

## CONNECTED TRANSACTIONS

### EXEMPT CONTINUING CONNECTED TRANSACTIONS

The following transaction will, upon Listing, constitute a continuing connected transaction which is exempt from the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

#### **Credit Facility between our Company and Orient International Resources Group Limited**

On 18 October 2011, we entered into a two-year credit facility commencing on the date of the first drawdown with Orient International Resources Group Limited, in the principal amount of C\$100 million, for general corporate purposes. The facility is unsecured and may be subordinated if another lender requires the facility to be subordinated, with no penalty chargeable upon early repayment or cancellation of the facility. The facility is interest-free until 31 May 2012, and commencing on 1 June 2012 an annual interest rate charged at 5% per annum on the outstanding principal will be payable on a semi-annual basis to Orient International Resources Group Limited. The annual interest rate was determined by commercial negotiations between Orient International Resources Group Limited and our Company. We understand that current market rates for oil sands companies in the developmental stages is approximately 400 basis points plus bankers acceptance (1.2% as of 25 October 2011) equating to an interest rate of 5.25%. As at the Latest Practicable Date, we had drawn down C\$30 million of the Orient Credit Facility.

The facility constitutes financial assistance provided by Orient International Resources Group Limited for our benefit, is on normal commercial terms and does not involve the granting of any security over our assets. Accordingly, the facility constitutes a continuing connected transaction exempt from the reporting, announcement and independent shareholders' approval requirements pursuant to Rule 14A.65(4) of the Listing Rules.

As at the Latest Practicable Date, Orient International Resources Group Limited is the largest shareholder of our Company. For further information on Orient International Resources Group Limited, please refer to the section entitled "Corporate Structure and History — Our Substantial Shareholders — Orient International Resources Group Limited" in the Prospectus.

### FINANCIAL INDEPENDENCE

We are able to operate financially independent of Orient International Resources Group Limited. As at the Latest Practicable Date, we had no outstanding bank loans. We have entered into a two-year credit facility with Orient International Resources Group Limited, in the principal amount of C\$100.0 million, for general corporate purposes. We expect to draw on the facility as required in 2012 and as at the Latest Practicable Date, we had drawn down C\$30 million of the Orient Credit Facility. As at 30 September 2011, we had cash and cash equivalents of C\$122.6 million. In addition, we had, as at 30 September 2011, raised approximately C\$451.0 million in equity proceeds since our incorporation, including from other prominent investors such as China Life Insurance (Overseas) Company Limited and Bank of China Group Investment Limited (through Charter Globe Limited), who each held approximately 7.60% and 10.85% of our issued Shares, respectively as at the Latest Practicable Date. We were able to, and believe that we are able to continue to, secure bank loans from banks and other financial institutions without any support from Orient International Resources Group Limited.

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We have a track record of successfully raising funds over the course of our start-up phase. In 2008, we negotiated a syndicated credit facility with a commitment amount of C\$35.0 million from four Canadian banks. The credit arrangement matured on 8 July 2009, but was subsequently extended to 9 March 2010. It was repaid in full prior to 9 March 2010. Our business and financial profile has strengthened since our financing in 2008. The additional asset backing from exploration and evaluation assets and cash inflows generated from our conventional heavy oil production has further improved the credit worthiness and the borrowing capacity of our Company. Furthermore, we are currently in discussions with the Bank of China in relation to a possible credit facility in the amount of US\$200 million pursuant to a non-binding letter of intent dated 3 February 2012. The Directors believe that, based on our previous financing history and our improved profile, we are well placed to finance our business operations from the capital markets and third party institutions as and when such financing is in our best interests, and that we are financially independent.