

## **EARLY WARNING REPORT**

### **PURSUANT TO PART 4 OF NATIONAL INSTRUMENT 62-103 – *The Early Warning System and Related Take-Over bid and Insider Reporting Issues***

**1. Name and address of offeror:**

HCG5 Investment Limited Partnership (the “**Offeror**”)  
2578 - 550 Burrard Street  
Vancouver, B.C.  
V7X 1A6

**2. Designation and number or principal amount of securities and the offeror’s securityholding percentage in the class of securities of which the offeror acquired ownership or control in the transaction or occurrence giving rise to the obligation to file the news release, and whether it was ownership or control that was acquired in those circumstances:**

On April 14, 2016, pursuant to a private placement (the “**Private Placement**”), the Offeror directly acquired ownership of 2,000,000 common shares (each a “**Share**”) of Echelon Petroleum Corp. (the “**Issuer**”). The Offeror previously held no securities of the Issuer; therefore this transaction results in the total shareholdings of the Offeror being approximately 17.34% of the issued and outstanding Shares of the Issuer.

**3. Designation and number, or principal amount of, securities and the offeror’s securityholding percentage in the class of securities immediately after the transaction or occurrence giving rise to the obligation to file the news release:**

As a result of the forgoing acquisition, the Offeror has ownership or control over a total of 2,000,000 Shares, representing approximately 17.34% of the issued and outstanding Shares of the Issuer.

**4. The designation and number or principal amount of securities and the percentage of outstanding securities of the class of securities referred to in paragraph 3 over which:**

**(a) the offeror, either alone or together with any joint actors, has ownership and control:**

The Offeror has sole ownership and control over 2,000,000 Shares, representing approximately 17.34% of the issued and outstanding Shares of the Issuer.

- (b) **the offeror, either alone or together with any joint actors, has ownership but control is held by other persons or companies other than the offeror or any joint actor:**

Not applicable.

- (c) **the offeror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership:**

Not applicable.

5. **The name of the market in which the transaction or occurrence that gave rise to the news release took place:**

The securities were acquired pursuant to the Private Placement for which the Issuer received TSX Venture Exchange approval and not through any market.

6. **The value, in Canadian dollars, of any consideration offered per security if the offeror acquired ownership of a security in the transaction or occurrence giving rise to the obligation to file a news release:**

The Shares were acquired by the Offeror pursuant to the Private Placement, for aggregate consideration of \$120,000.

7. **The purpose of the offeror and any joint actors in effecting the transaction or occurrence that give rise to the news release, including any future intention to acquire ownership of, or control over, additional securities of the reporting issuer:**

The securities acquired will be held for investment purposes. The Offeror may, depending on market and other conditions, increase or decrease its beneficial ownership of the Issuer's securities, whether in the open market, by privately negotiated agreements or otherwise, subject to a number of factors, including general market conditions and other available investment and business opportunities.

8. **The general nature and the material terms of any agreement, other than lending arrangements, with respect to securities of the reporting issuer entered into by the offeror, or any joint actor, and the issuer of the securities or any other entity in connection with the transaction or occurrence giving rise to the news release, including agreements with respect to the acquisition, holding, disposition or voting of any of the securities:**

Not applicable.

9. **The names of any joint actors in connection with the disclosure required by this report:**

Not applicable.

- 10. In the case of a transaction or occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, the nature and value of the consideration paid by the offeror:**

The Shares were acquired by the Offeror pursuant to a private placement by the Issuer, in consideration of \$0.06 per Share, for an aggregate of \$120,000.

- 11. If applicable, a description of any change in any material fact set out in a previous report by the entity under the early warning requirements or Part 4 in respect of the reporting issuer's securities:**

Not applicable.

- 12. If applicable, a description of the exemption from securities legislation being relied on by the offeror and the facts supporting that reliance:**

The Shares were issued in reliance on the Section 2.3 exemption from the prospectus requirements of applicable securities laws pursuant to National Instrument 45-106 - *Prospectus Exemptions*.

DATED this 15<sup>th</sup> day of April, 2016.

**HCG5 Investment Limited Partnership  
by its General Partner HCG3 Investment GP Ltd.**

"Jean-Marc Bougie"

**JEAN-MARC BOUGIE**

**Director**