

THE SECURITIES SOLD PURSUANT TO THIS SUBSCRIPTION AGREEMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 OR UNDER THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION (TOGETHER, THE “SECURITIES LAWS”).

SUBSCRIPTION AGREEMENT

THIS SUBSCRIPTION AGREEMENT (the “**Agreement**”), dated and effective as of _____, 2017, is entered into by and between **BARREL ENERGY INC.**, a Nevada corporation (the “**Company**”), and the investor(s) identified on page 12 of this Agreement (the “**Investor**”).

INTRODUCTION

WHEREAS, the Investor desires to purchase from the Company, and the Company desires to issue to the Investor, upon the terms and conditions contained in this Agreement, the number of shares of Common Stock, \$0.001 par value, of the Company set forth on page 8 of this Agreement (the “**Shares**”) in exchange for the purchase price set forth on page 8 of this Agreement (the “**Sale**”);

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing premises and mutual covenants contained herein, the parties, intending to be legally bound, hereby agree as follows:

Section 1. Issuance of Shares.

1.1 Issuance of Shares. Upon the terms and subject to the conditions contained in this Agreement, the Company hereby agrees to issue to the Investor the Shares at the per Share price set forth on page 8 of this Agreement.

1.2 The Closing. The delivery of this Agreement and the issuance and delivery of the Shares by the Company to the Investor, and the delivery of the Purchase Price (as defined below) to the Company (the “**Closing**”), will take place at the offices of the Company within ten (10) days of the date hereof, or at such other time and place as the Company and the Investor may agree to orally or in writing.

1.3 Closing Deliveries. At the Closing:

(a) The Investor will pay, or shall have paid, to the Company cash or other immediately available funds in the amount set forth on page 8 of this Agreement (the “**Purchase Price**”).

(b) The Investor and the Company shall execute, or shall have executed, this Agreement.

(c) The Company shall deliver to the Investor a stock certificate for the Shares and shall direct the Company's transfer agent to register on its books and records the number of Shares sold to Investor.

Section 2. Representations and Warranties. The Company and the Investor hereby represent and warrant that the following are true.

2.1 Representations and Warranties of the Company. The Company hereby represents and warrants to the Investor as of the date hereof that:

(a) Organization, Good Standing, and Qualification. The Company is duly organized, validly existing, and in good standing under the laws of the State of Nevada and has all requisite corporate power and authority to own and operate its assets and properties, to conduct its business as it is currently being conducted (the "**Business**"), to execute and deliver this Agreement and to issue and sell the Shares pursuant to this Agreement. The Company possesses all governmental and other permits, licenses, and other authorizations to own its properties as now owned and to conduct its Business, except where the failure to possess such governmental and other permits, licenses, and authorizations would not have a material adverse effect on the business, assets, financial condition, results of operation, or properties of the Company (a "**Material Adverse Effect**"). The Company is duly qualified to transact business and is in good standing in each jurisdiction wherein the properties owned or leased to the business transacted by the Company makes such qualification to do business as a foreign corporation necessary, except where the failure to be so qualified would not have a Material Adverse Effect.

(b) Authorization. All corporate action on the part of the Company and its general and limited partners necessary for the authorization, execution, and delivery of this Agreement and transactions contemplated hereby, the performance of all obligations of the Company hereunder, and the authorization, issuance, and delivery of the Shares being sold hereunder, have been taken or will be taken prior to the Closing. This Agreement has been duly executed by the Company, and will constitute the valid and binding obligations of the Company, enforceable against the Company in accordance with their respective terms.

(c) Valid Issuance of Shares.

(i) When issued, sold, and delivered in accordance with the terms hereof and for the consideration herein stated, the Shares will be duly and validly issued, fully paid and nonassessable, and free of any and all liens and encumbrances, except such as may be created or suffered by the Investor.

(ii) Subject to the accuracy of the Investor's representations in Section 2.2 hereof and the Investor's compliance with all applicable restrictions on transferability, the offer, sale, and issuance of the Shares by the Company in conformity with the terms of this Agreement constitute transactions exempt from the registration requirements of Section 5 of the Securities Act of 1933, as amended (the "**Act**") and shall be duly registered

under, or shall have qualified for an exemption from registration under, the Nevada Securities laws.

2.2 Representations and Warranties of the Investor. The Investor hereby represents and warrants to the Company and each general partner, limited partner, director, and agent of the Company that:

(a) Receipt of Agreement. The Investor has received and reviewed this Agreement.

(b) Suitability of Investment.

(i) The Investor is acquiring the Shares for its own account, or for the account of another “accredited investor” who is an affiliate of the Investor and who can make all of the representations contained herein, for investment purposes.

(ii) The Investor has not and will not, directly or indirectly, offer, sell, transfer, assign, exchange, or otherwise dispose of all or any part of the Shares except in accordance with applicable federal and state securities laws, regulations, and the provisions of this Agreement.

(iii) The Investor has such knowledge and experience in financial, business, and tax matters that the Investor is capable of evaluating the merits and risks relating to the Investor’s investment in the Shares and making an investment decision with respect to the Company.

(iv) To the full satisfaction of the Investor, the Investor has been given the opportunity to obtain information and documents relating to the Company and to ask questions of and receive answers from representatives of the Company concerning the Company and its investment in the Shares.

(v) The Investor is able at this time, and in the foreseeable future, to bear the economic risk of a total loss of his investment in the Shares.

(vi) The Investor is aware that there are risks incidental to an investment in the Shares.

(vii) The Investor is an “accredited investor” within the meaning of Rule 501 of Regulation D under the Act.

(viii) The undersigned Investor understands that, unless he notifies the Company in writing to the contrary at or prior to the Closing, all of the Investor’s representations and warranties contained in this Agreement will be deemed to have been reaffirmed and confirmed as of the Closing, taking into account all information received by the Investor.

(ix) In making its investment decision, the Investor has not relied on materials, representations, or other information of any kind provided by any party other than the Company or specifically referred to herein.

(c) Authorization. All action on the part of the Investor necessary for the authorization, execution, and delivery of this Agreement, and for the performance of all obligations of the Investor hereunder and thereunder has been taken. This Agreement has been duly executed and delivered by the Investor and will constitute valid and binding obligations of the Investor, enforceable against the Investor in accordance with their respective terms.

(d) Acquisition for Own Investment Purposes. The Investor hereby represents that the Shares to be purchased pursuant to this Agreement are being purchased for the Investor and not for another person or entity. By executing this Agreement, the Investor further represents and warrants that the Investor does not have any contract, undertaking, agreement, or arrangement with any person to sell, transfer, or grant participations to such person or to any third person, with respect to any of the Shares.

(e) Risk of Loss. The Investor acknowledges, represents and warrants that the Investor: (i) is able to bear the loss of the Investor's entire investment without any material adverse effect on the Investor's economic stability, (ii) understands that an investment in the Company involves substantial risks; and (iii) has such knowledge and experience in financial and business matters that the Investor is capable of evaluating the merits and risks of the investment to be made by the Investor pursuant to this Agreement.

(f) No Solicitation. The Investor represents and warrants that the Investor was not solicited to purchase the Shares by any means of general solicitation, including but not limited to the following: (i) any advertisement, article, notice or other communication published in any newspaper, magazine, or similar media, or broadcast over television or radio; or (ii) any meeting where attendees were invited by any general solicitation or general advertising.

(g) Independent Investigation; Independent Advisors. The Investor represents and warrants that the Investor has had a reasonable opportunity to review this Agreement, ask questions of and receive answers from the Company, and all such questions, if any, have been answered to the full satisfaction of the Investor. The Investor further represents and warrants that the Investor has had the opportunity to review this Agreement with the Investor's own legal counsel or business or tax advisor. The Investor is relying solely on such counsel or business or tax advisor, if any, and not on any statements or representations of the Company or any of its agents for tax or legal advice with respect to this investment or the transactions contemplated by this Agreement.

(h) Need for Additional Financing. The Investor acknowledges and understands that the Company may need to raise additional financing (either through private or public offerings of the Company's equity or convertible debt securities or through loans, lines of credit and other forms of indebtedness). The issuance of additional equity or convertible debt securities will have the effect of reducing the relative percentage ownership of the Investor and may require the grant of certain rights, preferences or privileges superior to those of the Investor.

In the event the Company is required to raise additional funds, the Investor acknowledges and understands that there is no assurance that the Company will be able to obtain the additional funds necessary on terms favorable to the Company, or at all, and that, if adequate funds are not available or are not available on acceptable terms, the Company may not be able to continue as a going-concern.

Section 3. Accredited Investor Status.

1.

CANADIAN EXEMPTION CERTIFICATE **(to be completed by all Canadian Subscribers)**

1. an “**accredited investor**”, as defined in **National Instrument 45-106** *Prospectus and Registration Exemptions* (“**NI 45-106**”), by reason of the fact that the undersigned Subscriber is, **as defined in NI 45-106 or National Instrument 14-101 Definitions** (place an “X” on the appropriate line or lines):

- _____ (a) a Canadian financial institution, or a Schedule III bank;
- _____ (b) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada);
- _____ (c) a subsidiary of any person referred to in paragraphs 1(a) or 1(b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary;
- _____ (d) a person registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer;
- _____ (e) an individual registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (d);
- _____ (e.1) an individual formerly registered under the securities legislation of a jurisdiction of Canada, other than an individual formerly registered solely as a representative of a limited market dealer under one or both of the *Securities Act* (Ontario) or the *Securities Act* (Newfoundland and Labrador);
- _____ (f) the Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly owned entity of the Government of Canada or a jurisdiction of Canada;

- _____ (g) a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montréal or an intermunicipal management board in Québec;
- _____ (h) any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government;
- _____ (i) a pension fund that is regulated by the Office of the Superintendent of Financial Institutions (Canada), a pension commission or similar regulatory authority of a jurisdiction of Canada;
- _____ * (j) an individual who, either alone or with a spouse, beneficially owns financial assets having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds \$1,000,000;
- _____ * (j.1) an individual who beneficially owns, financial assets having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds \$5,000,000;
- _____ * (k) an individual whose net income before taxes exceeded \$200,000 in each of the 2 most recent calendar years or whose net income before taxes combined with that of a spouse exceeded \$300,000 in each of the 2 most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year;
- _____ * (l) an individual who, either alone or with a spouse, has net assets of at least \$5,000,000;
- _____ (m) a person, other than an individual or investment fund, that has net assets of at least \$5,000,000, as shown on its most recently prepared financial statements;
- _____ (n) an investment fund that distributes or has distributed its securities only to
- (i) a person that is or was an accredited investor at the time of the distribution;
 - (ii) a person that acquires or acquired securities in the minimum amount of \$150,000 or additional investments as allowed under section 2.19 of NI 45-106; or
 - (iii) a person described in paragraph (i) or (ii) above that acquires or acquired securities under section 2.18 of NI 45-106;

- _____ (o) an investment fund that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator or, in Québec, the securities regulatory authority, has issued a receipt;
- _____ (p) a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be;
- _____ (q) a person acting on behalf of a fully managed account managed by that person, if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction;
- _____ (r) a registered charity under the *Income Tax Act* (Canada) that, in regard to the trade, has obtained advice from an eligibility advisor or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded;
- _____ (s) an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs 1(a) through 1(d) or paragraph 1(i) in form and function;
- _____ (t) a person in respect of which all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by directors, are persons that are accredited investors;
- _____ (u) an investment fund that is advised by a person registered as an adviser or a person that is exempt from registration as an adviser;
- _____ (v) a person that is recognized or designated by the securities regulatory authority or, except in Ontario and Québec, the regulator, as an accredited investor; or
- _____ (w) a trust established by an accredited investor for the benefit of the accredited investor's family members of which a majority of the trustees are accredited investors and all of the beneficiaries are the accredited investor's spouse, a former spouse of the accredited investor or a parent, grandparent, brother, sister, child or grandchild of that accredited investor, of that accredited investor's spouse or of that accredited investor's former spouse.

* **An individual Subscriber who is an accredited investor by virtue of one of the categories set out in (1)(j), (1)(j.1), (1)(k) or (1)(l) must also complete and deliver to**

the Company a Form 45-106F9 – Risk Acknowledgement in the form attached as Appendix “II” to Schedule “B” of the Subscription Agreement to which this Appendix “I” – “*Canadian Exemption Certificate*” is attached.

or

2.

the Subscriber **is not an individual** and is purchasing the Units as principal and the aggregate acquisition cost of the Units to the Subscriber is not less than \$150,000 paid in cash.

or

- _____ *
_
- (a) a director, executive officer or control person of the Company, or of an affiliate of the Company;
- _____ *
_
- (b) a spouse, parent, grandparent, brother, sister, child or grandchild of a director, executive officer or control person of the Company, or of an affiliate of the Company, namely
- _____
- (name of director, executive officer or control person)*
- _____ *
_
- (c) a parent, grandparent, brother, sister, child or grandchild of the spouse of a director, executive officer or control person of the Company, or of an affiliate of the Company; namely
- _____
- (name of director, executive officer or control person)*
- _____ **
_
- (d) a close personal friend of a director, executive officer or control person of the Company, or of an affiliate of the Company, namely
- _____
- (name of director, executive officer or control person)*
- _____ **
_
- (e) a close business associate of a director, executive officer or control person of the Company, or of an affiliate of the Company, namely
- _____
- (name of director, executive officer or control person)*
- _____ *
_
- (f) a founder of the Company or a spouse, parent, grandparent, brother, sister, child, grandchild, close personal friend or close business associate of a founder of the Company;
- _____ *
_
- (g) a parent, grandparent, brother, sister, child or grandchild of a spouse of a founder of the Company;
- _____ **
_
- (h) a person or company of which a majority of the voting securities are beneficially owned by, or a majority of the directors are, persons or companies described in paragraphs 3(a) to 3(g); or
- _____ **
_
- (i) a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are persons or companies described in paragraphs 3(a) to 3(g) above.

3. the undersigned Subscriber is (place an “X” on the appropriate line or lines and complete the missing information):

2.

Section 4. Indemnification

The Investor agrees that the Investor shall indemnify and hold harmless the Company and its officers, directors, employees, agents and professional advisors from and against any and all loss, damage, liability, or expense, including costs and reasonable attorneys’ fees, that the foregoing, or any of them, may incur by reason of, or in connection with, any misrepresentation, inaccurate statement or material omission made by the Investor herein, any breach of any of the Investor’s representations and warranties, or any failure on the Investor’s part to fulfill any of the Investor’s covenants, agreements or obligations set forth herein.

3.

2. Section 5. Miscellaneous.

(a) Survival of Warranties and Covenants. The representations and warranties set forth in Section 2 and the covenants contained in Section 3 hereof shall survive indefinitely.

(b) Successors and Assigns. This Agreement may not be assigned by any Investor or the Company without the prior written consent of the other party hereto. Nothing in this Agreement, express or implied, is intended to confer upon any party, other than the parties hereto or their respective successors and permitted assigns, any rights, remedies, obligations, or liabilities under or by reason of this Agreement except as expressly provided in this Agreement.

(c) Amendment and Waiver. Neither this Agreement nor any provisions hereof shall be modified, amended, discharged, or terminated except by a written instrument signed by the party against whom any modification, amendment, discharge, or termination is sought. Any term or condition of this Agreement may be waived at any time by the party entitled to the benefit thereof, but no such waiver shall be effective unless set forth in a written instrument duly executed by or on behalf of the party waiving such term or condition. No waiver by any party of any term or condition of this Agreement, in any one or more instances, shall be deemed to be or construed as a waiver of the same or any other term or condition of this Agreement on any future occasion. All remedies, either under this Agreement or by law or otherwise afforded, will be cumulative and not alternative.

(d) Governing Law and Submission to Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the State of Nevada applicable to contracts made and to be performed entirely within such jurisdiction. Each of the Investor and the Company hereby submits to the nonexclusive jurisdiction of the United States District Court for the District of Nevada, and of any Nevada court sitting in Clark County, Nevada, for purposes of all legal proceedings arising out of or relating to this Agreement and the transactions contemplated hereby. Each of the Investor and the Company irrevocably waives, to the fullest

extent permitted by law, any objection which it may now or hereafter have to the laying of venue or any such proceeding brought in such a court and any claim that any such proceeding brought in such court has been brought in an inconvenient forum.

(e) Section and Other Headings. The section headings and subheadings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

(f) Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which together shall be deemed to be one and the same agreement.

(g) Notices. Unless otherwise provided, any notice or other communication required or permitted to be given or effected under this Agreement shall be in writing and shall be deemed effective upon personal or facsimile delivery to the party to be notified or three business days after deposit with an internationally recognized courier service, delivery fees prepaid, and addressed to the party to be notified at the following respective addresses, or at such addresses as may be designated by written notice; provided, however, that any notice of change of address shall be deemed effective only upon actual receipt:

| | |
|--------------------|---|
| If to the Company: | Attention: Gurminder Sangha Phone: (604) 375-6005 Email: g.sangha@gmx.com |
|--------------------|---|

| | |
|---------------------|---|
| If to the Investor: | At the address of such Investor indicated on the signature page hereof. |
|---------------------|---|

(h) Entire Agreement. This Agreement supersedes all prior discussions and agreements among the parties hereto with respect to the subject matter herein, and contains the sole and entire agreement among the parties hereto with respect to the subject matter herein.

(i) Expenses; Attorney Fees. Both the Company and the Investor shall bear their own fees and expenses incurred by them or on their behalf in connection with this Agreement and any transactions contemplated hereby. If either party commences or is made a party to a lawsuit or other legal proceeding to enforce or interpret this Agreement, the prevailing party in such lawsuit or other legal proceeding shall be entitled to recover from the other party all attorney fees, costs and expenses incurred in connection with the same.

(j) Further Assurances. Each party hereto shall execute and deliver such additional documents as may reasonably be necessary or desirable to consummate the transactions contemplated by this Agreement.

(k) Severability. Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law; but, if any provision of this Agreement shall nonetheless be prohibited by or invalid under applicable law,

such provision shall be ineffective only to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Agreement.

1. **IN WITNESS WHEREOF**, the undersigned has executed this Agreement as of the _____ day of _____, 2017.

2. _____ **Name of Subscriber:**

3. _____ **Corporate Name (If Applicable) :**

Number and Street

City, State/Province, and Zip/Postal Code

Country

Signature of Applicant (s)

Number of Shares _____

Price per share \$ 0.30 cents per share

Total Price \$ _____ -

MAKE CHECK PAYABLE TO “**Barrel Energy Inc.**”

WIRE INSTRUCTIONS;

TRANSIT: 00040 INSTITUTION: 001 ACCOUNT: 1812-996

BENEFICIARY BANK INFORMATION:

BANK OF MONTREAL

595 Burrard st,

Vancouver, BC,

V7X 1L7, CANADA

BMO SWIFT BIC Code: **BOFMCAM2**

(Some financial institutions specifically require BMO’s beneficiary bank information in the format //CC0001NNNNN where the last 5 digits (N) is the branch transit number including region code).

//CC000100040

ACCEPTED BY: BARREL ENERGY INC., a Nevada corporation

Name: Gurminder Sangha

Title: President

Signature: _____