

# **WATEROUS ENERGY FUND**

## **Waterous Energy Fund Addresses Osum's Press Release and Reaffirms Strong Shareholder Support**

Calgary – February 3, 2021 – Waterous Energy Fund (“WEF”) addresses the continued efforts taken by Osum Oil Sands Corp. (“Osum”, or the “Company”) to obstruct the ability of Osum’s shareholders to achieve liquidity through WEF’s offer (the “Bid”, or the “Offer”) as outlined in Osum’s press release on February 1, 2021.

### **WEF Reaffirms the Strong Shareholder Support It Has Received**

Shareholder support for WEF’s bid has increased since the ruling of the Alberta Securities Commission (“ASC”) dismissing Osum’s application to cease trade the Bid. As of February 3, shareholders holding more than 50% of the outstanding shares not owned by WEF have either tendered their shares, submitted their shares to their brokers for bulk tendering, or expressed an intention to tender, including approximately 40% who signed binding support agreements to tender their shares. WEF therefore continues to reasonably believe the Minimum Tender Condition has been satisfied and will remain to be satisfied on the expiry of the Offer, paving the way for a successful acquisition. Statements by Osum that their information agent has contradictory data are misleading; their information agent has no line of sight to the depositary process nor the shareholder engagement in support of the tendering process.

### **Any Alternative Bid for Osum Requires the Consent of WEF, Whether Submitted on a Friendly or Unsolicited Basis**

Any alternative transaction for the acquisition of the outstanding shares of Osum requires the consent of WEF in two ways. First, WEF must consent to any transaction resulting in a change of control, a right afforded to WEF under the terms of its Investor Rights Agreements (as disclosed in WEF’s Offer Circular and in WEF’s January 28, 2021 press release). The Company now wrongfully claims that it can invalidate and disregard this consent right of WEF after having conceded in its Directors’ Circular that the same change of control approval right has previously been asserted by Azimuth Capital Management (a holder of 2.1% of Osum’s outstanding shares), and considered by Osum, to prevent the sale of the Company.

Second, WEF’s support agreements preclude acceptance by the supporting shareholders of a competing bid without WEF consent, and certain of these support agreements have no fixed expiry date. More specifically, while certain of these support agreements expire on March 31, 2021, WEF has signed support agreements with shareholders representing 6% of the shareholder base (51% inclusive of WEF’s existing shareholdings) which have no expiry date, so long as WEF continues to pursue and extend its bid. Under Canadian Securities law, a bidder under any take-over bid must be able to acquire at least 50% of the shares not currently owned by the bidder. As a result, a competing bid is not possible without WEF’s consent. WEF has made it clear to Osum that it has no intention of selling its shares or consenting to a change of control at this time.

### **Offer Details**

Under the terms of the Offer, Osum’s shareholders will receive \$2.40 in cash for each Common Share subject to the Offer. Shareholders are encouraged to tender today by executing the Letter of Transmittal and deposit it with the share certificate to WEF’s Depositary and Information Agent, Kingsdale Advisors, at the address indicated in the Letter of Transmittal. The foregoing action must be taken in advance of the Expiry Time of 5:00 p.m. (Calgary time) on February 24, 2021. If you have any questions or require assistance with tendering to the Offer please

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contact Kingsdale Advisors, by telephone toll-free in North America at 1-866-581-0506 and at 1-416-867-2272 outside North America or by e-mail at [contactus@kingsdaleadvisors.com](mailto:contactus@kingsdaleadvisors.com).

**About Waterous Energy Fund:** Waterous Energy Fund is a Calgary-based energy investment firm with offices in Houston and New York. Founded in 2017, the firm is pursuing investments in the North American oil and gas sector. For additional information, see [www.waterous.com](http://www.waterous.com)

### **Forward Looking Statements**

Certain statements in this press release are forward looking statements and are prospective in nature. Forward looking statements are not based on historical facts, but rather on current expectations and projections about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. These statements generally can be identified by the use of forward-looking words such as “may”, “should”, “will”, “could”, “intend”, “estimate”, “plan”, “anticipate”, “expect”, “believe”, or “continue” or the negative thereof or similar variations. Such statements reflect current reasonable assumptions, beliefs and expectations of WEF but are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. In particular, this press release includes forward looking statements to the successful completion of WEF’s take-over bid and the lack of alternative transactions being available to Osum’s shareholders. Important factors that could cause actual results to differ materially from WEF’s expectations include, among other things, risks inherent to regulatory proceedings, as well as risks inherent to a transaction such as the Offer, including but not limited to events occurring which cause a material adverse change in the business, affairs, prospects or assets of Osum, and events occurring which affect WEF’s financing commitments. Forward looking statements should, therefore, be construed in light of such risks and other factors. WEF is under no obligation and expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.