in all material respects with all applicable laws, regulations, by-laws or ordinances;

h) except as set out in the Environmental Disclosure document, attached as Schedule "K", NACO:

(i) does not have any notice of any orders or directives of any kind from any municipal, provincial, or federal government, or agency thereof, with respect to the Refinery, including from the federal or provincial departments of environment or labour in relation to environmental occupational, health or safety matters;

(ii) does not have any notice of Legal Proceedings whatsoever outstanding with respect to the Refinery. To the knowledge of NACO there is not presently or anticipated to be outstanding against NARL in relation to the Refinery any judgment, decree, injunction, rule, order or award of any court, governmental department, commission, ward, bureau, agency or arbitrator binding upon NARL that has not been satisfied in full. To the knowledge of NACO there are no open files, notices of violation or outstanding work orders relating to the Refinery from or required by any police, fire department, sanitation, health, workers, safety authorities, or any federal, provincial, municipal authority, or any matters under discussion with any such authority or department relating to open files,
notice of violation of work orders and no material order affecting either NARL or the Refinery has been issued or is expected to be issued by any governmental, ministry, agency, board or authority;

(iii) is not aware of any orders or directions relating to environmental matters requiring any work, repairs, construction or capital expenditures with respect to the Refinery;

(iv) is not aware of any environmental audits, evaluations, assessments, studies or tests relating to the operations of the Refinery;

(v) has disclosed to NR all relevant material information respecting matters relating to this Agreement, including all material information relating to the environmental condition of the Refinery;

m) NACQ shall remain in compliance and shall direct NARL to remain in compliance in all material respects with Environmental Law and all applicable laws, rules, regulations, by-laws, ordinances and standards relating to the Refinery, including but not limited to those related to civil rights, occupational health and safety, Hazardous Substances, zoning laws, and building codes; and

n) NACQ possesses no information or knowledge of facts relating to the Refinery other than as disclosed herein which might reasonably be expected to deter NR from completing the transactions herein contemplated on the terms and conditions of this Agreement.

12.3 NARL represents and warrants to NR, and acknowledges that NR has relied upon such representations and warranties in entering into this Agreement, that:

a) it is a corporation duly incorporated and organized and validly subsisting and in good standing under the laws of the Province;

b) it has all the requisite power and authority to enter into this Agreement;

c) it has duly executed and delivered this Agreement;

d) it has the corporate authority to carry out the transactions contemplated by this Agreement and has the corporate authority to own its property and carry on its business;

e) this Agreement, and the agreements, contracts and instruments required by this Agreement, are a valid and binding obligation of NARL enforceable against NARL in accordance with the terms of this Agreement;

f) the execution and delivery by NARL of this Agreement and the performance by it of its obligations thereunder and the completion by it of the transactions contemplated thereby does not result in the violation of any of the terms and provisions of the constating documents or by-laws of NARL, or, to the best of its knowledge, violate any law or regulation or any municipal by-law or ordinance, or any order or decree of any Court or tribunal to which NARL is subject, or will
conflict with, result in a breach of, constitute a default under or accelerate or permit the acceleration of the performance required by any agreement to which NARL is a party;

g) except as otherwise provided in this Agreement, NARL does not have knowledge of any authorization, consent or approval of, or filing with or notice to, any governmental agency, regulatory body, court or other Person, being required in connection with the execution, delivery, or performance of this Agreement by NARL;

h) to the best of NARL’s knowledge, it has carried out its business in relation to the Refinery in compliance in all material respects with all applicable laws, regulations, by-laws or ordinances;

i) except as set out in the Environmental Disclosure document, attached as Schedule “K”:

(i) no Legal Proceeding, administrative, or other proceeding or, to NARL’s knowledge, no investigation by any municipal, provincial, or federal governmental agency, or agency thereof, is pending or, to NARL’s knowledge, has been threatened by or against NARL which would materially and adversely affect the ability of NARL to consummate this Agreement;

(ii) NARL is not a party to, or, to NARL’s knowledge, is not threatened to be made a party to, any Legal Proceeding;

(iii) to NARL’s knowledge, it is in compliance with Legal Requirements applicable to the Company Business except for those matters that would not be reasonably expected to cause a material adverse effect;

(iv) with respect to the ownership and/or operation of the Refinery, Refinery Assets, and Refinery Lands, there are no existing or, to NARL’s knowledge, threatened, violations, actions, suit, proceedings or hearings resulting from, related to or arising under any Environmental Law or Environmental Permit;

(v) NARL and the Refinery are in compliance with all applicable Environmental Laws except for those matters that would not be reasonably expected to cause a material adverse effect;

(vi) NARL holds all Environmental Permits (including extensions or renewals thereof) normally obtained consistent with good industry practice) required under Environmental Law necessary for the conduct of its business operation of Refinery Assets, and use of Refinery Lands;

(vii) NARL has made all applications necessary to renew any such Environmental Permits in a timely fashion so as to allow it to continue to operate in material compliance with Environmental Law as its business is presently conducted;

(viii) to NARL’s knowledge, it does not expect any new or renewed
Environmental Permit to include any terms or conditions that would reasonably be expected to have a material adverse effect on its business; and

(ix) NARL is in material compliance with the Certificate of Approval, attached hereto as Schedule “J”, and the Environmental Compliance Agreement, attached hereto as Schedule “H”, and is not in violation of the terms of any permits, except for those matters that would not be reasonably expected to cause a material adverse effect.

j) it will remain in compliance in all material respects with Environmental Law and all applicable laws, rules, regulations, by-laws, ordinances and standards relating to the Refinery, including but not limited to those related to civil rights, occupational health and safety, Hazardous Substances, zoning laws, and building codes;

k) it possesses no information or knowledge of facts relating to the Refinery other than as disclosed herein which might reasonably be expected to deter NR from completing the transactions herein contemplated on the terms and conditions of this Agreement; and

l) it holds all licences, permits, certifications and registrations including governmental permits as may be required for the ownership and operation of the Refinery. There are no proceedings pending or to the knowledge of NARL threatened, which may result in the revocation, cancellation, suspension or adverse modification of any such permit, license, certification or registration.

12.4 Notwithstanding any other provisions of this Agreement, Sections 12.2 and 12.3 contain the sole representations and warranties of NACO and NARL with respect to environmental matters.

13 CONFIDENTIALITY

13.1 The Parties acknowledge the requirements and obligations respecting the confidentiality of information which is provided and received solely under this Agreement and agree to maintain the confidentiality of information which is provided and received solely under this Agreement, except as may otherwise be required by law or regulation.

13.2 The Parties agree to consult on measures deemed necessary to maintain the confidentiality of information provided and received solely under this Agreement and shall incorporate such measures as the Parties consider appropriate.

13.3 Notwithstanding Sections 13.1 and 13.2, NR may share information received under this Agreement within the government of Newfoundland and Labrador.

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14 DEFAULT

14.1 The occurrence of one (1) or more of the following events shall be an event of default by NACQ and NARL under this Agreement ("Default"):

a) NARL ceases Refining Operations for a period of one (1) year or more;

b) NARL is no longer wholly owned or Controlled by NACQ or NACQ is no longer Controlled by SilverRange;

c) NARL fails to meet the requirements set out in Section 6.4 and/or 6.5, and the default continues for thirty (30) days after the receipt by NARL of notice thereof from NR;

d) Any representation or warranty made by NARL or NACQ in this Agreement is false or misleading in any material respect;

e) NARL ceases Refining Operations for a period of six (6) months due to an Insolvency Event with respect to NARL or NACQ; and

f) NARL or NACQ is in default or breach of any term, condition or obligation under this Agreement, and, if the default is capable of being cured, it continues for thirty (30) days after the receipt by NACQ or NARL of notice thereof from NR, unless the cure reasonably requires a longer period and NARL and/or NACQ is diligently pursuing the cure, and it is cured within such longer period of time as is agreed by NR.
14.2 Upon the occurrence of a Default under Subsections 14.1(a), (b), or (c), Section 6.9 and the indemnities provided by NR under Part 7 shall be null and void.

14.3 Upon the occurrence of a Default, NR may terminate this Agreement.

14.4 If any representation or warranty made by NR in this Agreement is false or misleading in any material respect, NACQ and/or NARL may terminate this Agreement.

14.5 Notwithstanding Section 5.2, if a Default occurs prior to the completion of an IRP, costs related to the IRP:
   a) which have already been incurred by NR shall be the responsibility of NR; and
   b) which are subsequently incurred shall be the responsibility of NACQ.

14.6 For greater certainty, upon the occurrence of a Default, the Department of Natural Resources shall have no other remedy or claim against NARL or NACQ under this Agreement, except for the voiding of the indemnities provided by NR and the termination of this Agreement, or part thereof.

15 DISPUTE RESOLUTION

15.1 The Parties agree to discuss any dispute that may arise with respect to: (i) the interpretation of any provision of this Agreement; (ii) the performance or non-performance by a Party hereunder; (iii) whether contamination pre-existed the Effective Date; or iv) any other matter which arises in connection with this Agreement, and to negotiate in good faith in an effort to resolve any such dispute without the necessity of any formal proceeding relating thereto, including if agreed the amendment of this Agreement.

15.2 The "Executive Committee" for the purpose of this Part shall be:

a) For NR: Deputy Minister of the Department of Natural Resources, or a representative thereof;

b) for NACQ: Harsh Rameshwar, Partner;

c) for NARL: Jon Ruggles, Director of Refining; and

d) at the request of one or more Parties, the Deputy Minister of the Department of Environment and Conservation, or a representative thereof, for the Minister of Environment and Conservation, as a consulting member;

15.3 In the event that the Parties are unable to reach an agreement under Section 15.1, the Executive Committee will meet for the purpose of endeavouring to resolve such dispute.

15.4 The Executive Committee will meet as often as necessary to gather and furnish to the others all information with respect to the matter in issue which is appropriate and relevant in connection with its resolution. The Executive Committee will discuss the problem and negotiate in good faith in an effort to resolve the dispute without the

August 29th, 2014
necessity of any formal proceeding relating thereto. During the course of such negotiation, all reasonable requests made by one Party to the other for non-privileged information reasonably relating to the Agreement, will be honoured in order that each of the Parties may be fully advised of the other's position. The specific format for such discussions will be left to the discretion of the Executive Committee but may include the preparation of agreed upon statements of fact or written statements of position provided to the other Party.

15.5 If the Executive Committee concludes in good faith that amicable resolution through continued negotiation of the matter in issue does not appear likely, the Parties may initiate mediation as set out in Section 15.6.

15.6 Despite anything contained in this Agreement to the contrary, in the event that a dispute arises with respect to this Agreement that cannot be resolved by negotiation between the Parties, then in such event the Parties agree to use the services of an experienced, qualified mediator to attempt to resolve their dispute and, failing agreement on the procedure to be followed, the mediation shall be conducted in accordance with the National Mediation Rules of the ADR Institute of Canada Inc.

15.7 The cost of mediation shall be borne equally between the Parties, except that each Party shall bear the cost of their own legal counsel and witnesses.

15.8 The Parties agree to choose a mediator jointly within twenty (20) Business Days following the end of negotiations. Should they be unable to agree upon the choice of a mediator pursuant to their decision to submit their dispute to mediation, a mediator shall be chosen by:

ADR Institute of Canada Inc.
Suite 405-234 Eglinton Avenue East
Toronto, Ontario, M4P 1K5
Tel: 416-487-4733 Fax: 416-487-4429 Toll free: 1-877-475-4353
Email: admin@adrcanada.ca

15.9 In the event of the discontinuance of ADR Institute of Canada Inc. or their refusal to act, a Party may immediately apply to the Supreme Court of Newfoundland and Labrador for the appointment of a mediator. Once the mediator has been chosen, the Parties agree to undertake the mediation as soon as possible and to endeavour to execute a mediation agreement within twenty-five (25) Business Days of the appointment of the mediator.

15.10 If the Parties are unable to settle the dispute within ninety (90) Business Days of notice of mediation being given, or any other period agreed upon by the Parties, a Party may notify the other Parties of its intention to request arbitration, in which case such arbitration shall take place in St. John's, Newfoundland and Labrador.

15.11 Subject to the foregoing provisions, the parties agree to proceed to arbitration in accordance with the Arbitration Act, RSNL1990 c A-14.

15.12 The cost of arbitration shall be borne equally between the Parties, except that each Party shall bear the cost of their own legal counsel and witnesses.

August 29th, 2014
16  NOTICES

16.1 Except as otherwise specifically provided for herein, all notices, claims, payments, reports and other communications required under this Agreement shall be in writing. The addresses for service are:

For NR:

Government of Newfoundland and Labrador
Department of Natural Resources
P.O. Box 8700
Confederation Building
St. John's, NL A1B 4J7

Attention: Minister of Natural Resources

For NACQ:

NARL Acquisitions LLC
Suite 1200
1330 Avenue of the Americas
New York, New York 10019
United States of America

Attention: Harsh Rameshwar, Partner

For NARL:

North Atlantic Refining Limited
P.O. Box 40
1 Refinery Road
Come by Chance, NL A0B 1N0

Attention: Jon Ruggles, Director Refining

16.2 Except as otherwise specifically provided for herein, notices, requests or documents shall be deemed to have been received by the addressee as follows:

a) As of the date on which they are delivered where delivery is by personal service;

b) As of the date on which they are sent where delivery is by facsimile or other means of electronic communication; or

c) Six (6) days after delivery to Canada Post Corporation where the postal service is used.

17  GENERAL

17.1 NACQ and NARL acknowledge that nothing contained in this Agreement in any way limits or defines the absolute right of the Province to create or amend environmental

August 29th, 2014
legislation, including regulations, policies or guidance documents, during the term of this Agreement. NACQ and NARL further acknowledge that, should new or amended legislation be promulgated during the term of this Agreement, this Agreement may be amended by mutual consent, in order to give continuing effect to the terms and provisions of this Agreement.

17.2 The Parties shall not be considered in default in performance of its obligations hereunder to the extent that performance of such obligation is delayed, hindered, or prevented by force majeure. Force majeure shall be any cause beyond the control of the parties hereto which they could not reasonably have foreseen and guarded against.

17.3 This Agreement may be executed in any number of counterparts, each of which will be considered an original, and which together will constitute one and the same instrument. This Agreement shall not be effective unless and until both Parties have executed a counterpart. A facsimile signature or an otherwise electronically reproduced signature of either Party shall be deemed to be an original.

17.4 If any provision of this Agreement is determined to be invalid or unenforceable, in whole or in part, such invalidity or unenforceability shall attach only to such provision, and all other provisions hereof shall continue in full force and effect.

17.5 The failure of a Party to this Agreement to require performance of any provision shall not affect that Party's right to require performance at any time thereafter, nor shall a waiver of any breach or default to this Agreement constitute a waiver of any subsequent breach or default or a waiver of the provision itself.

17.6 This Agreement shall be interpreted, performed and enforced in accordance with the laws of the Province of Newfoundland and Labrador and all actions, suits or proceedings arising out of this Agreement shall be determined in a court of competent jurisdiction in Newfoundland and Labrador, subject to any right of appeal.

[remainder of this page intentionally left blank]
IN WITNESS WHEREOF this Agreement has been executed

<table>
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<tr>
<th>HER MAJESTY IN RIGHT OF NEWFOUNDLAND AND LABRADOR</th>
<th>NARL Acquisitions LLC</th>
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<tr>
<td>Minister of Natural Resources</td>
<td>Authorized Signature</td>
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<tr>
<td>(or his/her authorized designate)</td>
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| North Atlantic Refining Limited                      |                         |
| Authorized Signature                                 |                         |
| Date:                                               |                         |

August 29th, 2014
SCHEDULE "K"
ENVIRONMENTAL DISCLOSURE

In relation to Section 12.2(h)(iv), NACO has provided a copy of the environmental assessment conducted by Pilko and Associates in 2013 to NR.
September 3, 2014

Government of Newfoundland and Labrador
Department of Natural Resources
P.O. Box 8700
Confederation Building
St. John’s, NL A1B 4J7

Attention: Minister of Natural Resources

RE: EXECUTION OF NARL PURCHASE AND SALE AGREEMENT

This letter confirms that duly authorized representatives of Harvest Operations Corp. and NARL Acquisitions LLC have executed and delivered that certain Purchase and Sale Agreement dated as of August 1, 2014 (the “PSA”) providing, among other matters, for the purchase and sale of all of the outstanding shares of North Atlantic Refining Limited, a limited liability company duly organized and existing under the Corporations Act, R.S.N.L. 1990, c. C-36 and the laws of the Province of Newfoundland and Labrador (the "Company"), including the Company's petroleum refinery located at Come By Chance, Newfoundland and Labrador. Pursuant to the PSA, the closing date of the transactions contemplated by the PSA will occur on a date not earlier than September 30, 2014 or later than November 30, 2014 unless otherwise agreed by the parties. The parties currently expect the closing to occur on or about October 31, 2014.

Sincerely,

NARL ACQUISITIONS LLC

By: ____________________________

Name: HARSH RAATY SHARMA

Title: PARTNER, SILVER RATION

NARL ACQUISITIONS LLC

1330 Avenue of the Americas, Suite 1200, New York, NY 10019
September 3, 2014

Government of Newfoundland and Labrador
Department of Natural Resources
P.O. Box 8700
Confederation Building
St. John's, NL A1B 4J7

Attention: Minister of Natural Resources

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Sincerely,

HARVEST OPERATIONS CORP.

By: __________________________

Name: JOHN WEARING

Title: CHIEF OPERATING OFFICER
From: Quinton, Diana  
Sent: Thursday, September 04, 2014 04:42 PM  
To: Releases, News  
Cc: Howard, Jacquelyn; Collingwood, Jennifer; Williams, Tina; Thomas, Deborah; Mundon, Tansy; Shea, Erin  
Subject: News release for review: Provincial Government Supports Sale of North Atlantic Refining Limited

I am waiting for final sign-off from Minister, but Charles asked me to send along so you could review.

The timing of the release will coincide with the distribution of the Harvest and SilverRange release around 12:30 p.m. tomorrow. I’ll let you know when to send out.

Thanks for your help,
Diana

Diana Quinton  
Director of Communications  
Natural Resources  
Government of Newfoundland and Labrador  
709-729-5282

Natural Resources  
Environment and Conservation  
September 5, 2014

Sustaining the Economy through Strategic Decisions

Provincial Government Supports Sale of North Atlantic Refining Limited

The Provincial Government today announced its support of an agreement between Harvest Energy and SilverRange Financial Partners LLC for the sale of North Atlantic Refining Limited. This includes the oil
refinery in Come By Chance as well as its North Atlantic-branded marketing, marine, and home heating businesses.

"The successful agreement for the sale of North Atlantic Refining Limited is good news for the people of the province, particularly those who make their living from the oil refinery in Come by Chance as well as retail operations throughout the province. This agreement, along with a solid commitment from the new owner, will support the long-term viability of the operation in Newfoundland and Labrador. On behalf of the Provincial Government, I thank Harvest Energy and the Korea National Oil Corporation for its tenure as owner and for its contribution to the provincial economy. I would also like to welcome SilverRange as the new owner and thank them for their commitment to the North Atlantic Refining Limited, its employees, and the province."
- The Honourable Derrick Dalley, Minister of Natural Resources

To support the transaction of the sale of North Atlantic Refining Limited, the Provincial Government has entered into an agreement with NARL Acquisitions LLC, the acquiring subsidiary of SilverRange, to provide an indemnity for any pre-existing environmental liabilities at the refinery site relating to soil, sediment, groundwater and surface water. This agreement is for a 10-year period and follows the key provisions outlined in the backgrounder below.

As the new owner, SilverRange has committed to investing capital and improving operations at the refinery to support continued operations, employment, and economic benefits in the province. More specifically, SilverRange will be reducing overall sulphur dioxide emissions at the refinery and undertaking a capital investment program at the tank farm.

"The efforts to be undertaken by SilverRange to reduce sulphur dioxide emissions at the refinery and to make a capital investment at the tank farm will support the future environmental performance of the refinery. The Department of Environment and Conservation will ensure the refinery is compliant with targets and schedules."
- The Honourable Vaughn Granter, Minister of Environment and Conservation

The refinery in Come by Chance produces 115,000 barrels per day and has a long history in the province as an important contributor to the Newfoundland and Labrador economy.

"The agreement to purchase the refinery was made possible with the support of the Government of Newfoundland and Labrador and provides a unique opportunity for our company. North Atlantic Refining Limited is strategically located along Atlantic crude oil shipping routes and provides access to petroleum markets in Europe and the U.S. Eastern seaboard. Its clean fuel technology enables the refinery to produce low-sulphur, clean fuels, providing flexibility to refine crudes from many parts of the world. In addition, the marketing business is a unique and attractive stable margin asset. We look forward to becoming a part of the community within Newfoundland and Labrador."
- Harsh Rameshwar, Partner, SilverRange

North Atlantic Refining Limited generates significant benefits for the people of the province including approximately 450 full time and 35 part time direct employment jobs currently at the refinery, in addition to 47 employees in marketing and 114 employees in the Orangestores.

"With the successful purchase of the refinery, the stability of employment and the economy for Come by Chance and the surrounding areas is maintained. We thank the management and unions of Harvest for the effort that went into making this deal happen. We also look forward to working with SilverRange as the new owner."
- Calvin Peach, MHA for Bellevue

The Provincial Government is committed to fostering a business environment to maximize employment and economic benefits for communities within Newfoundland and Labrador.

QUICK FACTS
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Media contacts:
Diana Quinton
Director of Communications
Department of Natural Resources
709-729-5282, 631-8155
dianaquinton@gov.nl.ca

Deborah Thomas
Director of Communications
Department of Environment and Conservation
709-729-2575, 728-8092
DeborahThomas@gov.nl.ca

Donna Ivey
Communications Manager
Government Members Office
709-729-3551
donnaivey@gov.nl.ca

Harsh Rameshwar, Partner
SilverRange Financial Partners LLC:
646-560-1777

BACKGROUNDER

Overview of the Environmental Indemnity Agreement with North Atlantic Refining Limited

The indemnity is an agreement between the Department of Natural Resources and NARL Acquisitions LLC (NACQ) and North Atlantic Refining Limited (NARL). It is for a 10 year period, taking effect on the sale closing date. If the closing date has not occurred by November 30, 2014, the indemnity is null and void.

Key provisions of the environmental indemnity include:

- The Department of Natural Resources agrees to indemnify NACQ and NARL against any pre-existing environmental liabilities and remediation relating to soil, sediment, groundwater and surface water at the refinery site.
- As outlined below, the Environmental Site Assessment report will define the scope of the indemnity.
• The indemnity does not cover refinery assets and operations like processing equipment, storage facilities, inventory, terminals and marine facilities.

• The indemnity does not cover liabilities that may take place after the sale closing date. NACQ and NARL shall be responsible for any clean up, containment and remediation that is not identified in the approved Environmental Site Assessment.

• NARL is required to hire a site professional, to be approved by the Department of Natural Resources, to complete an Environmental Site Assessment within 12 months of the execution of the agreement.

• The Environmental Site Assessment will be done in accordance with the Department of Environment and Conservation's Guidance Document for the Management of Impacted Sites.

• The initial Environmental Site Assessment phase is to be completed by January 31, 2015 and the next phase is to be completed prior to June 30, 2015 to determine existing and potential liabilities as well as a preliminary collection and analysis of samples.

• The final Environmental Site Assessment will include further sampling/analysis to delineate the extent of impacts, and to undertake a remediation plan with cost estimates and description of work required.

• The scope of the Environmental Site Assessment and the final report must be approved by the Department of Natural Resources.

• NARL will be provided with guidance for a future application to the Department of Environment and Conservation to amend the Compliance Agreement Tank Schedule. It shall include a plan for tank farm inspection, repair, alteration, and reconstruction and to improve overall safety.

• NARL is required to reduce annual refinery sulphur dioxide emissions from the current allowed maximum of 17,000 tonnes to 11,390 tonnes (a 33 per cent reduction) for two years, starting six months after acquisition. Following this period, or if NARL's refining capacity exceeds 120,000 barrels per day, NARL shall enter into a new or amended Compliance Agreement which is expected to include subsequent sulphur dioxide emissions targets.

• The indemnity is not transferable and would no longer apply if NARL and NACQ are in default of terms of the agreement. At the end of the 10-year term of the agreement or upon default, all pre-existing refinery environmental liabilities will be the responsibility of NARL.
Sustaining the Economy through Strategic Decisions

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- Harsh Rameshwar, Partner, SilverRange

North Atlantic Refining Limited generates significant benefits for the people of the province including approximately 450 full time and 35 part time direct employment jobs currently at the refinery, in addition to 47 employees in marketing and 114 employees in the Orange stores.

“With the successful purchase of the refinery, the stability of employment and the economy for Come by Chance and the surrounding areas is maintained. We thank the management and unions of Harvest for the effort that went into making this deal happen. We also look forward to working with SilverRange as the new owner.”
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Department of Natural Resources
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Government Members Office
709-729-3551
donnaivey@gov.nl.ca

Deborah Thomas
Director of Communications
Department of Environment and Conservation
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Key provisions of the environmental indemnity include:

- The Department of Natural Resources agrees to indemnify NACQ and NARL against any pre-existing environmental liabilities and remediation relating to soil, sediment, groundwater and surface water at the refinery site.

- As outlined below, the Environmental Site Assessment report will define the scope of the indemnity.

- The indemnity does not cover refinery assets and operations like processing equipment, storage facilities, inventory, terminals and marine facilities.
• The indemnity does not cover liabilities that may take place after the sale closing date. NACQ and NARL shall be responsible for any clean up, containment and remediation that is not identified in the approved Environmental Site Assessment.

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• The indemnity is not transferable and would no longer apply if NARL and NACQ are in default of terms of the agreement. At the end of the 10-year term of the agreement or upon default, all pre-existing refinery environmental liabilities will be the responsibility of NARL.
Sent from my BlackBerry 10 smartphone on the Bell network.

From: Quinton, Diana <DianaQuinton@gov.nl.ca>
Sent: Friday, September 5, 2014 12:37 PM
To: Dalley, Derrick; Bown, Charles W.; English, Tracy; Carter, Paul; Andrews, Wayne; Parsons, Paul O; Smith, Alex O.; McConnell, Meaghan
Cc: Froude, Ian; Williams, Tina
Subject: FW: Harvest Operations Announces Sale of Newfoundland Refinery

FYI

From: Laura Desbarats [mailto:Laura.Desbarats@harvestenergy.ca] On Behalf Of Investor Relations
Sent: Friday, September 05, 2014 12:31 PM
Subject: Harvest Operations Announces Sale of Newfoundland Refinery

Good morning,

Today Harvest Operations announced the sale of the Newfoundland Refinery. The press release is attached for your information.

For further information, please contact:

Harvest Operations Corp.
INVESTOR & MEDIA CONTACTS:
Kim Urban
Vice-President, Acquisitions & Divestitures and Joint Ventures
403-231-5216
Toll Free Investor Mailbox: (866) 666-1178
information@harvestenergy.ca

SilverRange Financial Partners LLC:
Harsh Rameshwar, Partner
646-560-1777
HARVEST OPERATIONS ANNOUNCES SALE OF NEWFOUNDLAND REFINERY AND RELATED MARKETING AND RETAIL OPERATIONS

Calgary, Alberta – September 5, 2014 – Harvest Operations Corp. (Harvest) announced today it has reached an agreement to sell its 100 percent ownership in North Atlantic Refining Limited (NARL) to SilverRange Financial Partners LLC (SilverRange) of New York, New York. The sale includes NARL’s Canadian refining and marketing businesses in Newfoundland. The refining business is comprised of a 115,000 barrel-per-day crude oil refinery in Come By Chance, Nfld. while the marketing business includes gas stations and other assets that sell petroleum products to local markets. Terms of the sale were not disclosed.

“We are very pleased to announce the sale of NARL, our Newfoundland-based subsidiary. Given Harvest’s focus on investment in Canada’s upstream business, we remain committed to maintaining and growing our operations in Western Canada,” said Mr. John Wearing, Harvest’s Chief Operating Officer. “At the same time, the Come By Chance refinery will remain an integral part of the local economy in Newfoundland and an important component of the energy supply chain on the Atlantic seaboard.”

As part of the transaction, SilverRange will purchase inventories of crude oil and refined products as well as NARL’s North Atlantic-branded marketing, marine and home heating businesses. The sale includes 53 North Atlantic and Home Town branded gasoline stations, as well as convenience stores, including 14 Orangestore branded locations.

“This agreement provides a unique opportunity for SilverRange. NARL is strategically located along Atlantic crude oil shipping routes and provides access to petroleum markets in Europe and the U.S. Eastern seaboard. Its clean fuel technology enables the refinery to produce low-sulphur, clean fuels, providing flexibility to refine crudes from many parts of the world. In addition, the marketing business is a unique and attractive stable margin asset,” said Harsh Rameshwar of SilverRange. “We look forward to becoming a part of the Newfoundland community.”

Separately, SilverRange has entered into a multi-year feedstock supply and product off-take arrangement with a global oil firm, and debt and inventory finance arrangements with major financial institutions.

The Government of Newfoundland and Labrador worked closely with all parties to ensure current employment and economic benefits contributed by North Atlantic Refining Limited will be maintained. Government supported this agreement by providing assurances that SilverRange’s acquiring entity will not be responsible for any pre-existing environmental liabilities at the refinery site relating to soil, sediment, groundwater and surface water. The site undergoes regular environmental monitoring by the Provincial Government. SilverRange has committed to investing capital and improving operations at the refinery to support continued operations, employment, and economic benefits in the province. More specifically, SilverRange will be reducing overall sulphur dioxide emissions at the refinery and undertaking a capital investment program at the tank farm.

“The successful agreement for the sale of North Atlantic Refining Limited is good news for the people of the province, particularly those who make their living from the oil refinery in Come by Chance as well as the other operations throughout the province,” said the Honourable Derrick Dalley, Minister of Natural

373
Resources, Government of Newfoundland and Labrador. “This agreement, along with a solid commitment from the new owner, will support the long-term viability of the operation in Newfoundland and Labrador. On behalf of the Provincial Government, I thank Harvest and the Korea National Oil Corporation for its tenure as owner and for its contribution to the provincial economy. I would also like to welcome SilverRange as the new owner and thank them for their commitment to North Atlantic Refining Limited, its employees, and the province.”

The NARL transaction is subject to satisfaction of normal closing conditions, as well as regulatory approvals, and is expected to close in the fourth quarter of 2014.

About Harvest
Harvest, a wholly-owned subsidiary of Korea National Oil Corporation, is a significant operator in Canada's energy industry. Harvest holds conventional oil and gas assets as well as oil sands assets in Western Canada. Our upstream oil and gas production is weighted approximately 64% to crude oil and liquids and 36% to natural gas.

KNOC is a state-owned oil and gas company engaged in the exploration and production of oil and gas along with storing petroleum resources. For more information on KNOC, please visit its website at www.knoc.co.kr/ENG/main.jsp.

About SilverRange
SilverRange is an energy and commodities focused Merchant Bank in New York. The principals at SilverRange have a strong track record in building commodities businesses at leading Wall Street firms. The principals include Neal Shear, who was head of the commodities franchise at Morgan Stanley, and Kaushik Amin, who started the commodities franchise at Lehman Brothers and was the CEO of RBS Sempra Commodities.

FOR FURTHER INFORMATION PLEASE CONTACT:

Harvest Operations Corp.
INVESTOR & MEDIA CONTACTS:
Kim Urban
Vice-President, Acquisitions & Divestitures and Joint Ventures
403-231-5216
Toll Free Investor Mailbox: (866) 666-1178
information@harvestenergy.ca

SilverRange Financial Partners LLC:
Harsh Rameshwar, Partner
646-560-1777
Sustaining the Economy Through Strategic Decisions

Provincial Government Supports Sale of North Atlantic Refining Limited

The Provincial Government today announced its support of an agreement between Harvest Operations Corp. and SilverRange Financial Partners LLC for the sale of North Atlantic Refining Limited. This includes the oil refinery in Come By Chance as well as its North Atlantic-branded marketing, marine, and home heating businesses.

“The successful agreement for the sale of North Atlantic Refining Limited is good news for the people of the province, particularly those who make their living from the oil refinery in Come By Chance as well as the other operations throughout the province. This agreement, along with a solid commitment from the new owner, will support the long-term viability of the operation in Newfoundland and Labrador. On behalf of the Provincial Government, I thank Harvest Energy and the Korea National Oil Corporation for its tenure as owner and for its contribution to the provincial economy. I would also like to welcome SilverRange as the new owner and thank them for their commitment to North Atlantic Refining Limited, its employees, and the province.”
- The Honourable Derrick Dalley, Minister of Natural Resources

SilverRange has committed to investing capital and improving operations at the refinery to support continued operations, employment, and economic benefits in the province. More specifically, SilverRange will be reducing overall sulphur dioxide emissions at the refinery and undertaking a capital investment program at the tank farm.

The Provincial Government worked closely with all parties to ensure current employment and economic benefits contributed by North Atlantic Refining Limited will be maintained. Government supported this agreement by providing assurances that SilverRange’s acquiring entity will not be responsible for any pre-existing environmental liabilities at the refinery site relating to soil, sediment, groundwater and surface water. The site undergoes regular environmental monitoring by the Provincial Government.

“The efforts to be undertaken by SilverRange to reduce sulphur dioxide emissions at the refinery and to make a capital investment at the tank farm will support the future environmental performance of the refinery. The Department of Environment and Conservation will ensure the refinery is compliant with targets and schedules.”
- The Honourable Vaughn Granter, Minister of Environment and Conservation
The refinery in Come By Chance produces 115,000 barrels per day and has a long history in the province as an important contributor to the Newfoundland and Labrador economy.

"The agreement to purchase the refinery was made possible with the support of the Government of Newfoundland and Labrador and provides a unique opportunity for our company. North Atlantic Refining Limited is strategically located along Atlantic crude oil shipping routes and provides access to petroleum markets in Europe and the U.S. Eastern seaboard. The refinery produces low-sulphur, clean fuels, with flexibility to refine crudes from many parts of the world. In addition, the marketing business is a unique and attractive stable margin asset. We look forward to becoming a part of the community within Newfoundland and Labrador."
- Harsh Rameshwar, Partner, SilverRange

North Atlantic Refining Limited generates significant benefits for the people of the province including approximately 450 full time and 35 part time direct employment jobs currently at the refinery, in addition to 47 employees in marketing and 114 employees in the Orangestores.

"With the successful purchase of the refinery, the stability of employment and the economy for Come By Chance and the surrounding areas is maintained. We thank the management at Harvest and the union for the effort that went into making this deal happen. We also look forward to working with SilverRange as the new owner."
- Calvin Peach, MHA for Bellevue

The Provincial Government is committed to fostering a business environment to maximize employment and economic benefits for communities within Newfoundland and Labrador.

QUICK FACTS
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Media contacts:
Diana Quinton
Deborah Thomas
Director of Communications  
Department of Natural Resources  
709-729-5282, 631-8155  
dianaquinton@gov.nl.ca

Donna Ivey  
Communications Manager  
Government Members Office  
709-729-3551  
donnaivey@gov.nl.ca

2014 09 05

12:45 p.m.

Director of Communications  
Department of Environment and Conservation  
709-729-2575, 728-8092  
DeborahThomas@gov.nl.ca

Harsh Rameshwar, Partner  
SilverRange Financial Partners LLC:  
646-560-1777
From: Releases, News  
Sent: Monday, September 08, 2014 9:17 AM  
To: Releases, News  
Subject: NLIS - News Release Headlines for September 5

September 5, 2014 – Headlines
Communications Branch

NLIS 1 - Education
School District Issues Request for Proposals for Transportation Software

NLIS 2 - Justice
Fish and Wildlife Enforcement Officers Continue to Enforce Regulations

NLIS 3 - Natural Resources
Environment and Conservation
Provincial Government Supports Sale of North Atlantic Refining Limited

NLIS 4 - Executive Council
Media Advisory: Premier to Participate in Naming of Building Housing Corner Brook Law Courts, September 8

NLIS 5 - Municipal and Intergovernmental Affairs
$2.2 Million investment Strengthens Municipal Infrastructure in District of Carbonear - Harbour Grace

NLIS 6 - Executive Council
Premier Marshall Announces New Cabinet Appointments

NLIS 7 - Fisheries and Aquaculture
Media Advisory: Minister to Address Annual Wooden Boat Conference, Petty Harbour-Maddox Cove, September 8

NLIS 8 - Child, Youth and Family Services
Provincial Government Remains Committed to Working with the Office of the Child and Youth Advocate

NLIS 9 - Tourism, Culture and Recreation
Media Advisory: Minister to Attend Tourism and Culture Ministers’ Meetings, Charlottetown, September 8-10

NLIS 10 - Executive Council
Public Advisory: Open Government Initiative Public Engagement Sessions to Begin Monday in Glovertown