



**CLOSING OF ARRANGEMENT –  
INFORMATION FOR SHAREHOLDERS AND DEBENTUREHOLDERS**

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JUNE 22, 2016

- Long Run entered into an arrangement agreement on December 20, 2015 (the “Arrangement”) with Calgary Sinoenergy Investment Corp. (the “Purchaser”), who has agreed to acquire:
  - i. All of the outstanding common shares of Long Run for cash consideration of \$0.52 per common share;
  - ii. All of the outstanding 6.40% convertible unsecured subordinated debentures of Long Run due January 31, 2019 for \$750 per \$1,000 principal amount of debentures plus accrued and unpaid interest up to but not including the closing date.
- Long Run and the Purchaser have received all the required approvals in order to complete the Arrangement.
- Long Run is working with the Purchaser in respect of the foreign exchange mechanics for the delivery of the cash consideration payable under the Arrangement. The closing of the Arrangement will occur as soon as practicable.

On closing of the Arrangement:

- 1) Long Run will become a wholly-owned subsidiary of Calgary Sinoenergy Investment Corp.;
- 2) Long Run's common shares and convertible debentures will be delisted from the Toronto Stock Exchange approximately 2 - 3 business days following closing of the Arrangement; and
- 3) Long Run shareholders and debentureholders will receive the cash consideration in exchange for their common shares and/or convertible debentures:
  - \$0.52 per common share;
  - \$750 per \$1,000 principal amount of convertible debentures plus accrued and unpaid interest up to but not including the closing date.

# STEPS TO RECEIVE CASH CONSIDERATION

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# BENEFICIAL VS. REGISTERED HOLDER

## *Shareholders & Debentureholders*



The steps required to exchange your common shares or convertible debentures for the cash consideration are dependent on whether you are a BENEFICIAL holder or REGISTERED holder.

BENEFICIAL Shareholder or Debentureholder:

an individual who holds their common shares or convertible debentures through an intermediary such as a bank, broker, investment firm or other nominee. Beneficial holders will not have a paper certificate.

REGISTERED Shareholder:

an individual who holds a paper certificate representing their common shares.

***The majority of Long Run shareholders and all Long Run debentureholders are BENEFICIAL holders.***

# BENEFICIAL SHAREHOLDERS

## STEPS TO RECEIVE CASH CONSIDERATION



***Beneficial shareholders do not need to take any action to receive the cash consideration. Payment should take approximately 5 - 7 business days after closing.***

- Beneficial shareholders do not need to submit any documentation.
- The intermediary (bank, broker, investment firm or other nominee) who holds your shares is responsible for submitting those shares on your behalf.
- The cash consideration for the shares submitted will be paid by CST Trust Company and will be distributed by the intermediary into your investment account.
  - Shareholders will receive payment of \$0.52 per common share held.
- Payment will be made following the close of the Arrangement, which typically takes approximately 5 - 7 business days from the closing date.
- Any issues with respect to the receipt of the cash consideration should be directed to the intermediary (bank, broker, investment firm or other nominee) who holds your shares on your behalf.

# REGISTERED SHAREHOLDERS

## STEPS TO RECEIVE CASH CONSIDERATION



### ***Registered shareholders are required to submit documentation in order to receive payment for their shares.***

- Registered shareholders are required to submit the following documents to CST Trust Company in order to receive the share consideration:
  - 1) Completed Letter of Transmittal; and
  - 2) Certificate or certificates representing Long Run shares.
- The Letter of Transmittal contains instructions on how to exchange the certificates representing your shares for the cash consideration.
- Letters of Transmittal were mailed out to registered holders with the Information Circular in January 2016. Additional copies can be obtained by contacting CST Trust Company.
- Payment will be made via cheque from CST Trust Company following the close of the Arrangement. Cheques will either be mailed out or will be available for pick up in person at CST Trust Company's offices. You will select your preferred delivery method in the Letter of Transmittal.
  - Shareholders will receive payment of \$0.52 per common share held.

# BENEFICIAL DEBENTUREHOLDERS

## STEPS TO RECEIVE CASH CONSIDERATION



***Beneficial debentureholders do not need to take any action to receive the cash consideration. Payment should take approximately 5 - 7 business days after closing.***

- Beneficial debentureholders do not need to submit any documentation.
- The intermediary (bank, broker, investment firm or other nominee) who holds your convertible debentures is responsible for submitting those convertible debentures on your behalf.
- The cash consideration for the convertible debentures submitted will be paid by CST Trust Company and will be distributed by the intermediary into your investment account.
  - Debentureholders will receive payment of \$750 per \$1,000 principal amount of convertible debentures held.
  - You will also receive all of the accrued and unpaid interest on the debentures up to but not including the closing date. This includes the semi-annual interest payment that was due to be paid on February 1, 2016.
- Payment will be made following the close of the Arrangement, which typically takes approximately 5 - 7 business days from the closing date.
- Any issues with respect to the receipt of the cash consideration should be directed to the intermediary (bank, broker, investment firm or other nominee) who holds your convertible debentures on your behalf.



# ADDITIONAL INFORMATION

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# HOW TO CONTACT CST TRUST COMPANY

*The Depository Agent*



## CST TRUST COMPANY

### Contact By Registered Mail, Hand or Courier

#### Calgary

##### **CST Trust Company**

600, 333 – 7th Avenue S.W.

Calgary, Alberta T2P 2Z1

Attention: Corporate Actions

#### Toronto

##### **CST Trust Company**

320 Bay Street

Basement Level (B1)

Toronto, Ontario M5H 4A6

Attention: Corporate Actions

#### Inquiries

Toll Free (North America): 1-800-387-0825

Outside North America: 1-416-682-3860

E-Mail: [inquiries@canstockta.com](mailto:inquiries@canstockta.com)

Website: [www.canstockta.com](http://www.canstockta.com)

#### Contact By Mail

##### **CST Trust Company**

P.O. Box 1036

Adelaide Street Postal Station

Toronto, Ontario M5C 2K4

Attention: Corporate Actions

1. Can I keep my shares/debentures of Long Run? Can I exchange my shares/debentures for shares in the new company instead of cash?

No, all of the outstanding shares and debentures of Long Run will be acquired by the Purchaser on closing of the Arrangement. The Purchaser is a private company.

2. How long will it take to receive my cash after the Arrangement closes?

The process takes approximately 5 - 7 business days for beneficial shareholders and debentureholders. For registered shareholders, it takes approximately 5 - 7 business days after you have submitted the required documentation for payment to be issued.

3. Who receives the cash consideration for the shares or debentures?

The shareholder or debentureholder of record on the closing date will be the individual entitled to the cash consideration. In the case of the debentures, the holder of record on the closing date will also be entitled to all accrued and unpaid interest up to but not including the closing date.

4. Who do I contact if I have issues with receiving my cash consideration?

For all beneficial holders, please contact your intermediary (bank, broker, investment firm or other nominee) with whom you hold your shares/debentures. For all registered holders, please contact CST Trust Company, the Depositary agent, if you have any issues.

5. What if I am a registered shareholder and I have lost or misplaced my share certificate?

Please follow the instructions provided in the letter of transmittal and/or contact CST Trust Company.

# CORPORATE INFORMATION

TSX:LRE



## Contacts

Bill Andrew

Chair & CEO

Dale Miller

President & COO

Corine Bushfield

Senior Vice President & CFO

Dale Orton

Senior Vice President, Development

Lauren Kimak

Manager, Investor Relations

(403) 716-3222

1-888-598-1330

**Long Run Main Line:**

**(403) 261-6012**

**Long Run Toll-Free Investor Line:**

**1-888-598-1330**

**Email:**

**[information@longrunexploration.com](mailto:information@longrunexploration.com)**

**Web:**

**[www.longrunexploration.com](http://www.longrunexploration.com)**

## Forward Looking Statements:

This document contains forward-looking statements and forward-looking information (collectively "forward-looking information") within the meaning of applicable securities laws relating to the anticipated closing date of the Arrangement, the timing of the delisting of the shares and debentures of Long Run and the anticipated timing for the distribution of the cash consideration payable under the Arrangement. Forward-looking information typically uses words such as "anticipate", "believe", "project", "expect", "goal", "plan", "intend" or similar words suggesting future outcomes, statements that actions, events or conditions "may", "would", "could" or "will" be taken or occur in the future. The forward-looking information is based on certain key expectations and assumptions made by Long Run's management, including: (i) in the case of the anticipated closing date of the Arrangement, that all conditions precedent to completion of the Arrangement will be satisfied on or before the outside date; (ii) in the case of the timing of the delisting of the shares and debentures of Long Run, that the Arrangement will be completed, that the debentures will be acquired pursuant to the Arrangement and that timely notice will be made to the TSX advising of the completion of the Arrangement; and (iii) in the case of the timing for distribution of the cash consideration payable under the Arrangement, that the Arrangement will be completed and based on advice from the depository for the Arrangement. Although the Company believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because Long Run can give no assurance that they will prove to be correct. Since forward-looking information addresses future events and conditions, by its very nature they involve inherent risks and uncertainties. The Company's actual results, performance or achievement could differ materially from those expressed in, or implied by, the forward-looking information and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if any of them do so, what benefits that the Company will derive therefrom. Completion of the Arrangement is subject to a number of conditions. Failure to satisfy any of these conditions or the emergence of a superior proposal may result in the termination of the Arrangement. Management has included the above summary of assumptions and risks related to forward-looking information provided in this presentation in order to provide securityholders and potential investors with a more complete perspective on Long Run's current financial state and the Arrangement and such information may not be appropriate for other purposes. Readers are cautioned that the foregoing lists of risks and factors are not exhaustive. Additional information on these and other factors that could affect our operations or financial results are included in reports on file with applicable securities regulatory authorities and may be accessed through the SEDAR website ([www.sedar.com](http://www.sedar.com)).

These forward-looking statements are made as of the date of this document and Long Run disclaims any intent or obligation to update publicly any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.