This document is important and requires your immediate attention. If you are in doubt as to how to deal with it, you should consult your investment dealer, stock broker, bank manager, lawyer, accountant or other professional advisor. This Offer has not been approved by any securities regulatory authority nor has any securities regulatory authority passed upon the fairness or merits of the Offer or upon the adequacy of the information contained in this document. Any representation to the contrary is an offence.

This document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being made to, and deposits will not be accepted from or on behalf of, Shareholders in any jurisdiction in which the making or acceptance thereof would not be in compliance with the laws of that jurisdiction. However, Xtreme Drilling Corp. may, in its sole discretion, take such action as it may deem necessary to make the Offer in any such jurisdiction and to extend the Offer to Shareholders in such jurisdiction.

April 18, 2017

OFFER TO PURCHASE FOR CASH

UP TO CDN$25,000,000 IN VALUE OF ITS COMMON SHARES AT A PURCHASE PRICE OF NOT LESS THAN CDN$2.40 AND NOT MORE THAN CDN$2.80 PER COMMON SHARE

Xtreme Drilling Corp. ("**Xtreme**", the "**Corporation**", "**we**", "**our**" or "**us**") invites the holders of its common shares (the "**Shares**") to tender, for purchase and cancellation by the Corporation, up to CDN$25,000,000 in value of its Shares pursuant to (i) auction tenders in which the tendering holders of Shares ("**Shareholders**") specify a price of not less than CDN$2.40 per Share and not more than CDN$2.80 per Share in increments of CDN$0.05 per Share ("**Auction Tenders**"), or (ii) purchase price tenders in which the tendering Shareholders do not specify a price per Share, but rather agree to have Shares purchased at the Purchase Price (as defined below) that is determined as provided herein ("**Purchase Price Tenders**"). The invitation and all tenders of Shares are subject to the terms and conditions set forth in this Offer to Purchase, the accompanying Issuer Bid Circular (the "**Circular**"), and the related Letter of Transmittal and Notice of Guaranteed Delivery (all such documents, as amended or supplemented from time to time, collectively constitute the "**Offer**").

The Offer will commence on April 26, 2017, the date of the mailing of the Offer and Circular and expire at 5:00 p.m. (Eastern time) on June 1, 2017, unless terminated, extended or varied by Xtreme (such time on such date, the "**Expiration Time**"). The Offer is not conditioned upon any minimum number of Shares being tendered or any financing. The Offer is, however, subject to other conditions, and Xtreme reserves the right, subject to applicable laws, to terminate the Offer and not take up and pay for any Shares tendered under the Offer if certain events occur. See "*Offer to Purchase – Conditions of the Offer*".

Upon the terms and subject to the conditions of the Offer, promptly following the Expiration Time, the Corporation will determine a single price per Share (the "**Purchase Price**"), which will not be less than CDN$2.40 per Share and not more than CDN$2.80 per Share, that is the lowest price that enables it to purchase the maximum number of Shares properly tendered and not properly withdrawn pursuant to the Offer having an aggregate purchase price not exceeding CDN$25,000,000. If the Purchase Price is determined to be CDN$2.40 (which is the minimum Purchase Price under the Offer), the maximum number of Shares that may be purchased by the Corporation is 10,416,667 Shares. If the Purchase Price is determined to be CDN$2.80 (which is the maximum Purchase Price under the Offer), the maximum number of Shares that may be purchased by the Corporation is 8,928,571 Shares.

For the purpose of determining the Purchase Price, Shares tendered pursuant to a Purchase Price Tender will be considered to have been tendered at CDN$2.40 per Share (which is the minimum Purchase Price under the Offer). Shares tendered by a Shareholder pursuant to an Auction Tender will not be purchased by the Corporation pursuant to the Offer if the price specified by the Shareholder is greater than the Purchase Price.

(continued from cover)

A Shareholder who wishes to tender Shares, but who does not wish to specify a price at which such Shares may be purchased by the Corporation, should make a Purchase Price Tender. Shareholders who properly tender Shares without making a valid Auction Tender or Purchase Price Tender will be deemed to have made a Purchase Price Tender. The lower end of the price range for the Offer is above the closing market price per Share on the TSX of CDN$2.15 on April 3, 2017, the last full trading day prior to the announcement of the intention to conduct the Offer, subject to setting the price and details around the Offer. The lower end of the price range for the Offer is above the closing market price per Share on the TSX of CDN$2.31 on April 18, 2017, the last full trading day prior to the announcement of the Offer that contained the price and details around the Offer. Shareholders are urged to obtain current market quotations for the Shares.

Each Shareholder who has properly tendered Shares pursuant to an Auction Tender at or below the Purchase Price or pursuant to a Purchase Price Tender, and who has not properly withdrawn such Shares, will receive the Purchase Price, payable in cash (subject to applicable withholding taxes, if any), without interest, for each Share purchased, on the terms and subject to the conditions of the Offer, including the provisions relating to pro-ration described herein.

The enforcement by Shareholders of civil liabilities under United States federal securities laws may be adversely affected by the fact that the Corporation was formed pursuant to the laws of the Province of Alberta and some of its officers and directors are residents of countries other than the United States.

If the aggregate purchase price for the Shares properly tendered and not properly withdrawn pursuant to the Offer by Purchase Price Tender or by Auction Tender at a price per Share not greater than the Purchase Price (collectively, the "**Successfully Tendered Shares**") by Shareholders (the "**Successful Shareholders**") exceeds CDN$25,000,000, then the Successfully Tendered Shares will be purchased on a pro rata basis according to the number of Shares tendered by the Successful Shareholders (with adjustments to avoid the purchase of fractional Shares), except that "Odd Lot" tenders (as described herein) by Successful Shareholders will not be subject to pro-ration. See "*Offer to Purchase – Number of Shares and Pro-Ration*".

The Purchase Price will be denominated and amounts payable for Shares accepted for purchase from Successful Shareholders will be paid in Canadian dollars. However, Shareholders may elect to use the Depositary's currency exchange services to convert any amounts payable to them from Canadian dollars into United States dollars pursuant to a currency election as described in the Letter of Transmittal. See "*Offer to Purchase – Taking Up and Payment for Tendered Shares*".

Certificates for all Shares not purchased under the Offer (including Shares tendered pursuant to an Auction Tender at prices greater than the Purchase Price and Shares not purchased because of pro-ration), or properly withdrawn before the Expiration Time, will be returned (in the case of certificates representing Shares all of which are not purchased) or replaced with new certificates representing the balance of Shares not purchased (in the case of certificates representing Shares of which less than all are purchased), promptly after the Expiration Time or the date of withdrawal of the Shares, without expense to the Shareholder. In the case of Shares tendered through book-entry transfer into the Depositary's account at DTC or CDS, the Shares will be credited to the appropriate account maintained by the tendering Shareholder at DTC or CDS, as applicable, without expense to the Shareholder.

As of April 18, 2017 there were 85,091,367 Shares issued and outstanding and, accordingly, the Offer is for a maximum of approximately 12.24% of the total number of issued and outstanding Shares if the Purchase Price is determined to be CDN$2.40 (being the minimum Purchase Price under the Offer), and for a maximum of approximately 10.49% if the Purchase Price is determined to be CDN$2.80 (being the maximum Purchase Price under the Offer).

The Shares are listed and posted for trading on the Toronto Stock Exchange (the "**TSX**") under the symbol "XDC". On April 3, 2017, the last full trading day prior to the announcement of the intention to conduct the Offer, subject to setting the price and details around the Offer, the closing price of the Shares was CDN$2.15 per

Share on the TSX. On April 18, 2017, the last full trading day prior to the date of the announcement of the Offer that contained price and details around the Offer, the closing price of the Shares was CDN$2.31 per Share on the TSX. During the past 12 months, the closing prices of Shares on the TSX has ranged from a low of CDN$1.71 to a high of CDN$3.05. Shareholders are urged to obtain current market quotations for the Shares.

The board of directors of Xtreme (the "**Board of Directors**" or "**Board**")) has approved the Offer. See "*Issuer Bid Circular –Purpose of the Offer*" for further details**.** However, none of Xtreme, the Board of Directors, Peters & Co. Limited, who provided a liquidity opinion in respect of the Offer, or Computershare Trust Company of Canada, the depositary for the Offer (the "**Depositary**"), makes any recommendation to any Shareholder as to whether to tender or refrain from tendering Shares under the Offer or as to the purchase price or purchase prices at which Shareholders may tender Shares under the Offer. Shareholders must make their own decisions as to whether to tender Shares under the Offer, and, if so, how many Shares to tender and the price or prices at which to tender.

Shareholders should carefully consider the income tax consequences of tendering Shares under the Offer. See "*Issuer Bid Circular – Income Tax Consequences*".

Shareholders wishing to tender all or any portion of their Shares pursuant to the Offer must comply in all respects with the delivery procedures described herein. See "*Offer to Purchase – Procedure for Tendering Shares*".

Shareholders should carefully read the information in this Offer to Purchase and accompanying Circular and in the other Offer documents, including our reasons for making the Offer. Shareholders are also urged to discuss their decisions with their financial and tax advisors.

The Offer expires at 5:00 p.m. (Eastern time) on June 1, 2017 unless extended, varied or terminated.

NO PERSON HAS BEEN AUTHORIZED TO MAKE ANY RECOMMENDATION ON BEHALF OF THE CORPORATION OR THE BOARD OF DIRECTORS AS TO WHETHER SHAREHOLDERS SHOULD TENDER OR REFRAIN FROM TENDERING SHARES PURSUANT TO THE OFFER, OR AS TO THE PRICE OR PRICES AT WHICH TO TENDER SHARES PURSUANT TO THE OFFER. NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION IN CONNECTION WITH THE OFFER OTHER THAN AS SET FORTH IN THIS OFFER. IF GIVEN OR MADE, ANY SUCH RECOMMENDATION OR ANY SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE CORPORATION, THE BOARD OF DIRECTORS, PETERS & CO. LIMITED OR THE DEPOSITARY.

Any questions or requests for information regarding the Offer should be directed to the Depositary at the address and telephone numbers of the Depositary set forth on the last page of this Offer to Purchase and the accompanying Circular.

INFORMATION FOR UNITED STATES SHAREHOLDERS

The Offer is made by Xtreme, a Canadian issuer, for its own securities, and the Offer and Circular are subject to the disclosure requirements of applicable Canadian law. Shareholders in the United States should be aware that these disclosure requirements may be different from those of the United States or other jurisdictions. Financial statements of Xtreme have been prepared in accordance with International Financial Reporting Standards and are subject to Canadian auditing and auditor independence standards and, therefore, they may not be comparable to financial statements of U.S. companies.

The enforcement by Shareholders of civil liabilities under the U.S. federal securities laws may be adversely affected by the fact that Xtreme is a corporation organized under the laws of the Province of Alberta, Canada, that some of its directors and officers are residents of Canada and that certain of the Corporation's assets are located outside of the U.S. Shareholders in the U.S. may not be able to sue Xtreme or its directors or officers in a foreign court for violations of U.S. securities laws. It may be difficult to compel such parties to subject themselves to the jurisdiction of a court in the U.S. or to enforce any judgment obtained from a court of the U.S.

Shareholders should be aware that acceptance of the Offer and disposition of the Shares as described herein may have tax consequences both in the U.S. and in Canada. U.S. Shareholders should carefully consider the income tax consequences of accepting the Offer. See "*Issuer Bid Circular - Income Tax Consequences - Certain United States Federal Income Tax Considerations to United States Holders*".

If a U.S. Shareholder (as defined in the accompanying Letter of Transmittal) fails to provide the Depositary with the information solicited on the Internal Revenue Service Form W-9 set out in the accompanying Letter of Transmittal or the appropriate Internal Revenue Service Form W-8, or fails to certify that such U.S. Shareholder is not subject to U.S. backup withholding, the Depositary may be required to withhold certain sums from payments made to such U.S. Shareholder pursuant to this Offer and to remit such sums to the Internal Revenue Service.

Neither the U.S. Securities and Exchange Commission nor any state, provincial or foreign securities commission has approved or disapproved of the Offer or passed upon the adequacy or accuracy of the information contained herein. Any representation to the contrary is a criminal offense.

FORWARD-LOOKING INFORMATION

The Offer and Circular may contain statements that, to the extent they are not statements of historical fact, constitute forward-looking information and forward-looking statements which reflect the current view of Xtreme with respect to the Corporation's objectives, plans, goals, strategies, future growth, results of operations, financial and operating performance and business prospects and opportunities. Specific forward-looking statements in this document include, but are not limited to: the Corporation continuing to have sufficient financial resources and working capital to conduct its ongoing business and operations; that the Offer is not expected to preclude the Corporation from pursuing its foreseeable business opportunities or the future growth of the Corporation's business; the market for the Shares after completion of the Offer not being materially less liquid than the market that exists at the time of the making of the Offer; future purchases of additional Shares following expiry of the Offer; the trading price of the Shares not being fully reflective of the value of the Corporation and to future prospects; the purchase of the Shares under the Offer being in the best interests of the Corporation and its Shareholders and an effective use of financial resources; and the prospect that the Corporation may from time to time in the future consider various opportunities and transactions, including acquisition or disposition opportunities. Wherever used, the words "may", "will", "anticipate", "intend", "expect", "estimate", "plan", "believe" and similar expressions identify forward-looking statements and forward-looking information. Forward-looking statements and forward-looking information should not be read as guarantees of future events, performance or results, and will not necessarily be accurate indications of whether, or the times at which, such events, performance or results will be achieved. All of the statements and information in this Offer and Circular containing forward-looking statements or forward-looking information are qualified by these cautionary statements.

Forward-looking statements and forward-looking information are based on information available at the time they are made, underlying estimates and assumptions made by management and management's beliefs with respect to future events, performance and results, and are subject to inherent risks and uncertainties surrounding future expectations generally. By its nature, forward-looking information involves certain risks, assumptions, uncertainties and other factors which may cause actual future results to differ materially from those expressed or implied in any forward-looking statements and include but are not limited to: global market activity, changes or disruptions in the securities markets or volatility in the market price or liquidity of the Corporation's Shares; satisfaction or waiver of the conditions to the Offer; the extent to which Shareholders determine to deposit their Shares to the Offer, the anticipated benefits of the Offer; the Corporation's expected growth and results of operations; changes in government monetary and economic policies; changes in interest rates; inflation levels and general economic conditions; legislative and regulatory developments; and competition and technological changes.

Xtreme cautions readers that this list of factors is not exhaustive and that, should certain risks or uncertainties materialize or should underlying estimates or assumptions prove incorrect, actual events, performance and results may vary significantly from those expected. There can be no assurance that the actual results,

performance, events or activities anticipated by the Corporation will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, the Corporation. Potential investors and other readers are urged to consider these factors carefully in evaluating forward-looking information and forward-looking statements and are cautioned not to place undue reliance on any forward-looking information or forward-looking statements.

For additional information with respect to certain of these and other risks or uncertainties, reference should be made to the Corporation's continuous disclosure materials filed from time to time with the Canadian securities regulatory authorities, including the Corporation's annual information form (which contains an extensive discussion under the heading "*Risk Factors*" of the risks and uncertainties affecting Xtreme), management's discussion and analysis, and quarterly and annual financial statements and notes thereto, which are available on SEDAR at www.sedar.com under the Corporation's profile. Additional risks and uncertainties not presently known to the Corporation or that Xtreme currently believes to be less significant may also adversely affect the Corporation. Xtreme disclaims any intention or obligation to update or revise any forward-looking information or forward-looking statements, whether as a result of new information, future events or otherwise, except as required under applicable securities laws.

NOTICE TO HOLDERS OF OPTIONS

The Offer is made only for Shares and is not made for any options to acquire Shares ("**Options**"). Any holder of such securities who wishes to accept the Offer should, to the extent permitted by the terms thereof, duly exercise or convert, as applicable, such Options in order to tender the resulting Shares in accordance with the terms and conditions of the Offer. Any such exercise or conversion must occur sufficiently in advance of the Expiration Time to assure holders of Options that they will have sufficient time to comply with the procedures for tendering Shares in the Offer. An exercise of an Option cannot be revoked even if the Shares received upon exercise or conversion thereof and tendered in the Offer are not purchased in the Offer for any reason. Holders who exercise Options and then tender pursuant to the Offer the Shares received on such exercise or conversion, as applicable, could suffer adverse tax consequences. The tax consequences of such an exercise or conversion are not described under "*Issuer Bid Circular – Income Tax Consequences*". Holders of Options are urged to seek tax advice from their own tax advisors in this regard.

CURRENCY

All dollar references in this Offer to Purchase and the accompanying Circular are in Canadian dollars (CDN$), except where otherwise indicated.

NOTICE REGARDING INFORMATION

Certain information contained in the Offer and Circular is based solely upon, and Xtreme has relied, without independent verification, exclusively upon, information that has been provided by third party sources or that is otherwise publicly available. Neither the Corporation nor the Board of Directors assumes any responsibility for the accuracy or completeness of such information or for any failure by any such third party to disclose events or facts that may have occurred or may affect the significance or accuracy of any such information.

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SUMMARY

This summary is solely for the convenience of Shareholders and is qualified in its entirety by references to the full text and more specific details of the Offer described elsewhere in this Offer to Purchase and accompanying Circular. We urge you to read the entire Offer to Purchase, Circular, Letter of Transmittal and Notice of Guaranteed Delivery carefully and in their entirety as they contain a complete discussion of the Offer. Shareholders are also urged to discuss their decisions with their financial and tax advisors.

Who is offering to purchase my Shares?	Xtreme Drilling Corp., which we refer to as "**we**", "**us**", "**our**", "**Xtreme**" or the "**Corporation**". See "*Offer to Purchase - The Offer*".
Why is Xtreme making the Offer?	Xtreme is making the Offer, as amongst other things, to deliver Shareholder value through the return of capital and enhance liquidity to Shareholders that elect to tender their Shares pursuant to the Offer. See "*Issuer Bid Circular - Purpose of the Offer*" for further details.
What will the Purchase Price for the Shares be and what will be the form of payment?	We are conducting the Offer through a procedure commonly called a "modified Dutch auction". This procedure allows Shareholders to select the price within a price range specified by Xtreme at which Shareholders are willing to sell their Shares. The price range for the Offer is $2.40 to $2.80 per Share. We will select the lowest Purchase Price that will allow us to purchase the maximum number of Shares properly tendered and not properly withdrawn pursuant to the Offer having an aggregate purchase price not exceeding $25,000,000. We will purchase all Shares purchased under the Offer at the same Purchase Price, even if some of the Shares are tendered below the Purchase Price, but we will not purchase any Shares above the Purchase Price. The lower end of the price range for the Offer is above the closing market price per Share on the TSX of $2.15 on April 3, 2017, the last full trading day prior to the announcement of the intention to conduct the Offer, subject to setting the price and details around the Offer. The lower end of the price range for the Offer is above the closing market price per Share on the TSX of $2.31 on April 18, 2017, the last full trading day prior to the announcement of the Offer that contained the price and details around the Offer. We will determine the Purchase Price for the tendered Shares promptly after the Offer expires. If a Shareholder's Shares are purchased under the Offer, that Shareholder will be paid the Purchase Price (subject to applicable withholding taxes, if any) in cash, without interest, promptly following the expiration of the Offer, for each such Share. Under no circumstances will we pay interest on the Purchase Price, even if there is a delay in making payment. See "*Offer to Purchase – Purchase Price*".
How many Shares will Xtreme purchase in the Offer?	We are offering to purchase Shares that have an aggregate purchase price not exceeding $25,000,000. At the maximum Purchase Price of $2.80 per Share, we could purchase a maximum of 8,928,571 Shares. At the minimum Purchase Price of $2.40 per Share, we could purchase a maximum of 10,416,667 Shares. Since we will be unable to determine the Purchase Price until after the Expiration Time, we will not determine the exact number of Shares that we will purchase until after the Expiration Time. See "*Offer to Purchase – Number of Shares and Pro-Ration*".
What will happen if Shares with an aggregate purchase price of more than $25,000,000 are tendered in the Offer?	If the aggregate purchase price for the Shares properly tendered and not properly withdrawn pursuant to the Offer by Purchase Price Tender or by Auction Tender at a price per Share not greater than the Purchase Price exceeds $25,000,000, then we will purchase the Successfully Tendered Shares on a pro rata basis according to the number of Shares

	tendered by the Successful Shareholders (with adjustments to avoid the purchase of fractional Shares), except that "Odd Lot" tenders of Successfully Tendered Shares will not be subject to pro-ration. See "*Offer to Purchase – Number of Shares and Pro-Ration*".
What do I do if I own an "Odd Lot" of shares?	If you beneficially own fewer than 100 Shares as of the Expiration Time and you tender all such Shares, we will accept for purchase, without pro-ration but otherwise subject to the terms and conditions of the Offer, all of your Shares properly tendered pursuant to an Auction Tender at or below the Purchase Price or pursuant to a Purchase Price Tender. You should check the appropriate place in Box D – "*Odd Lots*" in the Letter of Transmittal. See "*Offer to Purchase – Number of Shares and Pro-Ration*".
How can I maximize the chance that my Shares will be purchased?	If you wish to maximize the chance that your Shares will be purchased, you should tender them by "Purchase Price Tender", indicating that you will accept the Purchase Price that we select. You should understand that this election will have the same effect as if you have selected the minimum Purchase Price of $2.40 per Share, although the actual price per Share paid to you, if the Offer is completed, will be the Purchase Price, determined in accordance with the terms of the Offer. The actual price per Share paid to you may be equal to or higher than the minimum Purchase Price of $2.40 per Share. The lower end of the price range for the Offer is above the closing market price per Share on the TSX of $2.15 on April 3, 2017, the last full trading day prior to the announcement of the intention to conduct Offer, subject to setting the price and details around the Offer. The lower end of the price range for the Offer is below the closing market price per Share on the TSX of $2.31 on April 18, 2017, the last full trading day prior to the announcement of the Offer that contained the price and details around the Offer. See "*Issuer Bid Circular – Price Range and Trading Volume of the Shares*" for recent market prices for the Shares. Shareholders are urged to obtain current market quotations for the Shares.
How will Xtreme pay for the Shares?	We intend to pay for Shares purchased in the Offer (to a maximum aggregate amount of $25,000,000) with available cash on hand. Accordingly, the Offer is not conditioned upon financing. See "*Issuer Bid Circular – Source of Funds*".
How long do I have to tender my Shares?	You may tender your Shares prior to the expiration of the Offer. The Offer will expire on June 1, 2017 at 5:00 p.m. (Eastern time), unless we extend or terminate it prior to such time. We may choose to extend the Offer at any time and for any reason, subject to applicable laws. See "*Offer to Purchase – Extension and Variation of the Offer*". If a broker, dealer, commercial bank, trust company or other nominee holds your Shares, it is likely that it has an earlier deadline, for administrative reasons, for you to act to instruct them to tender Shares on your behalf. **We urge you to contact your broker, dealer, commercial bank, trust company or other nominee to confirm any earlier deadline.** See "*Offer to Purchase – The Offer*" and "*Offer to Purchase – Extension and Variation of the Offer*".
Are there any conditions to the Offer?	Yes. The Offer is subject to a number of conditions, such as the absence of court and governmental action prohibiting the Offer and changes in market and general economic conditions that, in our judgment, are or may be materially adverse to us, as well as certain other conditions that in each case must be satisfied or waived by us on or prior to the expiration of the Offer. The Offer is not conditioned upon any minimum

	number of Shares being tendered or upon financing. See "*Offer to Purchase – Conditions of the Offer*".
How do I tender my Shares?	To tender Shares pursuant to the Offer, you must (i) deliver prior to the Expiration Time the certificates for all tendered Shares in proper form for transfer, together with a properly completed and duly executed Letter of Transmittal (with signatures that are guaranteed if so required in accordance with the Letter of Transmittal), and any other documents required by the Letter of Transmittal, to the Depositary, at one of the addresses listed in the Letter of Transmittal, (ii) follow the guaranteed delivery procedure described under "*Offer to Purchase – Procedure for Tendering Shares*", or (iii) transfer all tendered Shares pursuant to the procedures for book-entry transfer described under "Offer to Purchase – Procedure for Tendering Shares", in each case prior to the Expiration Time. If your Shares are held through a broker, dealer, commercial bank, trust company or other nominee, you must request that your broker, dealer, commercial bank, trust company or other nominee tender your Shares for you. You may contact the Depositary for assistance. See "*Offer to Purchase – Procedure for Tendering Shares*" and the instructions to the related Letter of Transmittal.
Can I tender part of my Shares at different prices?	Yes. You can elect to tender your Shares in separate lots at a different price and/or different type of tender for each lot. However, you cannot tender the same Shares at different prices. If you tender some Shares at one price and other Shares at another price, you must use a separate Letter of Transmittal for each lot you tender. See "*Offer to Purchase – Procedure for Tendering Shares*".
May I tender only a portion of the Shares I own?	Yes. You do not have to tender all of the Shares you own to participate in the Offer.
What will happen if I do not tender my Shares?	Upon the completion of the Offer, non-tendering Shareholders, and Shareholders who retain an equity interest in the Corporation as a result of partial tender of Shares or pro-ration, will realize a proportionate increase in their relative ownership interest in Xtreme and thus in its future profits or losses and assets, subject to Xtreme's right to issue additional Shares and other equity securities (and securities exercisable for, or convertible into, equity securities) in the future. The amount of Xtreme's future cash assets will be reduced and/or its liabilities increased by the amount paid and expenses incurred in connection with the Offer. See "*Issuer Bid Circular – Purpose of the Offer*".
Once I have tendered Shares in the Offer, can I withdraw my tender?	Yes. You may withdraw any Shares you have tendered (i) at any time prior to the Expiration Time, (ii) at any time if the Shares have not been taken up by the Corporation, (iii) at any time before the expiration of 10 days from the date that a notice of change or notice of variation (other than a variation that (A) consists solely of an increase in the consideration offered for the Shares under the Offer where the time for tender is not extended for greater than 10 days, or (B) consists solely of the waiver of a condition of the Offer) has been given in accordance with this Offer to Purchase, or (iv) if we have not paid for the Shares within three business days of being taken up. See "*Offer to Purchase – Withdrawal Rights*".
How do I withdraw Shares I previously tendered?	You must deliver, on a timely basis, a written or printed notice of your withdrawal to the Depositary at the address appearing on the back cover page of this document. A notice of withdrawal must specify your name, the number of Shares to be withdrawn and the name of the registered

	holder of the withdrawn Shares. Some additional requirements apply if the Share certificates to be withdrawn have been delivered to the Depositary or if your Shares have been tendered under the procedure for book-entry transfer. See "*Offer to Purchase – Withdrawal Rights*". If you have tendered your Shares by giving instructions to a broker, dealer, commercial bank, trust company or other nominee, you must instruct your nominee to arrange for the withdrawal of your Shares. Please be advised that such nominees may have their own deadlines relating to the withdrawal of your Shares that differ from those set out in this Offer to Purchase. We recommend that you contact any your nominee to find out its deadline.
Can the Offer be terminated, extended or varied?	Yes. The Corporation may extend or vary the Offer in its sole discretion. See "*Offer to Purchase – Extension and Variation of the Offer*". We may also terminate the Offer under certain circumstances. See "*Offer to Purchase – Conditions of the Offer*".
How will I be notified if Xtreme extends, varies or terminates the Offer?	The Corporation will issue a public announcement of any extension, delay, termination, variation or amendment of the Offer promptly to the extent and in the manner required by applicable laws. See "*Offer to Purchase – Extension and Variation of the Offer*" for further details.
Has Xtreme or the Board of Directors adopted a position on the Offer?	The Board of Directors has approved the Offer. See "*Issuer Bid Circular – Purpose of the Offer*" for further details. However, none of Xtreme, the Board of Directors, Peters & Co. Limited or the Depositary makes any recommendation to you or to any other Shareholders as to whether to tender or refrain from tendering Shares under the Offer or as to the purchase price or purchase prices at which you or any other Shareholders may tender Shares under the Offer. You must make your own decisions as to whether to tender Shares under the Offer, and, if so, how many Shares to tender and the price or prices at which to tender.
Will Xtreme's Board of Directors, Officers or Significant Shareholders Deposit Shares to the Offer?	To the knowledge of the Corporation and its Board of Directors and officers, after reasonable inquiry, no director or officer of the Corporation, no associate or affiliate of an insider of the Corporation, no associate or affiliate of the Corporation, no insider of the Corporation (other than directors or officers of the Corporation), and no person or company acting jointly or in concert with the Corporation, has indicated any present intention to deposit any of such person's or company's Shares pursuant to the Offer. These intentions may change or Shares may be sold on the TSX depending on the change in circumstance of such individuals or parties. See "*Issuer Bid Circular - Acceptance of Offer*".
Following the Offer, will Xtreme continue as a public corporation?	Yes. We do not believe that our purchase of Shares through the Offer will cause our remaining Shares to be de-listed from the TSX. See "*Issuer Bid Circular – Purpose of the Offer*".

What impact will the Offer have on the liquidity of the market for the Shares?	The Board of Directors, based on a recommendation from the Independent Committee (as hereinafter defined), has determined that it is reasonable to conclude that, following completion of the Offer, there will be a market for Shareholders who do not tender their Shares to the Offer that is not materially less liquid than the market that existed at the time of the making of the Offer. The Board of Directors has, based on a recommendation from the Independent Committee, on a voluntary basis, obtained a liquidity opinion from Peters & Co. Limited to the effect that, based on and subject to the assumptions and limitations stated in its liquidity opinion, there is a liquid market for the Shares as of April 3, 2017 and that it is reasonable for the Board of Directors to conclude that, following the completion of the Offer in accordance with its terms, there will be a market for holders of the Shares who do not tender to the Offer that is not materially less liquid than the market that existed at the time of the making of the Offer. Neither Peters & Co. Limited nor any of its affiliates or associates is acting as an advisor to the Corporation or to any other "interested party" (as defined Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**")) in connection with Offer, other than pursuant to an engagement agreement (the "**Engagement Agreement**") between Peters & Co. Limited and the Corporation to provide a liquidity opinion. The terms of the Engagement Agreement provide that Peters & Co. Limited is to be paid a fee for the provision of the liquidity opinion. The fee payable for the liquidity opinion is not conditional on the conclusions reached by Peters & Co. in the liquidity opinion or the completion of the Offer. See "*Issuer Bid Circular – Fees and Expenses*". Peters & Co. Limited, in the last two years from the date hereof, acted as financial advisor to the Corporation in connection with the sale of its "XSR Coiled Tubing Services" business segment to Schlumberger for CDN$205 million which closed on June 23, 2016. The Corporation has no outstanding fees or obligations owing to Peters & Co. Limited in respect of Peters & Co. Limited's financial advisory role for the transaction with Schlumberger and had no such outstanding fees or obligations owing to Peters & Co. Limited prior to engaging Peters & Co. Limited for the liquidity opinion. On the basis of the foregoing and after careful consideration of various other factors, including advice from legal counsel, the Independent Committee has determined that Peters & Co. Limited is independent of the Corporation in connection with the Offer for purposes of MI 61-101. A copy of the opinion of Peters & Co. Limited is attached hereto as Schedule A. See "*Issuer Bid Circular – Purpose of the Offer – Liquidity of Market*".
When will Xtreme pay for the Shares I tender?	We will pay the Purchase Price (less applicable withholding taxes, if any) to Shareholders in cash, without interest, for the Shares we purchase promptly after the expiration of the Offer. See "*Offer to Purchase – Taking Up and Payment for Tendered Shares*".
In what currency will Xtreme pay for the Shares I tender?	The Purchase Price will be denominated in Canadian dollars. All Shareholders who tender their Shares to the Offer will receive the same Purchase Price. However, Shareholders may elect to use the Depositary's currency exchange services to convert any amounts payable to them from Canadian dollars into United States dollars pursuant to a currency

	election as described in the Letter of Transmittal. See "*Offer to Purchase – Taking Up and Payment for Tendered Shares*".
Will I have to pay brokerage commissions if I tender my Shares?	If you are a registered Shareholder and you tender your Shares directly to the Depositary, you will not incur any brokerage commissions. If you hold Shares through a broker, dealer, commercial bank, trust company or other nominee, we urge you to consult your broker, dealer, commercial bank, trust company or other nominee to determine whether transaction costs are applicable. See "*Offer to Purchase – Taking Up and Payment for Tendered Shares*".
How do holders of vested but unexercised Options participate in the Offer?	**The Offer is made only for Shares and not made for any Options.** Any holder of Options who wishes to accept the Offer should, to the extent permitted by the terms thereof, duly exercise such Options in order to tender the resulting Shares in accordance with the terms and conditions of the Offer. Any such exercise must occur sufficiently in advance of the Expiration Time to assure holders of Options that they will have sufficient time to comply with the procedures for tendering Shares in the Offer. **An exercise of an Option cannot be revoked even if the Shares received upon exercise thereof and tendered in the Offer are not purchased in the Offer for any reason.** Holders of Options that exercise such Options and then tender the Shares received on such exercise pursuant to the Offer could suffer adverse tax consequences. The tax consequences of such an exercise are not described under "*Issuer Bid Circular – Income Tax Consequences*". Holders of Options are urged to seek tax advice from their own tax advisors in this regard.
What are the income tax consequences if I tender my Shares?	**You should carefully consider the income tax consequences to you of tendering Shares pursuant to the Offer. We urge you to seek advice from your own tax advisors with respect to your particular circumstances as to the tax consequences you may incur as a result of our purchase of your Shares under the Offer.** See "*Issuer Bid Circular – Income Tax Consequences*".
Whom can I talk to if I have questions?	The Depositary can help answer your questions. The Depositary is Computershare Trust Company of Canada. Contact information for the Depositary is set forth on the back cover of this document.
How do I get my Shares back if I have tendered them pursuant to the Offer but they are not taken up?	All Shares tendered but not taken up, including all Shares tendered pursuant to Auction Tenders at prices in excess of the Purchase Price, Shares not taken up due to pro-ration, improper tenders or Shares not taken up due to the termination of the Offer, will be returned promptly after the Expiration Time or termination of the Offer without expense to the tendering Shareholder.

NO PERSON HAS BEEN AUTHORIZED TO MAKE ANY RECOMMENDATION ON BEHALF OF THE CORPORATION OR THE BOARD OF DIRECTORS AS TO WHETHER SHAREHOLDERS SHOULD TENDER OR REFRAIN FROM TENDERING SHARES PURSUANT TO THE OFFER. NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION IN CONNECTION WITH THE OFFER OTHER THAN AS SET FORTH IN THIS OFFER. IF GIVEN OR MADE, ANY SUCH RECOMMENDATION OR ANY SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE CORPORATION, THE BOARD OF DIRECTORS, PETERS & CO. LIMITED OR THE DEPOSITARY.

OFFER TO PURCHASE

To the holders of common shares of Xtreme Drilling Corp.

1. The Offer

Xtreme invites Shareholders to tender, for purchase and cancellation by the Corporation, Shares pursuant to (i) Auction Tenders in which the tendering Shareholders specify a price of not less than $2.40 per Share and not more than $2.80 per Share in increments of $0.05 per Share, or (ii) Purchase Price Tenders, in either case on the terms and subject to the conditions set forth in this Offer to Purchase, the Circular and the related Letter of Transmittal and the Notice of Guaranteed Delivery.

The Offer will commence on April 26, 2017, the date of mailing the Offer and Circular, and will expire at 5:00 p.m. (Eastern time) on June 1, 2017 (such time on such date, the "**Expiration Time**"), unless terminated, extended or varied by Xtreme. Subject to applicable law, the Corporation may, in its sole discretion, extend the period of time during which the Offer will remain open. In the event of an extension, the term "Expiration Time" will refer to the latest time and date at which the Offer, as so extended, will expire. The Offer is not conditioned upon any minimum number of Shares being tendered or upon the consummation of any financing. The Offer is, however, subject to other conditions and Xtreme reserves the right, subject to applicable laws, to terminate the Offer and not take up and pay for any Shares tendered under the Offer if certain events occur or certain conditions are not fulfilled. See "*Offer to Purchase – Conditions of the Offer*".

Each Shareholder who has properly tendered Shares pursuant to an Auction Tender at or below the Purchase Price or pursuant to a Purchase Price Tender, and who has not properly withdrawn such Shares, will receive the Purchase Price, payable in cash (subject to applicable withholding taxes, if any), for each Share purchased, on the terms and subject to the conditions of the Offer, including the provisions relating to pro-ration described herein.

The Depositary will return all Shares not purchased under the Offer (including Shares tendered pursuant to an Auction Tender at prices greater than the Purchase Price, Shares not purchased because of pro-ration, improper tenders, or Shares not taken up due to the termination of the Offer), or properly withdrawn before the Expiration Time, promptly after the Expiration Time or termination of the Offer, or the date of withdrawal of the Shares, in any case without expense to the tendering Shareholder.

The Offer is made only for Shares and not made for any Options. Any holder of such securities who wishes to accept the Offer should, to the extent permitted by the terms thereof, duly exercise or convert, as applicable, such Options in order to tender the resulting Shares in accordance with the terms and conditions of the Offer. Any such exercise or conversion must occur sufficiently in advance of the Expiration Time to assure holders of Options that they will have sufficient time to comply with the procedures for tendering Shares in the Offer as described under "*Offer to Purchase – Procedure for Tendering Shares*". **An exercise of an Option cannot be revoked even if the Shares received upon exercise or conversion thereof and tendered in the Offer are not purchased in the Offer for any reason.** Holders that exercise Options and then tender pursuant to the Offer the Shares received on such exercise or conversion, as applicable, could suffer adverse tax consequences. The tax consequences of such an exercise or conversion are not described under "*Issuer Bid Circular – Income Tax Consequences*". Holders of Options are urged to seek tax advice from their own tax advisors in this regard.

Xtreme's Board of Directors has approved the Offer and has authorized the delivery to Shareholders of the Offer. See "*Issuer Bid Circular – Purpose of the Offer*" for further details. However, none of Xtreme, the Board of Directors, Peters & Co. Limited, or the Depositary, makes any recommendation to any Shareholder as to whether to tender or refrain from tendering Shares under the Offer or as to the purchase price or purchase prices at which Shareholders may tender Shares under the Offer. Shareholders must make their own decisions as to whether to tender Shares under the Offer, and, if so, how many Shares to tender and the price or prices at which to tender.

Shareholders should carefully consider the income tax consequences of tendering Shares under the Offer. See "*Issuer Bid Circular – Income Tax Consequences*".

The accompanying Circular, Letter of Transmittal and Notice of Guaranteed Delivery contain important information and should be read carefully and in their entirety before making a decision with respect to the Offer.

2. Purchase Price

Promptly following the Expiration Time, upon the terms and subject to the conditions of the Offer, the Corporation will determine a single Purchase Price per Share, which will not be less than $2.40 per Share and not more than $2.80 per Share, that is the lowest price that enables it to purchase the maximum number of Shares properly tendered and not properly withdrawn pursuant to the Offer having an aggregate purchase price not exceeding $25,000,000, taking into account the number of Shares tendered pursuant to Auction Tenders and pursuant to Purchase Price Tenders and the prices specified by Shareholders tendering Shares pursuant to Auction Tenders. For the purpose of determining the Purchase Price, Shares tendered pursuant to a Purchase Price Tender will be considered to have been tendered at $2.40 per Share (which is the minimum Purchase Price under the Offer). The lower end of the price range for the Offer is above the closing market price per Share on the TSX of CDN$2.15 on April 3, 2017, the last full trading day prior to the announcement of the intention to conduct the Offer, subject to setting the price and details around the Offer. The lower end of the price range for the Offer is above the closing market price per Share on the TSX of CDN$2.31 on April 18, 2017, the last full trading day prior to the announcement of the Offer that contained the price and details around the Offer. Shareholders are urged to obtain current market quotations for the Shares before deciding whether, and at price or prices, to tender Shares pursuant to the Offer.

Upon determination of the Purchase Price, the Corporation will publicly announce the Purchase Price for the Shares, and upon the terms and subject to the conditions of the Offer (including the pro-ration provisions described herein), all Shareholders who have properly tendered and not properly withdrawn their Shares either pursuant to Auction Tenders at prices at or below the Purchase Price or pursuant to Purchase Price Tenders will receive the Purchase Price, payable in cash (less subject to applicable withholding taxes, if any), without interest, for each Share purchased. The Purchase Price will be denominated in Canadian dollars and payments of amounts owing to a tendering Shareholder will be made in Canadian dollars. However, Shareholders may elect to use the Depositary's currency exchange services to convert any amounts payable to them from Canadian dollars into United States dollars pursuant to a currency election as described in the Letter of Transmittal. See "*Offer to Purchase – Taking Up and Payment for Tendered Shares*".

3. Number of Shares and Pro-Ration

As of April 18, 2017, there were 85,091,367 Shares issued and outstanding and, accordingly, the Offer is for a maximum of approximately 12.24% of the total number of issued and outstanding Shares if the Purchase Price is determined to be $2.40 (being the minimum Purchase Price under the Offer). If the Purchase Price is determined to be $2.80 (which is the maximum Purchase Price under the Offer), the Offer is for a maximum of approximately 10.49% of the total number of issued and outstanding Shares.

If the aggregate purchase price of the Successfully Tendered Shares does not exceed $25,000,000, the Corporation will, upon the terms and subject to the conditions of the Offer, purchase all Successfully Tendered Shares at the Purchase Price. If the aggregate purchase price of the Successfully Tendered Shares exceeds $25,000,000 the Corporation will accept Shares for purchase first from all Successful Shareholders who are Odd Lot Holders (as defined below). With respect to Successful Shareholders who are not Odd Lot Holders, the Corporation will accept Shares for purchase at the Purchase Price on a pro rata basis according to the number of Successfully Tendered Shares, less the number of Shares purchased from Odd Lot Holders (with adjustments to avoid the purchase of fractional Shares).

For purposes of the Offer, the term "Odd Lots" means all Successfully Tendered Shares tendered by or on behalf of the Successful Shareholders who individually beneficially own, as of the Expiration Time, an aggregate of fewer than 100 Shares ("**Odd Lot Holders**"). As set forth above, Odd Lots will be accepted for purchase before any pro ration. In order to qualify for this preference, an Odd Lot Holder must properly tender, pursuant to an Auction Tender at a price at or below the Purchase Price or pursuant to a Purchase Price Tender, all Shares

beneficially owned by such Odd Lot Holder. Partial tenders will not qualify for this preference. This preference is not available to holders of 100 or more Shares even if holders have separate certificates for fewer than 100 Shares or hold fewer than 100 Shares in different accounts. Any Odd Lot Holder wishing to tender all Shares beneficially owned, without pro-ration, must check the appropriate box on the Letter of Transmittal and, if applicable, on the Notice of Guaranteed Delivery. Shareholders owning an aggregate of less than 100 Shares whose Shares are purchased pursuant to the Offer will avoid any odd lot discounts, which may be applicable on a sale of their Shares in a transaction on the TSX.

4. Procedure for Tendering Shares

Proper Tender of Shares

To tender Shares pursuant to the Offer, (i) the certificates for all tendered Shares in proper form for transfer, together with a properly completed and duly executed Letter of Transmittal (or a manually executed photocopy thereof) relating to such Shares (with signatures that are guaranteed if so required in accordance with the Letter of Transmittal), and any other documents required by the Letter of Transmittal, must be received by the Depositary at one of the addresses listed in the Letter of Transmittal prior to the Expiration Time, (ii) the guaranteed delivery procedure described below must be followed, or (iii) such Shares must be transferred pursuant to the procedures for book-entry transfer described below (and a confirmation of such transfer must be received by the Depositary, including either a Book-Entry Confirmation or an Agent's Message (each defined below) if the tendering Shareholder has not delivered a Letter of Transmittal). The term "Agent's Message" means a message, transmitted by the Depository Trust Company ("**DTC**") to and received by the Depositary and forming a part of a book-entry confirmation, which states that DTC has received an express acknowledgment from the tendering participant, which acknowledgment states that such participant has received and agrees to be bound by the Letter of Transmittal and that the Corporation may enforce such Letter of Transmittal against such participant. The term "Book-Entry Confirmation" means a confirmation of a book-entry transfer of a Shareholder's Shares into the Depositary's account at CDS Clearing and Depository Services Inc. ("**CDS**").

In accordance with Instruction 5 in the Letter of Transmittal or the Book-Entry Confirmation or Agent's Message in lieu thereof, each Shareholder desiring to deposit Shares pursuant to the Offer should indicate, in Box A captioned "Type of Tender" on such Letter of Transmittal or, if applicable, the Notice of Guaranteed Delivery: (i) whether the Shareholder is tendering Shares pursuant to an Auction Tender or a Purchase Price Tender, and (ii) each Shareholder desiring to tender Shares pursuant to an Auction Tender must further indicate, in the appropriate box in such Letter of Transmittal or the Book-Entry Confirmation or Agent's Message in lieu thereof, the price per Share (in increments of $0.05 per Share) at which such Shares are being tendered. Under each of (i) and (ii) respectively, only one box may be checked. If a Shareholder desires to tender Shares in separate lots at a different price and/or different type of tender for each lot, such Shareholder must complete a separate Letter of Transmittal or Book-Entry Confirmation or Agent's Message in lieu thereof (and, if applicable, a Notice of Guaranteed Delivery) for each lot. The same Shares cannot be tendered (unless previously properly withdrawn) pursuant to both an Auction Tender and a Purchase Price Tender, or pursuant to an Auction Tender at more than one price. **Shareholders who properly tender Shares without making a valid Auction Tender or Purchase Price Tender will be deemed to have made a Purchase Price Tender.** In addition, Odd Lot Holders who tender all their Shares must check the appropriate box in the Letter of Transmittal in order to qualify for the preferential treatment available to Odd Lot Holders as set forth in "*Offer to Purchase – Number of Shares and Pro-Ration*".

If your Shares are held through a broker, dealer, commercial bank, trust company or other nominee, you must request that your broker, dealer, commercial bank, trust company or other nominee tender your Shares for you. If your Shares are so held, you should immediately contact such nominee in order to take the necessary steps to be able to tender such Shares under the Offer. In addition, it is likely that such broker, dealer, commercial bank, trust company or other nominee has an earlier deadline, for administrative reasons, for you to act to instruct such nominee to tender Shares on your behalf. We urge you to contact your broker, dealer, commercial bank, trust company or other nominee to confirm any earlier deadline.

Participants of CDS and DTC should contact such depository with respect to the tender of their Shares under the terms of the Offer.

Signature Guarantees

No signature guarantee is required on the Letter of Transmittal if either (i) the Letter of Transmittal is signed by the registered holder of the Shares exactly as the name of the registered holder appears on the share certificate tendered therewith, and payment and delivery are to be made directly to such registered holder, or (ii) Shares are tendered for the account of a Canadian Schedule I chartered bank, a member of the Securities Transfer Agents Medallion Program (STAMP), a member of the Stock Exchanges Medallion Program (SEMP) or a member of the New York Stock Exchange Inc. Medallion Signature Program (MSP) (each such entity, an "**Eligible Institution**"). Members of these programs are usually members of a recognized stock exchange in Canada or the United States, members of the Investment Dealers Association of Canada, members of the Financial Industry Regulatory Authority or banks and trust companies in the United States. In all other cases, all signatures on the Letter of Transmittal must be guaranteed by an Eligible Institution. See Instruction 1 in the Letter of Transmittal.

If a certificate representing Shares is registered in the name of a person other than the signatory to a Letter of Transmittal, or if payment is to be made, or certificates representing Shares not purchased or tendered are to be issued to a person other than the registered holder, the certificate must be endorsed or accompanied by an appropriate stock power, in either case, signed exactly as the name of the registered holder appears on the certificate with the signature on the certificate or stock power signature guaranteed by an Eligible Institution. An ownership declaration, which can be obtained from the Depositary, must also be completed and delivered to the Depositary.

Book-Entry Transfer Procedures – CDS

Any financial institution that is a participant in CDS may make book-entry delivery of the Shares through the CDS on-line tendering system pursuant to which book-entry transfers may be effected ("**CDSX**") by causing CDS to deliver such Shares to the Depositary in accordance with the applicable CDS procedures. Delivery of Shares to the Depositary by means of book-entry through CDSX will constitute a valid tender under the Offer.

Shareholders may accept the Offer by following the procedures for a book-entry transfer of Shares established by CDS, provided that a Book-Entry Confirmation through CDSX is received by the Depositary at its office in Toronto, Ontario prior to the Expiration Time in connection with the tender of such Shares. Shareholders, through their respective CDS participants, who utilize CDSX to accept the Offer via book-entry of their holdings with CDS, shall be deemed to have completed and submitted a Letter of Transmittal and to be bound by the terms thereof and therefore such instructions received by the Depositary are considered to be a valid tender in accordance with the terms of the Offer. **Delivery of documents to CDS does not constitute delivery to the Depositary.**

Book-Entry Transfer Procedures – DTC

The Depositary intends to establish an account with respect to the Shares at DTC for purposes of the Offer. Any financial institution that is a participant in DTC may make book-entry delivery of the Shares by causing DTC to transfer such Shares into the Depositary's account in accordance with DTC procedures for such transfer. Although delivery of the Shares may be effected under the Offer through book-entry transfer into the Depositary's account at DTC, the Letter of Transmittal (or a manually signed photocopy thereof) with any required signature guarantees, or (in the case of a book-entry transfer) an Agent's Message in lieu of the Letter of Transmittal and any other required documents must, in any case, be transmitted to and received by the Depositary at its Toronto, Ontario office address set forth on the back cover page of this Offer and Circular prior to the Expiration Time in connection with the tender of such Shares. **Delivery of documents to DTC does not constitute delivery to the Depositary.**

Shareholders who are tendering by book-entry transfer to the Depositary's account at DTC may execute their tender through DTC's Automated Tender Offer Program ("**ATOP**") by transmitting their acceptance to DTC in accordance with DTC's ATOP procedures. DTC will then verify the acceptance, execute a book-entry delivery to the Depositary's account at DTC and send an Agent's Message to the Depositary. Delivery of the Agent's Message by DTC will satisfy the terms of the Offer in lieu of execution and delivery of a Letter of Transmittal by

the participant identified in the Agent's Message. Accordingly, the Letter of Transmittal need not be completed by a Shareholder tendering through ATOP.

Method of Delivery

The method of delivery of certificates representing Shares and all other required documents is at the option and sole risk of the tendering Shareholder. If certificates representing Shares are to be sent by mail, registered mail that is properly insured is recommended and it is suggested that the mailing be made sufficiently in advance of the Expiration Time to permit delivery to the Depositary prior to such time. Delivery of a certificate representing Shares will only be deemed to occur upon actual receipt by the Depositary of such certificate.

Guaranteed Delivery

If a Shareholder wishes to tender Shares pursuant to the Offer and cannot deliver certificates for such Shares, or time will not permit all required documents to reach the Depositary prior to the Expiration Time, or the procedures for book-entry transfer cannot be completed on a timely basis, such Shares may nevertheless be tendered if all of the following conditions are met:

(a) such tender is made by or through an Eligible Institution;

(b) a properly completed and duly executed Notice of Guaranteed Delivery in the form provided by the Corporation with this Offer to Purchase, including (where required) a signature guarantee by an Eligible Institution in the form set forth in the Notice of Guaranteed Delivery is received by the Depositary, at its office in Toronto, Ontario prior to the Expiration Time; and

(c) the certificates for all tendered Shares in proper form for transfer (or confirmation of book-entry transfer), together with a properly completed and duly executed Letter of Transmittal (or a manually executed photocopy thereof), or a Book-Entry Confirmation or Agent's Message in lieu thereof in the case of a book-entry transfer relating to such Shares, with signatures that are guaranteed if so required in accordance with the Letter of Transmittal, and any other documents required by the Letter of Transmittal, are received by the Toronto, Ontario office of the Depositary, before 5:00 p.m. (Eastern time) on or before the third trading day on the TSX after the Expiration Time.

The Notice of Guaranteed Delivery may be hand delivered, couriered, mailed or transmitted by facsimile transmission to the Toronto, Ontario office of the Depositary listed in the Notice of Guaranteed Delivery, and must include a guarantee by an Eligible Institution in the form set forth in the Notice of Guaranteed Delivery.

Notwithstanding any other provision hereof, payment for Shares tendered and accepted for payment pursuant to the Offer will be made only after timely receipt by the Depositary of (i) certificates for such Shares, or timely confirmation of the book-entry transfer of such Shares, (ii) a properly completed and duly executed Letter of Transmittal (or a manually executed photocopy thereof) relating to such Shares, with signatures that are guaranteed if so required, or a Book-Entry Confirmation or Agent's Message in the case of a book-entry transfer, and (iii) any other documents required by the Letter of Transmittal.

The tender information specified in a Notice of Guaranteed Delivery by a person completing such Notice of Guaranteed Delivery will, in all circumstances, take precedence over the tender information that is specified in the related Letter of Transmittal that is subsequently delivered.

Return of Unpurchased Shares

Certificates for all Shares not purchased under the Offer (including Shares tendered pursuant to an Auction Tender at prices greater than the Purchase Price, Shares not purchased because of pro-ration, improper tenders, or Shares not taken up due to the termination of the Offer), or properly withdrawn before the Expiration Time,

will be returned (in the case of certificates representing Shares all of which are not purchased) or replaced with new certificates representing the balance of Shares not purchased (in the case of certificates representing Shares of which less than all are purchased), promptly after the Expiration Time (or termination of the Offer) or the date of withdrawal of the Shares.

In the case of Shares tendered through book-entry transfer into the Depositary's account at DTC or CDS, the Shares will be credited to the appropriate account maintained by the tendering Shareholder at DTC or CDS, as applicable, without expense to the Shareholder.

Determination of Validity, Rejection; Waiver of Defects; No Obligation to Give Notice of Defect

All questions as to the number of Shares to be taken up, the price to be paid therefor, the form of documents and the validity, eligibility (including time of receipt) and acceptance for payment of any tender of Shares will be determined by the Corporation, in its sole discretion, which determination will be final and binding on all parties, except as otherwise finally determined in a subsequent judicial proceeding in a court of competent jurisdiction or as required by law. Xtreme reserves the absolute right to reject any or all tenders of Shares determined by it in its sole discretion not to be in proper form or not completed in accordance with the instructions set forth herein and in the Letter of Transmittal or the acceptance for payment of, or payment for, which may, in the opinion of the Corporation's counsel, be unlawful. Xtreme also reserves the absolute right to waive any of the conditions of the Offer or any defect or irregularity in the tender of any particular Shares, in each case prior to the Expiration Time. Unless waived, any defects or irregularities in connection with tenders must be cured within such time as the Corporation shall determine. No individual tender of Shares will be deemed to be properly made until all defects and irregularities have been cured or waived. The Corporation will not be liable for failure to waive any condition of the Offer or any defect or irregularity in any tender of Shares. **None of the Corporation, the Depositary or any other person will be obligated to give notice of defects or irregularities in tenders, nor shall any of them incur any liability for failure to give any such notice.** The Corporation's interpretation of the terms and conditions of the Offer (including the Letter of Transmittal and the Notice of Guaranteed Delivery) will be final and binding, except as otherwise finally determined in a subsequent judicial proceeding in a court of competent jurisdiction or as required by law.

Under no circumstances will interest accrue or be paid by the Corporation by reason of any delay in making payment to any person, including persons using the guaranteed delivery procedures. The amount paid for Shares tendered pursuant to the guaranteed delivery procedures will be the same as that for Shares delivered to the Depositary on or prior to the Expiration Time.

Formation of Agreement

A tender of Shares under any of the procedures described above will constitute a binding agreement between the tendering Shareholder and the Corporation, effective as of the Expiration Time, upon the terms and conditions of the Offer.

Lost or Destroyed Share Certificates

If any certificate representing Shares has been lost or destroyed, the Shareholder should promptly notify the Depositary at the phone number or address set forth on the back cover page of this Offer to Purchase and Circular. The Letter of Transmittal and related documents cannot be processed until the procedures for replacing lost or destroyed certificates have been followed. Shareholders are requested to contract the Depositary immediately in order to permit timely processing of this documentation.

5. Withdrawal Rights

Except as otherwise provided in this Section, tenders of Shares pursuant to the Offer will be irrevocable. Shares tendered pursuant to the Offer may be withdrawn by the Shareholder:

(a) at any time prior to the Expiration Time;

(b) at any time if the Shares have not been taken up by the Corporation;

(c) at any time before the expiration of 10 days from the date that a notice of change or notice of variation (other than a variation that (i) consists solely of an increase in the consideration offered for the Shares under the Offer where the time for tender is not extended for greater than 10 days, or (ii) consists solely of the waiver of a condition of the Offer) has been given in accordance with this Offer to Purchase. See "*Extension and Variation of the Offer*"; or

(d) if the Shares have not been paid for by the Corporation within three business days of being taken up.

For a withdrawal to be effective, a written or printed copy of a notice of withdrawal must be actually received by the Depositary prior to 5:00 p.m. (Eastern time) on the applicable date specified above at the place of tender of the relevant Shares. Any such notice of withdrawal must (i) be signed by or on behalf of the person who signed the Letter of Transmittal that accompanied the Shares being withdrawn or, in the case of Shares tendered by a CDS or DTC participant, be signed by such participant in the same manner as the participant's name as listed on the applicable Book-Entry Confirmation or Agent's Message, or be accompanied by evidence sufficient to the Depositary that the person withdrawing the tender has succeeded to the beneficial ownership of the Shares, and (ii) specify the name of the person who tendered the Shares to be withdrawn, the name of the registered holder (if different from that of the person who tendered such Shares) and the number of Shares to be withdrawn. If the certificates for the Shares tendered pursuant to the Offer have been delivered or otherwise identified to the Depositary, then, prior to the release of such certificates, the tendering Shareholder must submit the serial numbers shown on the particular certificates evidencing the Shares to be withdrawn and the signature on the notice of withdrawal must be guaranteed by an Eligible Institution, except in the case of Shares tendered by an Eligible Institution. If Shares have been tendered pursuant to the procedure for book-entry transfer described in Section 4, the notice of withdrawal must also specify the name and number of the account at DTC or CDS, as applicable, to be credited with the withdrawn Shares, and must otherwise comply with DTC's or CDS' procedures. If a Shareholder has used more than one Letter of Transmittal or has otherwise tendered in more than one group of Shares, such Shareholder may withdraw Shares using either separate notices of withdrawal or a combined notice of withdrawal, so long as the information specified above is included. **A withdrawal of Shares tendered pursuant to the Offer can only be accomplished in accordance with the foregoing procedure. The withdrawal shall take effect only upon actual receipt by the Depositary of a properly completed and executed notice of withdrawal in writing.**

A Shareholder who wishes to withdraw Shares under the Offer and who holds Shares through a broker, dealer, commercial bank, trust company or other nominee should immediately contact such broker, dealer, commercial bank, trust company or other nominee in order to take the necessary steps to be able to withdraw such Shares under the Offer. Please be advised that such nominees may have their own deadlines relating to the withdrawal of your Shares that differ from those set out in this Offer to Purchase. We recommend that you contact any such nominee to find out its deadline.

Participants of CDS and DTC should contact such depository with respect to the withdrawal of Shares under the Offer.

All questions as to the form and validity (including time of receipt) of notices of withdrawal will be determined by the Corporation, in its sole discretion, which determination shall be final and binding, except as otherwise finally determined in a subsequent judicial proceeding in a court of competent jurisdiction or as required by law. None of the Corporation, the Depositary nor any other person will be obligated to give notice of defects or irregularities in notices of withdrawal, nor shall any of them incur any liability for failure to give any such notice.

Any Shares properly withdrawn will thereafter be deemed not tendered for purposes of the Offer. However, withdrawn Shares may be re-tendered prior to the Expiration Time by again following the procedures described herein.

If Xtreme extends the period of time during which the Offer is open, is delayed in its purchase of Shares or is unable to purchase Shares pursuant to the Offer for any reason, then, without prejudice to Xtreme's rights under the Offer, the Depositary may, subject to applicable law, retain on behalf of Xtreme all tendered Shares. In the event of such retention, such Shares may not be withdrawn except to the extent tendering Shareholders are entitled to withdrawal rights as described under this Section.

6. Conditions of the Offer

The Offer is not conditioned upon any minimum number of Shares being tendered or upon any financing. Notwithstanding any other provision of the Offer, Xtreme shall not be required to accept for purchase, to purchase or, subject to any applicable rules or regulations, to pay for any Shares tendered, and may terminate, extend or vary the Offer or may, subject to any applicable rules and regulations, postpone the acceptance for payment or payment for Shares tendered, if, at any time on or after the commencement of the Offer and at or prior to the expiration of the Offer, any of the following events shall have occurred (or shall have been determined by Xtreme to have occurred):

(a) there shall have been threatened, taken or pending any action, suit or proceeding by any government or governmental authority or regulatory or administrative agency in any jurisdiction, or by any other person in any jurisdiction, before any court or governmental authority or regulatory or administrative agency in any jurisdiction (i) challenging or seeking to cease trade, make illegal, delay or otherwise directly or indirectly restrain or prohibit the making of the Offer, the acceptance for payment of some or all of the Shares by the Corporation or otherwise directly or indirectly relating in any manner to or affecting the Offer, or seeks to obtain material damages in respect of the Offer or (ii) that otherwise, in the sole judgment of the Corporation, acting reasonably, has or may have a material adverse effect on the business, income, assets, liabilities, condition (financial or otherwise), properties, operations, results of operations or prospects of the Corporation and its subsidiaries taken as a whole or has impaired or may materially impair the contemplated benefits of the Offer to the Corporation;

(b) there shall have been any action or proceeding threatened, pending or taken or approval withheld or any statute, rule, regulation, stay, decree, judgment or order or injunction proposed, sought, enacted, enforced, promulgated, amended, issued or deemed applicable to the Offer or the Corporation or any of its subsidiaries by or before any court, government or governmental authority or regulatory or administrative agency in any jurisdiction that, in the sole judgment of the Corporation, acting reasonably, might directly or indirectly result in any of the consequences referred to in clauses (i) or (ii) of paragraph (a) above or would or might prohibit, prevent, restrict or delay consummation or materially impair the contemplated benefits of the Offer to the Corporation or make it inadvisable to proceed with the Offer;

(c) there shall have occurred (i) any general suspension of trading in, or limitation on prices for, securities on any securities exchange or in the over-the-counter market in Canada or the United States, (ii) the declaration of a banking moratorium or any suspension of payments in respect of banks in Canada or the United States (whether or not mandatory), (iii) a natural disaster or the commencement or escalation of a war, armed hostilities, act of terrorism or other international or national calamity directly or indirectly involving Canada, the United States or any other region where the Corporation maintains significant business activities, (iv) any limitation (whether or not mandatory) by any government or governmental authority or regulatory or administrative agency or any other event that, in the sole judgment of the Corporation, acting reasonably, could negatively affect the extension of credit by banks or other lending institutions, (v) any decrease of more than 10% in the market price of the Shares on the TSX since the close of business on April 18, 2017), (vi) any change in the general political, market, economic or financial conditions that has or may have a material adverse effect on the Corporation's business, operations or prospects or the trading in, or value of, the Shares, or (vii) any decline in any of the S&P/TSX Composite

Index, the Dow Jones Industrial Average or the S&P 500 Composite Index by an amount in excess of 10%, measured from the close of business on April 18, 2017;

(d) there shall have occurred any change or changes (or any development involving any prospective change or changes) in (i) general political, market, economic, financial or industry conditions in the United States or Canada, or (ii) the business, assets, liabilities, properties, condition (financial or otherwise), operations, results of operations or prospects of the Corporation or any of its subsidiaries that, in each case in the sole judgment of the Corporation, acting reasonably, has, have or may have a material adverse effect with respect to the Corporation and its subsidiaries taken as a whole or a material acceleration of the foregoing;

(e) any take-over bid or tender or exchange offer with respect to some or all of the securities of the Corporation, or any merger, business combination or acquisition proposal, disposition of assets outside of the ordinary course of business, or other similar transaction with or involving the Corporation or its subsidiaries, other than the Offer, or any solicitation of proxies, other than by management, to seek to control or influence the Board of Directors, shall have been proposed, announced or made by any individual or entity;

(f) the Corporation shall have concluded, in its sole judgment, acting reasonably, that the Offer or the taking up and payment for any or all of the Shares by the Corporation is illegal or not in compliance with applicable law or stock exchange requirements and, if required under any such legislation or requirements, the Corporation shall not have received the necessary exemptions from or approvals or waivers of the appropriate courts or applicable securities regulatory authorities or stock exchange(s) in respect of the Offer;

(g) any change shall have occurred or been proposed to the *Income Tax Act* (Canada) ("**Tax Act**") or regulations thereunder, to the publicly available administrative policies or assessing practices of the Canada Revenue Agency ("**CRA**") or to relevant jurisprudence, that, in the sole judgment of the Corporation, acting reasonably, is detrimental to the Corporation or its affiliates taken as a whole or to a Shareholder, or with respect to making the Offer or taking up and paying for Shares tendered under the Offer;

(h) the Corporation shall have determined that the Corporation would be subject to Part VI.1 tax under the Tax Act in connection with the Offer;

(i) the completion of the Offer subjects the Corporation to any material tax liability;

(j) any change shall have occurred or been proposed to the United States Internal Revenue Code of 1986, as amended (the "**Code**"), the Treasury regulations promulgated thereunder, or publicly available administrative policies of the U.S. Internal Revenue Service ("**IRS**"), or the equivalent laws, regulations and policies of another jurisdiction where one or more Shareholders are resident, that, in the sole judgment of the Corporation, acting reasonably, is detrimental to the Corporation or its affiliates taken as a whole or to a Shareholder, or with respect to making the Offer or taking up and paying for Shares tendered under the Offer;

(k) any entity, person or group shall have filed a Notification and Report Form under the Hart-Scott Rodino Antitrust Improvements Act of 1976, as amended, or made a public announcement reflecting an intent to acquire the Corporation or any of its subsidiaries or any of its or their respective assets or securities outside of the ordinary course of business;

(l) the Corporation reasonably determines that the completion of the Offer and the purchase of the Shares may cause the Shares to be delisted from the TSX;

(m) Peters & Co. Limited will have withdrawn or amended its opinion with respect to the liquidity of the Shares; or

(n) a material change in Canadian or any other currency exchange rates or a suspension of or limitation on the markets for such currencies that could have, in the Corporation's reasonable judgment, a material adverse effect on the business, properties, assets, liabilities, capitalization, shareholders' equity, condition (financial or otherwise), operations, results of operations or prospects of the Corporation and its subsidiaries, taken as a whole, or on the trading in the Shares.

The foregoing conditions are for the sole benefit of the Corporation and may be asserted by the Corporation, in its sole discretion, acting reasonably, or may be waived by the Corporation, in its sole discretion, in whole or in part at any time at or prior to the expiration of the Offer, provided that any condition waived in whole or in part will be waived with respect to all Shares tendered. The failure by the Corporation at any time to exercise its rights under any of the foregoing conditions shall not be deemed a waiver of any such right; the waiver of its right to exercise such rights at any subsequent time with respect to particular facts and other circumstances shall not be deemed a waiver with respect to any other facts and circumstances; and each such right shall be deemed an ongoing right which may be asserted at any time or from time to time at or prior to the expiration of the Offer. For the avoidance of doubt, the foregoing conditions must be satisfied or waived at or prior to the expiration of the Offer. Any determination by the Corporation concerning the events described in this Section shall be final and binding on all parties, except as otherwise finally determined in a subsequent judicial proceeding or as required by law.

Any waiver of a condition or the termination of the Offer by the Corporation shall be deemed to be effective on the date on which notice of such waiver or termination by the Corporation is delivered or otherwise communicated to the Depositary. The Corporation, after giving notice to the Depositary of any waiver of a condition or the termination of the Offer, shall immediately make a public announcement of such waiver or termination and provide or cause to be provided, to the extent required by law, notice of such waiver or termination to the TSX and the applicable securities regulatory authorities. If the Offer is terminated, the Corporation shall not be obligated to take up, accept for purchase or pay for any Shares tendered under the Offer, and the Depositary will return all certificates for tendered Shares, Letters of Transmittal and Notices of Guaranteed Delivery and any related documents to the parties by whom they were tendered.

7. Extension and Variation of the Offer

Subject to applicable law, the Corporation expressly reserves the right, in its sole discretion, and regardless of whether or not any of the conditions specified herein shall have occurred, at any time or from time to time, to extend the period of time during which the Offer is open or to vary the terms and conditions of the Offer, by giving written notice, or oral notice to be confirmed in writing, of extension or variation to the Depositary and by causing the Depositary to provide to all Shareholders, where required by law, as soon as practicable thereafter, a copy of the notice in the manner set forth under Section 11 of this Offer to Purchase entitled "*Notice*". As soon as practical after giving notice of an extension or variation to the Depositary, the Corporation will make a public announcement of the extension or variation and provide or cause to be provided notice of such extension or variation to the TSX and the applicable securities regulatory authorities. Any notice of extension or variation will be deemed to have been given and be effective on the day on which it is delivered or otherwise communicated, in writing, to the Depositary.

Where the terms of the Offer are varied (other than a variation consisting solely of the waiver of a condition in the Offer and any extension of the Offer resulting from the waiver), the period during which Shares may be deposited pursuant to the Offer will not expire before ten days (except for any variation increasing or decreasing the percentage of Shares to be purchased or the consideration provided for under the Offer, in which case the Offer will not expire before 10 business days) after the date of notice of variation has been given to Shareholders, unless otherwise permitted by applicable law and subject to abridgement or elimination of that period pursuant to such orders or other forms of relief as may be granted by applicable securities regulatory authorities.

During any such extension or in the event of any variation, all Shares previously deposited and not taken up or withdrawn will remain subject to the Offer and may be accepted for purchase by the Corporation in accordance

with the terms of the Offer, subject to Section 5 of this Offer to Purchase entitled "*Withdrawal Rights*". An extension of the Expiration Time or a variation of the Offer or change in information does not constitute a waiver by the Corporation of its rights under Section 6 of this Offer to Purchase entitled "*Conditions of the Offer*".

The Corporation also expressly reserves the right, in its sole discretion, subject to applicable law: (i) to terminate the Offer and not take up and pay for any Shares not theretofore taken up and paid for upon the occurrence of any of the events specified in Section 6 of this Offer to Purchase, "*Conditions of the Offer*", and/or (ii) at any time or from time to time, to vary the Offer in any respect, including increasing or decreasing the aggregate purchase price for Shares that the Corporation may purchase or the range of prices it may pay pursuant to the Offer.

Any such extension, delay, termination or variation will be followed as promptly as practicable by a public announcement. Without limiting the manner in which the Corporation may choose to make any public announcement, except as provided by applicable law, the Corporation will have no obligation to publish, advertise or otherwise communicate any such public announcement other than by making a release through its usual news wire service.

If the Corporation varies the terms of the Offer or a change occurs in the information concerning the Offer that would reasonably be expected to affect the decision of the Shareholders to accept or reject the Offer, or if otherwise required by applicable Canadian or U.S. securities laws, the Corporation will extend the time during which the Offer is open to the extent required under such laws.

8. Taking Up and Payment for Tendered Shares

Upon the terms and provisions of the Offer (including pro-ration) and subject to and in accordance with applicable Canadian and United States securities laws, the Corporation will take up and pay for Shares properly tendered and not withdrawn under the Offer in accordance with the terms thereof promptly after the Expiration Time, but in any event within the time limits required by applicable securities laws, provided that the conditions of the Offer (as the same may be amended) have been satisfied or waived on or prior to the Expiration Time. The Corporation will acquire Shares to be purchased pursuant to the Offer and title thereto under this Offer to Purchase effective from the time the Corporation takes up and pays for such Shares.

For the purposes of the Offer, the Corporation will be deemed to have taken up and accepted for payment Successfully Tendered Shares having an aggregate purchase price not exceeding $25,000,000 if, as and when the Corporation gives oral notice (to be confirmed in writing) or written notice or other communication confirmed in writing to the Depositary to that effect.

The Corporation reserves the right, in its sole discretion, subject to applicable securities laws, to delay taking up or paying for any Shares or to terminate the Offer and not take up or pay for any Shares if any event specified under Section 6 of this Offer to Purchase entitled "*Conditions of the Offer*" occurs on or prior to the Expiration Time, by giving written notice thereof or other communication confirmed in writing to the Depositary. The Corporation also reserves the right, in its sole discretion and notwithstanding any other condition of the Offer, to delay taking up and paying for Shares in order to comply, in whole or in part, with any applicable law.

In the event of pro-ration of Shares tendered pursuant to the Offer, the Corporation will determine the pro-ration factor and pay for those tendered Shares accepted for payment promptly after the Expiration Time. **However, the Corporation does not expect to be able to announce the final results of any such pro-ration until at least three business days after the Expiration Time.**

Certificates for all Shares not purchased under the Offer (including Shares tendered pursuant to an Auction Tender at prices greater than the Purchase Price, Shares not purchased because of pro-ration, improper tenders, or Shares not taken up due to the termination of the Offer), or properly withdrawn before the Expiration Time, will be returned (in the case of certificates representing Shares all of which are not purchased) or replaced with new certificates representing the balance of Shares not purchased (in the case of certificates representing Shares of which less than all are purchased), or in the case of Shares tendered by book-entry transfer, credited to the account maintained with DTC or CDS, as applicable, by the participant who delivered the Shares, promptly after

the Expiration Time (or termination of the Offer) or the date of withdrawal of the Shares, in any case without expense to the Shareholder.

The Corporation will pay for Shares taken up under the Offer by providing the Depositary with sufficient funds (by bank transfer or other means satisfactory to the Depositary) for transmittal to tendering Shareholders. Under no circumstances will interest accrue or be paid by the Corporation or the Depositary on the Purchase Price of the Shares purchased by the Corporation, regardless of any delay in making such payment or otherwise.

Tendering Shareholders will not be obligated to pay brokerage fees or commissions to the Corporation or the Depositary. However, Shareholders are cautioned to consult with their own brokers or other intermediaries to determine whether any fees or commissions are payable to their brokers or other intermediaries in connection with a tender of Shares pursuant to the Offer. Xtreme will pay all fees and expenses of the Depositary in connection with the Offer.

The Depositary will act as agent of persons who have properly tendered Shares in acceptance of the Offer and have not withdrawn them, for the purposes of receiving payment from the Corporation and transmitting payment to such persons. **Receipt by the Depositary from the Corporation of payment for such Shares will be deemed to constitute receipt of payment by persons tendering Shares.** The Depositary will also coordinate with CDS and DTC, as applicable, with respect to Shareholders who have deposited Shares by way of book-entry transfer which are taken up and accepted by the Corporation, to arrange for payment to be made to such Shareholders in accordance with the settlement procedures of CDS and DTC, as applicable, including a currency election if made available by CDS and DTC.

The settlement with each Shareholder who has tendered Shares under the Offer will be effected by the Depositary by forwarding a cheque or electronic payment, representing the cash payment (less any applicable withholding taxes) for such Shareholder's Shares taken up under the Offer. The cheque, or electronic payment, will be issued in the name of the person signing the Letter of Transmittal or in the name of such other person as specified by the person signing the Letter of Transmittal by properly completing the appropriate box in such Letter of Transmittal. Unless the tendering Shareholder instructs the Depositary to hold the cheque for pick-up by checking the appropriate box in the Letter of Transmittal, the cheque will be forwarded by prepaid mail to the payee at the address specified in the Letter of Transmittal. If no such delivery instructions are specified, the cheque will be sent to the address of the tendering Shareholder as it appears in the registers maintained in respect of the Shares. Cheques or electronic payments, mailed or transmitted in accordance with this paragraph will be deemed to have been delivered at the time of mailing, or transmission.

Each registered holder of Shares who has tendered Shares under the Offer will receive payment of the Purchase Price for accepted Shares in Canadian dollars, unless such Shareholder exercises the applicable election in the Letter of Transmittal to use the Depositary's currency exchange services to convert payment of the Purchase Price of the tendered Shares into United States dollars. If the Depositary is not so instructed to make a currency election on the behalf of such registered holder of Shares pursuant to the election procedures in the Letter of Transmittal, the registered holder of Shares will receive payment of the Purchase Price of the tendered Shares in Canadian dollars.

Each non-registered holder of Shares who has tendered Shares under the Offer will receive payment of the Purchase Price for accepted Shares in Canadian dollars, unless such Shareholder contacts the intermediary in whose name your Shares are registered and request that the intermediary make an election on your behalf. If your intermediary does not make an election on your behalf, you will receive payment in Canadian dollars.

The exchange rate that will be used to convert payments from Canadian dollars into United States dollars will be the rate available from Computershare Trust Company of Canada, in its capacity as foreign exchange service provider to the Corporation, on the date the funds are converted, which rate will be based on the prevailing market rate on the date the funds are converted. The risk of any fluctuations in such rates, including risks relating to the particular date and time at which funds are converted, will be solely borne by the tendering Shareholder. Computershare Trust Company of Canada will act as principal in such currency conversion transactions.

Successfully Tendered Shares taken up and paid for by the Corporation will immediately be cancelled by the Corporation.

9. Payment in the Event of Mail Service Interruption

Notwithstanding the provisions of the Offer, cheques in payment for Shares purchased under the Offer and certificates for any Shares to be returned will not be mailed if the Corporation determines that delivery by mail may be delayed. Persons entitled to cheques or certificates that are not mailed for this reason may take delivery at the office of the Depositary at which the tendered certificates for the Shares were delivered until the Corporation has determined that delivery by mail will no longer be delayed. Xtreme will provide notice, in accordance with this Offer to Purchase, of any determination under this section not to mail as soon as reasonably practicable after such determination is made.

10. Liens and Dividends

Shares acquired pursuant to the Offer shall be acquired by the Corporation free and clear of all hypothecs, liens, charges, encumbrances, security interests, claims, restrictions and equities whatsoever, together with all rights and benefits arising therefrom, provided that any dividends or distributions that may be paid, issued, distributed, made or transferred on or in respect of such Shares to Shareholders of record on or prior to the date upon which the Shares are taken up and paid for under the Offer shall be for the account of such Shareholders. Each Shareholder of record on that date will be entitled to receive that dividend or distribution, whether or not such Shareholder tenders Shares pursuant to the Offer.

A tender of Shares made pursuant to any method of delivery set forth herein will also constitute a representation and warranty to us that the tendering Shareholder has full power and authority to tender, sell, assign and transfer the tendered Shares and any and all dividends, distributions, payments, securities, rights, assets or other interests which may be declared, paid, issued, distributed, made or transferred on or in respect of the tendered Shares with a record date on or after the date that Xtreme takes up and accepts for purchase the tendered Shares and that, if the tendered Shares are taken up and accepted for purchase by Xtreme, Xtreme will acquire good and marketable title thereto, free and clear of all liens, charges, claims, encumbrances, security interests, restrictions and equities whatsoever, together with all rights and benefits arising therefrom. Any such tendering Shareholder will, on request by the Depositary or us, execute and deliver any additional documents deemed by the Depositary or us to be necessary or desirable to complete the sale, assignment and transfer of the Shares tendered, all in accordance with the terms of the Offer.

All authority conferred or agreed to be conferred by delivery of the Letter of Transmittal shall be binding on the successors, assigns, heirs, personal representatives, executors, administrators and other legal representatives of the tendering Shareholder and shall not be affected by, and shall survive, the death or incapacity of such tendering Shareholder.

11. Notice

Without limiting any other lawful means of giving notice, any notice to be given by the Corporation or the Depositary under the Offer will be deemed to have been properly given if it is mailed by first-class mail, postage prepaid, to the registered Shareholders at their respective addresses as shown on the share registers maintained in respect of the Shares and will be deemed to have been received on the first business day following the date of mailing. These provisions apply despite (i) any accidental omission to give notice to any one or more Shareholders and (ii) an interruption of mail service in any relevant jurisdiction following mailing. In the event of any interruption of mail service following mailing, the Corporation will use reasonable efforts to disseminate the notice by other means, such as publication. Except as otherwise required or permitted by law, in the event that post offices in any relevant jurisdiction are not open for deposit of mail, or there is reason to believe there is or could be a disruption in all or any part of the postal service, any notice that the Corporation or the Depositary may give or cause to be given under the Offer will be deemed to have been properly and validly given and to have been received by Shareholders if it is issued by way of a news release and if it is published once in a national newspaper.

12. Other Terms

(a) No broker, dealer or other person has been authorized to give any information or to make any representation on behalf of the Corporation, the Board of Directors, Peters & Co. Limited or the Depositary other than as contained in the Offer, and, if any such information or representation is given or made, it must not be relied upon as having been authorized by the Corporation, the Board of Directors, Peters & Co. Limited or the Depositary.

(b) The Offer and all contracts resulting from the acceptance thereof shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein. Each party to any agreement resulting from the acceptance of the Offer unconditionally and irrevocably attorns to the exclusive jurisdiction of the courts of the Province of Alberta and all courts competent to hear appeals therefrom.

(c) The provisions of the Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery accompanying this Offer to Purchase, including the instructions contained therein, as applicable, form part of the terms and conditions of this Offer to Purchase.

(d) The Corporation, in its sole discretion, will be entitled to make a final and binding determination of all questions relating to the interpretation of the Offer, the Offer and Circular, the Letter of Transmittal, the Notice of Guaranteed Delivery, the validity of any acceptance of the Offer, the pro rata entitlement of each depositing Shareholder, if applicable, and the validity of any withdrawals of Shares.

(e) The Offer is not being made to, and tenders will not be accepted from or on behalf of, Shareholders residing in any jurisdiction in which the making of the Offer would not be in compliance with the laws of such jurisdiction. However, Xtreme may, in its sole discretion, take such action as it may deem necessary to make the Offer in any such jurisdiction and to extend the Offer to Shareholders in such jurisdiction.

(f) For the purposes of subsection 191(4) of the Tax Act, the "specified amount" in respect of each Share will be $2.40.

Neither Xtreme nor the Board of Directors, in making the decision to present the Offer to Shareholders, makes any recommendation to any Shareholder as to whether to tender or refrain from tendering Shares. We urge Shareholders to consult their own financial, legal, investment and tax advisors and make their own decision whether to tender Shares to the Offer and, if so, how many Shares to tender, and at what price or prices.

The accompanying Circular, together with this Offer to Purchase, constitutes the issuer bid circular required under Canadian securities legislation with respect to the Offer and the information required to be delivered to securityholders under United States securities laws applicable to Xtreme with respect to the Offer. The accompanying Circular contains additional information relating to the Offer.

DATED this 18th day of April, 2017.

XTREME DRILLING CORP.

(signed) "Matthew S. Porter"

President and Chief Executive Officer and Director

ISSUER BID CIRCULAR

This Circular is being furnished in connection with the Offer by Xtreme to purchase for not more than $25,000,000 in cash up to 10,416,667 of its Shares at a Purchase Price of not less than $2.40 per Share and not more than $2.80 per Share. Terms defined in the Offer to Purchase and not otherwise defined herein have the same meaning in this Circular. The terms and conditions of the Offer to Purchase, the Letter of Transmittal and the Notice of Guaranteed Delivery are incorporated into and form part of this Circular. Reference is made to the Offer to Purchase for details of the terms and conditions of the Offer.

1. Xtreme Drilling Corp.

The Corporation was formed on May 1, 2006 by the amalgamation under the ABCA of Norquay Capital Ltd. and Xtreme Coil Drilling Corp. Xtreme is a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario.

The Corporation's head office is located at 770, 340 – 12th Avenue S.W., Calgary, Alberta T2R 1L5 and its registered office is located at 4300, 888 – 3rd Street S.W., Calgary, Alberta T2P 5C5. The Corporation also maintains a headquarters in Houston, Texas.

The Shares of Xtreme are listed and posted for trading on the TSX under the symbol "XDC".

The Corporation is subject to the information and reporting requirements of applicable Canadian provincial securities laws and the rules of the TSX and, in accordance therewith, files periodic reports and other information with applicable Canadian securities regulatory authorities and the TSX relating to its business, financial condition and other matters.

2. Authorized Capital

Xtreme is authorized to issue an unlimited number of Shares. Holders of Shares are entitled to vote at all meetings of our shareholders, to receive dividends as declared by Xtreme and to receive, on liquidation, dissolution or winding-up, our remaining property and assets. As of April 18, 2017 the Corporation had 85,091,367 Shares issued and outstanding, 866,000 options to purchase Common Shares ("**Options**") outstanding and 634,568 restricted stock units ("**RSUs**") issued and outstanding.

3. Purpose of the Offer

The purpose of the Offer is to deliver Shareholder value through the return of capital and enhance liquidity to Shareholders that elect to tender their Shares pursuant to the Offer.

The Corporation believes and the Board determined that the purchase of Shares under the Offer represents an effective use of the Corporation's financial resources and is in the best interests of the Corporation and its Shareholders. The Offer is not expected to preclude the Corporation from pursuing its foreseeable or planned business opportunities. In considering whether the Offer is in the best interests of the Corporation and its Shareholders, the Board gave careful consideration to a number of factors, including, without limitation, the following:

(a) the recent trading price range of the Shares is not considered to be fully reflective of the value of the Corporation's business and future prospects, consequently the repurchase of Shares represents an attractive investment and an appropriate and desirable use of available funds;

(b) after giving effect to the Offer, the Corporation will continue to have sufficient financial resources and working capital to conduct its ongoing business and operations and the Offer is not expected to preclude the Corporation from pursuing its foreseeable business opportunities or the future growth of the Corporation's business;

(c) the deposit of the Shares under the Offer is optional, the option is available to all Shareholders, and all Shareholders are free to accept or reject the Offer;

(d) the Offer provides Shareholders with an opportunity to realize on all or a portion of their investment in the Corporation;

(e) Shareholders wishing to tender Shares may do so pursuant to Auction Tenders or Purchase Price Tenders;

(f) the Offer is not conditional on any minimum number of Shares being deposited, and Shareholders who do not deposit their Shares under the Offer will realize a proportionate increase in their equity interest in the Corporation to the extent that Shares are purchased by the Corporation pursuant to the Offer;

(g) an opinion from Peters & Co. Limited regarding the liquidity of the market for the Shares after completion of the Offer; and

(h) it is reasonable to conclude that, following the completion of the Offer, there will be a market for beneficial owners of the Shares who do not tender to the Offer that is not materially less liquid than the market that existed at the time of the making of the Offer (see "*Liquidity of Market*" below).

The full Board of Directors met with management of the Corporation on April 3, 2017 to discuss, amongst other things, a potential substantial issuer bid. After careful consideration of a number of factors, including, without limitation, certain of the factors set out above, and the input from the Corporation's legal advisors, the Board of Directors voted and approved the making of a substantial issuer bid for up to an aggregate of $25,000,000. Furthermore, the Board of Directors appointed an independent committee of the Board comprised of Douglas A. Dafoe, James B. Renfroe Jr. and David W. Wehlmann (the "**Independent Committee**") to further consider the substantial issuer bid and work with the Corporation's legal advisors on pricing and additional details regarding the substantial issuer bid. Subsequent to the April 3, 2017 meeting, the Independent Committee after careful consideration of a number of factors, including without limitation, the factors set out above, and the input from the Corporation's legal advisors, recommended that the Board of Directors approve the substantial issuer bid according to the terms of the Offer. The Board of Directors, based on the input from the Independent Committee approved the terms of the Offer and also approved the Offer to Purchase, Circular, Letter of Transmittal, Notice of Guarantee Delivery and various other matters relating to the Offer.

Neither the Corporation or the Board makes any recommendation to any Shareholder as to whether to deposit or refrain from depositing any or all of such Shareholder's Shares. No person has been authorized to make any such recommendation. Shareholders are urged to evaluate carefully all information in the Offer, consult their own investment and tax advisors and make their own decisions whether to deposit Shares and, if so, how many Shares to deposit. Shareholders should carefully consider the income tax consequences of accepting the Offer. See "*Issuer Bid Circular - Income Tax Considerations*" and "*Certain United States Federal Income Tax Considerations to United States Holders.*"

Subject to certain exceptions, Canadian securities laws prohibit the Corporation and its affiliates from acquiring any Shares, other than (i) pursuant to the Offer on and from the day of the announcement of the Corporation's intention to make the Offer until the Expiration Time or the date of termination of the Offer or (ii) by way of a transaction that is generally available to holders of Shares on identical terms from the Expiration Time or the date of termination of the Offer to the end of the 20th business day after the Expiration Time or the date of termination of the Offer. Subject to applicable law, the Corporation may in the future purchase additional Shares on the open market, in private transactions, through issuer bids or otherwise. Any such purchases may be on the same terms or on terms that are more or less favourable to Shareholders than the terms of the Offer. Any possible future purchases by the Corporation will depend on many factors, including the market price of the Shares, the

Corporation's business and financial position, the results of the Offer and general economic and market conditions.

Liquidity of Market

As at April 18, 2017, there were 85,091,367 Shares issued and outstanding, of which 36,046,904 Shares comprise the public float, which excludes Shares beneficially owned, or over which control or direction is exercised, by "related parties" of the Corporation and Shares that are not "freely tradeable" (each as defined in MI 61-101) (the "**public float**"). If the Purchase Price is determined to be $2.40 (which is the minimum Purchase Price under the Offer), the maximum number of Shares that the Corporation is offering to purchase pursuant to the Offer represents approximately 12.24% (10,416,667) of the Shares outstanding on April 18, 2017. If the Corporation purchases 10,416,667 Shares pursuant to the Offer, there will be approximately 74,674,700 Shares outstanding. In addition, if the Corporation purchases 10,416,667 Shares pursuant to the Offer and none of the "related parties" of the Corporation deposit their shares pursuant to the Offer, the "public float" will comprise approximately 25,630,273 Shares. If the Purchase Price is determined to be $2.80 (which is the maximum Purchase Price under the Offer), the maximum number of Shares that the Corporation is offering to purchase pursuant to the Offer represents approximately 10.49% (8,928,571) of the Shares outstanding on April 18, 2017. If the Corporation purchases the 8,928,571 Shares pursuant to the Offer, there will be approximately 76,162,796 Shares outstanding. In addition, if the Corporation purchases 8,928,571 Shares pursuant to the Offer, and none of the "related parties" of the Corporation deposit their shares pursuant to the Offer, the "public float" will comprise approximately 27,118,333 Shares.

The Corporation is relying on the "liquid market exemption" specified in MI 61-101 from the requirement to obtain a formal valuation applicable to the Offer. Accordingly, the valuation requirements of securities regulatory authorities in Canada applicable to issuer bids generally are not applicable in connection with the Offer.

The Corporation has determined that there is a liquid market in the Shares because:

(a) there is a published market for the Shares, namely the TSX;

(b) during the 12-month period before the date the Offer was announced:

  (i) the number of issued and outstanding Shares was at all times at least 5,000,000, excluding Shares beneficially owned, or over which control and direction was exercised, by related parties and Shares that were not freely tradeable;

  (ii) the aggregate trading volume of Shares on the TSX was at least 1,000,000 Shares;

  (iii) there were at least 1,000 trades in the Shares on the TSX; and

  (iv) the aggregate value of the trades in the Shares on the TSX was at least $15,000,000; and

(c) the market value of the Shares on the TSX, as determined in accordance with MI 61-101, was at least $75,000,000 for March 2017 (the calendar month preceding the calendar month in which the Offer was announced)

In making their determination, the Board considered many factors, including without limitation:

(a) the extent by which the trading volume, number of trades and aggregate trading value during the 12-month period preceding the announcement of the Offer, the size of the public float and the market value of the Shares, exceeds the minimum objective liquid market requirements pursuant to MI 61-101; and

(b) the number of Shares to be acquired in relation to the public float, the trading volumes of and the number of trades in the Shares on the TSX, the value of trades on the TSX and the market value of the Shares, in the 12 months preceding the announcement of the Offer.

While not required under applicable securities laws, the Board, based on a recommendation from the Independent Committee, subsequently requested and received a liquidity opinion (the "**Liquidity Opinion**") from Peters & Co. Limited. The Liquidity Opinion states that based upon and subject to the qualifications, assumptions and limitations contained therein and such other matters as Peters & Co. Limited considered relevant, it is Peters & Co. Limited's opinion as at April 3, 2017:

(a) a liquid market exists for the Shares as at April 3, 2017; and

(b) it is reasonable to conclude that, on completion of the Offer in accordance with its terms, there will be a market for the holders of Shares who do not tender their Shares to the Offer that is not materially less liquid than at the time of making the Offer.

The full text of the Liquidity Opinion, setting out the assumptions made, matters considered and limitations and qualifications on the review undertaken in connection with the Liquidity Opinion, is attached as Schedule A to this Circular. The summary of the Liquidity Opinion in this Circular is qualified in its entirety by reference to the full text of the Liquidity Opinion. The Liquidity Opinion is not a recommendation to any Shareholder as to whether to deposit or refrain from depositing Shares. The Board urges Shareholders to read the Liquidity Opinion in its entirety.

Based on the liquid market test set out above and as confirmed by the Liquidity Opinion of Peters & Co. Limited, the Board determined that it is reasonable to conclude that, following the completion of the Offer, there will be a market for beneficial owners of the Shares who do not tender to the Offer that is not materially less liquid than the market that existed at the time of making the Offer. Based on such determination, the formal valuation requirements of the securities regulatory authorities in Canada applicable to issuer bids generally are not applicable in connection with the Offer.

Neither Peters & Co. Limited nor any of its affiliates or associates is acting as an advisor to the Corporation or to any other "interested party" (as defined in MI 61-101) in connection with Offer, other than pursuant to an Engagement Agreement between Peters & Co. Limited and the Corporation to provide the Liquidity Opinion. The terms of the Engagement Agreement provide that Peters & Co Limited. is to be paid a fee for the provision of the Liquidity Opinion. The fee payable for the Liquidity Opinion is not conditional on the conclusions reached by Peters & Co. in the Liquidity Opinion or the completion of the Offer. See "*Issuer Bid Circular – Fees and Expenses*". Peters & Co. Limited, in the last two years from the date hereof, acted as financial advisor to the Corporation in connection with the sale of its "XSR Coiled Tubing Services" business segment to Schlumberger for CDN$205 million which closed on June 23, 2016. The Corporation has no outstanding fees or obligations owing to Peters & Co. Limited in respect of Peters & Co. Limited's financial advisory role for the transaction with Schlumberger and had no such outstanding fees or obligations owing to Peters & Co. Limited prior to engaging Peters & Co. Limited for the Liquidity Opinion. On the basis of the foregoing and after careful consideration of various other factors, including advice from legal counsel, the Independent Committee has determined that Peters & Co. Limited is independent of the Corporation in connection with the Offer for purposes of MI 61-101. A copy of the opinion of Peters & Co. Limited is attached hereto as Schedule A.

Additional Securities Law Considerations

Xtreme is a reporting issuer (or the equivalent thereof) in each of the provinces and territories of Canada, and the Shares are listed on the TSX. Xtreme believes that the purchase of Shares pursuant to the Offer will not result in: (i) Xtreme ceasing to be a reporting issuer in any jurisdiction in Canada, or (ii) the Shares being delisted from the TSX.

4. Withdrawal Rights

The withdrawal rights of Shareholders are described under "*Offer to Purchase – Withdrawal Rights*" and are incorporated into and form part of this Circular.

5. Presentation of Financial Information

The Corporation's consolidated financial statements are reported in Canadian dollars and have been prepared in accordance with International Financial Reporting Standards. The audited consolidated financial statements of Xtreme for the year ended December 31, 2016 are available on SEDAR at www.sedar.com. The unaudited interim consolidated financial statements of Xtreme for the three month period ended March 31, 2017, once they become available, will be available on SEDAR at www.sedar.com and will be sent to a Shareholder without charge upon request to the Corporation at 770, 340 – 12 Avenue SW, Calgary, Alberta T2R 1L5 Attention: Corporate Secretary.

6. Price Range and Trading Volume of the Shares

The outstanding Shares are listed on the TSX under the trading symbol "XDC". The following table sets forth the price range, calculated using intraday high and low prices, and trading volume of the Shares as reported by the TSX, being the market on which the Shares are principally traded, for the six-month period up to and including the date hereof:

Month	High Price (C$)	Low Price (C$)	Volume
2016			
October	$3.05	$2.36	831,692
November	$2.99	$2.51	900,207
December	$2.95	$2.50	658,445
2017			
January	$2.90	$2.59	2,638,284
February	$2.66	$2.19	1,063,583
March	$2.41	$1.95	3,631,396
April (1 – 18)	$2.44	$2.15	882,067

The lower end of the price range for the Offer is above the closing market price per Share on the TSX of CDN$2.15 on April 3, 2017, the last full trading day prior to the announcement of the intention to conduct the Offer, subject to setting the price and details around the Offer. The lower end of the price range for the Offer is above the closing market price per Share on the TSX of CDN$2.31 on April 18, 2017, the last full trading day prior to the announcement of the Offer that contained the price and details around the Offer. Shareholders are urged to obtain current market quotations for the Shares.

7. Dividend Policy

The Corporation has not paid any dividends to date on the Shares. The Board of Directors will determine the timing, payment and amount of dividends, if any, that may be paid from time to time based on, among other matters, Xtreme's cash flow, results of operations and financial condition, the need for funds to finance ongoing operations and other relevant considerations.

8. Previous Purchases and Sales

Excluding securities purchased or sold pursuant to the exercise of employee stock options or in connection with the settlement or redemption of other security-based compensation arrangements, no securities of the Corporation have been purchased or sold by the Corporation during the 12 months preceding the date hereof.

9. Previous Distributions

No Shares have been distributed during the five years preceding the date hereof, except in respect of a bought deal offering of Xtreme that closed on September 28, 2012 for $1.15 per Share for aggregate gross proceeds of $17,252,013.

10. Ownership of Securities of the Corporation

To the knowledge of the Corporation, after reasonable inquiry, the following table indicates, as at April 18, 2017, the number of securities of the Corporation beneficially owned or over which control or direction is exercised, by (a) each director and officer of the Corporation, (b) each associate or affiliate of an insider of the Corporation, (c) each associate or affiliate of the Corporation and (d) each insider of the Corporation (other than a director or officer of the Corporation), and where the parties falling into categories (a) – (d) are collectively referred to as the "**Disclosable Persons**"). No person or company is acting jointly or in concert with Xtreme in connection with the Offer.

		Shares		Options		RSUs	
Name	**Relationship with Corporation**	**Number[1]**	**% of Outstanding Shares[2]**	**Number**	**% of Outstanding Options**	**Number**	**% of Outstanding RSUs**
Matthew S. Porter	President and Chief Executive Officer and Director	281,303	0.33%	138,000	15.94%	250,000	39.40%
Martin Ramirez	Vice President, Finance and Corporate Development	51,332	0.06%	51,250	5.92%	51,000	8.04%
John Wray	Vice President, Drilling Operations	3,289	0.004%	12,750	1.47%	51,000	8.04%
Colin W. Burnett[3]	Director	-	-	-	-	-	-
Shell Technology Venture Fund 1	Associate of an Insider	6,992,582	8.22%	-	-	17,928	-
Randolph M. Charron	Director	2,945,717[4]	3.46%	-	-	17,928	2.83%
Douglas A. Dafoe	Director	57,456	0.07%	70,000	8.08%	17,928	2.83%
J. William Franklin, Jr. [5]	Director	18,120	0.02%	-	-	17,928	2.83%
James B. Renfroe, Jr.	Director	43,120	0.05%	60,000	6.93%	17,928	2.83%
David W. Wehlmann	Director	22,120	0.03%	60,000	6.93%	17,928	2.83%
LRP V Luxembourg Holdings S.à.r.l. [6]	10% Securityholder	15,286,490	17.96%	-	-	-	-
Fidelity Management &Research Company[7]	10% Securtiyholder	12,895,059	15.15%	-	-	-	-
Franklin Resources Inc.	10% Securityholder	10,447,875	12.28%	-	-	-	-

Notes:

(1) The information concerning securities beneficially owned, directly or indirectly, or over which control or direction is exercised, not being entirely within the knowledge of Xtreme, has been furnished by the respective directors and officers listed above and based upon information publicly filed on SEDI and SEDAR in respect of Xtreme.

(2) The percentage of outstanding securities disclosed is calculated as the number of securities of the class held by party divided by the aggregate number of securities of that same class issued and outstanding as of the date hereof.

(3) Mr. Burnett is employed by Abbotsford Capital Limited which manages Shell Technology Venture Fund 1 ("**SVTF1**") and was nominated for election to the Board of Directors by STVF1. Mr. Burnett may be considered to indirectly exercise some degree of control and direction over Shares and RSUs owned by STVF1. STVF1 owns 6,992,582 Shares, which represents approximately 8.22% of the outstanding Shares. STVF1 owns 17,928 RSUs, which represents approximately 2.83% of the outstanding RSUs.

(4) Of these 2,945,717 Shares, 700,000 Shares are held by Characo Corporation and 321,420 Shares are held by E-Soft Inc., both of which are companies owned and controlled by Mr. Charron.

(5) Mr. Franklin is employed by Lime Rock Partners. LRP V Luxembourg Holdings S.à.r.l., a wholly-owned subsidiary of Lime Rock Partners owns 15,286,490 Shares which represents approximately 17.96% of the outstanding Shares. Mr. Franklin was nominated for election to the Board of Directors by Lime Rock Partners. Mr. Franklin may be considered to indirectly exercise some degree of control and direction over the Shares owned by LRP V Luxembourg Holdings S.à.r.l. Also, the proceeds of the RSUs held by Mr. Franklin will revert to Lime Rock Partners if and when, they are vested and sold.

(6) Mr. Franklin holds 18,120 Shares which represent approximately 0.02% of the outstanding Shares and 17,928 RSUs which represent approximately 2.83% of the outstanding RSUs. The proceeds of these RSUs will revert to Lime Rock Partners if and when, they are vested and sold. Given Mr. Franklin's relationship with Lime Rock Partners noted above, Lime Rock Partners and LRP V Luxembourg Holdings S.à.r.l. may be considered to indirectly exercise some degree of control and direction over the Shares and RSUs held by Mr. Franklin.

(7) Beneficial ownerships is with Fidelity Management & Research Company, Pyramis Global Advisors, LLC, Pyramis Global Advisors Trust Company, Strategic Advisers Incorporated, and/or FIL Limited.

To the knowledge of the Corporation, as at April 18, 2017, excluding Shares beneficially owned by the 10% Securityholders, all directors and officers of Xtreme as a group beneficially owned, controlled or held directly or indirectly, an aggregate of 25,701,529 Shares, or 30.20% of the outstanding Shares.

To the knowledge of the directors and officers of Xtreme, after reasonable enquiry, the only persons or companies that beneficially own or exercise control or direction over Shares carrying more than 10% of the votes attached to the Shares as of April 18, 2017, are included in the chart above.

11. Acceptance of Offer

To the knowledge of the Corporation, after reasonable inquiry, no Disclosable Person intends to tender Shares pursuant to the Offer. In the event that the circumstances or decisions of any such persons change, they may decide to tender Shares to the Offer or sell their Shares through the facilities of the TSX or otherwise during the period prior to the Expiration Time.

12. Agreements, Commitments and Understandings

Except for securities issued, purchased or sold pursuant to the exercise of stock options or in connection with the Corporation's security-based compensation arrangements (a) the Corporation has no agreements, commitments, or understandings to acquire securities of the Corporation, other than pursuant to the Offer, and (b) to the Corporation's knowledge, after reasonable inquiry, no Disclosable Person is a party to any agreement, arrangement, commitment or understanding to acquire securities of the Corporation.

13. Benefits from the Offer and Effect on Disclosable Persons

To the knowledge of the Corporation, after reasonable enquiry, no Disclosable Person will receive any direct or indirect benefit from accepting or refusing to accept the Offer other than the Purchase Price for any Shares tendered to the Offer and purchased by the Corporation in accordance with the terms of the Offer.

14. Material Changes in the Affairs of the Corporation and Other Material Facts

Except as described or referred to herein: (a) the Corporation does not have any plans or proposals for material changes in the affairs of the Corporation, other than as have been publicly disclosed, (b) there have not been any material changes that have occurred, other than as have been publicly disclosed, and (c) the Corporation is not aware of any material fact concerning the Shares or any other matter not previously publicly disclosed and known to the Corporation that would reasonably be expected to affect the decision of Shareholders to accept or reject the Offer.

From time to time, the Corporation explores potential corporate opportunities and transactions, including the acquisition or disposition of material assets, material contracting arrangements, financings, significant investments and other similar opportunities or transactions. Transactions may also be pursued to improve the Corporation's capital structure or improve liquidity for the Corporation's shareholders. Such opportunities or transactions, if completed, may have a significant effect on the price or value of the Corporation's securities. The Corporation's general policy is to not publicly disclose the pursuit of a potential strategic opportunity or transaction until a binding definitive agreement has been signed.

15. Bona Fide Offers

No bona fide prior offer that relates to the Shares or is otherwise relevant to the Offer has been received by the Corporation during the 24 months preceding the date hereof.

16. Prior Valuations

To the knowledge of the directors and officers of the Corporation, after reasonable inquiry, no "prior valuation" (as defined in MI 61-101) in respect of the Corporation has been made in the 24 months before the date hereof.

17. Income Tax Consequences

Certain Canadian Federal Income Tax Considerations

Xtreme has been advised by Stikeman Elliott LLP that the following summary describes certain of the principal Canadian federal income tax considerations pursuant to the Tax Act generally applicable, as at the date hereof, to a sale of Shares pursuant to the Offer.

This summary is based on the current provisions of the Tax Act, the regulations thereunder, all specific proposals to amend the Tax Act and the regulations thereunder publicly announced by the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**") and counsel's understanding of the current administrative policies and assessing practices of the CRA published in writing prior to the date hereof. This summary assumes that the Proposed Amendments will be enacted in the form currently proposed. No assurances can be given that the Proposed Amendments will be enacted as currently proposed, or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative policies or assessing practices, whether by judicial, governmental or legislative decision or action, nor does it take into account provincial, territorial or foreign tax considerations, which may differ significantly from those discussed herein. This summary is not exhaustive of all Canadian federal income tax considerations.

This portion of the summary is not applicable to a Shareholder: (i) that is a "financial institution" for the purposes of the "mark-to-market" rules, (ii) that is a "specified financial institution", (iii) an interest in which is a "tax shelter investment", or (iv) that reports its "Canadian tax results" in a currency other than Canadian dollars, as each of those terms is defined in the Tax Act. This summary is also not applicable to a Shareholder that acquired Shares pursuant to the exercise of an employee stock option and who sells such Shares pursuant to the Offer. Such Shareholders should consult their own tax advisors regarding their particular circumstances. All of the foregoing Shareholders should consult their own tax advisors regarding their particular circumstances.

This summary is of a general nature only and is not exhaustive of all possible Canadian federal income tax considerations. This summary is not, and should not be construed as, legal or tax advice to any particular Shareholder and no representations with respect to Canadian federal income tax consequences to any particular Shareholder are made. Accordingly, Shareholders are urged to consult their own tax advisors with respect to their particular circumstances.

Residents of Canada

This portion of the summary is applicable to a Shareholder who, at all relevant times for the purposes of the Tax Act (i) is or is deemed to be a resident of Canada, (ii) deals at arm's length with Xtreme and is not affiliated with

Xtreme, (iii) is not exempt from tax under Part I of the Tax Act, and (iv) holds its Shares as capital property (a "**Resident Shareholder**"). Generally, Shares will be considered to be capital property to a Resident Shareholder provided that the Resident Shareholder does not hold the Shares in the course of carrying on a business and has not acquired the Shares in one or more transactions considered to be an adventure or concern in the nature of trade. A Resident Shareholder whose Shares might not otherwise qualify as capital property may, in certain circumstances, make an irrevocable election under subsection 39(4) of the Tax Act to have the Shares and every other "Canadian security", as defined in the Tax Act, owned by such Resident Shareholder in the taxation year of the election and in all subsequent taxation years deemed to be capital property. Resident Shareholders are advised to consult their own tax advisors to determine if this election is appropriate in their particular circumstances.

A Resident Shareholder who sells a Share to Xtreme pursuant to the Offer will not be deemed to have received a taxable dividend as a result of the sale provided that the paid-up capital of such Share for purposes of the Tax Act at the time of sale exceeds the amount paid by Xtreme for such Share pursuant to the Offer. Counsel has been advised by Xtreme that the paid-up capital of each Share for purposes of the Tax Act currently exceeds the maximum amount payable for such Share pursuant to the Offer. Xtreme has also advised counsel that it expects that the paid-up capital of each Share for purposes of the Tax Act will exceed the maximum amount payable for such Share at the time the Shares are sold pursuant to the Offer. Accordingly, this summary assumes that no dividend will be deemed to be received by a Resident Shareholder on the sale of a Share to Xtreme pursuant to the Offer.

The amount paid by Xtreme for a Share disposed of by a Resident Shareholder under the Offer will be treated as proceeds of disposition of the Share. A Resident Shareholder will realize a capital gain (or capital loss) on the disposition of Shares under the Offer equal to the amount by which the Resident Shareholder's proceeds of disposition of such Shares, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base to the Resident Shareholder of such Shares.

Generally, a Resident Shareholder will be required to include in computing its income for a taxation year one-half of any capital gain (a "**taxable capital gain**") realized by it in that year. A Resident Shareholder must generally deduct one-half of the amount of any capital loss (an "**allowable capital loss**") realized in a taxation year from taxable capital gains realized by the Resident Shareholder in that year, and any excess may generally be applied to reduce taxable capital gains realized by the Resident Shareholder in the three preceding taxation years or in any subsequent taxation year to the extent and under the circumstances specified in the Tax Act.

The amount of a capital loss realized on the disposition of a Share by a Resident Shareholder that is a corporation may, to the extent and under the circumstances specified in the Tax Act, be reduced by the amount of dividends received or deemed to be received on the Shares. Similar rules may apply where Shares are owned by a partnership or trust of which a corporation, trust or partnership is a member or beneficiary. Resident Shareholders who may be affected by these rules are urged to consult with their own tax advisors in this regard.

A Resident Shareholder that is a corporation or trust and has realized a capital loss on the sale of Shares pursuant to the Offer could have all or a portion of that loss denied under the "stop-loss" rules set out in the Tax Act. In general, these rules apply where such Resident Shareholder or a person affiliated with such Resident Shareholder has acquired Shares in the period beginning 30 days before the sale of Shares pursuant to the Offer and ending 30 days after the sale of Shares pursuant to the Offer, and such acquired Shares are owned by such Resident Shareholder or by a person affiliated with such Resident Shareholder at the end of such period. Resident Shareholders that are corporations or trusts are urged to consult their own tax advisors with respect to the application of the "stop-loss" rules having regard to their own circumstances.

A Resident Shareholder that is a "Canadian-controlled private corporation" (as defined in the Tax Act) throughout the year may be liable to pay an additional refundable tax of $10^{2/3}\%$ on its "aggregate investment income" for the year, which is defined to include an amount in respect of taxable capital gains.

A Resident Shareholder who is an individual (including certain trusts) and has realized a capital loss on the sale of Shares pursuant to the Offer could have all or a portion of that loss denied under the "superficial loss" rules set out in the Tax Act. In general, these rules apply where such Resident Shareholder or a person affiliated with such Resident Shareholder has acquired Shares in the period beginning 30 days before the sale of Shares pursuant to the Offer and ending 30 days after the sale of Shares pursuant to the Offer, and such acquired Shares are owned by such Resident Shareholder or by a person affiliated with such Resident Shareholder at the end of such period. Resident Shareholders who are individuals are urged to consult with their own tax advisors with respect to the application of the "superficial loss" rules having regard to their own circumstances.

A Resident Shareholder who is an individual, including a trust (other than certain specified trusts), who realizes a capital gain on the sale of Shares pursuant to the Offer may be subject to alternative minimum tax under the Tax Act. Such Resident Shareholders should consult their own tax advisors with respect to the alternative minimum tax rules in the Tax Act.

Non-Residents of Canada

This portion of the summary is applicable to a Shareholder who, at all relevant times for purposes of the Tax Act: (i) is not resident or deemed to be resident in Canada, (ii) does not use or hold, and is not deemed to use or hold, its Shares in connection with carrying on a business in Canada, (iii) has not, either alone or in combination with persons with whom the Shareholder does not deal at arm's length and partnerships in which the Shareholder and any such non-arm's length persons hold a membership interest directly or indirectly through one or more partnerships, owned (or had an option to acquire) 25% or more of the issued shares of any class or series of the capital stock of Xtreme at any time within a 60-month period preceding the sale of the Shares under the Offer, and whose Shares are not otherwise deemed to be taxable Canadian property, (iv) deals at arm's length with Xtreme and is not affiliated with Xtreme, and (v) is not an insurer that carries on an insurance business in Canada and elsewhere (a "**Non-Resident Shareholder**").

A Non-Resident Shareholder who sells a Share to Xtreme pursuant to the Offer will not be deemed to have received a taxable dividend as a result of the sale provided that the paid-up capital of such Share for purposes of the Tax Act at the time of sale exceeds the amount paid by Xtreme pursuant to the Offer. Counsel has been advised by Xtreme that the paid-up capital of each Share for purposes of the Tax Act currently exceeds the maximum amount payable for such Share pursuant to the Offer. Xtreme has also advised counsel that it expects that the paid-up capital of each Share for purposes of the Tax Act will exceed the maximum amount payable for such Share at the time the Shares are sold pursuant to the Offer. Accordingly, this summary assumes that no dividend will be deemed to be received by a Non-Resident Shareholder on a sale of a Share to Xtreme pursuant to the Offer.

A Non-Resident Shareholder will not be subject to tax under the Tax Act in respect of any capital gain realized on the disposition of a Share pursuant to the Offer.

Certain United States Federal Income Tax Considerations to United States Holders

Xtreme has been advised by Dorsey & Whitney LLP that the following describes certain United States federal income tax consequences generally applicable to a beneficial owner of Shares that is a United States Holder (as defined below) and that exchanges Shares for cash pursuant to the Offer.

This summary is for general information purposes only and does not purport to be a complete analysis or listing of all potential United States federal income tax considerations that may apply to a United States Holder arising from or relating to the exchange of Shares for cash pursuant to the Offer. In addition, this summary does not take into account the individual facts and circumstances of any United States Holder that may affect the United States federal income tax consequences to such United States Holder, including specific tax consequences to a United States Holder under an applicable tax treaty. Accordingly, this summary is not intended to be, and should not be construed as, legal or United States federal income tax advice with respect to any United States Holder. This summary does not address the United States federal alternative minimum, United States federal estate and gift, United States state and local, and non-United States tax consequences relating to the exchange of Shares for cash

pursuant to the Offer. In addition, except as specifically set forth below, this summary does not discuss applicable tax reporting requirements. Each United States Holder should consult its own tax advisors regarding the United States federal, United States federal alternative minimum, United States federal estate and gift, United States state and local, and non-United States tax consequences relating to the exchange of Shares for cash pursuant to the Offer.

No legal opinion from United States legal counsel or ruling from the IRS has been requested, or will be obtained, regarding the United States federal income tax consequences of the exchange of Shares for cash pursuant to the Offer. This summary is not binding on the IRS, and the IRS is not precluded from taking a position that is different from, or contrary to, the positions taken in this summary. In addition, because the authorities on which this summary is based are subject to various interpretations, the IRS and the United States courts could disagree with one or more of the conclusions described in this summary.

This summary is based on the current provisions of the Code, the Treasury regulations promulgated thereunder, and judicial and administrative interpretations thereof, all as in effect on the date hereof and all of which are subject to change, possibly with retroactive effect, so as to result in United States federal income tax consequences that are materially different from those discussed below. Except as provided herein, this summary does not discuss the potential effects of any proposed legislation.

The summary applies only to United States Holders that hold their Shares as capital assets within the meaning of Section 1221 of the Code and does not purport to address all aspects of United States federal income taxation that may be relevant to particular United States Holders in light of their particular circumstances. Specifically, this summary does not address the United States federal income tax consequences to certain types of United States Holders subject to special treatment under the Code (including, but not limited to, financial institutions, underwriters, regulated investment companies, real estate investment trusts, tax-exempt entities, qualified retirement plans, individual retirement accounts or other tax-deferred accounts, insurance companies, persons holding the Shares as part of a hedging, integrated or conversion transaction, constructive sale or straddle, persons that hold Shares as part of a "wash sale", persons who acquired Shares through the exercise or cancellation of employee stock options or otherwise as compensation for their services, United States expatriates and former long-term residents of the United States, persons subject to the alternative minimum tax, broker-dealers, dealers or traders in securities or currencies that elect to apply a mark-to-market accounting method, holders whose functional currency is not the United States dollar, Non-United States Holders (as defined below), persons that own an interest in a partnership or other pass-through entity that holds Shares, and persons that have owned, or are deemed to have owned, 10% or more of the voting shares of Xtreme at any time during the five-year period ending on the date on which Xtreme acquires Shares pursuant to the Offer). This summary also does not address the U.S. federal income tax considerations applicable to United States Holders who are persons that have been, are, or will be a resident or deemed to be resident of Canada for purposes of the Tax Act, persons that use or hold, will use or hold or that are or will be deemed to use or hold Shares in connection with carrying on a business in Canada, persons whose Shares constitute "taxable Canadian property" under the Tax Act, or persons that have a permanent establishment in Canada for the purposes of the *Canada-United States Income Tax Convention (1980)*. United States Holders that are subject to special provisions under the Code, including, but not limited to, United States Holders described immediately above, should consult their own tax advisors regarding the United States federal, United States federal alternative minimum, United States federal estate and gift, United States state and local, and non-United States tax consequences relating to the exchange of Shares for cash pursuant to the Offer.

This summary does not address the U.S. federal income tax consequences of the conversion or exercise of Options. Holders of Options are urged to seek tax advice from their own tax advisors in this regard.

For purposes of this summary, a "**United States Holder**" is (i) an individual citizen or resident of the United States, as determined for United States federal income tax purposes, (ii) a corporation (or other entity treated as a corporation for United States federal income tax purposes) created or organized under the laws of the United States or any state thereof or the District of Columbia, (iii) an estate the income of which is subject to United States federal income taxation regardless of its source, or (iv) a trust (A) if a court within the United States is able to

exercise primary supervision over its administration and one or more United States persons, as defined under Section 7701(a)(30) of the Code, have authority to control all substantial decisions of the trust or (B) that has a valid election in effect under applicable Treasury regulations to be treated as a United States person. A "Non-United States Holder" means any holder of Shares that is not a United States Holder.

If an entity or arrangement that is classified as a partnership (or other "pass-through" entity) for United States federal income tax purposes exchanges Shares for cash pursuant to the Offer, the United States federal income tax consequences to such entity and the partners (or other owners) of such entity generally will depend on the activities of the entity and the status of such partners (or owners). This summary does not address the tax consequences to any such entity or owner. Partners (or other owners) of entities or arrangements that are classified as partnerships or as "pass-through" entities for United States federal income tax purposes should consult their own tax advisors regarding the United States federal income tax consequences arising from the exchange of Shares for cash pursuant to the Offer.

This summary is of a general nature only. It is not intended to constitute, and should not be construed to constitute, legal or tax advice to any particular United States Holder. United States Holders are urged to consult their own tax advisors as to the specific tax consequences of the Offer to them in light of their particular circumstances, including tax return reporting requirements, the applicability and effect of United States federal, state, local and any non-United States tax laws, and the effect of any proposed changes in applicable tax laws.

In General

A United States Holder's exchange of Shares for cash pursuant to the Offer will be a taxable transaction for United States federal income tax purposes. As discussed below, the United States federal income tax consequences to a United States Holder may vary depending upon the United States Holder's particular facts and circumstances. In particular, whether the exchange is properly treated as a sale or exchange or a distribution will depend on the facts applicable to a United States Holder's particular situation. Accordingly, United States Holders should consult their own tax advisors as to the United States federal income tax consequences to them of participating in the Offer.

Treatment as a Sale or Exchange

The discussion below is subject in its entirety to the discussion of the passive foreign investment company ("**PFIC**") rules below. Under Section 302 of the Code, a transfer of Shares to Xtreme by a United States Holder pursuant to the Offer will, as a general rule, be treated as a sale or exchange of the Shares only if the receipt of cash upon the sale (a) is "substantially disproportionate" with respect to the United States Holder, (b) results in a "complete redemption" of the United States Holder's interest in Xtreme or (c) is "not essentially equivalent to a dividend" with respect to the United States Holder. These tests (the "**Section 302 tests**") are explained more fully below.

If any of the Section 302 tests is satisfied, a tendering United States Holder will recognize gain or loss equal to the difference between the amount realized (generally determined as described below and before any withholding tax) by the United States Holder pursuant to the Offer and the United States Holder's tax basis in the Shares sold pursuant to the Offer. Such gain or loss will be a capital gain or loss, which will be a long-term capital gain or loss if the Shares have been held for longer than one year. Currently, the maximum long-term capital gain rate for non-corporate United States Holders, including individual United States Holders, is 20% plus a 3.8% Medicare tax on passive income derived by certain high-income individuals and trusts. Certain limitations apply to the deductibility of capital losses by United States Holders. A United States Holder holding more than one block of Shares (generally, those acquired at the same cost in a single transaction) can choose the tax basis and holding period of the stock redeemed by adequately identifying the tendered Shares. Absent such an identification, generally, the Shares earliest acquired by the United States Holder among such United States Holder's total ownership will be those considered tendered for purposes of determining such Holders tax basis and holding period. United States Holders holding more than one block of Shares should consult their own tax advisors regarding the process to adequately identify tendered Shares.

Treatment as a Distribution

The discussion below is subject in its entirety to the discussion of the passive foreign investment company ("**PFIC**") rules below. If none of the Section 302 tests is satisfied, the full amount received by the United States Holder with respect to the exchange of Shares for cash pursuant to the Offer generally will be treated as a distribution by Xtreme in respect of such United States Holder's Shares. This distribution will be treated as a dividend to the United States Holder to the extent of the United States Holder's share of Xtreme's current and accumulated earnings and profits, if any, as determined under United States federal income tax principles. Such a dividend would be includible in the United States Holder's gross income as ordinary income. Assuming that Xtreme is not a PFIC in the current or prior taxable year and subject to certain requirements, such dividends received by non-corporate United States Holders, including individual United States Holders, are generally taxable as "qualified dividend income" at a current maximum tax rate of 20% plus a 3.8% Medicare tax on passive income derived by certain high-income individuals and trusts. To the extent that the amount received by a United States Holder exceeds the United States Holder's share of Xtreme's current and accumulated earnings and profits, such excess will first be treated as a tax-free return of capital to the extent, generally, of the United States Holder's tax basis in its Shares and the United States Holder's tax basis in its Shares will be reduced (but not below zero) by such excess. Any remainder will be treated as capital gain from the sale of Shares. No current loss would be recognized. Xtreme has not calculated its earnings and profits under United States federal income tax principles and cannot provide United States Holders with such information. Therefore, United States Holders should expect that any distribution by Xtreme with respect to its Shares will generally be treated as a dividend for U.S. federal income tax purposes.

If, with respect to a United States Holder, the exchange of Shares for cash pursuant to the Offer is treated as a distribution by Xtreme with respect to such United States Holder's Shares, such United States Holder's adjusted tax basis in its remaining Shares generally will be increased by such United States Holder's adjusted tax basis in the Shares tendered and sold pursuant to the Offer and will be decreased by any portion of such United States Holder's proceeds from the Offer that are treated as a tax-free return of capital. Any amount received by a corporate United States Holder that is treated as a dividend generally will not be eligible for the dividends received deduction. No assurance can be given that any of the Section 302 tests (discussed below) will be satisfied as to any particular United States Holder, and thus no assurance can be given that any particular United States Holder will not be treated as having received a dividend taxable as ordinary income.

Constructive Ownership of Shares

In determining whether any of the Section 302 tests is satisfied, a United States Holder must take into account not only Shares actually owned by the United States Holder, but also Shares that are constructively owned by such United States Holder within the meaning of Section 318 of the Code. Under Section 318 of the Code, a United States Holder may constructively own Shares actually owned, and in some cases constructively owned, by certain related individuals and certain entities in which the United States Holder has an interest or that have an interest in the United States Holder, as well as any Shares the United States Holder has a right to acquire by exercise of an option or by the conversion or exchange of a security.

The Section 302 Tests

Generally, one of the following tests must be satisfied in order for the exchange of Shares for cash pursuant to the Offer to be treated as a sale or exchange rather than as a distribution. United States Holders are urged to consult their own tax advisors concerning the application of the Section 302 tests to their particular circumstances.

(a) "Substantially Disproportionate" Test – The receipt of cash by a United States Holder will have the effect of a "substantially disproportionate" distribution by Xtreme with respect to the United States Holder if the percentage of (i) the outstanding voting shares of Xtreme, and (ii) the fair market value of the outstanding shares of Xtreme, actually and constructively owned by the United States Holder immediately following the sale of Shares pursuant to the Offer (treating Shares purchased pursuant to the Offer as not outstanding) is less than (iii) 80% of the percentage of the outstanding voting shares of Xtreme, and (iv) 80% of the fair market value of the

outstanding shares of Xtreme actually and constructively owned by the United States Holder immediately before the exchange (treating Shares purchased by Xtreme pursuant to the Offer as outstanding).

(b) "Complete Redemption" Test – The receipt of cash by a United States Holder will be treated as a complete redemption of a United States Holder's equity interest in Xtreme if either (i) all of the Shares actually and constructively owned by the United States Holder are sold pursuant to the Offer, or (ii) all of the Shares actually owned by the United States Holder are sold pursuant to the Offer and the United States Holder is eligible to waive, and effectively waives, the attribution of all shares of Xtreme constructively owned by the United States Holder in accordance with the procedures described in Section 302(c)(2) of the Code.

(c) "Not Essentially Equivalent to a Dividend" Test – The receipt of cash by a United States Holder will generally be treated as "not essentially equivalent to a dividend" if the United States Holder's sale of Shares pursuant to the Offer results in a meaningful reduction of the United States Holder's proportionate interest in Xtreme. Whether the receipt of cash by the United States Holder will be treated as not essentially equivalent to a dividend will depend on the United States Holder's particular facts and circumstances. However, in certain circumstances, in the case of a United States Holder holding a small minority interest in Xtreme's Shares, it is possible that even a small reduction in such interest may be treated as a "meaningful reduction," and thus may satisfy the "not essentially equivalent to a dividend" test. United States Holders are urged to consult their own tax advisors concerning the application of the "not essentially equivalent to a dividend" test to their particular circumstances. The IRS has ruled that a small reduction by a minority shareholder whose relative stock interest is minimal and who exercises no control over the affairs of the corporation will meet this test.

Under certain circumstances, it may be possible for a tendering United States Holder to satisfy one of the Section 302 tests by contemporaneously selling or otherwise disposing of all or some of the Shares that are actually or constructively owned by the United States Holder but that are not purchased pursuant to the Offer.

Correspondingly, a United States Holder may fail to satisfy any of the Section 302 tests because of contemporaneous acquisitions of Shares by the United States Holder or by a related party whose Shares are constructively owned by the United States Holder. United States Holders are urged to consult their own tax advisors regarding the consequences of such sales or acquisitions in their particular circumstances.

If the Offer is over-subscribed, Xtreme's purchase of Shares tendered may be prorated. Thus, even if all the Shares actually and constructively owned by a United States Holder are tendered, it is possible that not all of the Shares will be purchased by Xtreme, which in turn may affect the United States Holder's United States federal income tax consequences, in particular, the United States Holder's ability to satisfy one of the Section 302 tests described above.

United States Holders should consult their own tax advisors regarding whether, under their particular circumstances, they will be able to satisfy any of the Section 302 tests.

Passive Foreign Investment Company

If Xtreme is or has been classified as a PFIC during any part of a United States Holder's holding period of Shares, United States Holders would be subject to a special, adverse tax regime under which the United States federal income tax consequences of the Offer would be significantly different and less favorable than what is described above. Xtreme has not made a determination regarding its PFIC status for any tax year, including the current tax year. No opinion of legal counsel or ruling from the IRS concerning the status of Xtreme as a PFIC has been obtained or is currently planned to be requested. However, PFIC classification is fundamentally factual in nature, generally cannot be determined until the close of the tax year in question, and is determined annually. In addition, the analysis depends, in part, on the application of complex U.S. federal income tax rules, which are

subject to differing interpretations. Consequently, there can be no assurance that Xtreme has not been and is not, a PFIC for any tax year during which United States Holders held Shares.

Xtreme generally will be a PFIC for a tax year if, after the application of certain "look-through" rules with respect to subsidiaries in which Xtreme holds at least 25% of the value of such subsidiary, (a) 75% or more of the gross income of Xtreme for such tax year is passive income (the "**income test**") or (b) 50% or more of the value of Xtreme's assets either produce passive income or are held for the production of passive income (the "**asset test**"), based on the quarterly average of the fair market value of such assets. "Gross income" generally includes all sales revenues less the cost of goods sold, plus income from investments and from incidental or outside operations or sources, and "passive income" generally includes, for example, dividends, interest, certain rents and royalties, certain gains from the sale of stock and securities, and certain gains from commodities transactions.

If Xtreme were treated as a PFIC, a United States Holder that did not make a qualified electing fund election, if available, or a mark-to-market election, would be subject to the following special rules with respect to the Offer:

(a) If a United States Holder's sale of Shares pursuant to the Offer is treated as a distribution by Xtreme which is an "excess distribution," the amount of the distribution must be allocated ratably to each day of the United States Holder's holding period. Generally, "excess distributions" are any distributions to the United States Holder in respect of the Shares during a single taxable year that exceed 125% of the average annual distributions received by the United States Holder in respect of the Shares during the three preceding taxable years or, if shorter, the United States Holder's holding period for the Shares. The amount allocated to the current taxable year and to any taxable year in the United States Holder's holding period for the Shares prior to the first year in which Xtreme became a PFIC would be taxable as ordinary income. The amount allocated to each other year would be subject to tax at the highest tax rate in effect for that year, and the interest charge generally applicable to underpayments of tax would be imposed in respect of the tax attributable to each such year.

(b) If a United States Holder's sale of Shares pursuant to the Offer is treated as a sale or exchange of the Shares, the entire amount of any gain realized upon the sale will be treated as an "excess distribution" made in the year of sale and as a consequence will be treated as discussed above.

The special PFIC rules described above would not apply to a United States Holder if the United States Holder makes or has made an election to treat Xtreme as a "qualified electing fund" in the first taxable year in which such United States Holder owns Shares and if Xtreme complies with certain reporting requirements as described below. Instead, a United States Holder that has made a valid and timely "qualified electing fund" election would be taxed on its sale of Shares pursuant to the Offer as described under either "*Treatment as a Sale or Exchange*" or "*Treatment as a Distribution*" above, and will also be required for each taxable year to include in income such United States Holder's pro rata share of the ordinary earnings of the qualified electing fund as ordinary income and such United States Holder's pro rata share of the net capital gain of the qualified electing fund as long-term capital gain, subject to a separate election to defer payment of taxes, which deferral is subject to an interest charge. If Xtreme is determined to be a PFIC for any tax year, Xtreme provides no assurances that it will supply United States Holders with the information needed to report income and gain pursuant to this election in the event that we are classified as a PFIC. Accordingly, a qualified electing fund election may not be available for United States Holders. The election is made on a shareholder-by-shareholder basis and may be revoked only with the consent of the IRS. A shareholder makes the election by attaching a properly completed IRS Form 8621, including the PFIC annual information statement, to a timely filed United States federal income tax return. Even if an election is not made, a shareholder in a PFIC who is a United States Holder generally must file a properly completed IRS Form 8621 every year.

A United States Holder who owns PFIC shares that are publicly traded could elect to mark the shares to market annually, recognizing as ordinary income or loss each year an amount equal to the difference, as of the close of each taxable year, between the fair market value of the PFIC shares and the United States Holder's adjusted tax basis in the PFIC shares. The Shares would be treated as publicly traded for purposes of the mark-to-market

election and, therefore, such election could be made, if Xtreme were classified as a PFIC. If a shareholder makes, or has made, the mark-to-market election, then the electing shareholder would be taxed on its sale of Shares pursuant to the Offer as described under either "*Treatment as a Sale or Exchange*" or "*Treatment as a Distribution*" above, and the special rules set forth above would not apply for periods covered by the election.

United States Holders are urged to consult their own tax advisors regarding the adverse United States federal income tax consequences of owning stock of a PFIC and of making certain elections designed to lessen those adverse consequences.

Receipt of Foreign Currency

The amount of any proceeds on the sale, exchange or other taxable disposition of Shares paid to a United States Holder in foreign currency generally will be equal to the United States dollar value of such foreign currency based on the exchange rate applicable on the date of receipt (regardless of whether such foreign currency is converted into United States dollars at that time). A United States Holder will have a tax basis in the foreign currency equal to its United States dollar value on the date of receipt. Any United States Holder who converts or otherwise disposes of the foreign currency after the date of receipt may have a foreign currency exchange gain or loss that would be treated as ordinary income or loss, and generally will be United States source income or loss for foreign tax credit purposes. Different rules apply to United States Holders who use the accrual method of tax accounting. Each United States Holder should consult its own United States tax advisors regarding the United States federal income tax consequences of receiving, owning, and disposing of foreign currency.

Foreign Tax Credit

As noted above, this summary assumes that, for Canadian tax purposes, no dividend will be deemed to be received by a Non-Resident Shareholder on a sale of a Share to Xtreme pursuant to the Offer. In addition, the Corporation has been advised that a Non-Resident Shareholder will not be subject to tax under Canadian tax law in respect of any capital gain realized on the disposition of a Share pursuant to the Offer. See "*Certain Canadian Federal Income Tax Considerations --- Non-Residents of Canada*." Therefore, the Corporation anticipates that a United States Holder that is a Non-Resident Shareholder (for Canadian income tax purposes) will not be subject to any Canadian withholding or income tax on the disposition of Shares pursuant to the Offer.

Subject to the PFIC rules discussed above, if, notwithstanding the Corporation's expectations, a United States Holder is subject to Canadian withholding tax on a portion of the amounts to be paid to such holder in connection with the Offer, as a "deemed dividend" for Canadian tax purposes, the amount subject to Canadian withholding tax may be greater than the amount of gain actually recognized by such holder for United States federal income tax purposes. The ability of a United States Holder to claim a foreign tax credit with respect to any Canadian taxes withheld on amounts received pursuant to the Offer would be subject to complex limitations, including the general limitation that the credit cannot exceed the proportionate share of a United States Holder's United States federal income tax liability that such United States Holder's "foreign source" taxable income bears to such United States Holder's worldwide taxable income. In general, for United States foreign tax credit limitation purposes, amounts that are treated as dividends paid by Xtreme will be treated as foreign source income, but amounts received by a United States Holder that are treated as capital gains generally will be treated as income from sources within the United States. Capital gain from the sale of Shares pursuant to the Offer should, however, be treated as a foreign source income, if the United States Holder elects to apply, and be subject to, special rules under Code Section 865(h). Accordingly, the ability of a United States Holder to obtain a foreign tax credit in respect of such amounts may require that such United States Holder make an election pursuant to the *Canada-United States Income Tax Convention* (1980) as amended and the Code pursuant to which such gains would be treated as foreign source income for United States federal income tax purposes. The application of this election in connection with the Offer is subject to uncertainty.

Even if a United States Holder makes such an election, the ability of such holder to obtain a foreign tax credit with respect to Canadian taxes withheld in connection with the Offer will remain subject to a number of complex limitations provided in the Code and Treasury regulations. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. For this purpose, dividend income with respect to

the Offer generally will constitute "passive category income" and gains that are treated as foreign source income for United States federal income tax purposes, pursuant to the election referred to above, are treated as being in a separate category of income. The rules governing the foreign tax credit are complex. United States Holders are urged to consult their own United States tax advisors regarding the availability of the foreign tax credit under their particular circumstances.

Information Reporting and Backup Withholding

Proceeds from the sale of Shares pursuant to the Offer may be subject to information reporting to the IRS. A United States Holder may be subject to backup withholding tax (currently at a rate of 28%) with respect to payments made to it unless the United States Holder provides a taxpayer identification number and certifies, among other things, that such number is correct. Backup withholding is not an additional tax. The amount of any backup withholding collected will be allowed as a refund or credit against the United States Holder's United States federal income tax liability, provided that the required information is furnished to the IRS in a timely manner. Payments made within the United States or by a United States payor or United States middleman, of proceeds arising from the sale or other taxable disposition of Shares will generally be subject to information reporting and backup withholding tax at the rate of 28% if a United States Holder (a) fails to furnish such United States Holder's correct U.S. taxpayer identification number (generally on IRS Form W-9), (b) furnishes an incorrect United States taxpayer identification number, (c) is notified by the IRS that such United States Holder has previously failed to properly report items subject to backup withholding tax, or (d) fails to certify, under penalty of perjury, that such United States Holder has furnished its correct United States taxpayer identification number and that the IRS has not notified such United States Holder that it is subject to backup withholding tax. However, certain exempt persons generally are excluded from these information reporting and backup withholding rules. Backup withholding is not an additional tax. Any amounts withheld under the United States backup withholding tax rules will be allowed as a credit against a United States Holder's United States federal income tax liability, if any, or will be refunded, if such United States Holder furnishes required information to the IRS in a timely manner.

The discussion of reporting requirements set forth above is not intended to constitute an exhaustive description of all reporting requirements that may apply to a United States Holder. A failure to satisfy certain reporting requirements may result in an extension of the time period during which the IRS can assess a tax, and under certain circumstances, such an extension may apply to assessments of amounts unrelated to any unsatisfied reporting requirement. Each United States Holder should consult its own tax advisor regarding the information reporting and backup withholding rules.

18. Legal Matters and Regulatory Approvals

Xtreme is not aware of any license or regulatory permit that is material to the Corporation's business that might be adversely affected by the Corporation's acquisition of Shares pursuant to the Offer or, except as noted below, of any approval or other action by any government or governmental, administrative or regulatory authority or agency in any jurisdiction, that would be required for the acquisition of Shares by the Corporation pursuant to the Offer and that has not been obtained on or before the date hereof. Should any such approval or other action be required, the Corporation currently contemplates that such approval will be sought or other action will be taken. Xtreme cannot predict whether it may determine that it must delay the acceptance for payment of Shares deposited pursuant to the Offer pending the outcome of any such matter.

There can be no assurance that any such approval or other action, if needed, would be obtained or would be obtained without substantial conditions or that the failure to obtain any such approval or other action might not result in adverse consequences to the Corporation's business.

The Corporation is relying on the "liquid market exemption" specified in MI 61-101. Accordingly, the valuation requirements of securities regulatory authorities in Canada applicable to issuer bids generally are not applicable in connection with the Offer.

The Corporation's obligations under the Offer to take up and pay for Shares are subject to certain conditions. See "*Offer to Purchase -Conditions of the Offer*".

19. Source of Funds

The Corporation will fund any purchases of Shares pursuant to the Offer from available cash on hand.

20. Depositary

Xtreme has retained Computershare Trust Company of Canada to act as a depositary for, among other things, (i) the receipt of certificates representing Shares and related Letters of Transmittal tendered under the Offer, (ii) the receipt of Notices of Guaranteed Delivery delivered pursuant to the procedures for guaranteed delivery set forth under "*Offer to Purchase – Procedure for Tendering Shares*", (iii) the receipt from the Corporation of cash to be paid in consideration of the Shares acquired by the Corporation under the Offer, as agent for the tendering Shareholders, and (iv) the transmittal of such cash to the tendering Shareholders, as agent for the tendering Shareholders. The Depositary may contact Shareholders by mail, telephone or facsimile and may request brokers, dealers and other nominee Shareholders to forward materials relating to the Offer to beneficial owners.

21. Fees and Expenses

Peters & Co. Limited has been retained by the Corporation to deliver the Liquidity Opinion. Peters & Co. Limited will receive a fee from Xtreme for these services. None of the fees payable to Peters & Co. Limited are contingent upon the conclusions reached by Peters & Co. Limited in the Liquidity Opinion. Xtreme has also agreed to reimburse Peters & Co. Limited for certain reasonable out-of-pocket expenses incurred in connection with Liquidity Opinion and to indemnify Peters & Co. Limited and certain related persons to Peters & Co. Limited against certain liabilities arising out of providing the Liquidity Opinion or the Offer.

Xtreme has retained Computershare Trust Company of Canada to act as the depositary in connection with the Offer. The Depositary will receive reasonable and customary compensation for its services, will be reimbursed for certain reasonable out-of-pocket expenses and will be indemnified against certain liabilities and expenses in connection with the Offer, including certain liabilities under Canadian and United States securities laws. Xtreme will not pay any fees or commissions to any stock broker or dealer or any other person for soliciting deposits of Shares pursuant to the Offer. Stock brokers, dealers, commercial banks and trust companies will, upon request, be reimbursed by the Corporation for reasonable and necessary costs and expenses incurred by them in forwarding materials to their customers.

Xtreme is expected to incur expenses of approximately $250,000 in connection with the Offer, which includes filing fees, the fees for the Liquidity Opinion, legal, translation, depositary and printing fees.

22. Statutory Rights

Securities legislation in the provinces and territories of Canada provides security holders of the Corporation with, in addition to any other rights they may have at law, one or more rights of rescission, price revision or to damages, if there is a misrepresentation in a circular or notice that is required to be delivered to those security holders. However, such rights must be exercised within prescribed time limits. Security holders should refer to the applicable provisions of the securities legislation of their province or territory for particulars of those rights or consult a lawyer.

APPROVAL AND CERTIFICATE

April 18, 2017

The Board of Directors of Xtreme Drilling Corp. has approved the contents of the Offer to Purchase and the accompanying Issuer Bid Circular dated April 18, 2017 and the sending, communication or delivery thereof to the holders of its common shares. The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

(Signed) "Matthew S. Porter"
President and Chief Executive Officer and Director

(Signed) "Martin Ramirez"
Vice President, Finance and Corporate Development

On behalf of the Board of Directors

(Signed) "Douglas A. Dafoe"
Director

(Signed) "James B. Renfroe Jr."
Director

CONSENT OF PETERS & CO. LIMITED

To: The Board of Directors of Xtreme Drilling Corp.

We consent to the inclusion of our name and the reference to our liquidity opinion dated April 18, 2017 in the section titled "Purpose of the Offer – Liquidity of Market" in the Issuer Bid Circular dated April 18, 2017 of Xtreme Drilling Corp. in connection with its offer to the holders of its common shares, and the inclusion of the text of our opinion in Schedule A thereof.

April 18, 2017

(signed) "Peters & Co. Limited"

CONSENT OF STIKEMAN ELLIOTT LLP

To: The Board of Directors of Xtreme Drilling Corp.

We consent to the inclusion of our name in the section titled "Income Tax Consequences – Certain Canadian Federal Income Tax Considerations" in the Issuer Bid Circular dated April 18, 2017 of Xtreme Drilling Corp. in connection with its offer to the holders of its common shares.

April 18, 2017

(signed) "Stikeman Elliott LLP"

CONSENT OF DORSEY & WHITNEY LLP

To: The Board of Directors of Xtreme Drilling Corp.

We consent to the inclusion of our name in the section titled "Income Tax Consequences – Certain United States Federal Income Tax Considerations to United States Holders" in the Issuer Bid Circular dated April 18, 2017 of Xtreme Drilling Corp. in connection with its offer to the holders of its common shares.

April 18, 2017

(signed) "Dorsey & Whitney LLP"

PETERS & CO. LIMITED

2300 Jamieson Place
308 Fourth Avenue SW
Calgary, AB T2P 0H7
Tel: (403) 261 - 4850
www.petersco.com

April 18, 2017

Xtreme Drilling Corp.
770, 340 – 12th Ave. SW
Calgary, AB T2R 1L5

Attention: The Board of Directors and Independent Committee of Xtreme Drilling Corp.:

Dear Sirs:

Peters & Co. Limited ("**Peters & Co.**", "**we**", "**our**" or "**us**") understands that Xtreme Drilling Corp. (the "**Company**") is considering a transaction whereby the Company will make an offer, by way of a substantial issuer bid, to acquire common shares of the Company (the "**Shares**") at a price per Share of not less than C$2.40 and not more than C$2.80 for aggregate consideration of up to C$25,000,000. We further understand that the terms and conditions of the Offer will be set forth in the Offer to Purchase to be issued by the Company along with the accompanying Issuer Bid Circular and the related Letter of Transmittal and Notice of Guaranteed Delivery (all such documents collectively constitute the "**Offer**").

Engagement of Peters & Co. Limited

By letter agreement dated April 12, 2017 (the "**Engagement Agreement**"), the Company engaged Peters & Co. to provide a liquidity opinion (the "**Liquidity Opinion**") to the independent committee (the "**Independent Committee**") of the board of directors (the "**Board**") of Xtreme as to whether (i) a liquid market exists for the Shares as existed at the time the Offer was publicly announced (on April 3, 2017), and (ii) whether it is reasonable to conclude that, following the completion of the Offer in accordance with its terms, there will be a market for holders of the Shares that is not materially less liquid than the market that existed as at the time of making the Offer. This Liquidity Opinion is being delivered to assist the Independent Committee and the Board in making its determination that the Offer qualifies for the "liquid market" exemption from the formal valuation requirements of Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("**MI 61-101**"). The Independent Committee and the Board has, on a voluntary basis, obtained the Liquidity Opinion from Peters & Co., as we understand that there is a "liquid market" for the Shares pursuant to section 1.2(a) of MI 61-101.

Pursuant to the terms of the Engagement Agreement, Peters & Co. has not been engaged to prepare a fairness opinion or a formal valuation of Xtreme or any of the assets, shares, liabilities or options involved in the Offer and this Liquidity Opinion should not be construed as such.

The terms of the Engagement Agreement provide that Peters & Co. is to be paid a fee for the provision of the Liquidity Opinion. The fee payable for the Liquidity Opinion is not conditional on the successful completion of the Offer. In addition, the Company has agreed to reimburse Peters & Co. for our reasonable out-of-pocket expenses and to indemnify Peters & Co. and certain related persons for certain liabilities arising out of Peters & Co.'s engagement in connection with the Offer.

Neither Peters & Co. nor any of its affiliates or associates:

(a) is an "issuer insider", "associated entity", or "affiliated entity" of any "interested party" in connection with the Offer (as such terms are defined in MI 61-101);
(b) has a financial incentive with respect to the conclusions reached in this Liquidity Opinion or the completion of the Offer or has a material financial interest in the completion of the Offer.

Neither Peters & Co. nor any of its affiliates or associates is acting as an advisor to the Company or to any other "interested party" (as defined in MI 61-101) in connection with Offer, other than pursuant to the Engagement Agreement to provide the Liquidity Opinion. The terms of the Engagement Agreement provide that Peters & Co. is to be paid a fee for the provision of the Liquidity Opinion. The fee payable for the Liquidity Opinion is not conditional on the conclusions reached by Peters & Co. in the Liquidity Opinion or the completion of the Offer. Peters & Co., in the last two years from the date hereof, acted as financial advisor to the Company in connection with the sale of its "XSR Coiled Tubing Services" business segment to Schlumberger for C$205 million which closed on June 23, 2016. The Company has no outstanding fees or obligations owing to Peters & Co. in respect of Peters & Co.'s financial advisory role for the transaction with Schlumberger and had no such outstanding fees or obligations owing to Peters & Co. prior to engaging Peters & Co. for the Liquidity Opinion. On the basis of the foregoing and after careful consideration of various other factors, including advice from legal counsel, the Independent Committee has determined that Peters & Co. is independent of the Company in connection with the Offer for the purposes of MI 61-101.

Peters & Co. acts as a trader and dealer, both as principal and as agent, in all major Canadian financial markets and, as such, may have had and may in the future have positions in the securities of the Company and, from time to time, may have executed, or may execute, transactions in the securities of the Company for which it received or may receive compensation. In addition, as an investment dealer, Peters & Co. conducts research on securities and may, in the ordinary course of its business, be expected to provide investment advice to its clients on investment matters, including in respect of the Shares and/or the Offer.

Subject to the terms of the Engagement Agreement, Peters & Co. consents to the inclusion of the Liquidity Opinion in its entirety and a summary thereof, in a form acceptable to Peters & Co. acting reasonably, in the Offer to be mailed to the holders of Shares and holders of options to acquire Shares and to the filing thereof, as necessary, by the Company with the applicable Canadian securities regulatory authorities.

Qualifications of Peters & Co. Limited

Peters & Co. is an independent, fully-integrated investment dealer headquartered in Calgary, Alberta, Canada. The firm specializes in investments in the Canadian energy industry. Peters & Co. was founded in 1971 and is a participating member of the Toronto Stock Exchange, the TSX Venture Exchange, the Canadian Securities Exchange, the Investment Industry Regulatory Organization of Canada, the Investment Industry Association of Canada and the Canadian Investor Protection Fund. Peters & Co. Equities Inc., a wholly-owned subsidiary of Peters & Co., is a member of the Financial Industry Regulatory Authority, the Securities Investor Protection Corporation and the Securities Industry and Financial Markets Association in the United States.

Peters & Co. provides investment services to institutional investors and individual private clients; employs its own sales and trading group; conducts specialized and comprehensive investment research on the oil and natural gas, oilfield services and energy infrastructure industries; and is an active underwriter for, and financial advisor to, companies and limited partnerships active in the Canadian and the international energy industry. Peters & Co. and its principals have participated in a significant number of transactions involving oil and natural gas, oilfield services and energy infrastructure companies and limited partnerships in Canada and internationally and have acted as financial advisors in a significant

number of transactions involving evaluations of private and publicly-traded companies and limited partnerships.

The Liquidity Opinion expressed herein is the opinion of Peters & Co. as a firm. The Liquidity Opinion has been reviewed and approved for release by certain senior corporate finance principals of Peters & Co., all of whom are experienced in merger, acquisition, divestiture and capital market matters.

Scope of Review

In preparing our Liquidity Opinion, Peters & Co. has reviewed and relied upon (without attempting to verify independently the completeness or accuracy thereof), among other things, the following:

(i) a copy of the draft Offer to Purchase and Issuer Bid Circular dated April 18, 2017;
(ii) the daily trading activity, volumes, and price history of the Shares on the Toronto Stock Exchange (the "**TSX**"), as we determined necessary in order to provide the Liquidity Opinion;
(iii) the trading activity and volumes of shares of other relevant companies listed and traded on the TSX, as we determined necessary in order to provide the Liquidity Opinion;
(iv) the distribution of ownership of the Shares to the extent publicly disclosed;
(v) the number of Shares proposed to be purchased under the Offer relative to i) the number of outstanding Shares on April 3, 2017 less ii) the number of Shares beneficially owned, or over which control or direction was exercised, by related parties of the Company and Shares that were not freely tradable (colloquially, the "**public float**");
(vi) the customary difference (colloquially, the "**spread**") between bid and ask prices in trading activity of the Shares;
(vii) other public information with respect to the Company; discussions with senior management of the Company; the definition of "liquid market" as outlined in MI 61-101 as well as the other parameters set forth in MI 61-101;
(viii) precedent substantial issuer bids that we considered relevant; and
(ix) such other information as we considered necessary or appropriate in the circumstances.

We have conducted such additional analyses and investigations as we considered to be appropriate in the circumstances for the purpose of arriving at the Liquidity Opinion contained herein as at April 3, 2017.

Assumptions and Limitations

Our Liquidity Opinion is subject to the assumptions, qualifications and limitations set forth below. This Liquidity Opinion does not constitute an opinion concerning the fairness, from a financial point of view, of the consideration offered to the shareholders of the Company pursuant to the Offer. In addition, we have not been requested to identify, solicit, consider or develop potential alternatives to the Offer.

This Liquidity Opinion is rendered on the basis of securities market, economic and general business and financial conditions prevailing as at April 3, 2017, and conditions affecting the Company and the Shares as at April 3, 2017. In formulating our Liquidity Opinion, we made other assumptions with respect to industry performance, general business, markets and economic conditions and other matters, the material assumption being that there shall be no significant change in the holdings of Shares, other than as a result of the Offer, on the TSX, many of which are beyond the control of any party involved in the Offer.

Peters & Co. has assumed and relied upon the accuracy, completeness and fair presentation of all of the financial and other information, data, advice, other materials, representations and opinions (the "**Information**") obtained by us from public sources, senior management of the Company and their consultants and advisors and otherwise obtained by us pursuant to our engagement, and we have assumed that this Information did not omit to state any material fact or any fact necessary to be stated to make that information not misleading. The Liquidity Opinion is conditional upon such completeness, accuracy and

fair presentation of such Information. Subject to the exercise of professional judgment and except as expressly described herein, we have not attempted to verify independently the completeness, accuracy or fair presentation of any of the Information.

The Liquidity Opinion has been provided to the Independent Committee and the Board for their use only in considering the Offer and may not be relied upon for any other purpose or by any other person without the prior written consent of Peters & Co. The Liquidity Opinion is given as of April 3, 2017 and Peters & Co. disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Liquidity Opinion which may come or be brought to the attention of Peters & Co. after April 3, 2017. Without limiting the foregoing, if, after April 3, 2017, we learn of any material change in any fact or matter affecting the Liquidity Opinion, Peters & Co. reserves the right to change, modify or withdraw the Liquidity Opinion.

We have assumed that the Offer will be completed substantially in accordance with its terms and in accordance with all applicable laws and the Issuer Bid Circular will disclose all material facts relating to the Offer and will satisfy all applicable legal requirements.

We are not legal, tax or accounting experts and we express no opinion concerning any legal, tax or accounting matters concerning the Offer or the sufficiency of this letter for your purposes.

Our Liquidity Opinion is not intended to be and does not constitute a recommendation to any shareholder of the Company as to whether to accept the Offer or to tender their Shares to the Offer or as an opinion concerning the trading price or value of any securities of the Company following the announcement or completion of the Offer.

Peters & Co. believes that its analyses must be considered as a whole and that selecting portions of its analyses and the factors considered by it, without considering all factors and analyses together, could create a misleading view of the process underlying the Liquidity Opinion. The preparation of a liquidity opinion is complex and is not necessarily susceptible to partial analysis or summary description and any attempt to carry out such could lead to undue emphasis on any particular factor or analysis.

For purposes of this Liquidity Opinion, the phrase “liquid market” has the meaning ascribed to such term in MI 61-101.

Conclusion

Based upon and subject to the foregoing and such other matters as we considered relevant, it is our opinion as at April 3, 2017 (the time the Offer was publicly announced) that: (i) a liquid market exists for the Shares as at April 3, 2017 (the time the Offer was publicly announced) and (ii) it is reasonable to conclude that, on completion of the Offer in accordance with its terms, there will be a market for the holders of Shares who do not tender their Shares to the Offer that is not materially less liquid than the market that existed at the time of making the Offer.

Yours very truly,

(signed) “*Peters & Co. Limited*”

PETERS & CO. LIMITED

The Letter of Transmittal, certificates for Shares and any other required documents must be sent or delivered by each tendering Shareholder or the tendering Shareholder's broker, dealer, commercial bank, trust company or other nominee to the Depositary at one of its addresses specified below.

Offices of the Depositary, Computershare Trust Company of Canada

By Mail

P.O. Box 7021
31 Adelaide St E
Toronto, ON M5C 3H2
Attention: Corporate Actions

By Hand, Registered Mail or by Courier

Computershare Trust Company of Canada
100 University Avenue, 8th Floor
Toronto, ON M5J 2Y1
Attention: Corporate Actions

Toll Free (North America): 1-800-564-6253
Overseas: 1-514-982-7555
E-Mail: corporateactions@computershare.com

DELIVERY OF THE LETTER OF TRANSMITTAL TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY TO THE DEPOSITARY.

Any questions or requests for assistance may be directed to the Depositary at the addresses and telephone number specified above. Shareholders also may contact their broker, commercial bank, trust company or other nominee for assistance concerning the Offer. Additional copies of the Offer to Purchase, the Letter of Transmittal and the Notice of Guaranteed Delivery may be obtained from the Depositary. Manually executed photocopies of the Letter of Transmittal will be accepted.