

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

IN RE PENN WEST PETROLEUM LTD.
SECURITIES LITIGATION

Master File No. 14-cv-6046-JGK

**NOTICE OF (I) PENDENCY OF CLASS ACTION AND PROPOSED SETTLEMENT;
(II) SETTLEMENT FAIRNESS HEARING; AND (III) MOTION FOR AN AWARD OF
ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION EXPENSES**

TO: All persons or entities who or which (i) purchased or otherwise acquired Penn West Petroleum Ltd. ("Penn West") common stock or trust units on an open market located within the United States, including but not limited to the New York Stock Exchange ("NYSE") or another domestic exchange, or (ii) purchased or otherwise acquired Penn West call options, or sold or wrote Penn West put options, on an open market located within the United States, including but not limited to the NYSE or another domestic exchange, from February 18, 2010 through July 29, 2014, inclusive (the "Settlement Class Period"), and who were damaged thereby (the "Settlement Class").¹

A Federal Court authorized this Notice. This is not a solicitation from a lawyer.

You may be eligible to participate in this Settlement regardless of whether you are domiciled in the United States or are a United States citizen or resident.

NOTICE OF PENDENCY OF CLASS ACTION: Please be advised that your rights may be affected by the above-captioned securities class action (the "Action" or "U.S. Action") pending in the United States District Court for the Southern District of New York (the "Court").

NOTICE OF SETTLEMENT: Please also be advised that the Court-appointed Lead Plaintiffs, the City of Miami Fire Fighters' and Police Officers' Retirement Trust ("Miami FIPO") and Avi Rojany (collectively, "Lead Plaintiffs"), on behalf of themselves and the other members of the Settlement Class, have reached a proposed settlement of the U.S. Action with defendant Penn West, and defendants Todd H. Takeyasu, Jeffery Curran, David E. Roberts, William E. Andrew and Murray R. Nunns (the "Individual Defendants" and, together with Penn West, the "Defendants") for Can\$26,500,000 in cash (the "Settlement"), which equated to US\$19,759,282 on the date of payment. If the Settlement is approved, it will resolve all claims in the U.S. Action.

PLEASE READ THIS NOTICE CAREFULLY. This Notice explains important rights you may have, including the possible receipt of cash from the Settlement. If you are a member of the Settlement Class, your legal rights will be affected whether or not you act.

If you have any questions about this Notice, the proposed Settlement, or your eligibility to participate in the Settlement, please DO NOT contact the Court, Penn West, any other Defendants in the Action, or their counsel. All questions should be directed to Co-Lead Counsel or the Claims Administrator (see ¶ 95 below).

1. **Description of the U.S. Action and the Settlement Class:** This Notice relates to a proposed Settlement of claims in a pending securities class action brought by investors alleging, among other things, that Defendants violated the federal securities laws by making false and misleading statements regarding Penn West's reported financial results. A more detailed description of the Action is set forth in paragraphs 11-23 below. The proposed Settlement, if approved by the Court, will settle the claims of the Settlement Class, as defined in paragraph 24 below.

2. **Statement of the Settlement Class's Recovery:** Subject to Court approval, Lead Plaintiffs, on behalf of themselves and the Settlement Class, have agreed to settle the U.S. Action in exchange for a settlement payment of Can\$26,500,000 in cash (the "Settlement Amount"), which equated to US\$19,759,282 on the day it was deposited into an escrow account. The Net Settlement Fund (*i.e.*, the Settlement Amount plus any and all interest earned thereon (the "Settlement Fund") less (a) any Taxes, (b) any Notice and Administration Costs, (c) any Litigation Expenses awarded by the Court, and (d) any attorneys' fees awarded by the Court) will be distributed in accordance with a plan of allocation that is approved by the Court. The proposed plan of allocation (the "Plan of Allocation"), which dictates how the Net Settlement Fund is allocated among members of the Settlement Class, is set forth on pages 9-14 below.

¹ All capitalized terms used in this Notice that are not otherwise defined herein shall have the meanings ascribed to them in the Stipulation and Agreement of Settlement dated February 12, 2016 (the "Stipulation"), which is available at www.PennWestUSSecuritiesLitigation.com.

3. **Estimate of Average Amount of Recovery Per Share, Trust Unit or Option:** Lead Plaintiffs' damages expert estimates that the conduct at issue in the Action affected approximately 219 million shares of Penn West common stock or trust units² and 13.6 million Penn West call options³ purchased, and 4.4 million Penn West put options written or sold, during the Settlement Class Period.⁴ If all eligible Settlement Class Members elect to participate in the Settlement, the estimated average recovery would be approximately US\$0.09 per affected share of common stock or trust unit, US\$0.01 per affected call option, and US\$0.03 per affected put option. Settlement Class Members should note, however, that the foregoing average recovery per share, trust unit or option is only an estimate. Some Settlement Class Members may recover more or less than this estimated amount depending on, among other factors, which Penn West securities they purchased, when and at what prices they purchased/acquired or sold their Penn West securities, and the total number of valid Claim Forms submitted.

4. **Average Amount of Damages Per Share, Trust Unit or Option:** The Parties do not agree on the average amount of damages per share, trust unit or option that would be recoverable if Lead Plaintiffs were to prevail in the Action. Among other things, Defendants do not agree with the assertion that they violated the federal securities laws or that any damages were suffered by any members of the Settlement Class as a result of their conduct.

5. **Attorneys' Fees and Expenses Sought:** Court-appointed Co-Lead Counsel, Bernstein Litowitz Berger & Grossmann LLP and Glancy Prongay & Murray LLP, who have been prosecuting this Action on a wholly contingent basis since its inception in 2014, have not received any payment of attorneys' fees for their representation of the Settlement Class and have advanced the funds to pay expenses necessarily incurred to prosecute the Action. Co-Lead Counsel will apply to the Court for an award of attorneys' fees in an amount not to exceed 25% of the Settlement Fund. In addition, Co-Lead Counsel will apply for reimbursement of Litigation Expenses paid or incurred in connection with the institution, prosecution and resolution of the claims against the Defendants, in an amount not to exceed US\$525,000, which may include an application for reimbursement of the reasonable costs and expenses incurred by Lead Plaintiffs directly related to their representation of the Settlement Class. Any fees and expenses awarded by the Court will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses. If the Court approves Co-Lead Counsel's fee and expense application, the estimated average amount of fees and expenses, assuming claims are filed for all affected shares, trust units and call and put options, will be approximately US\$0.025 per affected share of common stock or trust unit, US\$0.004 per affected call option, and US\$0.008 per affected put option.

6. **Identification of Attorneys' Representatives:** Lead Plaintiffs and the Settlement Class are represented by John Rizio-Hamilton, Esq. of Bernstein Litowitz Berger & Grossmann LLP, 1251 Avenue of the Americas, 44th Floor, New York, NY 10020, (800) 380-8496, blbg@blbglaw.com; and Peter A. Binkow, Esq. of Glancy Prongay & Murray LLP, 1925 Century Park East, Suite 2100, Los Angeles, California 90067, (888) 773-9224, settlements@glancylaw.com.

7. **Reasons for the Settlement:** Lead Plaintiffs' principal reason for entering into the Settlement is the substantial immediate cash benefit for the Settlement Class without the risk or delays inherent in further litigation. A principle reason for the Settlement was the significant deterioration in the financial condition of Penn West. Given Penn West's compromised financial condition, had the litigation continued, there would have been a significant risk that a smaller recovery – or indeed no recovery at all – might have been achieved after contested motions, a trial of the Action and the likely appeals that would follow a trial. This process could be expected to last several years. Defendants, who deny all allegations of wrongdoing or liability whatsoever, are entering into the Settlement solely to eliminate the uncertainty, burden and expense of further protracted litigation.

² An affected share/trust unit might have been traded more than once during the Settlement Class Period, and this average recovery would be the total for all purchasers of that share/unit.

³ All options-related amounts in this paragraph are per share or unit of the underlying security (*i.e.*, 1/100 of a contract).

⁴ Penn West common stock, trust units and call and put options are collectively referred to herein as "Penn West Securities."

YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT:

<p>SUBMIT A CLAIM FORM POSTMARKED NO LATER THAN AUGUST 26, 2016.</p>	<p>This is the only way to be eligible to receive a payment from the Settlement Fund. If you are a Settlement Class Member and you remain in the Settlement Class, you will be bound by the Settlement as approved by the Court and you will give up any Released Plaintiffs' Claims (defined in ¶ 35 below) that you have against Defendants and the other Defendants' Releasees (defined in ¶ 36 below), so it is in your interest to submit a Claim Form.</p>
<p>EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS BY SUBMITTING A WRITTEN REQUEST FOR EXCLUSION SO THAT IT IS RECEIVED NO LATER THAN JUNE 20, 2016.</p>	<p>If you exclude yourself from the Settlement Class, you will not be eligible to receive any payment from the Settlement Fund. This is the only option that allows you ever to be part of any other lawsuit against any of the Defendants or the other Defendants' Releasees concerning the Released Plaintiffs' Claims.</p>
<p>OBJECT TO THE SETTLEMENT BY SUBMITTING A WRITTEN OBJECTION SO THAT IT IS RECEIVED NO LATER THAN JUNE 20, 2016.</p>	<p>If you do not like the proposed Settlement, the proposed Plan of Allocation, or the request for attorneys' fees and reimbursement of Litigation Expenses, you may write to the Court and explain why you do not like them. You cannot object to the Settlement, the Plan of Allocation or the fee and expense request unless you are a Settlement Class Member and do not exclude yourself from the Settlement Class.</p>
<p>GO TO A HEARING ON JUNE 28, 2016 AT 4:30 P.M., AND FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS RECEIVED NO LATER THAN JUNE 20, 2016.</p>	<p>Filing a written objection and notice of intention to appear by June 20, 2016 allows you to speak in Court at the discretion of the Court about the fairness of the proposed Settlement, the Plan of Allocation, and/or the request for attorneys' fees and reimbursement of Litigation Expenses. If you submit a written objection, you may (but do not have to) attend the hearing and speak to the Court about your objection.</p>
<p>DO NOTHING.</p>	<p>If you are a member of the Settlement Class and you do not submit a valid Claim Form, you will not be eligible to receive any payment from the Settlement Fund. You will, however, remain a member of the Settlement Class, which means that you give up your right to sue about the claims that are resolved by the Settlement and you will be bound by any judgments or orders entered by the Court in the Action.</p>

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WHY DID I GET THIS NOTICE?

8. The Court directed that this Notice be mailed to you because you or someone in your family or an investment account for which you serve as a custodian may have purchased or acquired Penn West common stock, trust units or call options on Penn West common stock or written or sold put options on Penn West common stock during the Settlement Class Period. The Court has directed us to send you this Notice because, as a potential Settlement Class Member, you have a right to know about your options before the Court rules on the proposed Settlement. Additionally, you have the right to understand how this class action lawsuit may generally affect your legal rights. If the Court approves the Settlement and the Plan of Allocation (or some other plan of allocation), the claims administrator selected by Lead Plaintiffs and approved by the Court will make payments pursuant to the Settlement after any objections and appeals are resolved.

9. The purpose of this Notice is to inform you of the existence of this case, that it is a class action, how you might be affected, and how to exclude yourself from the Settlement Class if you wish to do so. It is also being sent to inform you of the terms of the proposed Settlement, and of a hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlement, the proposed Plan of Allocation and the motion by Co-Lead Counsel for an award of attorneys' fees and reimbursement of Litigation Expenses (the "Settlement Fairness Hearing"). See paragraph 86 below for details about the Settlement Fairness Hearing, including the date and location of the hearing.

10. The issuance of this Notice is not an expression of any opinion by the Court concerning the merits of any claim in the Action, and the Court still has to decide whether to approve the Settlement. If the Court approves the Settlement and a plan of allocation, then payments to Authorized Claimants will be made after any appeals are resolved and after the completion of all claims processing. Please be patient, because this process can take some time to complete.

WHAT IS THIS CASE ABOUT?

11. This is a securities class action brought by investors alleging, among other things, that Defendants violated the federal securities laws by making false and misleading statements regarding Penn West's reported financial results. The U.S. Action commenced with the filing of a class action complaint in the United States District Court for the Southern District of New York on August 4, 2014.

12. On October 29, 2014, the Court appointed Miami FIPO and Avi Rojany to serve as Lead Plaintiffs in the U.S. Action, and approved Lead Plaintiffs' selection of Bernstein Litowitz Berger & Grossmann LLP and Glancy Prongay & Murray LLP to serve as Co-Lead Counsel. Thereafter, on December 19, 2014, Lead Plaintiffs filed a 116 page Consolidated Amended Class Action Complaint (the "Complaint"). The Complaint asserts claims for securities fraud against all Defendants under Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 promulgated thereunder, and against the Individual Defendants under Section 20(a) of the Exchange Act.

13. The Complaint alleges that, from February 18, 2010 through July 29, 2014, the Defendants materially misstated Penn West's financial results, including its operating expenses, assets, and net income, principally by mis-booking operating expenses as capital expenses.

14. The Complaint alleges that on July 29, 2014, Penn West disclosed that the Audit Committee of its Board of Directors was conducting an internal review of certain accounting practices, and that certain of Penn West's financial statements for prior years would be restated. The Complaint further alleges that, in response to this announcement, Penn West's stock price fell by more than 14% the next trading day.

15. On March 6, 2015, Defendants moved to dismiss the Complaint. On April 24, 2015, Lead Plaintiffs filed an opposition brief. The motions to dismiss were fully briefed on May 15, 2015, and were pending before the Court at the time the Parties reached an agreement to settle the case. Thereafter, the Court dismissed the motions to dismiss without prejudice to renewal if the Settlement does not become effective.

16. Although the Parties believe in the merits of their respective positions, they also recognized the benefits that would accrue if they could reach an agreement to resolve the U.S. Action given the severe deterioration in Penn West's financial condition. Thus, they began to explore whether a settlement could be reached through a mediation process.

17. There were also parallel securities class actions pending against Penn West in Canada (the "Canadian Actions"), where Penn West is based, based on the same facts alleged in the U.S. Action. The Canadian Actions

were at a similar stage as the U.S. Action, and the Parties agreed that given the limited financial resources available to settle all litigation, the U.S. and Canadian Actions should both participate in any attempt to settle the cases.

18. Judge Daniel Weinstein (Ret.) was selected to serve as a mediator for the Canadian and U.S. Actions. On November 24, 2015, the plaintiffs in the U.S. and Canadian Actions and Penn West submitted extensive mediation statements to Judge Weinstein, and, on December 8, 2015, participated in an all-day mediation. The session ended without any agreements being reached. Thereafter, settlement discussions continued, and Judge Weinstein issued a mediator's recommendation on December 18, 2015.

19. The Parties accepted Judge Weinstein's recommendation on or about January 4, 2016, thus reaching an agreement in principle to settle the U.S. and Canadian Actions. The Parties to the U.S. Action subsequently negotiated and entered into the Stipulation that sets forth the detailed terms of the Settlement.

20. Lead Plaintiffs have not yet had access to Defendants' documents. Therefore, a condition of the agreement in principle to settle the U.S. Action was Penn West's agreement to provide certain information that would allow Lead Plaintiffs and Co-Lead Counsel to confirm the propriety of the decision to settle on the agreed-to terms.

21. Based on the investigation and mediation of the case and Lead Plaintiffs' direct oversight of the prosecution of this matter and with the advice of their counsel, each of the Lead Plaintiffs has agreed to settle and release the claims raised in the U.S. Action pursuant to the terms and provisions of the Stipulation, after considering, among other things: (a) the substantial financial benefit that Lead Plaintiffs and the other members of the Settlement Class will receive under the proposed Settlement; and (b) the significant risks and costs of continued litigation and trial.

22. Defendants are entering into the Stipulation solely to eliminate the uncertainty, burden and expense of further protracted litigation. Each of the Defendants denies any wrongdoing, and the Stipulation shall in no event be construed or deemed to be evidence of or an admission or concession on the part of any of the Defendants, or any other of the Defendants' Releasees (defined in ¶ 36 below), with respect to any claim or allegation of any fault or liability or wrongdoing or damage whatsoever, or any infirmity in the defenses that the Defendants have, or could have, asserted. Similarly, the Stipulation shall in no event be construed or deemed to be evidence of or an admission or concession on the part of any Lead Plaintiff of any infirmity in any of the claims asserted in the Action, or an admission or concession that any of the Defendants' defenses to liability had any merit.

23. On March 1, 2016, the Court preliminarily approved the Settlement and certified the Settlement Class for settlement purposes only, authorized this Notice to be disseminated to potential Settlement Class Members, and scheduled the Settlement Fairness Hearing to consider whether to grant final approval to the Settlement.

HOW DO I KNOW IF I AM AFFECTED BY THE SETTLEMENT? WHO IS INCLUDED IN THE SETTLEMENT CLASS?

24. If you are a member of the Settlement Class, you are subject to the Settlement, unless you timely request to be excluded. The Settlement Class consists of the following, regardless of which state or country the person or entity may reside or be domiciled in:

all persons or entities who or which (i) purchased or otherwise acquired Penn West common stock or trust units on an open market located within the United States, including but not limited to the NYSE or another domestic exchange, or (ii) purchased or otherwise acquired Penn West call options, or sold or wrote Penn West put options, on an open market located within the United States, including but not limited to the NYSE or another domestic exchange, from February 18, 2010 through July 29, 2014, inclusive (the "Settlement Class Period"), and who were damaged thereby.

Excluded from the Settlement Class are Defendants, KPMG LLP and KPMG LLP (Canada) (collectively with KPMG LLP, "KPMG"), the General Counsel, officers, directors and partners of Penn West and KPMG at all relevant times, any entity in which any Defendant or KPMG has or had a controlling interest, and the members of the Immediate Families and the legal representatives, heirs, successors or assigns of any of the foregoing. Also excluded from the Settlement Class are any persons or entities who or which exclude themselves by submitting a request for exclusion in accordance with the requirements set forth in this Notice. *See* "What If I Do Not Want To Be A Member Of The Settlement Class? How Do I Seek To Exclude Myself," on page 14 below.

PLEASE NOTE:

(a) In January 2011, Penn West trust units were converted to shares of Penn West common stock on a one-to-one basis. The holders of Penn West trust units as of January 1, 2011 received one share of Penn West common stock for every trust unit they held as of that date. The receipt of Penn West common stock as a result of this

conversion is not considered an “acquisition” of Penn West common stock for purposes of determining membership in the Settlement Class.

(b) Receipt of this Notice does not mean that you are a Settlement Class Member or that you will be entitled to receive proceeds from the Settlement. If you are a Settlement Class Member and you wish to be eligible to participate in the distribution of proceeds from the Settlement, you are required to submit the Claim Form that is being distributed with this Notice and the required supporting documentation as set forth therein **postmarked no later than August 26, 2016**.

(c) There is a separate settlement for persons who acquired the securities of Penn West on the Toronto Stock Exchange, on an alternative trading market in Canada, or otherwise in Canada from March 17, 2011 through July 29, 2014, inclusive, and/or July 30, 2014 through September 18, 2014, inclusive, and held some or all of those securities at the close of trading on July 29, 2014 or September 18, 2014 (the “Canadian Class”). This Notice only discusses the rights and options of members of the Settlement Class in the U.S. Action. If you are a member of the Canadian Class, you can learn more about your rights and options at the website dedicated to the Canadian cases: www.PennWestCanadianClassAction.com.

WHAT ARE LEAD PLAINTIFFS’ REASONS FOR THE SETTLEMENT?

25. Lead Plaintiffs and Co-Lead Counsel believe that the claims asserted against Defendants have merit. They recognize, however, the expense and length of continued proceedings necessary to pursue their claims against the Defendants through a decision on Defendants’ motions to dismiss, summary judgment motions, trial and appeals, as well as the very substantial risks they would face in establishing liability and damages. The Court had not ruled on the motions to dismiss when the Parties reached their agreement in principle to settle. Defendants raised credible arguments directed at the adequacy of Lead Plaintiffs’ allegations concerning whether Defendants acted with sufficient knowledge or recklessness to prevail under the federal securities laws. Specifically, Defendants argued that Lead Plaintiffs had not alleged any motive to engage in fraud through insider trading and could not point to any witnesses or internal documents or particularized facts that supported their allegations that Defendants knowingly or recklessly committed securities fraud.

26. Defendants had a number of additional significant arguments, including those relating to loss causation and damages. Defendants argued that much of the decline in Penn West’s stock price was caused by issues unrelated to the announcement of the restatement of Penn West’s financial statements, and that Lead Plaintiffs’ damages were far less than alleged. Had any of these arguments been accepted in whole or in part, it could have eliminated or, at a minimum, drastically limited any potential recovery. Further, in order to succeed, Lead Plaintiffs would have had to prevail at several stages – motion to dismiss, motion for summary judgment, and trial, and even if Lead Plaintiffs prevailed on those, on the appeals that were likely to follow. Thus, there were significant risks attendant to the continued prosecution of the Action, and there was no guarantee that further litigation would have resulted in a higher recovery, or any recovery at all.

27. Finally, there were also very real risks to recovering a judgment larger than the Settlement in light of Penn West’s financial condition and limited officer and directors’ insurance. Penn West is one of Canada’s largest producers of oil and natural gas. Over approximately the past 18 months, oil prices have sharply declined. Penn West’s financial condition and cash position have deteriorated significantly along with the decline in oil prices. Penn West’s deteriorating financial position meant that its insurance coverage was the only practical source of recovery for both the U.S. and Canadian Actions, and these funds would be reduced by defense costs if the litigations continued.

28. Taking into account the aforementioned risks, the amount of the Settlement and the immediacy of recovery to the Settlement Class, Lead Plaintiffs and Co-Lead Counsel believe that the Settlement represents an excellent result.

29. Defendants have denied the claims asserted against them in the Action and deny having engaged in any wrongdoing or violation of law of any kind whatsoever. Defendants have agreed to the Settlement solely to eliminate the burden and expense of continued litigation. Accordingly, the Settlement may not be construed as an admission of any wrongdoing by Defendants.

WHAT MIGHT HAPPEN IF THERE WERE NO SETTLEMENT?

30. If there were no Settlement and Lead Plaintiffs failed to establish any essential legal or factual element of their claims against Defendants, neither Lead Plaintiffs nor the other members of the Settlement Class would recover anything from Defendants. Also, if Defendants were successful in their motions to dismiss, or in proving any of their defenses, either at summary judgment, at trial or on appeal, or if Penn West were to file for bankruptcy, the

Settlement Class could recover substantially less than the amount provided in the Settlement, or nothing at all.

HOW ARE SETTLEMENT CLASS MEMBERS AFFECTED BY THE ACTION AND THE SETTLEMENT?

31. As a Settlement Class Member, you are represented by Lead Plaintiffs and Co-Lead Counsel, unless you enter an appearance through counsel of your own choice at your own expense. You are not required to retain your own counsel, but if you choose to do so, such counsel must file a notice of appearance on your behalf and must serve copies of his or her appearance on the attorneys listed in the section entitled, “When And Where Will The Court Decide Whether To Approve The Settlement?,” below.

32. If you are a Settlement Class Member and do not wish to remain a Settlement Class Member, you may seek to exclude yourself from the Settlement Class by following the instructions in the section entitled, “What If I Do Not Want To Be A Member Of The Settlement Class? How Do I Seek To Exclude Myself?,” below.

33. If you are a Settlement Class Member and you wish to object to the Settlement, the Plan of Allocation, or Co-Lead Counsel’s application for attorneys’ fees and reimbursement of Litigation Expenses, and if you do not exclude yourself from the Settlement Class, you may present your objections by following the instructions in the section entitled, “When And Where Will The Court Decide Whether To Approve The Settlement?,” below.

34. If you are a Settlement Class Member and you do not exclude yourself from the Settlement Class, you will be bound by any orders issued by the Court. If the Settlement is approved, the Court will enter a judgment (the “Judgment”). The Judgment will dismiss with prejudice the claims against Defendants and will provide that, upon the Effective Date of the Settlement, to the extent permitted by law, Lead Plaintiffs and each member of the Settlement Class, on behalf of themselves and their respective past and present directors, officers, employees, agents, trustees, fiduciaries, servants, consultants, underwriters, advisors, representatives, heirs, executors, attorneys, administrators, guardians, estate trustees, successors and assigns, in their capacities as such, and any other person or entity legally entitled to bring Released Plaintiffs’ Claims (as defined in ¶ 35 below) on behalf of a Settlement Class Member, in that capacity, shall be deemed to have, and by operation of law and of the Judgment shall have, fully, finally and forever compromised, settled, released, resolved, relinquished, waived and discharged each and every Released Plaintiffs’ Claim against the Defendants and the other Defendants’ Releasees (as defined in ¶ 36 below), and shall forever be barred and enjoined from prosecuting any or all of the Released Plaintiffs’ Claims against any of the Defendants’ Releasees. This release shall not apply to any Excluded Claims (as defined in ¶ 35 below).

35. “Released Plaintiffs’ Claims” means, to the extent permitted by law, all claims and causes of action of every nature and description, whether class, individual or otherwise in nature, whether personal or subrogated, damages whenever and wherever incurred, and rights and liabilities of any nature whatsoever, including interest, costs, expenses, administration expenses, penalties, Co-Lead Counsel’s attorneys’ fees, suspected or unsuspected, whether known claims or Unknown Claims, whether arising under federal, state, common, or foreign law, that Lead Plaintiffs or any other member of the Settlement Class alleged or could have alleged, whether directly or indirectly, arising out of, based upon, or related to (a) (i) the purchase or acquisition of Penn West common stock or trust units on an open market located within the United States, including but not limited to the NYSE or another domestic exchange, during the Settlement Class Period, or (ii) the purchase or acquisition of Penn West call options, or sale or writing of Penn West put options, on an open market located within the United States, including but not limited to the NYSE or another domestic exchange, during the Settlement Class Period, and (b) any act, facts, transactions, events, disclosures, statements, or omissions that were or could have been alleged in the U.S. Action. Released Plaintiffs’ Claims do not include: (i) any claims against KPMG, its parents, affiliates, subsidiaries, successors, or predecessors, or current or former officers, directors and partners thereof; (ii) any claims relating to the enforcement of the Settlement; or (iii) any claims of any person or entity that submits a request for exclusion that is accepted by the Court (the “Excluded Claims”).

36. “Defendants’ Releasees” means Defendants; the current and former employers, officers, directors, employees, agents, servants, representatives, parents, affiliates, subsidiaries, successors, predecessors, assigns, assignees, advisors, attorneys, and insurers of Penn West and the Individual Defendants; and each of their respective heirs, executors, administrators, successors and assigns; *provided, however*, that KPMG, and its parents, affiliates, subsidiaries, successors, and predecessors, as well as any current or former officers, directors and partners thereof, shall not be a Defendants’ Releasee and shall not be released in this Settlement.

37. “Unknown Claims” means any Released Plaintiffs’ Claims which any Lead Plaintiff or any other Settlement Class Member does not know or suspect to exist in his, her or its favor at the time of the release of such claims, and any Released Defendants’ Claims which any Defendant does not know or suspect to exist in his, her, or its favor at the time of the release of such claims, which, if known by him, her or it, might have affected his, her or its decision(s) with respect to this Settlement. With respect to any and all Released Claims, the Parties stipulate and agree that,

upon the Effective Date of the Settlement, Lead Plaintiffs and Defendants shall expressly waive, and each of the other Settlement Class Members shall be deemed to have waived, and by operation of the Judgment shall have expressly waived, any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law or foreign law, which is similar, comparable, or equivalent to California Civil Code §1542, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Lead Plaintiffs and Defendants acknowledge, and each of the other Settlement Class Members shall be deemed by operation of law to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Settlement.

38. The Judgment will also provide that, upon the Effective Date of the Settlement, Defendants, on behalf of themselves and their respective past and present directors, officers, employees, agents, trustees, fiduciaries, servants, consultants, underwriters, advisors, representatives, heirs, executors, attorneys, administrators, guardians, estate trustees, successors and assigns, in their capacities as such, and any other person or entity legally entitled to bring Released Defendants' Claims (as defined in ¶ 39 below) on behalf of a Defendant, in that capacity, shall have, fully, finally and forever compromised, settled, released, resolved, relinquished, waived and discharged each and every Released Defendants' Claim against Lead Plaintiffs and the other Plaintiffs' Releasees (as defined in ¶ 40 below), and shall forever be barred and enjoined from prosecuting any or all of the Released Defendants' Claims against any of the Plaintiffs' Releasees. This release shall not apply to (i) any claims relating to the enforcement of the Settlement; or (ii) any claims of any person or entity that submits a request for exclusion from the Settlement Class that is accepted by the Court.

39. "Released Defendants' Claims" means, to the extent permitted by law, all claims and causes of action of every nature and description, whether known claims or Unknown Claims, whether arising under federal, state, common or foreign law, that arise out of or relate in any way to the institution, prosecution, or settlement of the claims against the Defendants. Released Defendants' Claims do not include any claims relating to the enforcement of the Settlement or any claims against any person or entity that submits a request for exclusion from the Settlement Class that is accepted by the Court.

40. "Plaintiffs' Releasees" means Lead Plaintiffs, all other plaintiffs in the U.S. Action, and their respective attorneys, and all other Settlement Class Members, their respective current and former officers, directors, employees, agents, servants, representatives, parents, affiliates, subsidiaries, successors, predecessors, assigns, assignees, advisors, attorneys, and insurers, and each of their respective heirs, executors, administrators, successors and assigns.

HOW DO I PARTICIPATE IN THE SETTLEMENT? WHAT DO I NEED TO DO?

41. To be eligible for a payment from the proceeds of the Settlement, you must be a member of the Settlement Class and you must timely complete and return the Claim Form with adequate supporting documentation **postmarked no later than August 26, 2016**. A Claim Form is included with this Notice, or you may obtain one from the website maintained by the Claims Administrator for the Settlement, www.PennWestUSSecuritiesLitigation.com, or you may request that a Claim Form be mailed to you by calling the Claims Administrator toll free at (877) 835-0545 or by emailing the Claims Administrator at info@PennWestUSSecuritiesLitigation.com. Please retain all records of your ownership of and transactions in Penn West Securities, because they may be needed to document your Claim. If you request exclusion from the Settlement Class or do not submit a timely and valid Claim Form, you will not be eligible to share in the Net Settlement Fund.

HOW MUCH WILL MY PAYMENT BE?

42. At this time, it is not possible to make any determination as to how much any individual Settlement Class Member may receive from the Settlement. Moreover, the Settlement of the U.S. Action is contingent on the settlement of the Canadian Actions. If the Canadian Actions are not settled, Defendants will have the option to terminate the settlement of the U.S. Action and, if exercised, Lead Plaintiffs and Defendants shall be restored to their respective positions in the U.S. Action immediately prior to January 4, 2016.

43. Pursuant to the Settlement, Defendants have agreed to pay or caused to be paid Can\$26,500,000 in cash, which equated to US\$19,759,282 on the day it was deposited into an escrow account dedicated to this Settlement.

The Settlement Amount plus any interest earned thereon is referred to as the “Settlement Fund.” If the Settlement is approved by the Court and the Effective Date occurs, the “Net Settlement Fund” (that is, the Settlement Fund less (a) any Taxes; (b) any Notice and Administration Costs; and (c) any attorneys’ fees and Litigation Expenses awarded by the Court) will be distributed to Settlement Class Members who submit valid Claim Forms, in accordance with the proposed Plan of Allocation or such other plan of allocation as the Court may approve.

44. The Net Settlement Fund will not be distributed unless and until the Court has approved the Settlement and a plan of allocation, and the time for any petition for rehearing, appeal or review, whether by certiorari or otherwise, has expired.

45. Neither Defendants nor any other person or entity that paid any portion of the Settlement Amount on their behalf are entitled to get back any portion of the Settlement Fund once the Court’s order or judgment approving the Settlement becomes Final. Defendants shall not have any liability, obligation or responsibility for the administration of the Settlement, the disbursement of the Net Settlement Fund or the plan of allocation.

46. Approval of the Settlement is independent from approval of a plan of allocation. Any determination with respect to a plan of allocation will not affect the Settlement, if approved.

47. Unless the Court otherwise orders, any Settlement Class Member who fails to submit a Claim Form postmarked on or before August 26, 2016 shall be fully and forever barred from receiving payments pursuant to the Settlement but will in all other respects remain a Settlement Class Member and be subject to the provisions of the Stipulation, including the terms of any Judgment entered and the releases given. This means that each Settlement Class Member releases the Released Plaintiffs’ Claims (as defined in ¶ 35 above) against the Defendants’ Releasees (as defined in ¶ 36 above) and will be enjoined and prohibited from filing, prosecuting, or pursuing any of the Released Plaintiffs’ Claims against any of the Defendants’ Releasees whether or not such Settlement Class Member submits a Claim Form.

48. Participants in and beneficiaries of a plan covered by ERISA (“ERISA Plan”) should NOT include any information relating to their transactions in Penn West Securities held through the ERISA Plan in any Claim Form that they may submit in this Action. They should include ONLY those securities that they purchased or acquired outside of the ERISA Plan. Claims based on any ERISA Plan’s purchases or acquisitions of Penn West Securities during the Settlement Class Period may be made by the plan’s trustees. To the extent any of the Defendants or any of the other persons or entities excluded from the Settlement Class are participants in the ERISA Plan, such persons or entities shall not receive, either directly or indirectly, any portion of the recovery that may be obtained from the Settlement by the ERISA Plan.

49. The Court has reserved jurisdiction to allow, disallow, or adjust on equitable grounds the Claim of any Settlement Class Member.

50. Each Claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to his, her or its Claim Form.

51. Only Settlement Class Members will be eligible to share in the distribution of the Net Settlement Fund. Persons and entities that are excluded from the Settlement Class by definition or that exclude themselves from the Settlement Class pursuant to request will not be eligible to receive a distribution from the Net Settlement Fund and should not submit Claim Forms.

PROPOSED PLAN OF ALLOCATION

52. The objective of the Plan of Allocation is to equitably distribute the Net Settlement Fund to those Settlement Class Members who suffered economic losses as a proximate result of the alleged wrongdoing. The calculations made pursuant to the Plan of Allocation are not intended to be estimates of, nor indicative of, the amounts that Settlement Class Members might have been able to recover after a trial. Nor are the calculations pursuant to the Plan of Allocation intended to be estimates of the amounts that will be paid to Authorized Claimants pursuant to the Settlement. The computations under the Plan of Allocation are only a method to weigh the claims of Authorized Claimants against one another for the purposes of making *pro rata* allocations of the Net Settlement Fund.

53. In developing the Plan of Allocation, Lead Plaintiffs’ damages expert calculated the estimated amount of artificial inflation in the per share or per unit closing prices of Penn West common stock, trust units and call options (and the amount of artificial deflation in the per share closing prices of Penn West put options) which allegedly was proximately caused by Defendants’ alleged false and misleading statements and material omissions. In calculating the estimated artificial inflation allegedly caused by Defendants’ alleged misrepresentations and omissions, Lead Plaintiffs’ damages expert considered price changes in Penn West common stock and options in reaction to certain public announcements allegedly revealing the truth concerning Defendants’ alleged misrepresentations and material

omissions, adjusting for price changes that were attributable to market or industry forces and disclosures of information unrelated to the alleged fraud as well as the evidence developed in support of the allegations in the Complaint, and the strength of the claims. The estimated artificial inflation in Penn West trust units and common stock is set forth in Table 1 at the end of this Notice. The estimated artificial inflation in Penn West call options is set forth in Table 2, and the estimated artificial deflation in Penn West put options is set forth in Table 3.

54. For losses to be compensable damages under the federal securities laws, the disclosure of the allegedly misrepresented information must be, among other things, the cause of the decline in the price or value of the security. Lead Plaintiffs' damages expert has determined that allegedly corrective information that was released before the market opened on November 6, 2013 and after the market closed on July 29, 2014, had a statistically significant impact on the market prices of Penn West Securities. In order to have a "Recognized Loss Amount" under the Plan of Allocation, with respect to common stock, trust units and call options, the common stock, trust units or call options must have been purchased or acquired during the Settlement Class Period and held through at least one of the dates of the two alleged corrective disclosures and, with respect to put options, those options must have been sold (written) during the Settlement Class Period and not closed through at least one of the alleged corrective disclosures.

55. Recognized Loss Amounts are based primarily on the difference in the amount of alleged artificial inflation (or deflation in the case of put options) in the respective prices of the Penn West Securities at the time of purchase or acquisition and at the time of sale. Accordingly, in order to have a Recognized Loss Amount, a Settlement Class Member who purchased or acquired Penn West common stock, trust units or call options (or wrote put options) from February 18, 2010 through November 5, 2013, inclusive, must have held those Penn West Securities through at least the close of trading on November 5, 2013. With respect to common stock, trust units or call option contracts purchased/acquired and put options contracts sold (written) from November 6, 2013, through and including July 29, 2014, those securities must have been held through at least the close of trading on July 29, 2014.

CALCULATION OF RECOGNIZED LOSS AMOUNTS

56. Based on the formulas stated below, a "Recognized Loss Amount" will be calculated for each purchase of Penn West common stock/trust units and call options and each sale of Penn West put options during the Settlement Class Period that is listed on the Claim Form and for which adequate documentation is provided. If a Recognized Loss Amount calculates to a negative number or zero under the formula below, that Recognized Loss Amount will be zero.

Penn West Common Stock / Trust Unit Calculations

57. For each share of Penn West common stock or Penn West trust unit purchased or otherwise acquired during the period from February 18, 2010 through and including the close of trading on July 29, 2014,⁵ and:

- (a) Sold prior to the close of trading on November 5, 2013, the Recognized Loss Amount will be \$0.00.
- (b) Sold during the period from November 6, 2013 through and including the close of trading on July 29, 2014, the Recognized Loss Amount will be *the lesser of*: (i) the amount of artificial inflation per share on the date of purchase as set forth in Table 1 *minus* the amount of artificial inflation per share on the date of sale as set forth in Table 1; or (ii) the purchase price minus the sale price.
- (c) Held as of the close of trading on July 29, 2014, the Recognized Loss Amount will be *the lesser of*: (i) the amount of artificial inflation per share on the date of purchase as set forth in Table 1; or (ii) the purchase price minus \$7.85, the closing price for Penn West common stock on July 30, 2014.

Penn West Call and Put Options Calculations

58. Exchange-traded options are traded in units called "contracts" which entitle the holder to buy (in the case of a call option) or sell (in the case of a put option) 100 shares of the underlying security, which in this case is Penn West common stock. Throughout this Plan of Allocation, all price quotations are *per share of the underlying security* (i.e., 1/100 of a contract).

59. Each option contract specifies a strike price and an expiration date. Contracts with the same strike price and expiration date are referred to as a "series" and each series represents a different security that trades in the market and has its own market price (and thus artificial inflation or deflation). Under the Plan of Allocation, the dollar

⁵ Penn West trust units held as of January 1, 2011 were converted to shares of Penn West common stock on a one-to-one basis in January 2011. The receipt of Penn West common stock as a result of this conversion is not considered an "acquisition" of Penn West common stock under the Plan of Allocation: the price and date of the original purchase or acquisition of Penn West trust units and the ultimate disposition of the common stock received as a result of the conversion will be used to determine the eligibility of the claim and the amount of the Recognized Loss Amount.

artificial inflation per share (*i.e.*, 1/100 of a contract) for each series of Penn West call options and the dollar artificial deflation per share (*i.e.*, 1/100 of a contract) for each series of Penn West put options has been calculated by Lead Plaintiffs' damages expert. Table 2 below sets forth the dollar artificial inflation per share in Penn West call options during the Settlement Class Period. Table 3 below sets forth the dollar artificial deflation per share in Penn West put options during the Settlement Class Period. Tables 2 and 3 list only series of Penn West options that expired after November 6, 2013 – the date of first alleged corrective disclosure. Transactions in Penn West options that expired before November 6, 2013 have a Recognized Loss Amount of zero under the Plan of Allocation.

60. For each Penn West call option purchased during the period from February 18, 2010 through and including the close of trading on July 29, 2014, and:

- (a) closed (through sale, exercise, or expiration) prior to the close of trading on November 5, 2013, the Recognized Loss Amount will be \$0.00.
- (b) closed (through sale, exercise, or expiration) during the period from November 6, 2013 through and including the close of trading on July 29, 2014, the Recognized Loss Amount will be *the lesser of*: (i) the amount of artificial inflation per share on the date of purchase as set forth in Table 2 *minus* the amount of artificial inflation per share on the date of close as set forth in Table 2; or (ii) the purchase price *minus* the sale price (if sold).
- (c) open as of the close of trading on July 29, 2014, the Recognized Loss Amount will be *the lesser of*: (i) the amount of artificial inflation per share on the date of purchase as set forth in Table 2; or (ii) the purchase price *minus* the closing price on July 30, 2014 (*i.e.*, the "Holding Price") as set forth in Table 2 below.

61. For each Penn West put option sold (written) during the period from February 18, 2010 through and including the close of trading on July 29, 2014, and:

- (a) closed (through purchase, exercise, or expiration) prior to the close of trading on November 5, 2013, the Recognized Loss Amount will be \$0.00.
- (b) closed (through purchase, exercise, or expiration) during the period from November 6, 2013 through and including the close of trading on July 29, 2014, the Recognized Loss Amount will be *the lesser of*: (i) the amount of artificial deflation per share on the date of sale (writing) as set forth in Table 3 *minus* the amount of artificial deflation per share on the date of close as set forth in Table 3; or (ii) the purchase (closing) price *minus* the sale price.
- (c) open as of the close of trading on July 29, 2014, the Recognized Loss Amount will be *the lesser of*: (i) the amount of artificial deflation per share on the date of sale (writing) as set forth in Table 3; or (ii) the closing price on July 30, 2014 (*i.e.*, the "Holding Price") as set forth in Table 3 below *minus* the sale price.

62. **Maximum Recovery for Options:** The Settlement proceeds available for Penn West call options purchased during the Settlement Class Period and Penn West put options sold (written) during the Settlement Class Period shall be limited to a total amount equal to 2% of the Net Settlement Fund.

ADDITIONAL PROVISIONS

63. **Calculation of Claimant's "Recognized Claim":** A Claimant's "Recognized Claim" under the Plan of Allocation will be the sum of his, her or its Recognized Loss Amounts as calculated above with respect to all Penn West Securities.

64. **Conversion of Penn West Trust Units to Common Stock.** In January 2011, Penn West trust units were converted to shares of Penn West common stock on a one-to-one basis. The holders of Penn West trust units as of January 1, 2011 received one share of Penn West common stock for every trust unit they held as of that date. The receipt of Penn West common stock as a result of this conversion is not an eligible "acquisition" of Penn West common stock for purposes of determining membership in the Settlement Class or for calculation of a Claimant's Recognized Loss Amount under the Plan of Allocation: the price and date of the original purchase or acquisition of the Penn West trust units and the ultimate disposition of the common stock received as a result of the conversion will be used to determine the eligibility of the claim and the amount of the Recognized Loss Amount.

65. **FIFO Matching:** If a Settlement Class Member made more than one purchase/acquisition or sale of any Penn West Security during the Settlement Class Period, all purchases/acquisitions and sales of the like security shall be matched on a First In, First Out ("FIFO") basis. With respect to Penn West common stock, trust units

and call options, Settlement Class Period sales will be matched first against any holdings at the beginning of the Settlement Class Period, and then against purchases/acquisitions in chronological order, beginning with the earliest purchase/acquisition made during the Settlement Class Period. For purposes of this matching, Penn West trust units and common stock shall be treated as the same security. Thus, if you purchased or acquired Penn West trust units from February 18, 2010 through January 1, 2011 which were held through January 1, 2011 and converted to Penn West common stock, your sales of Penn West common stock will be matched first with purchases/acquisitions of the trust units and then with any purchases/acquisitions of common stock in chronological order. For Penn West put options, Settlement Class Period purchases will be matched first to close out positions open at the beginning of the Settlement Class Period, and then against put options sold (written) during the Settlement Class Period in chronological order.

66. “Purchase/Sale” Dates: Purchases or acquisitions and sales of Penn West Securities shall be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date. The receipt or grant by gift, inheritance or operation of law of Penn West Securities during the Settlement Class Period shall not be deemed a purchase, acquisition or sale of these Penn West Securities for the calculation of a Claimant’s Recognized Loss Amount, nor shall the receipt or grant be deemed an assignment of any claim relating to the purchase/acquisition of such Penn West Securities unless (i) the donor or decedent purchased or otherwise acquired such Penn West Securities during the Settlement Class Period; (ii) the instrument of gift or assignment specifically provides that it is intended to transfer such rights; and (iii) no Claim Form was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to such Penn West Securities.

67. Short Sales: With respect to Penn West common stock or trust units, the date of covering a “short sale” is deemed to be the date of purchase or acquisition of the common stock or trust units. The date of a “short sale” is deemed to be the date of sale of the Penn West common stock or trust units. In accordance with the Plan of Allocation, however, the Recognized Loss Amount on “short sales” is zero.

68. In the event that a Claimant has an opening short position in Penn West trust units, the earliest purchases or acquisitions of Penn West trust units/common stock during the Settlement Class Period shall be matched against such opening short position, and not be entitled to a recovery, until that short position is fully covered.

69. If a Settlement Class Member has “written” call options, thereby having a short position in the call options, the date of covering such a written position is deemed to be the date of purchase or acquisition of the call option. The date on which the call option was written is deemed to be the date of sale of the call option. In accordance with the Plan of Allocation, however, the Recognized Loss Amount on “written” call options is zero. In the event that a Claimant has an opening written position in call options, the earliest purchases or acquisitions of like call options during the Settlement Class Period shall be matched against such opening written position, and not be entitled to a recovery, until that written position is fully covered.

70. If a Settlement Class Member has purchased or acquired put options, thereby having a long position in the put options, the date of purchase/acquisition is deemed to be the date of purchase/acquisition of the put option. The date on which the put option was sold, exercised, or expired is deemed to be the date of sale of the put option. In accordance with the Plan of Allocation, however, the Recognized Loss Amount on purchased/acquired put options is zero. In the event that a Claimant has an opening long position in put options, the earliest sales or dispositions of like put options during the Settlement Class Period shall be matched against such opening position, and not be entitled to a recovery, until that long position is fully covered.

71. Common Stock and Trust Units Purchased/Sold Through the Exercise of Options: With respect to Penn West common stock and trust units purchased or sold through the exercise of an option, the purchase/sale date of the common stock and trust units is the exercise date of the option and the purchase/sale price is the exercise price of the option.

72. Market Gains and Losses: With respect to all Penn West common stock, trust units and call options purchased or acquired or put options sold during the Settlement Class Period, the Claims Administrator will determine if the Claimant had a Market Gain or a Market Loss with respect to his, her or its overall transactions during the Settlement Class Period in those shares and options. For purposes of making this calculation, with respect to Penn West common stock, trust units and call options, the Claims Administrator shall determine the difference between (i) the Claimant’s Total Purchase Amount⁶ and (ii) the sum of the Claimant’s Sales Proceeds⁷ and the Claimant’s

⁶ For Penn West common stock, trust units and call options, the “Total Purchase Amount” is the total amount the Claimant paid (excluding all fees, taxes and commissions) for all such Penn West securities purchased or acquired during the Settlement Class Period.

⁷ For Penn West common stock, trust units and call options, the Claims Administrator shall match any sales of such Penn West securities during the Settlement Class Period first against the Claimant’s opening position in the like Penn West securities (the proceeds of those sales will not be considered for purposes of calculating market gains or losses). For purposes of this matching, Penn West trust units and common stock are treated as the same security. The total amount received for sales of the remaining like Penn West securities sold during the Settlement Class Period is the “Sales Proceeds.”

Holding Value.⁸ For Penn West common stock, trust units and call options, if the Claimant's Total Purchase Amount *minus* the sum of the Claimant's Sales Proceeds and the Holding Value is a positive number, that number will be the Claimant's Market Loss; if the number is a negative number or zero, that number will be the Claimant's Market Gain. With respect to Penn West put options, the Claims Administrator shall determine the difference between (i) the sum of the Claimant's Total Purchase Amount⁹ and the Claimant's Holding Value;¹⁰ and (ii) the Claimant's Sales Proceeds.¹¹ For Penn West put options, if the sum of the Claimant's Total Purchase Amount and the Claimant's Holding Value *minus* the Claimant's Sales Proceeds is a positive number, that number will be the Claimant's Market Loss; if the number is a negative number or zero, that number will be the Claimant's Market Gain.

73. If a Claimant had a Market Gain with respect to his, her, or its overall transactions in Penn West Securities during the Settlement Class Period, the value of the Claimant's Recognized Claim will be zero, and the Claimant will in any event be bound by the Settlement. If a Claimant suffered an overall Market Loss with respect to his, her, or its overall transactions in Penn West Securities during the Settlement Class Period but that Market Loss was less than the Claimant's Recognized Claim calculated above, then the Claimant's Recognized Claim will be limited to the amount of the Market Loss.

74. **Determination of Distribution Amount:** If the sum total of Recognized Claims of all Authorized Claimants who are entitled to receive payment out of the Net Settlement Fund is greater than the Net Settlement Fund, each Authorized Claimant shall receive his, her, or its *pro rata* share of the Net Settlement Fund. The *pro rata* share shall be the Authorized Claimant's Recognized Claim divided by the total of Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund.

75. If the Net Settlement Fund exceeds the sum total amount of the Recognized Claims of all Authorized Claimants entitled to receive payment out of the Net Settlement Fund, the excess amount in the Net Settlement Fund shall be distributed *pro rata* to all Authorized Claimants entitled to receive payment.

76. The Net Settlement Fund will be allocated among all Authorized Claimants whose prorated payment is \$10.00 or greater. If the prorated payment to any Authorized Claimant calculates to less than \$10.00, it will not be included in the calculation (*i.e.*, the Recognized Claim will be deemed to be zero) and no distribution will be made to that Authorized Claimant. Any prorated amounts of less than \$10.00 will be included in the pool distributed to those whose prorated payments are \$10.00 or greater.

77. After the initial distribution of the Net Settlement Fund, the Claims Administrator will make reasonable and diligent efforts to have Authorized Claimants cash their distribution checks. To the extent any monies remain in the Net Settlement Fund nine (9) months after the initial distribution, if Co-Lead Counsel, in consultation with the Claims Administrator, determine that it is cost-effective to do so, the Claims Administrator will conduct a re-distribution of the funds remaining after payment of any unpaid fees and expenses incurred in administering the Settlement, including for such re-distribution, to Authorized Claimants who have cashed their initial distributions and who would receive at least \$10.00 from such re-distribution. Additional re-distributions to Authorized Claimants who have cashed their prior checks and who would receive at least \$10.00 on such additional re-distributions may occur thereafter if Co-Lead Counsel, in consultation with the Claims Administrator, determine that additional re-distributions, after the deduction of any additional fees and expenses incurred in administering the Settlement, including for such re-distributions, would be cost-effective. At such time as it is determined that the re-distribution of funds remaining in the Net Settlement Fund is not cost-effective, the remaining balance shall be contributed to non-sectarian, not-for-profit organization(s), to be recommended by Co-Lead Counsel and approved by the Court.

78. Payment pursuant to the Plan of Allocation, or such other plan of allocation as may be approved by the Court, shall be conclusive against all Authorized Claimants. No person shall have any claim against Lead Plaintiffs, Co-Lead Counsel, Lead Plaintiffs' damages expert, Defendants, Defendants' Counsel, or any of the other Plaintiffs' Releasees or Defendants' Releasees, or the Claims Administrator or other agent designated by Co-Lead Counsel arising from distributions made substantially in accordance with the Stipulation, the plan of allocation approved by

⁸ The Claims Administrator shall ascribe a "Holding Value" of \$7.85 to each Penn West trust unit or share of common stock purchased or acquired during the Settlement Class Period that was still held as of the close of trading on July 29, 2014. For each Penn West call option purchased or acquired during the Settlement Class Period that was still held as of the close of trading on July 29, 2014, the Claims Administrator shall ascribe a "Holding Value" for that option which shall be the Holding Price set forth on Table 2.

⁹ For Penn West put options, the Claims Administrator shall match any purchases during the Settlement Class Period to close out positions in put options first against the Claimant's opening position in put options (the total amount paid with respect to those purchases will not be considered for purposes of calculating market gains or losses). The total amount paid for the remaining purchases during the Settlement Class Period to close out positions in put options is the "Total Purchase Amount."

¹⁰ For each Penn West put option sold (written) during the Settlement Class Period that was still outstanding as of the close of trading on July 29, 2014, the Claims Administrator shall ascribe a "Holding Value" for that option which shall be the Holding Price set forth on Table 3.

¹¹ For Penn West put options, the total amount received for put options sold (written) during the Settlement Class Period is the "Sales Proceeds."

the Court, or further Orders of the Court. Lead Plaintiffs, Defendants and their respective counsel, and all other Defendants' Releasees, shall have no responsibility or liability whatsoever for the investment or distribution of the Settlement Fund or the Net Settlement Fund; the plan of allocation; the determination, administration, calculation, or payment of any Claim Form or nonperformance of the Claims Administrator; the payment or withholding of Taxes; or any losses incurred in connection therewith.

79. The Plan of Allocation set forth herein is the plan that is being proposed to the Court for its approval by Lead Plaintiffs after consultation with their damages expert. The Court may approve this plan as proposed or it may modify the Plan of Allocation without further notice to the Settlement Class. Any Orders regarding any modification of the Plan of Allocation will be posted on the settlement website, www.PennWestUSSecuritiesLitigation.com.

WHAT PAYMENT ARE THE ATTORNEYS FOR THE SETTLEMENT CLASS SEEKING? HOW WILL THE LAWYERS BE PAID?

80. Co-Lead Counsel have not received any payment for their services in pursuing claims against the Defendants on behalf of the Settlement Class, nor have Co-Lead Counsel been reimbursed for their out-of-pocket expenses. Before final approval of the Settlement, Co-Lead Counsel will apply to the Court for an award of attorneys' fees in an amount not to exceed 25% of the Settlement Fund. At the same time, Co-Lead Counsel also intend to apply for reimbursement of Litigation Expenses in an amount not to exceed US\$525,000, which may include an application for reimbursement of the reasonable costs and expenses incurred by Lead Plaintiffs directly related to their representation of the Settlement Class. The Court will determine the amount of any award of attorneys' fees or reimbursement of Litigation Expenses. Such sums as may be approved by the Court will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses.

WHAT IF I DO NOT WANT TO BE A MEMBER OF THE SETTLEMENT CLASS? HOW DO I SEEK TO EXCLUDE MYSELF?

81. Each Settlement Class Member will be bound by all determinations and judgments in this lawsuit, whether favorable or unfavorable, unless such person or entity mails or delivers a written Request for Exclusion from the Settlement Class, addressed to Penn West U.S. Securities Litigation, EXCLUSIONS, c/o Epiq, P.O. Box 3967, Portland, OR 97208-3967. The exclusion request must be **received no later than June 20, 2016**. You will not be able to exclude yourself from the Settlement Class after that date. Each Request for Exclusion must (a) state the name, address and telephone number of the person or entity requesting exclusion, and in the case of entities the name and telephone number of the appropriate contact person; (b) state that such person or entity "requests exclusion from the Settlement Class in *In re Penn West Petroleum Securities Litigation*, Master File No. 14-cv-6046-JGK"; (c) state the number of shares of Penn West common stock, trust units, call options, and/or put options that the person or entity requesting exclusion purchased, acquired and/or sold from February 18, 2010 through July 29, 2014, inclusive, as well as the dates and prices of each such purchase/acquisition and sale; and (d) be signed by the person or entity requesting exclusion or an authorized representative. A Request for Exclusion shall not be valid and effective unless it provides all the information called for in this paragraph and is received within the time stated above, or is otherwise accepted by the Court.

82. If you do not want to be part of the Settlement Class, you must follow these instructions for exclusion even if you have pending, or later file, another lawsuit, arbitration, or other proceeding relating to any Released Plaintiffs' Claim against any of the Defendants' Releasees.

83. If you ask to be excluded from the Settlement Class, you will not be eligible to receive any payment out of the Net Settlement Fund.

84. Defendants have the right to terminate the Settlement if valid requests for exclusion are received from persons and entities entitled to be members of the Settlement Class in an amount that exceeds an amount agreed to by Lead Plaintiffs and Defendants.

WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT? DO I HAVE TO COME TO THE HEARING? MAY I SPEAK AT THE HEARING IF I DON'T LIKE THE SETTLEMENT?

85. **Settlement Class Members do not need to attend the Settlement Fairness Hearing. The Court will consider any submission made in accordance with the provisions below even if a Settlement Class Member does not attend the hearing. You can participate in the Settlement without attending the Settlement Fairness Hearing.**

86. The Settlement Fairness Hearing will be held on June 28, 2016 at 4:30 p.m., before the Honorable John G. Koeltl in Courtroom 12B of the United States District Court for the Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl St., New York, NY 10007-1312. The Court reserves the right to approve the Settlement, the Plan of Allocation, Co-Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses and/or any other matter related to the Settlement at or after the Settlement Fairness Hearing without further notice to the members of the Settlement Class.

87. Any Settlement Class Member who or which does not request exclusion may object to the Settlement, the proposed Plan of Allocation or Co-Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses. Objections must be in writing. You must file any written objection, together with copies of all other papers and briefs supporting the objection, with the Clerk's Office at the United States District Court for the Southern District of New York at the address set forth below **on or before June 20, 2016**. You must also serve the papers on Co-Lead Counsel and on representative Defendants' Counsel at the addresses set forth below so that the papers are **received on or before June 20, 2016**.

Clerk's Office

United States District Court
for the Southern District
of New York
Clerk of the Court
Daniel Patrick Moynihan
U.S. Courthouse
500 Pearl Street
New York, NY 10007-1312

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**Representative
Defendants' Counsel**

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125 Broad Street
New York, NY 10004

88. Any objection (a) must state the name, address and telephone number of the person or entity objecting and must be signed by the objector; (b) must contain a statement of the Settlement Class Member's objection or objections, and the specific reasons for each objection, including any legal and evidentiary support the Settlement Class Member wishes to bring to the Court's attention; and (c) must include documents sufficient to prove the objector's membership in the Settlement Class, such as the number of shares of Penn West common stock, trust units, call options, and/or put options purchased, acquired and sold during the Settlement Class Period, as well as the dates and prices of each such purchase, acquisition, and sale. You may not object to the Settlement, the Plan of Allocation or Co-Lead Counsel's motion for attorneys' fees and reimbursement of Litigation Expenses if you exclude yourself from the Settlement Class or if you are not a member of the Settlement Class.

89. You may file a written objection without having to appear at the Settlement Fairness Hearing. You may not, however, appear at the Settlement Fairness Hearing to present your objection unless you first file and serve a written objection in accordance with the procedures described above, unless the Court orders otherwise.

90. If you wish to be heard orally at the hearing in opposition to the approval of the Settlement, the Plan of Allocation or Co-Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses, and if you timely file and serve a written objection as described above, you must also file a notice of appearance with the Clerk's Office and serve it on Co-Lead Counsel and representative Defendants' Counsel at the addresses set forth above so that it is **received on or before June 20, 2016**. Persons who intend to object and desire to present evidence at the Settlement Fairness Hearing must include in their written objection or notice of appearance the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the hearing. Such persons may be heard orally at the discretion of the Court.

91. You are not required to hire an attorney to represent you in making written objections or in appearing at the Settlement Fairness Hearing. However, if you decide to hire an attorney, it will be at your own expense, and that attorney must file a notice of appearance with the Court and serve it on Co-Lead Counsel and representative Defendants' Counsel at the addresses set forth in ¶ 87 above so that the notice is **received on or before June 20, 2016**.

92. The Settlement Fairness Hearing may be adjourned by the Court without further written notice to the Settlement Class. If you intend to attend the Settlement Fairness Hearing, you should confirm the date and time with Co-Lead Counsel.

93. Unless the Court orders otherwise, any Settlement Class Member who does not object in the manner described above will be deemed to have waived any objection and shall be forever foreclosed from making any objection to the proposed Settlement, the proposed Plan of Allocation or Co-Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses. Settlement Class Members do not need to appear at the Settlement Fairness Hearing or take any other action to indicate their approval.

WHAT IF I BOUGHT SHARES ON SOMEONE ELSE'S BEHALF?

94. If, for the beneficial interest of any person or entity other than yourself, you purchased or acquired Penn West common stock, trust units or call options and/or sold Penn West put options during the period from February 18, 2010 through July 29, 2014, inclusive, you must either (a) within seven (7) calendar days of receipt of this Notice, request from the Claims Administrator sufficient copies of the Notice and Claim Form (the "Notice Packet") to forward to all such beneficial owners and within seven (7) calendar days of receipt of those Notice Packets forward them to all such beneficial owners; or (b) within seven (7) calendar days of receipt of this Notice, provide a list of the names and addresses of all such beneficial owners to Penn West U.S. Securities Litigation, c/o Epiq, P.O. Box 3967, Portland, OR 97208-3967. If you choose the second option, the Claims Administrator will send a copy of the Notice and the Claim Form to the beneficial owners. Upon full compliance with these directions, such nominees may seek reimbursement of their reasonable expenses actually incurred, by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought. Copies of this Notice and the Claim Form may also be obtained from the website maintained by the Claims Administrator, www.PennWestUSSecuritiesLitigation.com, by calling the Claims Administrator toll-free at (877) 835-0545, or by emailing the Claims Administrator at info@PennWestUSSecuritiesLitigation.com.

CAN I SEE THE COURT FILE? WHOM SHOULD I CONTACT IF I HAVE QUESTIONS?

95. This Notice contains only a summary of the terms of the proposed Settlement. For more detailed information about the matters involved in this Action, you are referred to the papers on file in the Action, including the Stipulation, which may be inspected during regular office hours at the Office of the Clerk, United States District Court for the Southern District of New York, United States District Court for the Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl St., New York, NY 10007-1312. Additionally, copies of the Stipulation and any related orders entered by the Court will be posted on the website maintained by the Claims Administrator, www.PennWestUSSecuritiesLitigation.com.

All inquiries concerning this Notice and the Claim Form should be directed to:

Penn West U.S. Securities Litigation
c/o Epiq
P.O. Box 3967
Portland, OR 97208-3967
Toll-Free: (877) 835-0545
Email: Info@PennWestUSSecuritiesLitigation.com
www.PennWestUSSecuritiesLitigation.com

and/or

John Rizio-Hamilton, Esq.
BERNSTEIN LITOWITZ BERGER
& GROSSMANN LLP
1251 Avenue of the Americas, 44th Floor
New York, NY 10020
Toll-Free: (800) 380-8496
Email: blbg@blbglaw.com

Peter A. Binkow, Esq.
GLANCY PRONGAY & MURRAY LLP
1925 Century Park East
Suite 2100
Los Angeles, CA 90067
Toll-Free: (888) 773-9224
Email: settlements@glancylaw.com

DO NOT CALL OR WRITE THE COURT, THE OFFICE OF THE CLERK OF THE COURT, DEFENDANTS OR THEIR COUNSEL REGARDING THIS NOTICE.

Dated: March 29, 2016

By Order of the Court
United States District Court
Southern District of New York

TABLE 1**Estimated Artificial Inflation in Penn West Common Stock / Trust Units
from February 18, 2010 through and including July 29, 2014**

Transaction Date	Inflation Per Share
February 18, 2010 – November 5, 2013	\$2.17
November 6, 2013 – July 29, 2014	\$1.29

TABLE 2**Estimated Artificial Inflation in Penn West Call Options
from February 18, 2010 through and including July 29, 2014**

Expiration Date	Strike Price	Call Option Artificial Inflation per Share During Trading Periods		Holding Price
		February 18, 2010 – November 5, 2013	November 6, 2013 – July 29, 2014	
11/16/2013	\$4.00	\$0.63	\$0.00	\$0.00
11/16/2013	\$5.00	\$0.63	\$0.00	\$0.00
11/16/2013	\$6.00	\$0.75	\$0.00	\$0.00
11/16/2013	\$7.00	\$0.71	\$0.00	\$0.00
11/16/2013	\$8.00	\$0.79	\$0.00	\$0.00
11/16/2013	\$9.00	\$0.81	\$0.00	\$0.00
11/16/2013	\$10.00	\$0.51	\$0.00	\$0.00
11/16/2013	\$11.00	\$0.16	\$0.00	\$0.00
11/16/2013	\$12.00	\$0.03	\$0.00	\$0.00
11/16/2013	\$13.00	\$0.00	\$0.00	\$0.00
11/16/2013	\$14.00	\$0.00	\$0.00	\$0.00
11/16/2013	\$15.00	\$0.00	\$0.00	\$0.00
11/16/2013	\$16.00	\$0.00	\$0.00	\$0.00
11/16/2013	\$17.00	\$0.00	\$0.00	\$0.00
11/16/2013	\$18.00	\$0.00	\$0.00	\$0.00
11/16/2013	\$19.00	\$0.00	\$0.00	\$0.00
11/16/2013	\$20.00	\$0.00	\$0.00	\$0.00
12/21/2013	\$1.00	\$0.83	\$0.00	\$0.00
12/21/2013	\$2.00	\$0.88	\$0.00	\$0.00
12/21/2013	\$3.00	\$0.88	\$0.00	\$0.00
12/21/2013	\$4.00	\$0.88	\$0.00	\$0.00
12/21/2013	\$5.00	\$0.88	\$0.00	\$0.00
12/21/2013	\$6.00	\$0.83	\$0.00	\$0.00
12/21/2013	\$7.00	\$0.81	\$0.00	\$0.00
12/21/2013	\$8.00	\$0.81	\$0.00	\$0.00
12/21/2013	\$9.00	\$0.68	\$0.00	\$0.00
12/21/2013	\$10.00	\$0.50	\$0.00	\$0.00
12/21/2013	\$11.00	\$0.28	\$0.00	\$0.00
12/21/2013	\$12.00	\$0.13	\$0.00	\$0.00

Expiration Date	Strike Price	Call Option Artificial Inflation per Share During Trading Periods		Holding Price
		February 18, 2010 – November 5, 2013	November 6, 2013 – July 29, 2014	
12/21/2013	\$13.00	\$0.03	\$0.00	\$0.00
12/21/2013	\$14.00	\$0.00	\$0.00	\$0.00
12/21/2013	\$15.00	\$0.00	\$0.00	\$0.00
12/21/2013	\$16.00	\$0.00	\$0.00	\$0.00
12/21/2013	\$17.00	\$0.00	\$0.00	\$0.00
12/21/2013	\$18.00	\$0.00	\$0.00	\$0.00
3/22/2014	\$4.00	\$0.80	\$0.00	\$0.00
3/22/2014	\$5.00	\$0.83	\$0.00	\$0.00
3/22/2014	\$6.00	\$0.78	\$0.00	\$0.00
3/22/2014	\$7.00	\$0.76	\$0.00	\$0.00
3/22/2014	\$8.00	\$0.75	\$0.00	\$0.00
3/22/2014	\$9.00	\$0.63	\$0.00	\$0.00
3/22/2014	\$10.00	\$0.49	\$0.00	\$0.00
3/22/2014	\$11.00	\$0.33	\$0.00	\$0.00
3/22/2014	\$12.00	\$0.21	\$0.00	\$0.00
3/22/2014	\$13.00	\$0.13	\$0.00	\$0.00
3/22/2014	\$14.00	\$0.06	\$0.00	\$0.00
3/22/2014	\$15.00	\$0.03	\$0.00	\$0.00
3/22/2014	\$16.00	\$0.01	\$0.00	\$0.00
3/22/2014	\$17.00	\$0.01	\$0.00	\$0.00
3/22/2014	\$18.00	\$0.00	\$0.00	\$0.00
3/22/2014	\$19.00	\$0.00	\$0.00	\$0.00
3/22/2014	\$20.00	\$0.00	\$0.00	\$0.00
6/21/2014	\$3.00	\$0.85	\$0.00	\$0.00
6/21/2014	\$4.00	\$0.85	\$0.00	\$0.00
6/21/2014	\$5.00	\$0.88	\$0.00	\$0.00
6/21/2014	\$6.00	\$0.85	\$0.00	\$0.00
6/21/2014	\$7.00	\$0.79	\$0.00	\$0.00
6/21/2014	\$8.00	\$0.73	\$0.00	\$0.00
6/21/2014	\$9.00	\$0.60	\$0.00	\$0.00
6/21/2014	\$10.00	\$0.49	\$0.00	\$0.00
6/21/2014	\$11.00	\$0.35	\$0.00	\$0.00
6/21/2014	\$12.00	\$0.25	\$0.00	\$0.00
6/21/2014	\$13.00	\$0.15	\$0.00	\$0.00
6/21/2014	\$14.00	\$0.10	\$0.00	\$0.00
6/21/2014	\$15.00	\$0.08	\$0.00	\$0.00
6/21/2014	\$16.00	\$0.04	\$0.00	\$0.00
6/21/2014	\$17.00	\$0.01	\$0.00	\$0.00
6/21/2014	\$18.00	\$0.01	\$0.00	\$0.00
6/21/2014	\$19.00	\$0.00	\$0.00	\$0.00
8/16/2014	\$2.00	\$0.00	\$1.49	\$5.70

Expiration Date	Strike Price	Call Option Artificial Inflation per Share During Trading Periods		Holding Price
		February 18, 2010 – November 5, 2013	November 6, 2013 – July 29, 2014	
8/16/2014	\$3.00	\$0.00	\$1.49	\$4.70
8/16/2014	\$4.00	\$0.00	\$1.49	\$3.70
8/16/2014	\$5.00	\$0.00	\$1.49	\$2.70
8/16/2014	\$6.00	\$0.00	\$1.49	\$1.70
8/16/2014	\$7.00	\$0.00	\$1.32	\$0.90
8/16/2014	\$8.00	\$0.00	\$0.99	\$0.23
8/16/2014	\$9.00	\$0.00	\$0.32	\$0.03
8/16/2014	\$10.00	\$0.00	\$0.02	\$0.03
8/16/2014	\$11.00	\$0.00	\$0.00	\$0.03
8/16/2014	\$12.00	\$0.00	\$0.00	\$0.03
8/16/2014	\$13.00	\$0.00	\$0.00	\$0.03
8/16/2014	\$14.00	\$0.00	\$0.00	\$0.03
8/16/2014	\$15.00	\$0.00	\$0.00	\$0.03
8/16/2014	\$16.00	\$0.00	\$0.00	\$0.03
8/16/2014	\$17.00	\$0.00	\$0.00	\$0.03
8/16/2014	\$18.00	\$0.00	\$0.00	\$0.03
9/20/2014	\$1.00	\$0.00	\$1.54	\$6.70
9/20/2014	\$2.00	\$0.00	\$1.34	\$5.85
9/20/2014	\$3.00	\$0.00	\$1.54	\$4.70
9/20/2014	\$4.00	\$0.00	\$1.49	\$3.70
9/20/2014	\$5.00	\$0.00	\$1.54	\$2.70
9/20/2014	\$6.00	\$0.00	\$1.51	\$1.73
9/20/2014	\$7.00	\$0.00	\$1.17	\$1.03
9/20/2014	\$8.00	\$0.00	\$0.87	\$0.40
9/20/2014	\$9.00	\$0.00	\$0.37	\$0.13
9/20/2014	\$10.00	\$0.00	\$0.05	\$0.08
9/20/2014	\$11.00	\$0.00	\$0.00	\$0.03
9/20/2014	\$12.00	\$0.00	\$0.00	\$0.03
9/20/2014	\$13.00	\$0.00	\$0.00	\$0.03
9/20/2014	\$14.00	\$0.00	\$0.00	\$0.03
9/20/2014	\$15.00	\$0.00	\$0.00	\$0.03
9/20/2014	\$16.00	\$0.00	\$0.00	\$0.03
12/20/2014	\$1.00	\$0.00	\$1.44	\$6.80
12/20/2014	\$2.00	\$0.00	\$1.34	\$5.85
12/20/2014	\$3.00	\$0.00	\$1.44	\$4.80
12/20/2014	\$4.00	\$0.00	\$1.39	\$3.80
12/20/2014	\$5.00	\$0.00	\$1.36	\$2.83
12/20/2014	\$6.00	\$0.00	\$1.36	\$1.83
12/20/2014	\$7.00	\$0.00	\$1.07	\$1.20
12/20/2014	\$8.00	\$0.00	\$0.74	\$0.65
12/20/2014	\$9.00	\$0.00	\$0.42	\$0.33

Expiration Date	Strike Price	Call Option Artificial Inflation per Share During Trading Periods		Holding Price
		February 18, 2010 – November 5, 2013	November 6, 2013 – July 29, 2014	
12/20/2014	\$10.00	\$0.00	\$0.17	\$0.18
12/20/2014	\$11.00	\$0.00	\$0.07	\$0.08
12/20/2014	\$12.00	\$0.00	\$0.02	\$0.05
12/20/2014	\$13.00	\$0.00	\$0.00	\$0.03
12/20/2014	\$14.00	\$0.00	\$0.00	\$0.03
12/20/2014	\$15.00	\$0.00	\$0.00	\$0.03
12/20/2014	\$16.00	\$0.00	\$0.00	\$0.03
12/20/2014	\$17.00	\$0.00	\$0.00	\$0.03
1/17/2015	\$3.00	\$0.00	\$1.44	\$4.80
1/17/2015	\$4.00	\$0.00	\$1.39	\$3.80
1/17/2015	\$5.00	\$0.00	\$1.46	\$2.73
1/17/2015	\$6.00	\$0.00	\$1.27	\$1.98
1/17/2015	\$7.00	\$0.00	\$1.07	\$1.23
1/17/2015	\$8.00	\$0.00	\$0.74	\$0.70
1/17/2015	\$9.00	\$0.00	\$0.45	\$0.38
1/17/2015	\$10.00	\$0.00	\$0.22	\$0.20
1/17/2015	\$11.00	\$0.00	\$0.10	\$0.10
1/17/2015	\$12.00	\$0.00	\$0.02	\$0.08
1/17/2015	\$13.00	\$0.00	\$0.02	\$0.03
1/17/2015	\$14.00	\$0.00	\$0.00	\$0.03
1/17/2015	\$15.00	\$0.00	\$0.00	\$0.03
1/17/2015	\$16.00	\$0.00	\$0.00	\$0.03
1/17/2015	\$17.00	\$0.00	\$0.00	\$0.03
3/20/2015	\$1.00	\$0.00	\$1.44	\$6.80
3/20/2015	\$2.00	\$0.00	\$1.44	\$5.80
3/20/2015	\$3.00	\$0.00	\$1.44	\$4.80
3/20/2015	\$4.00	\$0.00	\$1.39	\$3.80
3/20/2015	\$5.00	\$0.00	\$1.34	\$2.85
3/20/2015	\$6.00	\$0.00	\$1.22	\$2.03
3/20/2015	\$7.00	\$0.00	\$1.02	\$1.30
3/20/2015	\$8.00	\$0.00	\$0.74	\$0.80
3/20/2015	\$9.00	\$0.00	\$0.50	\$0.45
3/20/2015	\$10.00	\$0.00	\$0.30	\$0.25
3/20/2015	\$11.00	\$0.00	\$0.15	\$0.15
3/20/2015	\$12.00	\$0.00	\$0.05	\$0.10
3/20/2015	\$13.00	\$0.00	\$0.05	\$0.05
3/20/2015	\$14.00	\$0.00	\$0.02	\$0.03
3/20/2015	\$15.00	\$0.00	\$0.00	\$0.03
3/20/2015	\$16.00	\$0.00	\$0.00	\$0.03
3/20/2015	\$17.00	\$0.00	\$0.00	\$0.03
1/15/2016	\$3.00	\$0.00	\$1.39	\$4.85

Expiration Date	Strike Price	Call Option Artificial Inflation per Share During Trading Periods		Holding Price
		February 18, 2010 – November 5, 2013	November 6, 2013 – July 29, 2014	
1/15/2016	\$5.00	\$0.00	\$1.49	\$2.85
1/15/2016	\$7.00	\$0.00	\$0.84	\$1.60
1/15/2016	\$10.00	\$0.00	\$0.37	\$0.50
1/15/2016	\$12.00	\$0.00	\$0.17	\$0.28
1/15/2016	\$15.00	\$0.00	\$0.05	\$0.10
1/15/2016	\$17.00	\$0.00	\$0.02	\$0.05

TABLE 3

Estimated Artificial Deflation in Penn West Put Options from February 18, 2010 through and including July 29, 2014

Expiration Date	Strike Price	Put Option Artificial Deflation per Share During Trading Periods		Holding Price
		February 18, 2010 – November 5, 2013	November 6, 2013 – July 29, 2014	
11/16/2013	\$4.00	\$0.00	\$0.00	\$0.00
11/16/2013	\$5.00	\$0.00	\$0.00	\$0.00
11/16/2013	\$6.00	\$0.00	\$0.00	\$0.00
11/16/2013	\$7.00	\$0.00	\$0.00	\$0.00
11/16/2013	\$8.00	\$0.00	\$0.00	\$0.00
11/16/2013	\$9.00	\$0.03	\$0.00	\$0.00
11/16/2013	\$10.00	\$0.34	\$0.00	\$0.00
11/16/2013	\$11.00	\$0.69	\$0.00	\$0.00
11/16/2013	\$12.00	\$0.84	\$0.00	\$0.00
11/16/2013	\$13.00	\$0.83	\$0.00	\$0.00
11/16/2013	\$14.00	\$0.75	\$0.00	\$0.00
11/16/2013	\$15.00	\$0.75	\$0.00	\$0.00
11/16/2013	\$16.00	\$0.63	\$0.00	\$0.00
11/16/2013	\$17.00	\$0.65	\$0.00	\$0.00
11/16/2013	\$18.00	\$0.85	\$0.00	\$0.00
11/16/2013	\$19.00	\$0.75	\$0.00	\$0.00
11/16/2013	\$20.00	\$0.80	\$0.00	\$0.00
12/21/2013	\$1.00	\$0.00	\$0.00	\$0.00
12/21/2013	\$2.00	\$0.00	\$0.00	\$0.00
12/21/2013	\$3.00	\$0.00	\$0.00	\$0.00
12/21/2013	\$4.00	\$0.00	\$0.00	\$0.00
12/21/2013	\$5.00	\$0.00	\$0.00	\$0.00
12/21/2013	\$6.00	\$0.00	\$0.00	\$0.00
12/21/2013	\$7.00	\$0.00	\$0.00	\$0.00
12/21/2013	\$8.00	\$0.01	\$0.00	\$0.00
12/21/2013	\$9.00	\$0.13	\$0.00	\$0.00

Expiration Date	Strike Price	Put Option Artificial Deflation per Share During Trading Periods		Holding Price
		February 18, 2010 – November 5, 2013	November 6, 2013 – July 29, 2014	
12/21/2013	\$10.00	\$0.35	\$0.00	\$0.00
12/21/2013	\$11.00	\$0.59	\$0.00	\$0.00
12/21/2013	\$12.00	\$0.75	\$0.00	\$0.00
12/21/2013	\$13.00	\$0.71	\$0.00	\$0.00
12/21/2013	\$14.00	\$0.74	\$0.00	\$0.00
12/21/2013	\$15.00	\$0.73	\$0.00	\$0.00
12/21/2013	\$16.00	\$0.65	\$0.00	\$0.00
12/21/2013	\$17.00	\$0.65	\$0.00	\$0.00
12/21/2013	\$18.00	\$0.63	\$0.00	\$0.00
3/22/2014	\$4.00	\$0.00	\$0.00	\$0.00
3/22/2014	\$5.00	\$0.00	\$0.00	\$0.00
3/22/2014	\$6.00	\$0.00	\$0.00	\$0.00
3/22/2014	\$7.00	\$0.01	\$0.00	\$0.00
3/22/2014	\$8.00	\$0.11	\$0.00	\$0.00
3/22/2014	\$9.00	\$0.24	\$0.00	\$0.00
3/22/2014	\$10.00	\$0.38	\$0.00	\$0.00
3/22/2014	\$11.00	\$0.51	\$0.00	\$0.00
3/22/2014	\$12.00	\$0.63	\$0.00	\$0.00
3/22/2014	\$13.00	\$0.71	\$0.00	\$0.00
3/22/2014	\$14.00	\$0.65	\$0.00	\$0.00
3/22/2014	\$15.00	\$0.63	\$0.00	\$0.00
3/22/2014	\$16.00	\$0.68	\$0.00	\$0.00
3/22/2014	\$17.00	\$0.65	\$0.00	\$0.00
3/22/2014	\$18.00	\$0.65	\$0.00	\$0.00
3/22/2014	\$19.00	\$0.63	\$0.00	\$0.00
3/22/2014	\$20.00	\$0.58	\$0.00	\$0.00
6/21/2014	\$3.00	\$0.00	\$0.00	\$0.00
6/21/2014	\$4.00	\$0.00	\$0.00	\$0.00
6/21/2014	\$5.00	\$0.00	\$0.00	\$0.00
6/21/2014	\$6.00	\$0.04	\$0.00	\$0.00
6/21/2014	\$7.00	\$0.08	\$0.00	\$0.00
6/21/2014	\$8.00	\$0.14	\$0.00	\$0.00
6/21/2014	\$9.00	\$0.26	\$0.00	\$0.00
6/21/2014	\$10.00	\$0.38	\$0.00	\$0.00
6/21/2014	\$11.00	\$0.50	\$0.00	\$0.00
6/21/2014	\$12.00	\$0.59	\$0.00	\$0.00
6/21/2014	\$13.00	\$0.69	\$0.00	\$0.00
6/21/2014	\$14.00	\$0.75	\$0.00	\$0.00
6/21/2014	\$15.00	\$0.75	\$0.00	\$0.00
6/21/2014	\$16.00	\$0.80	\$0.00	\$0.00
6/21/2014	\$17.00	\$0.85	\$0.00	\$0.00

Expiration Date	Strike Price	Put Option Artificial Deflation per Share During Trading Periods		Holding Price
		February 18, 2010 – November 5, 2013	November 6, 2013 – July 29, 2014	
6/21/2014	\$18.00	\$0.85	\$0.00	\$0.00
6/21/2014	\$19.00	\$0.85	\$0.00	\$0.00
8/16/2014	\$2.00	\$0.00	\$0.00	\$0.03
8/16/2014	\$3.00	\$0.00	\$0.00	\$0.03
8/16/2014	\$4.00	\$0.00	\$0.00	\$0.03
8/16/2014	\$5.00	\$0.00	\$0.00	\$0.03
8/16/2014	\$6.00	\$0.00	\$0.00	\$0.03
8/16/2014	\$7.00	\$0.00	\$0.02	\$0.05
8/16/2014	\$8.00	\$0.00	\$0.32	\$0.35
8/16/2014	\$9.00	\$0.00	\$1.07	\$1.25
8/16/2014	\$10.00	\$0.00	\$1.46	\$2.30
8/16/2014	\$11.00	\$0.00	\$1.46	\$3.30
8/16/2014	\$12.00	\$0.00	\$1.44	\$4.25
8/16/2014	\$13.00	\$0.00	\$1.49	\$5.30
8/16/2014	\$14.00	\$0.00	\$1.39	\$6.20
8/16/2014	\$15.00	\$0.00	\$1.39	\$7.20
8/16/2014	\$16.00	\$0.00	\$0.35	\$7.15
8/16/2014	\$17.00	\$0.00	\$1.49	\$9.30
8/16/2014	\$18.00	\$0.00	\$1.44	\$10.25
9/20/2014	\$1.00	\$0.00	\$0.00	\$0.03
9/20/2014	\$2.00	\$0.00	\$0.00	\$0.03
9/20/2014	\$3.00	\$0.00	\$0.00	\$0.03
9/20/2014	\$4.00	\$0.00	\$0.00	\$0.03
9/20/2014	\$5.00	\$0.00	\$0.00	\$0.03
9/20/2014	\$6.00	\$0.00	\$0.02	\$0.05
9/20/2014	\$7.00	\$0.00	\$0.15	\$0.18
9/20/2014	\$8.00	\$0.00	\$0.50	\$0.58
9/20/2014	\$9.00	\$0.00	\$0.94	\$1.28
9/20/2014	\$10.00	\$0.00	\$1.29	\$2.25
9/20/2014	\$11.00	\$0.00	\$1.51	\$3.35
9/20/2014	\$12.00	\$0.00	\$1.51	\$4.35
9/20/2014	\$13.00	\$0.00	\$1.49	\$5.30
9/20/2014	\$14.00	\$0.00	\$1.39	\$6.20
9/20/2014	\$15.00	\$0.00	\$1.39	\$7.20
9/20/2014	\$16.00	\$0.00	\$1.44	\$8.25
12/20/2014	\$1.00	\$0.00	\$0.00	\$0.03
12/20/2014	\$2.00	\$0.00	\$0.00	\$0.03
12/20/2014	\$3.00	\$0.00	\$0.00	\$0.03
12/20/2014	\$4.00	\$0.00	\$0.00	\$0.03
12/20/2014	\$5.00	\$0.00	\$0.02	\$0.05
12/20/2014	\$6.00	\$0.00	\$0.10	\$0.15

Expiration Date	Strike Price	Put Option Artificial Deflation per Share During Trading Periods		Holding Price
		February 18, 2010 – November 5, 2013	November 6, 2013 – July 29, 2014	
12/20/2014	\$7.00	\$0.00	\$0.27	\$0.38
12/20/2014	\$8.00	\$0.00	\$0.55	\$0.85
12/20/2014	\$9.00	\$0.00	\$0.84	\$1.53
12/20/2014	\$10.00	\$0.00	\$1.12	\$2.38
12/20/2014	\$11.00	\$0.00	\$1.27	\$3.35
12/20/2014	\$12.00	\$0.00	\$1.34	\$4.30
12/20/2014	\$13.00	\$0.00	\$1.34	\$5.30
12/20/2014	\$14.00	\$0.00	\$1.39	\$6.30
12/20/2014	\$15.00	\$0.00	\$1.34	\$7.25
12/20/2014	\$16.00	\$0.00	\$1.24	\$8.15
12/20/2014	\$17.00	\$0.00	\$1.34	\$9.25
1/17/2015	\$3.00	\$0.00	\$0.00	\$0.03
1/17/2015	\$4.00	\$0.00	\$0.00	\$0.03
1/17/2015	\$5.00	\$0.00	\$0.07	\$0.10
1/17/2015	\$6.00	\$0.00	\$0.15	\$0.20
1/17/2015	\$7.00	\$0.00	\$0.35	\$0.50
1/17/2015	\$8.00	\$0.00	\$0.57	\$0.98
1/17/2015	\$9.00	\$0.00	\$0.87	\$1.68
1/17/2015	\$10.00	\$0.00	\$1.09	\$2.50
1/17/2015	\$11.00	\$0.00	\$1.27	\$3.45
1/17/2015	\$12.00	\$0.00	\$1.39	\$4.45
1/17/2015	\$13.00	\$0.00	\$1.34	\$5.40
1/17/2015	\$14.00	\$0.00	\$1.39	\$6.40
1/17/2015	\$15.00	\$0.00	\$1.44	\$7.40
1/17/2015	\$16.00	\$0.00	\$1.44	\$8.40
1/17/2015	\$17.00	\$0.00	\$1.44	\$9.40
3/20/2015	\$1.00	\$0.00	\$0.00	\$0.03
3/20/2015	\$2.00	\$0.00	\$0.00	\$0.03
3/20/2015	\$3.00	\$0.00	\$0.00	\$0.03
3/20/2015	\$4.00	\$0.00	\$0.02	\$0.05
3/20/2015	\$5.00	\$0.00	\$0.02	\$0.08
3/20/2015	\$6.00	\$0.00	\$0.17	\$0.28
3/20/2015	\$7.00	\$0.00	\$0.32	\$0.58
3/20/2015	\$8.00	\$0.00	\$0.60	\$1.10
3/20/2015	\$9.00	\$0.00	\$0.82	\$1.75
3/20/2015	\$10.00	\$0.00	\$1.04	\$2.58
3/20/2015	\$11.00	\$0.00	\$1.22	\$3.50
3/20/2015	\$12.00	\$0.00	\$1.24	\$4.40
3/20/2015	\$13.00	\$0.00	\$1.34	\$5.40
3/20/2015	\$14.00	\$0.00	\$1.34	\$6.35

Expiration Date	Strike Price	Put Option Artificial Deflation per Share During Trading Periods		Holding Price
		February 18, 2010 – November 5, 2013	November 6, 2013 – July 29, 2014	
3/20/2015	\$15.00	\$0.00	\$1.34	\$7.35
3/20/2015	\$16.00	\$0.00	\$1.44	\$8.40
3/20/2015	\$17.00	\$0.00	\$1.39	\$9.35
1/15/2016	\$3.00	\$0.00	\$0.02	\$0.08
1/15/2016	\$5.00	\$0.00	\$0.15	\$0.35
1/15/2016	\$7.00	\$0.00	\$0.42	\$1.08
1/15/2016	\$10.00	\$0.00	\$0.94	\$3.10
1/15/2016	\$12.00	\$0.00	\$1.09	\$4.80
1/15/2016	\$15.00	\$0.00	\$1.34	\$7.65
1/15/2016	\$17.00	\$0.00	\$1.39	\$9.60