

EXECUTIVE EMPLOYMENT AGREEMENT

THIS AGREEMENT made this 18th day of September, 2017

BETWEEN:

Park Place Energy Inc., a corporation organized under the laws of the State of Delaware, USA, with its address at 700, 838 West Hasting Street, Vancouver, British Columbia, Canada V6C 0A6 (hereinafter referred to as the “**Corporation**”)

- and -

Arthur Halleran, of Fort St. James, in the Province of British Columbia (hereinafter referred to as the “**Halleran**”)

WHEREAS the Corporation wishes to employ Halleran and the Halleran wishes to be employed by the Corporation as CEO & President; and

AND WHEREAS the Corporation and Halleran wish to set forth the terms of Halleran’s employment with the Corporation.

NOW THEREFORE in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Corporation and Halleran agree to enter into this Employment Agreement (“**Agreement**”) on the following terms:

1. DEFINITIONS

1.1 “**Agreement**” means this Employment Agreement;

1.2 “**Benefits and Perquisites**” means the benefits and entitlements set out in Section 4.2;

1.3 “**Board**” means the board of directors of the Corporation;

1.4 “**Change of Control**” means:

1.4.1 the acquisition by any persons acting jointly or in concert (as determined by the *Securities Act*, R.S.A., 2000, c. S-4, as amended from time to time), whether directly or indirectly, of issued and outstanding voting securities of the Corporation that, together with all other voting securities of the Corporation held by such persons, constitute in the aggregate more than 40% of all outstanding voting securities of the Corporation;

1.4.2 an amalgamation, arrangement or other form of business combination of the Corporation with another corporation that results in the holders of voting securities of that other corporation holding, in the aggregate, more than 50% of all outstanding voting securities of the corporation resulting from the business combination;

1.4.3 the sale, lease or exchange of all or substantially all of the property of the Corporation to another person, other than in the ordinary course of business of the Corporation or to a subsidiary or an affiliate of the Corporation (as determined by the *Business Corporations Act*, R.S.A. 2000, c. B-9, as amended from time to time);

- 1.4.4 a change in the composition of the Board over any twelve month period such that more than 50% of the persons who were directors of the Corporation at the beginning of the period are no longer directors at the end of the period, unless such change is a consequence of normal attrition; or
- 1.4.5 any determination by the majority of incumbent members of the Board that a Change of Control has occurred or is about to occur, and any such determination shall be binding and conclusive for all purposes of this Agreement.
- 1.1 **“Constructive Dismissal”** shall mean any action which constitutes constructive dismissal of Halleran including, without limiting the generality of the foregoing:
- (i) a material change (other than those which are clearly consistent with a promotion) in Halleran’s position, responsibilities, duties, powers, reporting relationships, title or office;
 - (ii) any removal of Halleran from or any failure to re-appoint Halleran to any positions or offices held by Halleran;
 - (iii) a reduction by the Corporation in Halleran’s Base Salary or any material change of the basis upon which Halleran’s Base Salary is determined; or
 - (iv) any material reduction in the value of Halleran’s Benefits or Perquisites;
- provided, however, “Constructive Dismissal” shall expressly be deemed not to include the following:
- (i) the occurrence of any of the aforesaid events with the prior written consent of Halleran; or
 - (ii) termination of the employment of Halleran for just cause, death or Permanent Disability.
- 1.5 **“Permanent Disability”** means the mental or physical state of Halleran is such, that:
- 1.5.1 Halleran has to a substantial degree been unable, due to illness, disease, affliction, mental or physical disability or similar cause, to fulfill his obligations as an employee or officer of the Corporation either for any consecutive four (4) month period or for any period of six (6) months (whether or not consecutive) in any consecutive twelve (12) month period; or
- 1.5.2 a court of competent jurisdiction has declared Halleran to be mentally incompetent or incapable of managing his affairs;
- provided that, in either case, the Permanent Disability shall be acknowledged and accepted by the Corporation’s long-term disability insurer, if any.
- 1.6 **“Person”** includes an individual, partnership, association, body corporate, trust, trustee, executor, administrator or legal representative, and **“Persons”** means a group of more than one Person;
- 1.7 **“Stock Option Plan”** means the Corporation’s stock option plan, as amended from time to time;
- 1.8 **“Termination Date”** means the last day of Halleran’s employment; and

- 1.9 “**Termination Payment**” means a lump sum severance payment equal to one year of the annual Base Salary, plus an amount equal to the average amount of the annual bonus payments, if any, paid to Halleran by the Corporation for the two calendar years prior to the Termination Date.

2. TERM OF EMPLOYMENT

- 2.1 Halleran’s employment shall be retroactive to July 17th, 2017.
- 2.2 Upon termination of this Agreement and Halleran’s employment, however caused, Halleran shall provide a written resignation of all officer, and director positions, if any, held with the Corporation and its subsidiaries.

3. POSITION OF EMPLOYMENT

- 3.1 Halleran’s position of employment with the Corporation shall be CEO and President. Halleran will be responsible for and perform the duties commensurate with his position and as may be assigned by the Board.
- 3.2 The Corporation shall be responsible for obtaining a work Visa allowing Halleran to work in different countries if required by the Corporation, provided that Halleran provides all of the relevant and necessary documentation to the authorities.

4. SALARY AND BENEFITS

- 4.1 For the period beginning July 17, 2017 to November 16th, 2017 the Corporation shall issue 280,000 shares of Park Place Energy Corp. to Arthur Halleran as payment for wages for that time period; shares shall vest on date of execution of this agreement and shall be unregistered and subject to a hold period and such other restrictions imposed by US securities laws and regulations.
- 4.2 For the period beginning November 16th, 2017 until completion of the month during which a Capital Raise of at least US\$1,000,000 is completed, Halleran shall be paid a monthly salary of US\$6,000 payable monthly in arrears. Halleran has the option to convert wages payable to Park Place shares at the average of the 10 day Market Price preceding the end of the month the wages are payable.
- 4.3 For the period following the month during which the US\$1,000,000 Capital Raise is completed, Halleran shall be paid a monthly salary of US\$10,000 payable monthly in arrears. Halleran has the option to convert wages payable to Park Place energy Corp. shares at the average of the 10 day Market Price preceding the end of the month the wages are payable.
- 4.4 If the Capital Raise is greater than US\$5,000,000 Halleran shall be paid a monthly salary of US\$13,000 per month.
- 4.5 Halleran is entitled to be granted options pursuant to the Stock Option Plan as determined from time to time by the Board in its discretion.
- 4.6 Signing Bonus

The Company shall issue to Halleran 500,000 stock options issuable under the Company’s 2013 Incentive Equity Plan with each option exercisable for a period of five (5) years from the date of issuance to purchase one common share of the Company at a price of \$0.12 USD (equal to the average of the last 10 days market price from September 20th, 2017).

4.7 Performance Based Compensation

(a) The Company shall issue to Halleran 100,000 fully vested RSUs upon each anniversary of this Agreement so long as this Agreement remains in effect.

(b) If during the term of this Agreement the Company completes any cash financing of US\$5,000,000 the Company shall issue to Halleran 250,000 fully vested RSUs for each US\$5,000,000 raised.

(c) With respect to any RSU awards, Halleran shall have the right and option to require that the Company withhold up to one third of the RSU shares awarded to Halleran and, as to the RSU shares withheld, to pay to Larsen the cash equivalent to the Market Price of the shares on the date of vesting so as to provide sufficient funds to Halleran for the payment of taxes relating to the RSU award.

4.8 Expenses

The Corporation shall reimburse Halleran for all reasonable travelling and other expenses actually and properly incurred by him in connection with his duties hereunder in accordance with the Corporation's policies, provided that such expenses shall be subject to tabling before the Board of Directors, and such expenses may be subject to further verification by the Audit Committee of the Board of Directors. For all such expenses, Halleran shall furnish the Corporation with such statements, receipts or other reasonable documentation and within the applicable time period as may be reasonably required by the Corporation.

5. ANNUAL BONUS PLAN

5.1 Halleran will be entitled to participate in an annual bonus plan, in accordance with the Corporation's compensation policies, as amended from time to time by the Board in its discretion.

6. GENERAL OBLIGATIONS OF EXECUTIVE TO CORPORATION

6.1 Halleran shall serve the Corporation diligently, faithfully and to the best of his ability.

6.2 Halleran shall adhere to all policies and procedures adopted by the Corporation from time to time, and the laws, regulations, policies and industry standards of all applicable regulatory agencies, stock exchanges and securities commissions. Halleran shall obey and carry out all lawful orders and directions given to him by the Board.

7. CONFIDENTIALITY OBLIGATIONS OF HALLERAN

7.1 Halleran acknowledges and agrees that he holds a position of trust with the Corporation and that it is a condition of his continued employment with the Corporation that he maintain in the strictest of confidence all confidential information respecting the business and affairs of the Corporation, its subsidiaries and its business partners, suppliers and customers ("**Confidential Information**"). Halleran further acknowledges and agrees that such Confidential Information shall, for all purposes, be held by Halleran in a fiduciary capacity and solely for the benefit of the Corporation or other third parties as the case may be. Halleran agrees that he will not, either during the continuance of his employment by the Corporation or at any time thereafter, use for his own purpose any Confidential Information or disclose, divulge or communicate orally, in writing or otherwise, to any person or persons, any Confidential Information other than when it is necessary in the course of business.

- 7.2 Confidential Information shall not include any information that:
- 7.2.1 was in the possession of, or known to, Halleran, without any obligation to keep it confidential, before it was disclosed to Halleran by the Corporation, or through Halleran's involvement with the Corporation;
 - 7.2.2 is, or becomes, public knowledge through no fault of Halleran; or
 - 7.2.3 is, or becomes, lawfully available to Halleran from a source other than the Corporation, which source, to the best of Halleran's knowledge, is legally permitted to disclose such information and is not under confidentiality restrictions.
- 7.3 Halleran agrees that all notes, electronic documents or any other materials containing or in any way relating to the Confidential Information produced by Halleran, or coming into his possession, shall belong exclusively to the Corporation. Halleran agrees to turn over to the Corporation all copies of any such notes, electronic documents or any other materials in his possession or under his control, immediately if requested to do so by the Corporation and, in any event, on the termination of this Agreement and his employment with the Corporation.
- 8. TERMINATION BY EXECUTIVE**
- 8.1 Halleran may terminate this Agreement and Halleran's employment with the Corporation by providing thirty (30) days' prior written notice to the Corporation (the "**Resignation Notice**").
- 8.2 At the Corporation's sole and absolute discretion, the Corporation may either require Halleran to continue to perform his duties to the end of the Resignation Notice or dismiss Halleran at any time after receipt of the Resignation Notice, without additional compensation or obligation to Halleran under this Agreement, except for the Salary which otherwise would have been payable to Halleran through the remainder of the thirty (30) day notice period.
- 9. TERMINATION OF EMPLOYMENT WITHOUT CAUSE OR UPON CHANGE OF CONTROL**
- 9.1 The Corporation may terminate Halleran's employment at any time, without cause, by providing written notice to Halleran of his Termination Date and making a lump sum Termination Payment to Halleran, provided Halleran complies with Section 9.4 of this Agreement.
- 9.2 If there is a Change of Control and Halleran does not continue to be employed at a level of responsibility at least commensurate with Halleran's level of responsibility immediately prior to the Change of Control, Halleran may elect in a written notice to the Corporation within six (6) months of the date of a Change of Control, to treat Halleran's employment as being terminated by the Corporation without cause. For the purposes of this Section 9.2, Halleran shall provide thirty (30) days prior notice of the Termination Date and Halleran shall be paid the Termination Payment, provided Halleran complies with Sections 9.4 of this Agreement.
- 9.3 Halleran expressly acknowledges and agrees that the Termination Payment constitutes reasonable compensation for the termination of his employment without cause or in the event of a Change of Control in the circumstances described in Section 9.2. Upon the Corporation providing Halleran with the Termination Payment in the circumstances described in Sections 9.1 or 9.2, he shall not be entitled to any further notice of the termination of his employment, payment in lieu of reasonable notice, termination pay, severance pay, damages, costs, benefits or compensation in respect of the

termination of his employment under this Agreement or otherwise. Notwithstanding the foregoing, the Corporation will:

- 9.3.1 pay Halleran for any unpaid Salary and unpaid annual bonus amount earned by Halleran to the Termination Date;
 - 9.3.2 reimburse Halleran for all reasonable expenses incurred by Halleran prior to the Termination Date;
 - 9.3.3 shall have six (6) months from the date of termination to exercise any vested options, and
- 9.4 If Halleran's employment is terminated in accordance with Section 9.1 or 9.2 above, Halleran shall, within five (5) days of the Termination Date, provide written resignations of all officer and director positions held in the Corporation and its subsidiaries and Halleran agrees to execute a full and final release in favour of the Corporation.

10. TERMINATION - DEATH OF HALLERAN

- 10.1 This Agreement and Halleran's employment shall be deemed to have terminated upon the death of Halleran. The Corporation shall only be obligated to pay to Halleran's legal representative, within ten (10) business days of Halleran's death, the following payments:
- 10.1.1 all Salary earned, but not yet paid, less required withholdings;
 - 10.1.2 all accrued but unused vacation pay, less required withholdings; and
 - 10.1.3 all expenses properly incurred, but not yet reimbursed, in the carrying out of his duties.

11. TERMINATION UPON PERMANENT DISABILITY OF EXECUTIVE

- 11.1 If Halleran shall suffer a Permanent Disability, the employment of Halleran may be terminated by the Corporation upon the giving of notice of at least thirty (30) days; provided that such termination does not adversely affect Halleran's entitlement to long-term disability benefits under the Corporation's benefit plan, if applicable. Notwithstanding anything contained in this Agreement or elsewhere, in the event of termination pursuant to the provisions of this Section 12, the Corporation shall pay to Halleran (or his trustee) a sum equal to one year of his annual Base Salary, together with payment of accrued but unpaid salary and vacation pay to the Termination Date, vesting of all stock options as outlined in Section 10.4, and Halleran shall continue to be entitled to such insurance and other benefits which may be provided pursuant to any long-term disability plan or the benefits plan of the Corporation in effect at that time, provided Halleran (or his trustee) provides the Corporation with a full and final release.

12. TERMINATION FOR JUST CAUSE AND WITHOUT NOTICE

- 12.1 Notwithstanding anything contained in this Agreement, the employment of Halleran under this Agreement may be terminated immediately, for just cause, and without any Termination Payment, or any notice or payment in lieu of reasonable notice, as a result of any behaviour on behalf of Halleran that would constitute just cause for dismissal at common law. Upon termination of employment for just cause, Halleran shall only be entitled to any Salary due and owing up to the Termination Date, all expenses properly incurred up to the Termination Date in the carrying out of his duties, all vested Stock Options and any accrued but unused vacation pay.

13. STOCK OPTION AGREEMENT

- 13.1 In addition to Base Salary and benefits, the Corporation shall honour Halleran's entitlement to options to acquire shares of the Corporation pursuant to the terms of all Stock Option Agreements that have been or are from time to time entered into between the Corporation and Halleran.

14. ACCELERATED VESTING

- 14.1 Subject to regulatory approval, the Corporation covenants and agrees that any Stock Option Agreements between the Corporation and Halleran shall include a provision that all stock options held by Halleran, whether vested or unvested, shall immediately vest (the "**Acceleration**") and be exercisable by Halleran:

14.1.1 upon the termination of the employment of Halleran in accordance with Sections 10 and 12 of this Agreement; or

14.1.2 upon a resolution of the Board to such effect if the Board determines that there is expected to be a Change of Control which in the opinion of the Board warrants altering the vesting provisions of the stock options.

In the event that applicable securities legislation or stock exchange rules preclude the Acceleration, the Corporation agrees to compensate Halleran by way of a cash payment with that amount of money which Halleran would have been entitled to if he had exercised any such options on the date (the "**Subject Date**") of any of the events referred to in either subsection 15.1.1 or 15.1.2 above, and sold the securities issuable upon exercise of such options at the Current Market Price. For the purposes of this Agreement "**Current Market Price**" means the weighted average trading price at which the securities have been traded on a stock exchange during the 30 consecutive trading days ending one trading day before the Subject Date. In the event that the securities do not trade on a stock exchange, the Current Market Price shall mean the fair market value of the securities as shall be determined by appraisal by a chartered business valuator agreed upon by Halleran and the Corporation, or, failing such agreement, by arbitration.

15. INDEMNITY

- 15.1 Subject to the requirements of the *Business Corporations Act* (Alberta), the Corporation agrees to indemnify and save Halleran harmless from and against all costs, charges and expenses (including without limitation all legal fees on a solicitor-and-his-own-client basis), and including without limitation any amount paid to settle an action or satisfy a judgment reasonably incurred by him in respect of any civil, criminal or administrative action or other proceeding to which Halleran is made a party by reason of having been an officer, or a director if he ever holds such position, of the Corporation or any of its subsidiaries.

- 15.2 Subject to the requirements of the *Business Corporations Act* (Alberta), including the requirement for approval of the court, the Corporation agrees to indemnify and save Halleran harmless from and against all costs, charges and expenses (including without limitation all legal fees on a solicitor-and-his-own-client basis) reasonably incurred by him in respect of an action by or on behalf of the Corporation or any of its subsidiaries to procure a judgment in its favour, to which Halleran is made a party by reason of having been an officer or a director of the Corporation or any subsidiary.

16. NOTICES

- 16.1 Any notice required or permitted to be given under this Agreement shall be sufficient if in writing and either delivered personally or sent by facsimile, with delivery confirmed. For greater certainty, the current address of Halleran is:

Arthur Halleran
PO Box 1476, 6189 Lind Lake Pit Rd
Fort St. James, British Columbia
V0J 1P0

- 16.2 In the event that Halleran changes his address, he shall so notify the Corporation in writing.

17. ENTIRE AGREEMENT

- 17.1 This Agreement, the Stock Option Plan and the policies and procedures of the Corporation in force from time to time, contain the entire Agreement between the Corporation and Halleran and supersede all previous negotiations, understandings and agreements, whether verbal or written, with respect to the terms and conditions of employment between the Corporation and Halleran. The parties agree that this Agreement may only be modified in writing signed by both parties.

18. LAWS

- 18.1 This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Ontario.

19. ARBITRATION

- 19.1 If any dispute arises between the parties touching or concerning this Agreement, its construction or effect, or as to the rights, duties and liabilities of the parties hereto, or as to any other matter in any way connected with or arising out of the subject matter of this Agreement, the parties agree that the dispute shall be referred to arbitration held in accordance with and pursuant to the *Arbitration Act*, R.S.A. 2000, c. A-43 (the "*Arbitration Act*"). The parties also agree that any arbitration of any such dispute shall be done by one arbitrator.
- 19.2 A party wishing to arbitrate a dispute hereunder shall give a written demand to arbitrate that dispute to the other party (the "**Notice to Arbitrate**"). The Notice to Arbitrate shall set out a concise description of the dispute to be submitted to arbitration. The parties shall act reasonably and in good faith to select an arbitrator who is objective, independent, knowledgeable and experienced with respect to the type of issues in dispute. If the parties have not been able to agree to the appointment of a single arbitrator within 14 days after a party has given a written Notice to Arbitrate to the other party, then either party may apply to the court of Queen's Bench of Ontario for the appointment of a single arbitrator, pursuant to the provisions of the Arbitration Act.

20. SUCCESSORS AND ASSIGNS

- 20.1 This Agreement shall not be assignable by either party. This Agreement shall enure to the benefit of and be binding upon the parties hereto, their heirs, executors, administrators, successors and permitted assigns, as may be the case.

21. FURTHER ACTS AND ASSURANCES

21.1 The Corporation and Halleran agree that they shall, from time to time, do all such further acts and execute and deliver all such further documents and assurances as shall be reasonably required in order to fully perform and carry out this Agreement.

22. NON-WAIVER OF RIGHTS

22.1 The parties understand and agree that no failure by the other party to exercise any of that party's rights, powers or privileges pursuant to this Agreement shall operate as a waiver of the said rights, powers or privileges, nor shall any single or partial exercise of any right, power or privilege under this Agreement preclude such party from further exercising any right, power or privilege pursuant to this Agreement.

23. GENDER

23.1 In this Agreement, all references and expressions which relate to the male gender shall, if applicable, be taken as referring to the female gender.

24. RECITALS

24.1 The recitals at the beginning of this Agreement shall constitute part of and are terms of this Agreement.

25. BINDING EFFECT OF AGREEMENT

25.1 The above described terms and conditions are acceptable to Halleran, and he has indicated his Agreement in the designated space of the copy provided, having it duly witnessed. Halleran understands that by executing this Agreement, he agrees to be bound by its terms and conditions and Halleran is signing this Agreement freely and voluntarily, having had an opportunity to review, understand and seek independent legal advice as to the meaning and effect of the provisions herein.

26. SEVERABILITY

26.1 If any provision of this Agreement is or becomes illegal or unenforceable, then it is to be considered separate and severable from this Agreement and the remaining provisions of this Agreement remain in force and are binding upon the parties as if the offending provision had never been included.

27. PROVISIONS SURVIVING TERMINATION OF AGREEMENT

27.1 Halleran agrees that Sections 7 and 26 of this Agreement will survive the termination of this Agreement, however caused.

27.2 The Corporation agrees that Section 16 of this Agreement will survive the termination of this Agreement, however caused.

IN WITNESS WHEREOF the parties have executed this Agreement as of the date and year first above written.

Park Place Energy Inc.

Per: _____

Arthur Halleran