

ADMINISTRATION SERVICES AGREEMENT

between

EXITO ENERGY II INC.

-and-

CAPITALIZE CONSULTING CORP.

Dated as of March 28, 2013

THIS ADMINISTRATION SERVICES AGREEMENT is dated as of March 28, 2013.

BETWEEN:

EXITO ENERGY II INC., a corporation created pursuant
to the laws of Alberta (the "**Corporation**")

- and -

CAPITALIZE CONSULTING CORP., a corporation created pursuant
to the laws of Alberta (the "**Administrator**")

WHEREAS the Corporation wishes to retain the Administrator to provide certain administrative and support services;

AND WHEREAS the Administrator is willing to render such administrative and support services on the terms and conditions hereinafter set forth;

NOW THEREFORE in consideration of the premises and the mutual covenants and agreements herein contained, the sufficiency of which is hereby acknowledged by each of the parties to this Agreement, the parties agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement, unless the context otherwise requires:

"**Administrator**" means Capitalize Consulting Corp.;

"**affiliate**" or "**associate**" when used to indicate a relationship with a person, has the same meaning as set forth in National Instrument 45-106 *Prospectus and Registration Exemptions*;

"**applicable law**" means any applicable law, including any statute, regulation, by-law, treaty, guideline, directive, rule, standard, requirement, policy, order, judgement, decision, injunction, award, decree or resolution of any governmental authority, whether or not having the force of law;

"**Business Day**" means a day, other than a Saturday, Sunday or statutory holiday, when banks are generally open in Calgary, Alberta, for the transaction of banking business;

"**Directors**" means the Directors of the Corporation;

"**Expenses**" means all reasonable out-of-pocket expenses incurred by the Administrator in connection with carrying out its duties and obligations hereunder;

"**governmental authority**" includes any court (including a court of equity); any multinational, federal, provincial, state, regional, municipal or other government or governmental department, ministry, commission, board, bureau, agency or instrumentality; any securities commission, stock exchange or

other regulatory or self regulatory body; any arbitrator or arbitration authority; or any other governmental authority;

"**Insolvent**" means, in relation to any person, being insolvent, bankrupt, making a proposal under the *Bankruptcy and Insolvency Act* (Canada) or having a trustee or receiver or manager appointed in respect of its assets;

"**person**" includes any individual, body corporate, partnership, trust, association, joint venture, other organization or entity (whether or not a legal entity) or governmental authority;

"**Tax Act**" means the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.) as amended from time to time, including the Income Tax Regulations from time to time promulgated thereunder; and

"**Term**" has the meaning ascribed thereto in Section 7.1.

1.2 Interpretation Not Affected by Headings, etc.

The division of this Agreement into sections and other portions, the provisions of a table of contents and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof. Unless otherwise indicated, all references in this Agreement to an "**Article**" or a

"**Section**" followed by a number and/or a letter refer to the specified article or section of this Agreement. Unless otherwise indicated, the terms "**this Agreement**", "**hereof**", "**herein**", "**hereunder**" and "**hereby**" and similar expressions refer to this Administration Agreement, as from time to time amended, supplemented or restated, and not to any particular article, section, schedule or other portion hereof.

1.3 Currency

Unless otherwise indicated, all sums of money referred to in this Agreement are expressed in lawful money of Canada.

1.4 Number, etc.

Unless the context otherwise requires, words importing the singular shall include the plural and vice versa and words importing any gender shall include all genders.

1.5 Date for Any Action

In the event that any date on which any action is required to be taken hereunder by any of the parties hereto is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

1.6 Entire Agreement

This Agreement and the agreements and other documents referred to herein constitute the entire agreement between the parties with respect to the transactions contemplated hereby and supersede all other prior agreements, understandings, negotiations and discussions, whether oral or written, between the parties with respect thereto.

1.7 Accounting Principles

Wherever in this Agreement reference is made to generally accepted accounting principles, such reference shall be deemed to be a reference to consistently applied accounting principles generally accepted in Canada, including those set forth in the CICA Handbook as published from time to time by the Canadian Institute of Chartered Accountants, or any successor institute, applicable as at the date on which such accounting principles are to be applied.

1.8 Construction

In this Agreement, unless otherwise indicated:

- (a) the words "**include**", "**including**" or "**in particular**", when following any general term or statement, shall not be construed as limiting the general term or statement to the specific items or matters set forth or to similar items or matters, but rather as permitting the general term or statement to refer to all other items or matters that could reasonably fall within the broadest possible scope of the general term or statement;
- (b) a reference to a statute means that statute, as amended and in effect as of the date of this Agreement, and includes each and every regulation and rule made thereunder and in effect as of the date hereof;
- (c) where a word, term or phrase is defined, its derivatives or other grammatical forms have a corresponding meaning;
- (d) time is of the essence; and
- (e) references to a "**party**" or "**parties**" are references to a party or the parties to this Agreement.

ARTICLE 2 SERVICES

2.1 Administrative and Support Services

The Corporation hereby delegates to the Administrator, and the Administrator hereby agrees to be responsible for, the management and general administration of the affairs of the Corporation, including, specifically, the following:

- (a) the provision of office space, telephone, office equipment, facilities, supplies and executive, secretarial and clerical services; and
- (b) general book keeping and record keeping for the Corporation.

2.2 Termination or Suspension of Particular Services

The Corporation may at any time terminate this Agreement or suspend the provision of any particular service to be provided to it under this Agreement by the Administrator upon giving seven days written notice to the Administrator.

2.3 Covenants of the Administrator

The Administrator covenants and agrees that in the performance of its services under this Agreement it shall:

- (a) perform all such services at all times in compliance with applicable laws;
- (b) comply with all instructions of the Directors in relation to the performance of its services hereunder; and
- (c) observe and perform or cause to be observed and performed on behalf of the Corporation in every material respect the provisions of the agreements from time to time entered into in connection with the activities of the Corporation.

ARTICLE 3 MATTERS PERTAINING TO PERFORMANCE OF SERVICES

3.1 Standard of Care and Delegation

- (a) In exercising its powers and discharging its duties under this Agreement, the Administrator shall exercise the powers and discharge the duties conferred hereunder honestly, in good faith and in the best interests of the Corporation and in connection therewith shall exercise that degree of care, diligence and skill that a reasonably prudent trustee in Canada having responsibilities of a similar nature would exercise in comparable circumstances.
- (b) Subject to the prior consent of the Directors of the delegation of any material obligations, which approval will not be unreasonably withheld, the Administrator may delegate specific aspects of its obligations hereunder to any other person, provided that such delegation shall not relieve the Administrator of any of its obligations under this Agreement.
- (c) Notwithstanding Subsection 3.1(b), the Administrator shall not in any manner, directly or indirectly, be liable or held to account for the activities or inactivity of any person to which any such obligations may have been delegated, provided that in making such specific delegation, the Administrator acted in accordance with this Section 3.1. Where possible, the Administrator will structure any delegation in a manner that will permit the Directors on behalf of the Corporation to bring an action directly against the delegatee.

3.2 Reliance

In carrying out its duties hereunder, the Administrator and its delegates shall be entitled to rely on:

- (a) statements of fact of other persons (any of which may be persons with whom the Administrator is affiliated or associated) who are considered by the Administrator, acting reasonably, to be knowledgeable of such facts; and
- (b) statements, the opinion or advice of or information from any solicitor, auditor, valuer, engineer, surveyor, appraiser or other expert selected by the Administrator, provided that the Administrator exercised reasonable care and diligence in selecting such person to

provide such statements, opinion, advice or information; and may employ such experts as may be necessary to the proper discharge of its duties.

The Administrator may rely, and shall be protected in acting, upon any instrument or other documents believed by it to be genuine and in force.

ARTICLE 4 INDEMNIFICATION

4.1 Indemnification of the Administrator

The Administrator and any person who is serving or shall have served as a director, officer, employee or agent of the Administrator (the "**Administrator Indemnitees**") shall be indemnified and saved harmless by the Corporation (in each case in relation to services provided in respect of or for the benefit of such party) from and against all losses, claims, damages, liabilities, obligations, costs and expenses (including judgements, fines, penalties, amounts paid in settlement and counsel and accountants' fees) of whatsoever kind or nature incurred by, borne by or asserted against any of such indemnified parties in any way arising from or related in any manner to this Agreement or the provision of services hereunder, unless such indemnified party is found liable for or guilty of fraud, wilful default or gross negligence. The foregoing right of indemnification shall not be exclusive of any other rights to which the Administrator Indemnitees, or any of them, may be entitled as a matter of law or equity or which may be lawfully granted to such person.

ARTICLE 5 EXPENSES AND MONTHLY FEE

5.1 Expenses and Administration Fee

The Administrator shall be reimbursed by the Corporation, without duplication, for such of the Expenses incurred by the Administrator in carrying out its obligations and duties under this Agreement as are, in the opinion of the Administrator acting reasonably, reasonably allocable thereto, by the payment of a fee in the amount of \$1,500 per month (the "**Administration Fee**"). The Administrator shall calculate the Expenses and allocation thereof, and the Administration Fee for each month and by the 15th day of the month following the end of such month the Administrator shall invoice the Corporation in respect of the Expenses and Administration Fee by setting out the details of the services provided by the Administrator and the Expenses, Administration Fee and GST incurred by the Administrator in connection therewith. Such amounts shall be payable by the Corporation not later than 30 days after such month.

Notwithstanding the foregoing, the Corporation shall have the right from time to time on written notice to the Administrator to assign the obligation to reimburse the Administrator, whereupon the assignee shall be responsible for such reimbursements until further notice and shall be invoiced for such.

5.2 Payment of G.S.T.

Unless otherwise provided in this Agreement, all amounts payable to the Administrator pursuant to this Agreement shall be exclusive of any goods and services tax required to be paid thereon pursuant to the *Excise Tax Act* (Canada) or otherwise (collectively, the "**G.S.T.**") and the Administrator shall be paid, in addition to such amounts, all amounts of G.S.T. collectible by the Administrator with respect thereto and such amounts shall be included by the Administrator in the invoices described in Section 5.1 hereto.

5.3 Failure to Pay When Due

Any amount payable to the Administrator hereunder and which is not remitted to the Administrator when so due shall remain due (whether on demand or otherwise) and interest will accrue on such overdue amounts (both before and after judgement), at a rate per annum equal to the prime rate charged by the Corporation's principal banker plus one percent per annum from the date payment is due until the date payment is made.

ARTICLE 6 FINANCIAL STATEMENTS AND RECORDS

6.1 Books and Records

The Administrator shall delegate and monitor preparation of proper books, records and accounts in which full, true and correct entries in conformity with generally accepted accounting principles and all requirements of applicable laws will be made of all dealings and transactions in relation to the activities of the Corporation and the performance by the Administrator of the services under this Agreement at the Administrator's head office in Alberta.

6.2 Examination of Records

The Administrator shall make available to the Directors and their authorized representatives at any time during normal business hours on a Business Day all records, documents or information related to the activities of the Corporation wherever maintained. The Administrator shall permit the Directors and their authorized representatives at any time during normal business hours on a Business Day to examine the books, records, drawings, computer-stored data, correspondence, accounting procedures and practices, cost analyses and any other supporting financial data, including invoices, payments or claims and receipts pertaining to the activities of the Corporation maintained by the Administrator at its head office. Any examination at the Administrator's head office shall be conducted in a manner which will not unduly interfere with the conduct of the Administrator's business in the ordinary course. The Administrator shall furnish to the Directors or their authorized representatives such financial and operating data and other information with respect to the activities of the Corporation as they shall from time to time reasonably request.

6.3 Provision of Information

The Corporation shall:

- (a) grant access or cause access to be granted to the Administrator to the information necessary in order for the Administrator to perform its obligations, covenants and responsibilities pursuant to the terms hereof; and
- (b) provide, or cause to be provided, all information as may be reasonably requested by the Administrator, and promptly notify the Administrator of any material facts or information of which it is aware, in relation to and which may affect the performance of the obligations, covenants or responsibilities of the Administrator pursuant to this Agreement, including any known material facts or material changes in the business, operations or capital of the Corporation (as the case may be), or any known pending or threatened suits, actions, claims, proceedings or orders by or against the Corporation or any of its affiliates before any court or administrative tribunal.

ARTICLE 7
TERM AND TERMINATION

7.1 Term

Subject to Section 2.2, this Agreement shall become effective as of the date hereof and shall have an initial term of two years, subject to earlier termination in the circumstances described in this Article 7.

7.2 Survival

Any obligation of the parties pursuant to the terms hereof which accrued prior to the termination of this Agreement and was intended to continue after the termination of this Agreement shall survive the termination of this Agreement.

7.3 Events of Default

A party shall be in default ("**Default**") under this Agreement on:

- (a) such party breaching or failing to observe or perform any of its material obligations under this Agreement and, within 30 days after its receipt of a notice from the other party specifying the nature of such breach or failure, such party failing to cure such breach or failure or failing to provide satisfactory evidence that such breach or failure will be cured or remedied within a reasonable period of time or after providing such satisfactory evidence thereafter failing to diligently pursue such cure or remedy; and
- (b) (i) becoming Insolvent; (ii) being subject to any proceeding, voluntary or involuntary, with a view to postponing or rescheduling its debts generally or of distributing its assets among its creditors under the provisions of the *Bankruptcy and Insolvency Act* (Canada), the *Companies Creditors' Arrangement Act* (Canada), or any other applicable laws for the benefit of creditors ; (iii) being liquidated; (iv) being wound up either voluntarily or under an order of a court of competent jurisdiction; (v) making a general assignment for the benefit of its creditors; or (vi) otherwise taking any action that acknowledges that it is Insolvent.

7.4 Remedies of the Administrator

Upon the occurrence of an event of Default by the Corporation that has not been remedied, the Administrator may, without recourse to legal process and without limiting any other rights or remedies which it may have at law or otherwise, immediately terminate this Agreement by delivery of a written notice of termination to the Corporation.

7.5 Remedies of the Corporation

Upon the occurrence of an event of Default by the Administrator that has not been remedied, the Corporation may, without recourse to legal process and without limiting any other rights or remedies it may have at law or otherwise, immediately terminate this Agreement with respect to itself by delivery of a written notice of termination to the Administrator.

7.6 Post Termination Arrangements

In the event of a termination of this Agreement with respect to the Corporation:

- (a) the Administrator shall deliver to such party all books, records, accounts, documents, systems and manuals which the Administrator has developed and maintained relating to the Corporation pursuant to this Agreement; and
- (b) the Corporation and the Administrator shall take all steps as may be reasonably required to complete any final accounting as between them and to provide, if applicable, for the completion of any other matter contemplated by this Agreement.

ARTICLE 8 MISCELLANEOUS

8.1 No Partnership, Joint Venture, Agency or Corporation

The parties are not and shall not be deemed to be partners or joint venturers with one another and nothing herein shall be construed so as to impose any liability as such on them. The parties agree that the Administrator shall perform its obligations under this Agreement as an independent contractor and shall not be, and shall not be deemed to be, a trustee for any person, whether or not a party, in connection with the discharge by the Administrator of such obligations.

8.2 Amendments

Except as otherwise provided herein, this Agreement shall not be amended or varied in its terms by oral agreement or by representations or otherwise except by instrument in writing executed by the duly authorized representatives of the parties hereto or their respective successors or assigns.

8.3 Assignment

This Agreement may be assigned by any party hereto only with the prior written consent of the other party hereto.

8.4 Notices

Any notice, consent, waiver, direction or other communication required or permitted to be given under this Agreement by a party to the other party shall be in writing and shall be delivered by hand delivery, facsimile transmission or (provided that the mailing party does not know and should not reasonably have known of any disruption or anticipated disruption of postal service which might affect delivery of the mail) by registered mail (postage prepaid), addressed to the party to whom the notice is to be given, at its specified address herein. Any notice, consent, waiver, direction or other communication aforesaid shall, if hand delivered or delivered by facsimile transmission, be deemed to have been given and received on the date on which it was hand delivered or delivered (based on facsimile confirmation) by facsimile transmission (if prior to 4:30 pm (local time at the place of receipt) on a Business Day and, if not, the next succeeding Business Day) and if sent by registered mail be deemed to have been given and received on the fourth Business Day at the point of delivery following the date on which it was so sent. The specified address herein shall be, in the case of:

- (a) the Corporation, addressed to:

Exito Energy II Inc.
c/o 1400, 700 – 2nd Street S.W.
Calgary, AB T2P 4V5

with a copy to:

Gowlings LLP
1400, 700 – 2nd Street S.W.
Calgary, AB T2P 4V5
Attention: Frank Sur
Facsimile No.: (403) 263-9193

- (b) the Administrator, addressed to:

Capitalize Consulting Corp.
500, 1414 – 8th Street S.W.
Calgary, Alberta T2Z 4J8

or such other address as may be designated by one party to the other in accordance with this Section 8.4

8.5 Successors and Assigns

The provisions of this Agreement shall enure to the benefit of, and be binding upon, the parties and their respective successors and permitted assigns.

8.6 Severability

If any one or more of the provisions or parts thereof contained in this Agreement should be or become invalid, illegal or unenforceable in any respect in any jurisdiction, the remaining provisions or parts thereof contained herein shall be and shall be conclusively deemed to be, as to such jurisdiction, severable therefrom, and:

- (a) the validity, legality or enforceability of such remaining provisions or parts thereof shall not in any way be affected or impaired by the severance of the provisions or parts thereof severed; and
- (b) the invalidity, illegality or unenforceability of any provision or part thereof contained in this Agreement in any jurisdiction shall not affect or impair such provision or part thereof or any other provisions of this Agreement in any other jurisdiction.

8.7 Further Assurances

Each party hereto shall, from time to time, and at all times hereafter, at the request of the other party hereto, but without further consideration, do all such further acts and execute and deliver all such further documents and instruments as shall be reasonably required in order to fully perform and carry out the terms and intent hereof.

8.8 Execution in Counterparts

This Agreement may be executed in counterparts, each of which is and is hereby conclusively deemed to be an original and counterparts collectively are to be conclusively deemed one instrument. Delivery of counterparts may be effected by facsimile transmission.

8.9 Waiver

No waiver by any party hereto shall be effective unless such waiver is in writing and any waiver shall affect only the matter, and the occurrence thereof, specifically identified and shall not extend to any other matter or occurrence.

IN WITNESS WHEREOF the parties have executed this Agreement at Calgary, Alberta as of the date first written above.

EXITO ENERGY II INC.

CAPITALIZE CONSULTING CORP.

Per: (signed) "Chris Scase"
Chris Scase

Per: (signed) "Brad Docherty"
Brad R. Docherty