

WATEROUS ENERGY FUND

Waterous Energy Fund announces that the Alberta Securities Commission dismissed Osum’s application in its entirety and reports that its take-over bid for Osum has received overwhelming shareholder support

Calgary – January 28, 2021 – Waterous Energy Fund (“WEF”) is very pleased to announce three important updates with respect to WEF’s take-over bid (the “Bid”, or the “Offer”) of Osum Oil Sands Corp. (“Osum”, or the “Company”):

The Alberta Securities Commission (“ASC”) Ruled in Favor of WEF and Against Osum

Today, the Alberta Securities Commission dismissed, in its entirety, the application of Osum for a cease-trade order made on December 3, 2020. The Offer remains open in accordance with its terms and will expire at 5:00 p.m. (Calgary time) on February 24, 2020.

Commenting on the ASC’s decision, Adam Waterous, CEO of Waterous Energy Fund, remarked, “At the time WEF launched its Bid in November 2020, the Bid was supported by 65% of the company’s shareholder base, in which all eight of the company’s largest shareholders had either already sold, or had agreed to sell, their shares under the terms of our Offer. In the face of this overwhelming shareholder support, Osum submitted a baseless application to the ASC in a Hail Mary attempt to thwart the Bid and deprive the remaining shareholders of their right to tender. The actions of Osum are reflective of an entrenched board and management team, and WEF is pleased that the ASC came to this conclusion to allow Osum’s shareholders the right to choose.”

WEF’s Take-Over Bid Has Been Met With Overwhelming Shareholder Support

For the Offer to be successful, more than 50% of the shares not currently owned by WEF must be tendered (the “Minimum Tender Condition”). As outlined in WEF’s Offer Circular, at the time WEF launched the Bid in November 2020, WEF was already in possession of executed support agreements from Osum’s five largest institutional shareholders, collectively representing 36% of the outstanding common shares not currently owned by WEF.

Shareholder support for the Offer has grown considerably since the launch. WEF reasonably believes that, taking into account the original signed support agreements, new signed support agreements since the bid’s launch, shares tendered, and indications from shareholders who have expressed their intention to tender, WEF has now received shareholder support in excess of the Minimum Tender Condition, paving the way for a successful Bid.

Any Alternative Transaction for Osum Requires the Consent of WEF

On December 8, 2020, Osum launched a corporate sale process “for the sale of approximately 55% or 100% of the outstanding common shares of Osum.” This announcement came as a surprise to WEF. Pursuant to WEF’s Investor Rights Agreements, WEF has the right to approve any change of control transaction for the company. Beyond these contractual rights, WEF’s support agreements preclude a competing bid without WEF consent, and certain of these support agreements can be extended so long as the Offer remains outstanding. 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. Osum is aware of these restrictions yet has continued with a corporate sale process, wasting time and resources of the Company.

continued

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 Depository 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 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.

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

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 takeover-bid. 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.