
**US\$50,000,000
CREDIT AGREEMENT**

dated as of December 3, 2014

among

**PRIMERA OIL AND GAS LIMITED, AND
TOUCHSTONE EXPLORATION (TRINIDAD) LTD.
as Borrowers,**

**THE BANK OF NOVA SCOTIA,
as Administrative Agent and Collateral Agent,**

and

The Lenders Party Hereto

**SCOTIABANK TRINIDAD AND TOBAGO LIMITED
Sole Lead Arranger**

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THIS CREDIT AGREEMENT dated as of December 3, 2014, is among: PRIMERA OIL AND GAS LIMITED, a company organized and existing under the laws of Trinidad and Tobago ("Primera") and TOUCHSTONE EXPLORATION (TRINIDAD) LTD., a company organized and existing under the laws of Trinidad and Tobago ("Exploration" and, together with Primera, the "Borrowers" and, each a "Borrower"; each of the Lenders (as defined herein) from time to time party hereto; and THE BANK OF NOVA SCOTIA (in its individual capacity, "The Bank of Nova Scotia"), as administrative agent (in such capacity, together with its successors in such capacity, the "Administrative Agent") and as collateral agent (in such capacity, together with its successors in such capacity, the "Collateral Agent") for the Lenders.

RECITALS

A. The Borrowers have requested that the Lenders provide certain loans to and extensions of credit on behalf of the Borrowers.

B. The Lenders have agreed to make such loans and extensions of credit subject to the terms and conditions of this Agreement.

C. Scotiabank Trinidad and Tobago Limited has agreed to act as the sole lead arranger hereunder (the "Arranger").

D. In consideration of the mutual covenants and agreements herein contained and of the loans, extensions of credit and commitments hereinafter referred to, the parties hereto agree as follows:

ARTICLE I

Definitions and Accounting Matters

Section 1.01 Terms Defined Above. As used in this Agreement, each term defined above has the meaning indicated above.

Section 1.02 Certain Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

"ABR", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Alternate Base Rate.

"Adjusted LIBO Rate" means, with respect to any Eurodollar Borrowing for any Interest Period, an interest rate per annum (rounded upwards, if necessary, to the next 1/100 of 1%) equal to the LIBO Rate for such Interest Period multiplied by the Statutory Reserve Rate.

"Administrative Agent" has the meaning set forth in the Preamble.

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by the Administrative Agent.

"Affected Loans" has the meaning assigned such term in Section 5.05.

"Affiliate" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

“Aggregate Maximum Credit Amounts” means the sum of each Lender’s Maximum Credit Amount.

“Agreement” means this Credit Agreement, as the same may from time to time be amended, modified, supplemented or restated.

“Alternate Base Rate” means, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Effective Rate in effect on such day plus ½ of 1%, and (c) the Adjusted LIBO Rate for a one month Interest Period on such day (or if such day is not a Business Day, the immediately preceding Business Day) plus 1%; provided that, for the avoidance of doubt, the Adjusted LIBO Rate for any day shall be based on the rate (rounded upwards, if necessary, to the next 1/100 of 1%) at which dollar deposits of US\$5,000,000 with a one month maturity are offered by the principal London office of the Administrative Agent in immediately available funds in the London interbank market at approximately 11:00 a.m., London time, on such day (or the immediately preceding Business Day if such day is not a day on which banks are open for dealings in dollar deposits in the London interbank market). Any change in the Alternate Base Rate due to a change in the Prime Rate, the Federal Funds Effective Rate or the Adjusted LIBO Rate shall be effective from and including the effective date of such change in the Prime Rate, the Federal Funds Effective Rate or the Adjusted LIBO Rate, respectively.

“Applicable Margin” means, for any day, with respect to any ABR Loan or Eurodollar Loan, or with respect to the Commitment Fee Rate, as the case may be, the rate per annum set forth in the Borrowing Base Utilization Grid below based upon the Borrowing Base Utilization Percentage then in effect:

	<i>Borrowing Base Utilization Grid</i>			
Borrowing Base Utilization Percentage	<50%	≥50% <75%	≥75% <90%	≥90%
ABR Loans	3.05%	3.30%	3.55%	3.80%
Eurodollar Loans	4.05%	4.30%	4.55%	4.80%
Commitment Fee Rate	0.85%	0.85%	0.85%	0.85%

Each change in the Applicable Margin shall apply during the period commencing on the effective date of such change and ending on the date immediately preceding the effective date of the next such change, provided, however, that if at any time the Borrowers fail to deliver a Reserve Report pursuant to Section 8.12(a), then the “Applicable Margin” means the rate per annum set forth on the grid when the Borrowing Base Utilization Percentage is at its highest level until such Reserve Report is delivered.

“Applicable Percentage” means, with respect to any Lender, the percentage of the Aggregate Maximum Credit Amount represented by such Lender’s Maximum Credit Amount; provided that in the case of Section 2.08(k) when a Defaulting Lender shall exist, “Applicable Percentage” as used in such Section 2.08(k) shall mean the percentage of the Aggregate Maximum Credit Amount (disregarding any Defaulting Lender’s Maximum Credit Amount) represented by such Lender’s Maximum Credit Amount.

“Approved Counterparty” means (a) any Lender or any Affiliate of a Lender and (b) any other Person whose long term senior unsecured debt rating is A-/A3 by S&P, or the equivalent thereof by Moody's or Dominion Bond Rating Service Limited (as applicable) or higher.

“Approved Fund” means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

“Approved Petroleum Engineers” means (a) Gaffney, Cline & Associates, (b) DeGolyer and MacNaughton, (c) GLJ Petroleum Consultants or (d) any other independent petroleum engineers reasonably acceptable to the Administrative Agent.

“Archon” means Archon Technologies Ltd., a corporation duly formed and existing under the laws of the Province of Alberta, Canada.

“Archon Disposition” means the sale or other disposition of any or all of the Equity Interests or other assets of Archon and/or Archon International.

“Archon International” means Archon Technologies International Inc., a company continued and existing under the laws of Barbados.

“Arranger” means Scotiabank Trinidad and Tobago Limited, in its capacity as the sole lead arranger hereunder.

“Assignment and Assumption” means an assignment and assumption entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 12.04(b)), and accepted by the Administrative Agent, in the form of Exhibit G or any other form approved by the Administrative Agent.

“Availability Period” means the period from and including the Effective Date to but excluding the Termination Date.

“Bank Products” means any of the following bank services: (i) commercial credit cards, (ii) stored value cards, and (iii) treasury management services (including, without limitation, controlled disbursement, automated clearinghouse transactions, return items, overdrafts and interstate depository network services).

“Bank Products Provider” means any Lender or Affiliate of a Lender that provides Bank Products to any Credit Party.

“Barbados Security Instruments” means:

(a) a Debenture over all assets of Touchstone Exploration Barbados and Archon International;

(b) a Charge Over Shares of all the Equity Interests of Touchstone Exploration Barbados by Touchstone Energy;

(b) a Charge Over Shares of all the Equity Interests of Archon International by the Parent;

- (c) a Statement of Charge by Touchstone Energy;
- (d) a Statement of Charge by Archon International;
- (e) a Statement of Charge by Touchstone Exploration Barbados; and
- (f) a Statement of Charge by the Parent.

“Board” means the Board of Governors of the Federal Reserve System of the United States of America or any successor Governmental Authority.

“Borrower Agent” means the Parent.

“Borrowers” has the meaning set forth in the Preamble.

“Borrowing” means Loans of the same Type, made, converted or continued on the same date and, in the case of Eurodollar Loans, as to which a single Interest Period is in effect.

“Borrowing Base” means at any time an amount equal to the amount determined in accordance with Section 2.07, as the same may be adjusted from time to time pursuant to Section 2.07(e) or Section 8.13.

“Borrowing Base Availability” at any time shall equal the amount of the Borrowing Base then in effect as of the date that the most recent Scheduled Redetermination became effective as of the later of (a) the Effective Date or (b) as provided in Section 2.07(d).

“Borrowing Base Deficiency” occurs if at any time the total Credit Exposures exceeds the Borrowing Base then in effect.

“Borrowing Base Utilization Percentage” means, as of any day, the fraction expressed as a percentage, the numerator of which is the sum of the Credit Exposures of the Lenders on such day, and the denominator of which is the Borrowing Base in effect on such day.

“Borrowing Request” means a request by the Borrower Agent, on behalf of the Borrowers, for a Borrowing in accordance with Section 2.03.

“Brent Swap Agreements” means Swap Agreements with an Approved Counterparty with notional volumes (when aggregated with other commodity Swap Agreements then in effect other than basis differential swaps on volumes already hedged pursuant to other Swap Agreements) of 800 barrels per day of Brent crude oil (or such other notional volumes as the Administrative Agent may agree in its sole discretion).

“Business Day” means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City, New York, USA, Toronto, Ontario, Canada, Calgary, Alberta, Canada or Trinidad and Tobago are authorized or required by law to remain closed; and if such day relates to a Borrowing or continuation of, a payment or prepayment of principal of or interest on, or a conversion of or into, or the Interest Period for, a Eurodollar Loan or a notice by any Borrower with respect to any such Borrowing or continuation, payment, prepayment, conversion or Interest Period, any day which is also a day on which banks are open for dealings in U.S. Dollar deposits in the London interbank market.

“Canadian Dollars” or “CDN\$” refers to lawful money of Canada.

“Canadian Security Instruments” means:

- (a) a Guarantee and Indemnity from the Parent of the obligations of the Borrowers owing to the Lenders;
- (b) a General Security Agreement over all assets of the Parent;
- (c) a Share Pledge from the Parent over the Equity Interests of Touchstone Energy;
- (d) a Stock Power of Touchstone Energy;
- (e) a Guarantee and Indemnity from Touchstone Energy of the obligations of the Borrowers owing to the Lenders;
- (f) a General Security Agreement over all assets of Touchstone Energy;
- (g) a Guarantee and Indemnity from Archon of the obligations of the Borrowers owing to the Lenders;
- (h) a General Security Agreement over all assets of Archon;
- (i) a Share Pledge from the Parent over the Equity interests of Archon;
- (j) a Stock Power of Archon;
- (k) a Floating Charge Debenture executed by the Parent; and
- (l) a Floating Charge Debenture executed by the Parent
- (m) any other Security Instruments granting a Lien on any Property of any Credit Party (including any U.S. Dollar Collection Account) in favor of the Collateral Agent governed by or under the laws of Canada or any Province or Territory thereof.

“Capital Leases” means, in respect of any Person, all leases which shall have been, or should have been, in accordance with IFRS, as applicable, recorded as capital leases on the balance sheet of the Person liable (whether contingent or otherwise) for the payment of rent thereunder.

“Casualty Event” means any loss, casualty or other insured damage to, or any nationalization, taking under power of eminent domain or by condemnation, seizure, taking or similar proceeding of, any Trinidad Hydrocarbon Properties of any Credit Party having a Fair Market Value in excess of US\$2,000,000.

“Change in Control” means (a) the acquisition of ownership, directly or indirectly, beneficially or of record, by any Person or combination of Persons acting jointly or in concert (within the meaning of the *Securities Act* (Alberta)), of Equity Interests representing more than 40% of the aggregate ordinary voting power represented by the issued and outstanding Equity Interests of the Parent, (b) the occupation of a majority of the seats (other than vacant seats) on the board of directors of the Parent by Persons who were neither (i) nominated by the board of directors of the Parent nor (ii) appointed by directors so nominated or (c) the failure by the Parent to, directly or indirectly, own all of the outstanding Equity Interests of the Borrowers.

“Change in Law” means (a) the adoption of any law, rule or regulation after the date of this Agreement, (b) any change in any law, rule or regulation or in the interpretation or application thereof by any Governmental Authority after the date of this Agreement or (c) compliance by any Lender or the Issuing Bank (or, for purposes of Section 5.01(b), by any lending office of such Lender or by such Lender’s or the Issuing Bank’s holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement; provided, however, for the purposes of this Agreement, the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, guidelines or directives in connection therewith or promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision or the United States or foreign regulatory authorities, in each case, pursuant to Basel III, are deemed to have gone into effect and to have been adopted after the date of this Agreement.

“Collateral Agent” has the meaning set forth in the preamble.

“Collection Account” means either a U.S. Dollar Collection Account or a Trinidad Dollar Collection Account, as applicable.

“Commitment Fee Rate” has the meaning set forth in the definition of “Applicable Margin”.

“Commitments” or “Commitment” means, with respect to each Lender, the commitment of such Lender to make Loans and to acquire participations in Letters of Credit hereunder, expressed as an amount representing the maximum amount of such Lender’s Commitment hereunder, as such commitment may be (i) modified from time to time pursuant to Section 2.06 and (ii) modified from time to time pursuant to assignments by or to such Lender pursuant to Section 12.04. The amount representing each Lender’s Commitment shall at any time be the lesser of (a) such Lender’s Maximum Credit Amount or (b) such Lender’s Applicable Percentage of the then effective Borrowing Base.

“Commodity Exchange Act” means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute, and any regulations promulgated thereunder.

“Consolidated Net Income” means with respect to any Person and its Consolidated Subsidiaries, for any period, the aggregate of the net income (or loss) of such Person and its Consolidated Subsidiaries after allowances for Taxes for such period determined on a consolidated basis in accordance with IFRS; provided that there shall be excluded from such net income (to the extent otherwise included therein) the following: (a) the net income of any Person in which such Person or any Consolidated Subsidiary has an interest (which interest does not cause the net income of such other Person to be consolidated with the net income of such Person and its Consolidated Subsidiaries in accordance with IFRS), except to the extent of the amount of dividends or distributions actually paid in cash during such period by such other Person to such Person or to a Consolidated Subsidiary, as the case may be; (b) the net income (but not loss) during such period of any Consolidated Subsidiary to the extent that the declaration or payment of dividends or similar distributions or transfers or loans by that Consolidated Subsidiary is not at the time permitted by operation of the terms of its charter or any agreement, instrument or Governmental Requirement applicable to such Consolidated Subsidiary or is otherwise restricted or prohibited, in each case determined in accordance with IFRS; (c) the net income (or loss) of any Person acquired in a pooling-of-interests transaction for any period prior to the date of such transaction, (d) any extraordinary non-cash gains or losses during such period and (e) any gains or losses attributable to writeups or writedowns of assets, including impairment of assets; and provided further that if such Person shall acquire or dispose of any Property during such period, then Consolidated Net Income shall be calculated after giving *pro forma* effect to such acquisition or disposition in accordance with IFRS, as if such acquisition or disposition had occurred on the first day of such period.

“Consolidated Subsidiaries” means each subsidiary of any Person (whether now existing or hereafter created or acquired) the financial statements of which shall be (or should have been) consolidated with the financial statements of such Person in accordance with IFRS.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. For the purposes of this definition, and without limiting the generality of the foregoing, any Person that owns directly or indirectly 20% or more of the Equity Interests having ordinary voting power for the election of the directors or other governing body of a Person (other than as a limited partner of such other Person) will be deemed to “control” such other Person. “Controlling” and “Controlled” have meanings correlative thereto.

“Credit Exposure” means, with respect to any Lender at any time, the sum of the outstanding principal amount of such Lender’s Loans and its LC Exposure at such time.

“Credit Parties” means, collectively, the Borrowers, the Parent and each Guarantor other than the Parent.

“Debt” means, for any Person, the sum of the following (without duplication): (a) all obligations of such Person for borrowed money or evidenced by bonds, bankers’ acceptances, debentures, notes or other similar instruments; (b) all obligations of such Person (whether contingent or otherwise) in respect of letters of credit, surety or other bonds and similar instruments; (c) all accounts payable and all accrued expenses, liabilities or other obligations of such Person to pay the deferred purchase price of Property or services; (d) all obligations under Capital Leases; (e) all obligations under Synthetic Leases; (f) all Debt (as defined in the other clauses of this definition) of others secured by (or for which the holder of such Debt has an existing right, contingent or otherwise, to be secured by) a Lien on any Property of such Person, whether or not such Debt is assumed by such Person; (g) all Debt (as defined in the other clauses of this definition) of others guaranteed by such Person or in which such Person otherwise assures a creditor against loss of the Debt (howsoever such assurance shall be made) to the extent of the lesser of the amount of such Debt and the maximum stated amount of such guarantee or assurance against loss; (h) all obligations or undertakings of such Person to maintain or cause to be maintained the financial position or covenants of others and, to the extent entered into as a means of providing credit support for the obligations of others and not primarily to enable such Person to acquire any such Property, all obligations or undertakings of such Person to purchase the Debt or Property of others; (i) obligations to deliver commodities, goods or services, including, without limitation, Hydrocarbons, in consideration of one or more advance payments, other than gas balancing arrangements in the ordinary course of business; (j) obligations to pay for goods or services even if such goods or services are not actually received or utilized by such Person; (k) any Debt of a partnership for which such Person is liable either by agreement, by operation of law or by a Governmental Requirement but only to the extent of such liability; (l) Disqualified Capital Stock; and (m) the undischarged balance of any production payment created by such Person or for the creation of which such Person directly or indirectly received payment. The Debt of any Person shall include all obligations of such Person of the character described above to the extent such Person remains legally liable in respect thereof notwithstanding that any such obligation is not included as a liability of such Person under IFRS.

“Dedicated Cash Receipts” means all cash received by or on behalf of any Credit Party with respect to the following: (a) any amounts payable under or in connection with any Material Document (including, without limitation, payments or proceeds from Offtake Agreements and Swap Agreements); (b) cash representing operating revenue earned or to be earned by any Credit Party; (c) proceeds from Loans; and (d) any other cash received by any Credit Party from whatever source other than (i) liability insurance proceeds required to be paid directly to third parties and (ii) payments made to any Credit Party

for the account of third parties under or in connection with joint operating agreements or similar joint development agreements.

“Default” means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

“Defaulting Lender” means any Lender that (a) has failed, within two (2) Business Days of the date required to be funded or paid, to (i) fund any portion of its Loans, (ii) fund any portion of its participations in Letters of Credit or (iii) pay over to any Credit Party any other amount required to be paid by it hereunder; and has notified the Borrower Agent, on behalf of the Borrowers, or any Credit Party and the Administrative Agent in writing, or has made a public statement, to the effect that it does not intend or expect to comply with any of its funding obligations under this Agreement or generally under other agreements in which it commits to extend credit; (b) has failed, within three (3) Business Days after request by the Administrative Agent or a Credit Party, acting in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations to fund prospective Loans and participations in then outstanding Letters of Credit under this Agreement; provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (b) upon such Credit Party’s receipt of such certification in form and substance satisfactory to it and the Administrative Agent; or (c) has (or whose bank holding company has) been placed into receivership, conservatorship or bankruptcy; provided that a Lender shall not become a Defaulting Lender solely as a result of the acquisition or maintenance of an ownership interest in such Lender or Person Controlling such Lender or the exercise of Control over a Lender or Person Controlling such Lender by a Governmental Authority or an instrumentality thereof.

“Deposit Account Control Agreement” means a deposit account control agreement in form and substance satisfactory to the Collateral Agent, as the same may be amended, modified or supplemented from time to time.

“Deposit Account Control Agreement (Borrowers)” means the Deposit Account Control Agreement dated as of even date hereof among the applicable Borrower, the Collateral Agent and The Bank of Nova Scotia, as depository (or its successors in such capacity), as the same may be amended, modified or supplemented from time to time.

“Designated Jurisdiction” means any country or territory to the extent that such country or territory itself, or whose government, is the subject of any Sanction.

“Disqualified Capital Stock” means any Equity Interest that, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable) or upon the happening of any event, matures or is mandatorily redeemable for any consideration other than other Equity Interests (which would not constitute Disqualified Capital Stock), pursuant to a sinking fund obligation or otherwise, or is convertible or exchangeable for Debt or redeemable for any consideration other than other Equity Interests (which would not constitute Disqualified Capital Stock) at the option of the holder thereof, in whole or in part, on or prior to the date that is one year after the earlier of (a) the Maturity Date and (b) the date on which there are no Loans, LC Exposure or other obligations hereunder outstanding and all of the Commitments are terminated.

“EBITDAX” means, for any period, the sum of Consolidated Net Income for such period plus the following expenses or charges to the extent deducted from Consolidated Net Income in such period: interest, income taxes, depreciation, depletion, amortization, exploration expenses and other similar noncash charges, minus all noncash income added to Consolidated Net Income.

“Effective Date” means the date on which the conditions specified in Section 6.01 are satisfied (or waived in accordance with Section 12.02).

“Effective Date Petrotrin Consent” means that certain Consent to Payment into a Designated Account in respect of all amounts payable by Petrotrin under the Coora Block 1 (Lease Operatorship Agreement), Coora Block 2 (Lease Operatorship Agreement), the WD-4 Block (Lease Operatorship Agreement), WD-8 Block (Lease Operatorship Agreement), New Dome (Farmout Agreement) and South Palo Seco (Farmout Agreement) by and among Petrotrin, the Administrative Agent and Exploration in form and substance satisfactory to the Administrative Agent.

“Eligible Buyers” means (a) Petrotrin, (b) each of the Persons listed on Schedule 1.02(b), (c) in the case of any Trinidad Hydrocarbon Properties not operated by any Credit Party, any buyer approved by the operator thereof other than an Affiliate of any Borrower and (d) any additional Persons that have been approved in writing by the Administrative Agent and the Required Lenders, acting reasonably, at the time of the purchase of crude oil or other Hydrocarbons by such Person from any Credit Party; provided that any such Person shall cease to be an Eligible Buyer if:

(i) any Credit Party has received any written notice or otherwise has knowledge that such Person is the subject of any bankruptcy, insolvency, reorganization, liquidation, dissolution or winding-up proceeding or action (whether voluntary or involuntary); or

(ii) at the time any such determination is made, more than 10% of the aggregate amount of accounts due from such Person in respect of its purchase of crude oil or other Hydrocarbons from any Credit Party has at such time remained unpaid for more than 45 days (measured from the due date specified in the original invoice therefor).

“Engagement Letter” means that certain letter agreement dated as of June 5, 2014, among the Parent and the Administrative Agent related to, among other things, the payment of certain fees by the Borrowers.

“Engineering Reports” has the meaning assigned such term in Section 2.07(c).

“Entitled Person” has the meaning assigned such term in Section 12.13.

“Environmental Laws” means any and all Governmental Requirements pertaining in any way to health, safety, the environment, the preservation or reclamation of natural resources, or the management, Release or threatened Release of any Hazardous Materials, in effect in any and all jurisdictions in which any Credit Party is operating, or at any time has operated, its business, or where any Property of any Credit Party is located.

“Environmental Permit” means any permit, registration, license, notice, approval, consent, exemption, variance, or other authorization required under or issued pursuant to applicable Environmental Laws.

“Equity Interests” means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such Equity Interest.

“Eurodollar”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Adjusted LIBO Rate.

“Eurodollar Borrowing” has the meaning assigned such term in Section 1.03.

“Eurodollar Loan” has the meaning assigned such term in Section 1.03.

“Event of Default” has the meaning assigned such term in Section 10.01.

“Excepted Liens” means: (a) Liens in favour of the Bank of Montreal (i) in connection with a corporate Mastercard, provided that the amount so secured shall not be greater than CDN\$30,000; and (ii) on any cash collateral used to secure any amounts on any letter of credit or other similar instrument outstanding on the date hereof; provided that the amount so secured shall not be greater than US\$3,500,000; (b) Liens for Taxes, assessments or other governmental charges or levies which are not delinquent or which are being contested in good faith by appropriate action and for which adequate reserves have been maintained in accordance with IFRS; (c) Liens in connection with workers’ compensation, unemployment insurance or other social security, old age pension or public liability obligations which are not delinquent or which are being contested in good faith by appropriate action and for which adequate reserves have been maintained in accordance with IFRS; (d) statutory landlord’s liens, operators’, vendors’, carriers’, warehousemen’s, repairmen’s, mechanics’, suppliers’, workers’, materialmen’s, construction or other like Liens arising by operation of law in the ordinary course of business or incident to the exploration, development, operation and maintenance of Oil and Gas Properties each of which is in respect of obligations that are not delinquent or which are being contested in good faith by appropriate action and for which adequate reserves have been maintained in accordance with IFRS; (e) contractual Liens which arise in the ordinary course of business under Capital Leases, operating agreements, joint venture agreements, oil and gas partnership agreements, oil and gas leases, farm-out agreements, division orders, contracts for the sale, transportation or exchange of oil and natural gas, unitization and pooling declarations and agreements, area of mutual interest agreements, overriding royalty agreements, marketing agreements, processing agreements, net profits agreements, development agreements, gas balancing or deferred production agreements, injection, repressuring and recycling agreements, salt water or other disposal agreements, seismic or other geophysical permits or agreements, and other agreements which are usual and customary in the oil and gas business and are for claims which are not delinquent or which are being contested in good faith by appropriate action and for which adequate reserves have been maintained in accordance with IFRS, provided that any such Lien referred to in this clause does not materially impair the use of the Property covered by such Lien for the purposes for which such Property is held by any Credit Party or materially impair the value of such Property subject thereto; (f) Liens arising solely by virtue of any statutory or common law provision relating to banker’s liens, rights of set-off or similar rights and remedies and burdening only deposit accounts or other funds maintained with a creditor depository institution, provided that no such deposit account is a dedicated cash collateral account or is subject to restrictions against access by the depositor in excess of those set forth by regulations promulgated by the Board and no such deposit account is intended by any Credit Party to provide collateral to the depository institution; (g) easements, restrictions, servitudes, permits, conditions, covenants, exceptions or reservations in any Property of any Credit Party for the purpose of roads, pipelines, transmission lines, transportation lines, distribution lines for the removal of gas, oil, coal or other minerals or timber, and other like purposes, or for the joint or common use of real estate, rights of way, facilities and equipment, that do not secure any monetary obligations and which in the aggregate do not materially impair the use of such Property for the purposes of which such Property is held by any Credit Party or materially impair the value of such Property subject thereto; (h) Liens on cash or securities pledged to secure performance of tenders, surety and appeal bonds, government contracts, performance and return of money bonds, bids, trade contracts, leases, statutory obligations, regulatory obligations and

other obligations of a like nature incurred in the ordinary course of business; and (i) judgment and attachment Liens not giving rise to an Event of Default, provided that any appropriate legal proceedings which may have been duly initiated for the review of such judgment shall not have been finally terminated or the period within which such proceeding may be initiated shall not have expired and no action to enforce such Lien has been commenced; provided further that Liens described in clauses (a) through (f) shall remain “Excepted Liens” only for so long as no action to enforce such Lien has been commenced and no intention to subordinate the first priority Lien granted in favor of the Collateral Agent and the Lenders is to be hereby implied or expressed by the permitted existence of such Excepted Liens and the term “Excepted Liens” shall not include any Lien securing Debt for borrowed money other than the Obligations or as otherwise set out herein.

“Excluded Swap Obligation” means, with respect to any Credit Party individually determined on a Credit Party by Credit Party basis, any Obligations in respect of any Swap Agreement if, and solely to the extent that, all or a portion of the guarantee by such Credit Party of, or the grant by such Credit Party of a security interest to secure, such Obligations in respect of any Swap Agreement (or any guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Credit Party’s failure for any reason to constitute an “eligible contract participant” as defined in the Commodity Exchange Act at the time such guarantee or grant of a security interest becomes effective with respect to such related Obligations in respect of any Swap Agreement.

“Excluded Taxes” means, with respect to any Recipient or any other recipient of any payment to be made by or on account of any obligation of the Borrowers or any Guarantor hereunder or under any other Loan Document, (a) income or franchise taxes imposed on (or measured by) its net income by the United States of America or such other jurisdiction under the laws of which such Recipient or other recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located, (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction in which any Borrower is located, and (c) in the case of a Foreign Lender (other than a Lender on the Effective Date or an assignee pursuant to a request by the Borrower Agent under Section 5.04(b)), any withholding tax that is imposed by the Republic of Trinidad and Tobago on amounts payable to such Foreign Lender at the time such Foreign Lender becomes a party to this Agreement (or designates a new lending office) or is attributable to such Foreign Lender’s failure to comply with Section 5.03(f), except to the extent that such Foreign Lender (or its assignor, if any) was entitled, at the time of designation of a new lending office (or assignment), to receive additional amounts with respect to such withholding tax pursuant to Section 5.03(a) or Section 5.03(c).

“Exploration” has the meaning set forth in the Preamble.

“Fair Market Value” shall mean, with respect to any Property on any date of determination, the value of the consideration obtainable in a sale of such Property or at such date of determination assuming a sale by a willing seller to a non-affiliated willing purchaser dealing at arm’s length and arranged in an orderly manner over a reasonable period of time having regard to the nature and characteristics of such Property.

“FCPA” means the Foreign Corrupt Practices Act of 1977, as amended.

“Federal Funds Effective Rate” means, for any day, the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the

quotations for such day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

“Financial Officer” means, for any Person, the chief financial officer, principal accounting officer, treasurer, controller or vice president of finance, or other equivalent position, of such Person. Unless otherwise specified, all references herein to a Financial Officer means a Financial Officer of the Borrower Agent.

“Financial Statements” means the financial statement or statements of the Parent and the Consolidated Subsidiaries referred to in Section 7.04(a).

“Flood Insurance” means, for any owned real property located in a Special Flood Hazard Area, Federal Flood Insurance or private insurance that meets or exceeds the requirements set forth by FEMA in its Mandatory Purchase of Flood Insurance Guidelines. Flood Insurance shall be in commercially reasonable amounts at least up to the maximum policy limits set under the National Flood Insurance Program, or as otherwise required by the Administrative Agent in good faith and in the exercise of reasonable credit judgment, with deductibles not to exceed US\$250,000 for losses to buildings and US\$250,000 for losses to contents of buildings.

“Flood Insurance Regulations” means (a) the National Flood Insurance Act of 1968 as now or hereafter in effect or any successor statute thereto, (b) the Flood Disaster Protection Act of 1973 as now or hereafter in effect or any successor statute thereto, (c) the National Flood Insurance Reform Act of 1994 (amending 42 USC § 4001, et seq.), as the same may be amended or recodified from time to time, and (d) the Flood Insurance Reform Act of 2004 and any regulations promulgated thereunder.

“Foreign Lender” means any Lender that is organized under the laws of a jurisdiction other than that in which any Borrower is located. For purposes of this definition, the United States of America, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

“Governmental Authority” means the government of the United States of America, Canada, the Republic of Trinidad and Tobago, Barbados, any other nation or any political subdivision thereof, whether state, department, provincial or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

“Governmental Requirement” means any law, statute, code, ordinance, order, determination, rule, regulation, judgment, decree, injunction, franchise, permit, certificate, license, rules of common law, authorization or other directive or requirement, whether now or hereinafter in effect, of any Governmental Authority.

“Guarantors” means (a) Parent, (b) Touchstone Energy, (c) Touchstone Exploration Barbados, (d) Territorial Oilfield Services, (e) Archon International, (f) Primera Brighton, (g) Archon, (h) each Material Subsidiary that guarantees the Obligations, and (i) each Subsidiary that owns any Equity Interests in a Material Subsidiary or a Borrower, in each case, other than any thereof that ceases to be a Guarantor in accordance with this Agreement or the Guaranty Agreement.

“Guaranty Agreement” means an agreement executed by the Guarantors and the Borrowers in form and substance reasonably satisfactory to the Collateral Agent, unconditionally guarantying on a joint and several basis, payment of the Obligations, as the same may be amended, modified, or supplemented from time to time.

“Hazardous Material” means any substance regulated or as to which liability might arise under any applicable Environmental Law including: (a) any chemical, compound, material, product, byproduct, substance or waste defined as or included in the definition or meaning of “hazardous substance,” “hazardous material,” “hazardous waste,” “solid waste,” “toxic waste,” “extremely hazardous substance,” “toxic substance,” “contaminant,” “pollutant,” or words of similar meaning or import found in any applicable Environmental Law; (b) Hydrocarbons, petroleum products, petroleum substances, natural gas, oil, oil and gas waste, crude oil, and any components, fractions, or derivatives thereof; and (c) radioactive materials, explosives, asbestos or asbestos containing materials, polychlorinated biphenyls, radon, infectious or medical wastes.

“Highest Lawful Rate” means, with respect to each Lender, the maximum nonusurious interest rate, if any, that at any time or from time to time may be contracted for, taken, reserved, charged or received on the Notes or on other Obligations under laws applicable to such Lender which are presently in effect or, to the extent allowed by law, under such applicable laws which may hereafter be in effect and which allow a higher maximum nonusurious interest rate than applicable laws allow as of the date hereof.

“Hydrocarbon Interests” means all rights, titles, interests and estates now or hereafter acquired in and to oil and gas leases, oil, gas and mineral leases, coal leases, or other liquid or gaseous hydrocarbon leases, mineral fee interests, overriding royalty and royalty interests, net profit interests and production payment interests, including any reserved or residual interests of whatever nature.

“Hydrocarbons” means oil, gas, casinghead gas, drip gasoline, coal seam gas, natural gasoline, condensate, distillate, liquid hydrocarbons, gaseous hydrocarbons and all products, by-products and other substances derived, refined or separated therefrom and all other minerals and substances produced in conjunction with such substances.

“IFRS” means International Financial Reporting Standards issued by the board of the International Accounting Standards Committee as in effect from time to time.

“Indemnified Taxes” means Taxes imposed on or with respect to any payment made by or on account of any obligation of the Borrowers or any Guarantor under any Loan Document other than Excluded Taxes.

“Information” has the meaning assigned to such term in Section 12.11.

“Initial Reserve Report” means the National Instrument 51-101 compliant report of GLJ Petroleum Consultants, with an effective date of September 30, 2013 and contained in the report dated January 20, 2014, with respect to the Trinidad Hydrocarbon Properties of the Credit Parties.

“Interest Election Request” means a request by the Borrower Agent to convert or continue a Borrowing in accordance with Section 2.04.

“Interest Payment Date” means (a) with respect to any ABR Loan, the last day of each March, June, September and December and (b) with respect to any Eurodollar Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Eurodollar Borrowing with an Interest Period of more than three months’ duration, each day prior to the last day of such Interest Period that occurs at intervals of three months’ duration after the first day of such Interest Period.

“Interest Period” means with respect to any Eurodollar Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is

one, two, three or six months (or, with the consent of each Lender, twelve months) thereafter, as the Borrower Agent may elect; provided that (a) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day and (b) any Interest Period pertaining to a Eurodollar Borrowing that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

“Interim Redetermination” has the meaning assigned such term in Section 2.07(b).

“Interim Redetermination Date” means the date on which a Borrowing Base that has been redetermined pursuant to an Interim Redetermination becomes effective as provided in Section 2.07(d).

“Investment” means, for any Person: (a) the acquisition (whether for cash, Property, services or securities or otherwise) of Equity Interests of any other Person or any agreement to make any such acquisition (including, without limitation, any “short sale” or any sale of any securities at a time when such securities are not owned by the Person entering into such short sale); (b) the making of any deposit with, or advance, loan or capital contribution to, assumption of Debt of, purchase or other acquisition of any other Debt or equity participation or interest in, or other extension of credit to, any other Person (including the purchase of Property from another Person subject to an understanding or agreement, contingent or otherwise, to resell such Property to such Person, but excluding any such advance, loan or extension of credit having a term not exceeding ninety (90) days representing the purchase price of inventory or supplies sold by such Person in the ordinary course of business); (c) the purchase or acquisition (in one or a series of transactions) of Property of another Person that constitutes a business unit; or (d) the entering into of any guarantee of, or other contingent obligation (including the deposit of any Equity Interests to be sold) with respect to, Debt or other liability of any other Person and (without duplication) any amount committed to be advanced, lent or extended to such Person.

“ISDA” means, with respect to any Swap Agreement, one or more master agreements, schedules and confirmations, and related definitions, published from time to time by the International Swaps and Derivatives Association, Inc.

“Issuing Bank” means The Bank of Nova Scotia, in its capacity as the issuer of Letters of Credit hereunder, and its successors in such capacity, as provided in Section 2.08(i). The Issuing Bank may, in its discretion, arrange for one or more Letters of Credit to be issued by Affiliates of the Issuing Bank, in which case the term “Issuing Bank” shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate.

“LC Commitment” at any time means fifteen million U.S. Dollars (US\$15,000,000.00).

“LC Disbursement” means a payment (in U.S. Dollars) made by the Issuing Bank pursuant to a Letter of Credit.

“LC Exposure” means, at any time, the sum of (a) the aggregate undrawn amount in U.S. Dollars of all outstanding Letters of Credit at such time plus (b) the aggregate amount in U.S. Dollars of all LC Disbursements that have not yet been reimbursed by or on behalf of the Borrowers at such time. The LC Exposure of any Lender at any time shall be its Applicable Percentage of the total LC Exposure at such time.

“Lenders” means the Persons listed on Annex I and any Person that shall have become a party hereto pursuant to an Assignment and Assumption, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption.

“Letter of Credit” means any letter of credit issued pursuant to this Agreement.

“Letter of Credit Agreements” means all letter of credit applications and other agreements (including any amendments, modifications or supplements thereto) submitted by the Borrowers or any of them, or entered into by the Borrowers or any of them, with the Issuing Bank relating to any Letter of Credit.

“LIBO Rate” means, with respect to any Eurodollar Borrowing for any Interest Period, the rate (rounded upwards, if necessary, to the next 1/100 of 1%) appearing on Reuters Screen LIBOR01 Page (or on any successor or substitute page of such service, or any successor to or substitute for such service, providing rate quotations comparable to those currently provided on such page of such service, as determined by the Administrative Agent from time to time for purposes of providing quotations of interest rates applicable to U.S. Dollar deposits in the London interbank market) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, as the rate for U.S. Dollar deposits with a maturity comparable to such Interest Period. In the event that such rate is not available at such time for any reason, then the “LIBO Rate” with respect to such Eurodollar Borrowing for such Interest Period shall be the rate (rounded upwards, if necessary, to the next 1/100 of 1%) at which U.S. Dollar deposits of an amount comparable to such Eurodollar Borrowing and for a maturity comparable to such Interest Period are offered by the principal London office of the Administrative Agent in immediately available funds in the London interbank market at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period.

“License Agreements” means, collectively, (a) each Hydrocarbon concession, license, sub-licence, participation agreement, exploration and production licence or contract, production sharing contract or agreement, association contract, sole risk production agreement, lease operatorship agreement, incremental production services contract, field development and production services agreement or other similar agreement in connection with Trinidad Hydrocarbon Properties entered into between any Credit Party and any Governmental Authority or other Person listed on Schedule 1.02(a), and (b) any other Hydrocarbon concession, license, sub-license, participation agreement, exploration and production licence or contract, production sharing contract or agreement, association contract, sole risk production agreement, lease operatorship agreement, incremental production services contract, field development and production services agreement or other similar agreement in connection with Trinidad Hydrocarbon Properties entered into between any Credit Party and any Governmental Authority or other Person, as each such agreement may be amended, restated, supplemented, replaced or otherwise modified in accordance with this Agreement.

“Lien” means any interest in Property securing an obligation owed to, or a claim by, a Person other than the owner of the Property, whether such interest is based on the common law, statute or contract, and whether such obligation or claim is fixed or contingent, and including but not limited to (a) the lien or security interest, whether fixed or floating on any property (real, personal or mixed, tangible or intangible), arising from a mortgage, charge, encumbrance, pledge, hypothecation, antichresis, usufruct, security agreement, conditional sale, deed of trust, assignment in trust or trust receipt or a lease, consignment or bailment for security purposes or (b) production payments and the like payable out of Oil and Gas Properties. The term “Lien” shall include easements, restrictions, servitudes, permits, conditions, covenants, exceptions or reservations. For the purposes of this Agreement, each of the Credit Parties shall be deemed to be the owner of any Property which it has acquired or holds subject to a conditional sale

agreement, or leases under a financing lease or other arrangement pursuant to which title to the Property has been retained by or vested in some other Person in a transaction intended to create a financing.

“Liquidate” means, with respect to any Swap Agreement, the sale, assignment, novation, unwind or termination of all or any part of such Swap Agreement or the creation of an offsetting position against all or any part of such Swap Agreement. The term “Liquidated” has a correlative meaning thereto.

“Loan Documents” means this Agreement, the Notes, the Letter of Credit Agreements, the Letters of Credit, the Security Instruments, the Engagement Letter and any certificate required to be delivered under this Agreement by or on behalf of any Credit Party.

“Loans” means the loans made by the Lenders to the Borrowers pursuant to this Agreement.

“Material Adverse Effect” means any one or more changes, events or occurrences, to the business, operations, Property, condition (financial or otherwise) or prospects of any Credit Party, or an impairment of the ability of any Credit Party to perform any of its obligations under any Loan Document, which, in any case, either individually or in the aggregate, are, or would reasonably be expected to be, material and adverse to (a) the business, operations, Property, condition (financial or otherwise) or prospects of the Credit Parties on a consolidated basis, (b) the validity or enforceability of any Loan Document to which a Credit Party is a party or (c) the rights and remedies of or benefits available to the Administrative Agent, any other Agent, the Issuing Bank or any Lender under any Loan Document.

“Material Documents” means, collectively, each Offtake Agreement, each License Agreement, and each Swap Agreement to which any Credit Party is a party.

“Material Obligations” means Debt (other than the Loans and Letters of Credit), or obligations in respect of one or more Swap Agreements, of any one or more of the Credit Parties in an aggregate principal amount exceeding US\$2,000,000. For purposes of determining Material Obligations, the “principal amount” of the obligations of any Credit Party in respect of any Swap Agreement at any time shall be the Swap Termination Value of such Swap Agreement.

“Material Subsidiary” means, as of any date of determination, any Subsidiary of the Parent that (i) owns or has an interest in (directly or indirectly) any Trinidad Hydrocarbon Property which has been assigned value in the Borrowing Base then in effect, as determined by the Administrative Agent, (ii) does business in the Republic of Trinidad and Tobago or (iii) owns any Equity Interests in a Borrower.

“Maturity Date” means the date that is the third anniversary of the Effective Date.

“Maximum Credit Amount” means, as to each Lender, the amount set forth opposite such Lender’s name on Annex I under the caption “Maximum Credit Amounts”, as the same may be (a) reduced or terminated from time to time in connection with a reduction or termination of the Aggregate Maximum Credit Amounts pursuant to Section 2.06(b) or (b) modified from time to time pursuant to any assignment permitted by Section 12.04(a).

“MEEA Consent” means that certain Consent to Assignment by Way of Security, between the Ministry of Energy and Energy Affairs of the Republic of Trinidad and Tobago and Exploration with respect to the MEEA Consent Properties.

“MEEA Consent Properties” means the Trinidad Hydrocarbon Properties comprising Coora Block 1 (Lease Operatorship Agreement), Coora Block 2 (Lease Operatorship Agreement), the WD-4 Block (Lease Operatorship Agreement), WD-8 Block (Lease Operatorship Agreement), New Dome

(Farmout Agreement), South Palo Seco (Farmout Agreement), Cory Moruga Block (Exploration and Production Licence), Fyzabad (Exploration and Production Licence) and Palo Seco (Exploration and Production Licence).

“Moody’s” means Moody’s Investors Service, Inc. and any successor thereto that is a nationally recognized rating agency.

“Mortgaged Property” means any Property owned by any Credit Party which is subject to the Liens existing and to exist under the terms of the Security Instruments.

“Net Proceeds” means the aggregate cash proceeds received by a Credit Party in respect of any sale, lease, conveyance, disposition or other transfer of Property (including any cash subsequently received upon the sale or other disposition or collection of any non-cash consideration received in any sale), any issuance and sale of Equity Interests, any incurrence of Debt, or Casualty Event, net of (a) the direct costs relating to such sale of a Property, issuance of Equity Interests, incurrence of Debt or any Casualty Event (including legal, accounting and investment banking fees, and sales commissions paid to unaffiliated third parties), (b) Taxes paid or payable as a result thereof (after taking into account any available tax credits or deductions and any tax sharing arrangements) and (c) Debt (other than the Obligations) which is secured by a Lien upon any of the assets being sold and which must be repaid as a result of such sale.

“New Borrowing Base Notice” has the meaning assigned such term in Section 2.07(d).

“Non-Consenting Lender” means any Lender that does not approve any consent, waiver or amendment that (i) requires the approval of all or all affected Lenders in accordance with the terms of Section 12.02 and (ii) has been approved by the Required Lenders.

“Non-Defaulting Lender” means, at any time, each Lender that is not a Defaulting Lender at such time.

“Notes” means the promissory notes of the Borrowers described in Section 2.02(d) and being substantially in the form of Exhibit A, together with all amendments, modifications, replacements, extensions and rearrangements thereof.

“NOTO Consent” means that certain Consent, by and among New Oropuche (Trinidad) Oilfields Limited, Primera and the Administrative Agent.

“Obligations” means any and all amounts owing or to be owing by the Borrowers or any Guarantor (whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising): (a) to the Collateral Agent, the Administrative Agent, the Issuing Bank or any Lender under any Loan Document, including, without limitation, all interest on any of the Loans (including any interest that accrues after the commencement of any case, proceeding or other action relating to the bankruptcy, insolvency or reorganization of any Credit Party (or could accrue but for the operation of applicable bankruptcy or insolvency laws), whether or not such interest is allowed or allowable as a claim in any such case, proceeding or other action); (b) to any Secured Swap Provider under any Swap Agreement including any Swap Agreement in existence prior to the date hereof, but excluding any additional transactions or confirmations entered into (i) after such Secured Swap Provider ceases to be a Lender or an Affiliate of a Lender or (ii) after assignment by a Secured Swap Provider to another Secured Swap Provider that is not a Lender or an Affiliate of a Lender; (c) to any Bank Products Provider in respect of Bank Products; and (d) all renewals, extensions and/or rearrangements of any of the above; provided that solely with respect to any Credit Party that is not an

“eligible contract participant” under the Commodity Exchange Act, Excluded Swap Obligations of such Credit Party shall in any event be excluded from “Obligations” owing by such Credit Party.

“OFAC” means the Office of Foreign Assets Control of the United States Department of the Treasury.

“Offtake Agreements” means, collectively, (a) each agreement entered into between any Credit Party and an Eligible Buyer that is listed on Schedule 1.02(c); and (b) any other purchase agreement entered into between any Credit Party and an Eligible Buyer that provides for the purchase by such Eligible Buyer of Hydrocarbons from or attributable to Trinidad Hydrocarbon Properties from such Credit Party, as each such agreement may be amended, restated, supplemented, replaced or otherwise modified in accordance with this Agreement.

“Oil and Gas Properties” means (a) Hydrocarbon Interests; (b) the Properties now or hereafter pooled or unitized with Hydrocarbon Interests; (c) all presently existing or future unitization, pooling agreements and declarations of pooled units and the units created thereby (including without limitation all units created under orders, regulations and rules of any Governmental Authority) which may affect all or any portion of the Hydrocarbon Interests; (d) all operating agreements, contracts and other agreements, including production sharing contracts and agreements, which relate to any of the Hydrocarbon Interests or the production, sale, purchase, exchange or processing of Hydrocarbons from or attributable to such Hydrocarbon Interests (including, without limitation, all Offtake Agreements); (e) all Hydrocarbons in and under and which may be produced and saved or attributable to the Hydrocarbon Interests, including all oil in tanks, and all rents, issues, profits, proceeds, products, revenues and other incomes from or attributable to the Hydrocarbon Interests; (f) all tenements, hereditaments, appurtenances and Properties in any manner appertaining, belonging, affixed or incidental to the Hydrocarbon Interests; and (g) all Properties, rights, titles, interests and estates described or referred to above, including any and all Property, real or personal, now owned or hereinafter acquired and situated upon, used, held for use or useful in connection with the operating, working or development of any of such Hydrocarbon Interests or Property (excluding drilling rigs, automotive equipment, rental equipment or other personal Property which may be on such premises for the purpose of drilling a well or for other similar temporary uses) and including any and all oil wells, gas wells, injection wells or other wells, buildings, structures, fuel separators, liquid extraction plants, plant compressors, pumps, pumping units, field gathering systems, tanks and tank batteries, fixtures, valves, fittings, machinery and parts, engines, boilers, meters, apparatus, equipment, appliances, tools, implements, cables, wires, towers, casing, tubing and rods, surface leases, rights-of-way, easements and servitudes together with all additions, substitutions, replacements, accessions and attachments to any and all of the foregoing.

“Original Currency” has the meaning set forth in Section 12.13.

“Other Currency” has the meaning set forth in Section 12.13.

“Other Taxes” means any and all present or future stamp, court or documentary, intangible, recording, filing, excise, property or other similar Taxes, charges or levies arising from any payment made hereunder or from the execution, delivery, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, this Agreement and any other Loan Document.

“Parent” means Touchstone Exploration Inc., a corporation duly formed and existing under the laws of the Province of Alberta, Canada.

“Participant” has the meaning set forth in Section 12.04(c)(i).

“Participant Register” has the meaning set forth in Section 12.04(c)(i).

“Person” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“Petrotrin” means Petroleum Company of Trinidad and Tobago Limited, a company organized and existing under the laws of Trinidad and Tobago.

“Post Closing Petrotrin Consent” means that certain Consent to Assignment by Way of Security interest in the Coora Block 1 (Lease Operatorship Agreement), Coora Block 2 (Lease Operatorship Agreement), the WD-4 Block (Lease Operatorship Agreement), WD-8 Block (Lease Operatorship Agreement), New Dome (Farmout Agreement) and South Palo Seco (Farmout Agreement) to the Bank of Nova Scotia, by and among Petrotrin, the Administrative Agent and Exploration.

“Prime Rate” means the rate of interest per annum publicly announced from time to time by The Bank of Nova Scotia as its prime rate in effect at its principal office in New York City; each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective. Such rate is set by the Administrative Agent as a general reference rate of interest, taking into account such factors as the Administrative Agent may deem appropriate; it being understood that many of the Administrative Agent’s commercial or other loans are priced in relation to such rate, that it is not necessarily the lowest or best rate actually charged to any customer and that the Administrative Agent may make various commercial or other loans at rates of interest having no relationship to such rate.

“Primera” has the meaning set forth in the Preamble.

“Primera Brighton” means Primera East Brighton Limited, a company organized and existing under the laws of Trinidad and Tobago.

“Primera Brighton Disposition” means the sale or other disposition of any or all of the Equity Interests or other assets of Primera Brighton.

“Property” means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible, including, without limitation, cash, securities, accounts and contract rights.

“Proposed Borrowing Base” has the meaning assigned to such term in Section 2.07(c).

“Proposed Borrowing Base Notice” has the meaning assigned to such term in Section 2.07(c)(ii).

“Qualified ECP Guarantor” means, in respect of any Swap Agreement, each Credit Party that (a) has total assets exceeding US\$10,000,000 at the time any guaranty of obligations under such Swap Agreement or grant of the relevant security interest becomes effective or (b) otherwise constitutes an “eligible contract participant” under the Commodity Exchange Act and can cause another Person to qualify as an “eligible contract participant” at such time by entering into a keepwell under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

“Recipient” means (a) the Collateral Agent, (b) the Administrative Agent, (c) any Lender and (d) any Issuing Bank, as applicable.

“Redemption” means with respect to any Debt, the repurchase, redemption, prepayment, repayment, defeasance or any other acquisition or retirement for value (or the segregation of funds with respect to any of the foregoing) of such Debt. “Redeem” has the correlative meaning thereto.

“Redetermination Date” means, with respect to any Scheduled Redetermination or any Interim Redetermination, the date that the redetermined Borrowing Base related thereto becomes effective pursuant to Section 2.07(d).

“Register” has the meaning assigned such term in Section 12.04(b)(iv).

“Regulation D” means Regulation D of the Board, as the same may be amended, supplemented or replaced from time to time.

“Related Parties” means, with respect to any specified Person, such Person’s Affiliates and the respective directors, officers, employees, agents and advisors (including attorneys, accountants and experts) of such Person and such Person’s Affiliates.

“Release” means any depositing, spilling, leaking, pumping, pouring, placing, emitting, discarding, abandoning, emptying, discharging, migrating, injecting, escaping, leaching, dumping, or disposing.

“Remedial Work” has the meaning assigned such term in Section 8.10(a).

“Required Lenders” means, (a) if there are less than three Lenders at such time, all Lenders, and (b) if there are three or more Lenders at such time, (i) at any time while no Loans or LC Exposure is outstanding, Lenders having at least sixty-six and two-thirds percent (66-2/3%) of the Aggregate Maximum Credit Amounts; and (ii) at any time while any Loans or LC Exposure is outstanding, Lenders holding at least sixty-six and two-thirds percent (66-2/3%) of the outstanding aggregate principal amount of the Loans and participation interests in Letters of Credit (without regard to any sale by a Lender of a participation in any Loan under Section 12.04(c)); provided that the Maximum Credit Amounts and the principal amount of the Loans and participation interests in Letters of Credit of the Defaulting Lenders (if any) shall be excluded from the determination of Required Lenders.

“Reserve Report” means a report, in form and substance reasonably satisfactory to the Administrative Agent, setting forth, as of the dates set forth in Section 8.12(a) (or such other date in the event of an Interim Redetermination) the oil and gas reserves attributable to the Trinidad Hydrocarbon Properties of the Credit Parties that are Qualified ECP Guarantors, together with a projection of the rate of production and future net income, Taxes, operating expenses and capital expenditures with respect thereto as of such date, based upon the pricing assumptions consistent with National Instrument 51-101 reporting requirements at the time and reflecting Swap Agreements in place with respect to such production.

“Responsible Officer” means, as to any Person, the Chief Executive Officer, the President, any Financial Officer or any Vice President of such Person. Unless otherwise specified, all references to a Responsible Officer herein shall mean a Responsible Officer of the Parent.

“Restricted Payment” means any dividend or other distribution (whether in cash, securities or other Property) with respect to any Equity Interests in any Credit Party, or any payment (whether in cash, securities or other Property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such Equity Interests in any Credit Party, or any option, warrant or other right to acquire any such Equity Interests in any Credit Party.

“S&P” means Standard & Poor’s Ratings Group, a division of The McGraw-Hill Companies, Inc., and any successor thereto that is a nationally recognized rating agency.

“Sanctions” means international economic or financial sanctions imposed, administered or enforced by the United States Government (including without limitation, OFAC), the United Nations Security Council, the European Union, Her Majesty’s Treasury or other relevant sanctions authority.

“Scheduled Redetermination” has the meaning assigned such term in Section 2.07(b).

“Scheduled Redetermination Date” means the date on which a Borrowing Base that has been redetermined pursuant to a Scheduled Redetermination becomes effective as provided Section 2.07(d).

“SEC” means the Securities and Exchange Commission or any successor Governmental Authority.

“Secured Parties” means, collectively, the Collateral Agent, the Administrative Agent, the Lenders, the Issuing Bank, the Bank Products Providers, the Secured Swap Providers and any Person holding any of the Obligations, and “Secured Party” means any of them individually.

“Secured Swap Provider” means any (a) Person that is a party to a Swap Agreement with the Credit Party that entered into such Swap Agreement before or while such Person was a Lender or an Affiliate of a Lender, whether or not such Person at any time ceases to be a Lender or an Affiliate of a Lender, as the case may be, or (b) assignee of any Person described in clause (a) above so long as such assignee is a Lender or an Affiliate of a Lender.

“Security Instruments” means the Guaranty Agreement, mortgages, deeds of trust, the Barbados Security Instruments, the Canadian Security Instruments, the Trinidad Security Instruments and any and all other agreements, instruments, consents or certificates now or hereafter executed and delivered by any Credit Party or any other Person (other than Swap Agreements with the Lenders or any Affiliate of a Lender or participation or similar agreements between any Lender and any other lender or creditor with respect to any Obligations pursuant to this Agreement) in connection with, or as security for the payment or performance of the Obligations, the Notes, this Agreement, or reimbursement obligations under the Letters of Credit, as such agreements may be amended, modified, supplemented or restated from time to time.

“Special Flood Hazard Area” means an area that FEMA’s current flood maps indicate has at least a one percent (1%) chance of a flood equal to or exceeding the base flood elevation (a 100-year flood) in any given year.

“Statutory Reserve Rate” means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board to which the Administrative Agent is subject with respect to the Adjusted LIBO Rate, for eurocurrency funding (currently referred to as “Eurocurrency Liabilities” in Regulation D of the Board). Such reserve percentages shall include those imposed pursuant to such Regulation D. Eurodollar Loans shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under such Regulation D or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

“subsidiary” means, with respect to any Person (the “parent”) at any date, any other Person the accounts of which would be consolidated with those of the parent in the parent’s consolidated financial statements if such financial statements were prepared in accordance with IFRS, as of such date, as well as

any other Person (a) of which Equity Interests representing more than 50% of the equity or more than 50% of the ordinary voting power (irrespective of whether or not at the time Equity Interests of any other class or classes of such Person shall have or might have voting power by reason of the happening of any contingency) or, in the case of a partnership, any general partnership interests are, as of such date, owned, Controlled or held, or (b) that is, as of such date, otherwise Controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

“Subsidiary” means any subsidiary of the Parent.

“Swap Agreement” means any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement, whether exchange traded, “over-the-counter” or otherwise, involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions (including any agreement, contract or transaction that constitutes a “swap” within the meaning of section 1a(47) of the Commodity Exchange Act); provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the any Credit Party shall be a Swap Agreement.

“Swap Assignment” has the meaning set forth in Section 12.16(a).

“Swap Collateral” has the meaning set forth in Section 12.16(a)

“Swap Termination Value” means, in respect of any one or more Swap Agreements, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Agreements, (a) for any date on or after the date such Swap Agreements have been closed out and termination value(s) determined in accordance therewith, such termination value(s) and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Swap Agreements, as determined by the counterparties to such Swap Agreements.

“Synthetic Leases” means, in respect of any Person, all leases which shall have been, or should have been, in accordance with IFRS, treated as operating leases on the financial statements of the Person liable (whether contingently or otherwise) for the payment of rent thereunder, if the lessee in respect thereof is obligated to either purchase for an amount in excess of, or pay upon early termination an amount in excess of, 80% of the residual value of the Property subject to such operating lease upon expiration or early termination of such lease.

“Taxes” means any and all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“Termination Date” means the earlier of the Maturity Date and the date of termination of the Commitments.

“Territorial Oilfield Services” means Territorial Oilfield Management Services Limited, a company organized and existing under the laws of Trinidad and Tobago.

“The Bank of Nova Scotia” has the meaning set forth in the Preamble.

“Touchstone Energy” means Touchstone Energy Inc., a company continued and existing under the laws of the Province of Alberta, Canada.

“Touchstone Exploration Barbados” means Touchstone Exploration (Barbados) Ltd., a company organized and existing under the laws of Barbados.

“Total Debt” means, at any date, all Debt of the Parent and the Consolidated Subsidiaries on a consolidated basis, excluding: (i) non-cash obligations under IFRS 7 and (ii) accounts payable and other accrued liabilities (for the deferred purchase price of Property or services) from time to time incurred in the ordinary course of business which are not greater than sixty (60) days past the date of invoice or delinquent or which are being contested in good faith by appropriate action and for which adequate reserves have been maintained in accordance with IFRS.

“Transactions” means, with respect to (a) the Borrowers, the execution, delivery and performance by the Borrowers of this Agreement, each other Loan Document and each Material Document to which they or any of them is a party, the borrowing of Loans, the use of the proceeds thereof and the issuance of Letters of Credit hereunder, and the grant of Liens by the Borrowers on Mortgaged Properties and other Properties pursuant to the Security Instruments; and (b) each Guarantor, the execution, delivery and performance by such Guarantor of each Loan Document and each Material Document to which it is a party, the guaranteeing of the Obligations and the other obligations under the Guaranty Agreement by such Guarantor and such Guarantor’s grant of the security interests and provision of collateral under the Security Instruments as and to the extent required thereby, and the grant of Liens by such Guarantor on Mortgaged Properties and other Properties as and to the extent required by the Security Instruments.

“Trinidad Dollars” or “TT\$” refers to lawful money of the Republic of Trinidad and Tobago.

“Trinidad Dollar Collection Account” means a Trinidad Dollar denominated deposit account approved by the Collateral Agent, and maintained with Scotiabank Trinidad and Tobago Limited, as depositary (or its successors in such capacity), or one or more other banks reasonably satisfactory to the Collateral Agent.

“Trinidad Hydrocarbon Properties” means (a) as of the Effective Date, the Hydrocarbon Interests set forth on Schedule 1.02(a); and (b) from time to time and at any time after the Effective Date, all Hydrocarbon Interests in the Republic of Trinidad and Tobago in which any Credit Party shall have an interest and that have been included in the Borrowing Base.

“Trinidad Mortgaged Property” means any Trinidad Hydrocarbon Property owned by any Credit Party which is subject to the Liens existing and to exist under the terms of the Trinidad Security Instruments.

“Trinidad Security Instruments” means:

(a) a Debenture over all the Trinidad Hydrocarbon Properties, fixed and all other floating assets of (i) the Borrowers, (ii) Territorial Oilfield Services and (iii) Primera Brighton;

(b) a Deed of Charge (Shares and Securities) over all the Equity Interests of each of (i) the Borrowers, (ii) Territorial Oilfield Services and (iii) Primera Brighton;

(c) a Deed of Charge (Accounts) over the Trinidad Dollar Collection Accounts of (i) the Borrowers and (ii) Territorial Oilfield Services; and

(d) any other Security Instruments granting a Lien on any Property of any Credit Party (including any Trinidad Dollar Collection Account) in favor of the Collateral Agent governed by or under the laws of the Republic of Trinidad and Tobago.

“Type”, when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Alternate Base Rate or the Adjusted LIBO Rate.

“U.S. Dollars” or “US\$” refers to lawful money of the United States of America.

“U.S. Dollar Collection Account” means a U.S. Dollar denominated deposit account approved by the Collateral Agent, and maintained with The Bank of Nova Scotia, as depositary (or its successors in such capacity), or one or more other banks reasonably satisfactory to the Collateral Agent.

“USA Patriot Act” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Pub. L. 107-56, signed into law October 26, 2001, as amended from time to time.

“Wholly-Owned Subsidiary” means any Subsidiary of which all of the outstanding Equity Interests (other than any directors’ qualifying shares mandated by applicable law), on a fully-diluted basis, are owned by the Borrowers or one or more of the Wholly-Owned Subsidiaries or are owned by the Borrowers and one or more of the Wholly-Owned Subsidiaries.

“Withholding Agent” means any Credit Party, the Collateral Agent or the Administrative Agent.

Section 1.03 Types of Loans and Borrowings. For purposes of this Agreement, Loans and Borrowings, respectively, may be classified and referred to by Type (e.g., a “Eurodollar Loan” or a “Eurodollar Borrowing”).

Section 1.04 Terms Generally; Rules of Construction. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” as used in this Agreement shall be deemed to be followed by the phrase “without limitation”. The word “will” as used in this Agreement shall be construed to have the same meaning and effect as the word “shall”. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated supplemented or otherwise modified (subject to any restrictions on such amendments, restatements, supplements or modifications set forth in the Loan Documents), (b) any reference herein to any law shall be construed as referring to such law as amended, modified, codified or reenacted, in whole or in part, and in effect from time to time, (c) any reference herein to any Person shall be construed to include such Person’s successors and assigns (subject to the restrictions contained in the Loan Documents), (d) the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (e) with respect to the determination of any time period, the word “from” means “from and including” and the word “to” means “to and including” and (f) any reference herein to Articles, Sections, Annexes, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Annexes, Exhibits and Schedules to, this Agreement. No provision of this Agreement or any other Loan Document shall be interpreted or construed against any Person solely because such Person or its legal representative drafted such provision.

Section 1.05 Accounting Terms and Determinations; IFRS. Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all determinations with respect to accounting matters hereunder shall be made, and all financial statements and certificates and reports as to financial matters required to be furnished to the Administrative Agent, the Collateral Agent or the Lenders hereunder shall be prepared, in accordance with IFRS, applied on a basis consistent with the Financial Statements except

for changes in which the Parent's, independent certified public accountants concur and which are disclosed to Administrative Agent or the Collateral Agent on the next date on which financial statements are required to be delivered to the Lenders pursuant to Section 8.01(a); provided that, unless the Borrowers and the Required Lenders shall otherwise agree in writing, no such change shall modify or affect the manner in which compliance with the covenants contained herein is computed such that all such computations shall be conducted utilizing financial information presented consistently with prior periods. Notwithstanding anything herein to the contrary, for the purposes of calculating any of the ratios tested under Section 9.01, and the components of each of such ratios, all Credit Parties, and their subsidiaries (including their assets, liabilities, income, losses, cash flows, and the elements thereof) shall be excluded, except for any cash dividends or distributions actually paid by any Credit Party or any of its subsidiaries to the Borrowers or any other Credit Party, which shall be deemed to be income to the Borrowers or such other Credit Party when actually received by it.

ARTICLE II

The Credits

Section 2.01 Commitments. Subject to the terms and conditions set forth herein, each Lender agrees to make revolving loans ("Loans") to the Borrowers during the Availability Period in an aggregate principal amount that will not result in (i) such Lender's Credit Exposure exceeding such Lender's Commitment or (ii) the total Credit Exposures exceeding the total Commitments. Within the foregoing limits and subject to the terms and conditions set forth herein, any Borrower may borrow, repay and reborrow the Loans. The Borrowers' obligations hereunder and under the Loans are joint and several obligations.

Section 2.02 Loans and Borrowings.

(a) Borrowings; Several Obligations. Each Loan shall be made as part of a Borrowing consisting of Loans made by the Lenders ratably in accordance with their respective Commitments. The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments are several and no Lender shall be responsible for any other Lender's failure to make Loans as required.

(b) Types of Loans. Subject to Section 3.03, each Borrowing shall be comprised entirely of ABR Loans or Eurodollar Loans as the Borrower Agent, on behalf of the Borrowers, may request in accordance herewith. Each Lender at its option may make any Eurodollar Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that any exercise of such option shall not affect the obligation of the Borrowers to repay such Loan in accordance with the terms of this Agreement.

(c) Minimum Amounts; Limitation on Number of Borrowings. At the commencement of each Interest Period for any Eurodollar Borrowing, such Borrowing shall be in an aggregate amount that is an integral multiple of US\$100,000 and not less than US\$1,000,000. At the time that each ABR Borrowing is made, such Borrowing shall be in an aggregate amount that is an integral multiple of US\$100,000 and not less than US\$1,000,000; provided that an ABR Borrowing may be in a lesser aggregate amount that is equal to the entire unused balance of the total Commitments or that is required to finance the reimbursement of an LC Disbursement as contemplated by Section 2.08(e). Borrowings of more than one Type may be outstanding at the same time, provided that there shall not at any time be more than a total of six (6) Eurodollar Borrowings outstanding. Notwithstanding any other provision of this Agreement, no Borrower shall be entitled to request, or to elect to convert or continue, any Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date.

(d) Notes. The Loans made by each Lender shall be evidenced by a single promissory note of the Borrowers in substantially the form of Exhibit A, dated, in the case of (i) any Lender party hereto as of the date of this Agreement, as of the date of this Agreement, or (ii) any Lender that becomes a party hereto pursuant to an Assignment and Assumption, as of the effective date of the Assignment and Assumption, payable to such Lender in a principal amount equal to its Maximum Credit Amount as in effect on such date, and otherwise duly completed. In the event that any Lender's Maximum Credit Amount increases or decreases for any reason (whether pursuant to Section 2.06, Section 12.04(b) or otherwise), the Borrowers shall deliver or cause to be delivered on the effective date of such increase or decrease, a new Note payable to such Lender in a principal amount equal to its Maximum Credit Amount after giving effect to such increase or decrease, and otherwise duly completed. The date, amount, Type, interest rate and, if applicable, Interest Period of each Loan made by each Lender, and all payments made on account of the principal thereof, shall be recorded by such Lender on its books for its Note. Failure to make any such recordation shall not affect any Lender's or the Borrowers' rights or obligations in respect of such Loans or affect the validity of such transfer by any Lender of its Note.

Section 2.03 Request for Borrowing. To request a Borrowing, the Borrower Agent, on behalf of the Borrowers, shall notify the Administrative Agent of such request by telephone or in writing, with respect to the initial Borrowing on the date of closing, and by telephone or in writing, with respect to each subsequent Borrowing, (a) in the case of a Eurodollar Borrowing, not later than 12:00 noon, Toronto, Canada time, three Business Days before the date of the proposed Borrowing or (b) in the case of an ABR Borrowing, not later than 12:00 noon, New York City, New York time, one the Business Day before the date of the proposed Borrowing; provided that no such notice shall be required for any deemed request of an ABR Borrowing to finance the reimbursement of an LC Disbursement as provided in Section 2.08(e). Each such telephonic Borrowing Request shall be irrevocable and shall be confirmed promptly by hand delivery or telecopy or in *pdf format via electronic mail to the Administrative Agent of a written Borrowing Request in substantially the form of Exhibit C and signed by the Borrower Agent, on behalf of the Borrowers. Each such telephonic and written Borrowing Request shall specify the following information in compliance with Section 2.02:

- (i) the aggregate principal amount of the requested Borrowing;
- (ii) the date of such Borrowing, which shall be a Business Day;
- (iii) whether such Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing;
- (iv) in the case of a Eurodollar Borrowing, the initial Interest Period to be applicable thereto, which shall be a period of (i) one, (ii) two, (iii) three, (iv) six or (v) twelve months;
- (v) the amount of the then effective Borrowing Base, the Borrowing Base Availability, the current total Credit Exposures (without regard to the requested Borrowing) and the pro forma total Credit Exposures (giving effect to the requested Borrowing); and
- (vi) the location and number of the applicable Borrower's account to which funds are to be disbursed, which shall comply with the requirements of Section 2.05.

If no election as to the Type of Borrowing is specified, then the requested Borrowing shall be an ABR Borrowing. If no Interest Period is specified with respect to any requested Eurodollar Borrowing, then such Borrower shall be deemed to have selected an Interest Period of one month's duration. Each Borrowing Request shall constitute a representation by the Borrowers that the amount of the requested

Borrowing shall not cause the total Credit Exposures to exceed the total Commitments (*i.e.*, the lesser of (a) the Aggregate Maximum Credit Amounts or (b) the then effective Borrowing Base).

Promptly following receipt of a Borrowing Request in accordance with this Section 2.03(b), the Administrative Agent shall advise each Lender of the details thereof and of the amount of such Lender's Loan to be made as part of the requested Borrowing.

Section 2.04 Interest Elections.

(a) Conversion and Continuance. Each Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a Eurodollar Borrowing, shall have an initial Interest Period as specified in such Borrowing Request. Thereafter, the Borrower Agent, on behalf of the Borrowers, may elect to convert any Borrowing to a different Type or to continue such Borrowing and, in the case of a Eurodollar Borrowing, may elect Interest Periods therefor, all as provided in this Section 2.04. The Borrower Agent, on behalf of the Borrowers, may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing.

(b) Interest Election Requests. To make an election pursuant to this Section 2.04, the Borrower Agent, on behalf of the Borrowers, shall notify the Administrative Agent of such election by telephone by the time that a Borrowing Request would be required under Section 2.03 if the Borrower Agent, on behalf of the Borrowers, was requesting a Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such telephonic Interest Election Request shall be irrevocable and shall be confirmed promptly by hand delivery, telecopy or in *pdf format via electronic mail to the Administrative Agent of a written Interest Election Request in substantially the form of Exhibit D and signed by the Borrower Agent, on behalf of the Borrowers.

(c) Information in Interest Election Requests. Each telephonic and written Interest Election Request shall specify the following information in compliance with Section 2.03:

(i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to Section 2.04(c)(ii) and (iii) shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) if the resulting Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing; and

(iv) if the resulting Borrowing is a Eurodollar Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term "Interest Period".

If any such Interest Election Request requests a Eurodollar Borrowing but does not specify an Interest Period, then such Borrower shall be deemed to have selected an Interest Period of one month's duration.

(d) Notice to Lenders by the Administrative Agent. Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

(e) Effect of Failure to Deliver Timely Interest Election Request and Events of Default and Borrowing Base Deficiencies on Interest Election. If the Borrower Agent, on behalf of the Borrowers, fails to deliver a timely Interest Election Request with respect to a Eurodollar Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be converted to an ABR Borrowing. Notwithstanding any contrary provision hereof, if a Default, Event of Default or a Borrowing Base Deficiency has occurred and is continuing: (i) no outstanding Borrowing may be converted to or continued as a Eurodollar Borrowing (and any Interest Election Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Eurodollar Borrowing shall be ineffective) and (ii) unless repaid, each Eurodollar Borrowing shall be converted to an ABR Borrowing at the end of the Interest Period applicable thereto.

Section 2.05 Funding of Borrowings.

(a) Funding by Lenders. Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds by 1:00 p.m., Toronto, Canada time, to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders. The Administrative Agent will make such Loans available to the applicable Borrower by promptly crediting the amounts so received, in like funds, to an account of such Borrower maintained with the Administrative Agent in New York, New York and designated by such Borrower in the applicable Borrowing Request; provided that ABR Loans made to finance the reimbursement of an LC Disbursement as provided in Section 2.08(e) shall be remitted by the Administrative Agent to the Issuing Bank. Nothing herein shall be deemed to obligate any Lender to obtain the funds for its Loan in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain the funds for its Loan in any particular place or manner.

(b) Presumption of Funding by the Lenders. Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with Section 2.05(a) and may, in reliance upon such assumption, make available to such Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrowers severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount together with the interest thereon, for each day from and including the date such amount is made available to such Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender, the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation or (ii) in the case of such Borrower, the interest rate applicable to ABR Loans. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such Borrowing.

Section 2.06 Termination or Reduction of Aggregate Maximum Credit Amounts.

(a) Scheduled Termination of Commitments. Unless previously terminated, the Commitments shall terminate on the Maturity Date. If at any time the Aggregate Maximum Credit Amounts or the Borrowing Base is terminated or reduced to zero, then the Commitments shall terminate on the effective date of such termination or reduction.

(b) Optional Termination and Reduction of Credit Amounts.

(i) Any Borrower may at any time terminate, or from time to time reduce, the Aggregate Maximum Credit Amounts; provided that (A) each reduction of the Aggregate Maximum Credit Amounts shall be in an amount that is an integral multiple of US\$100,000 and not less than US\$1,000,000 and (B) no Borrower shall terminate or reduce the Aggregate Maximum Credit Amounts if, after giving effect to any concurrent prepayment of the Loans in accordance with Section 3.04(c)(i), the total Credit Exposures would exceed the total Commitments.

(ii) Any Borrower shall notify the Administrative Agent of any election to terminate or reduce the Aggregate Maximum Credit Amounts under Section 2.06(b)(i) at least three Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by any Borrower pursuant to this Section 2.06(b)(ii) shall be irrevocable. Any termination or reduction of the Aggregate Maximum Credit Amounts shall be permanent and may not be reinstated. Each reduction of the Aggregate Maximum Credit Amounts shall be made ratably among the Lenders in accordance with each Lender's Applicable Percentage.

Section 2.07 Borrowing Base.

(a) Initial Borrowing Base. For the period from and including the Effective Date to but excluding the first Redetermination Date, the amount of the Borrowing Base shall be US\$15,000,000. Notwithstanding the foregoing, the Borrowing Base may be subject to further adjustments from time to time pursuant to Section 2.07(e) or Section 8.13.

(b) Scheduled and Interim Redeterminations. The Borrowing Base shall be redetermined semi-annually in accordance with this Section 2.07 (a "Scheduled Redetermination"), and, subject to Section 2.07(d), such redetermined Borrowing Base shall become effective and applicable to the Borrowers, the Administrative Agent, the Issuing Bank and the Lenders on April 1st and October 1st of each year (or, in each case, such date promptly thereafter as reasonably practicable), commencing April 1, 2015. In addition, the Borrower Agent may, by notifying the Administrative Agent thereof, and the Administrative Agent may, at the direction of the Required Lenders, by notifying the Borrower Agent thereof, one time between Scheduled Redeterminations, each elect to cause the Borrowing Base to be redetermined (an "Interim Redetermination") in accordance with this Section 2.07.

(c) Scheduled and Interim Redetermination Procedure. Each Scheduled Redetermination and each Interim Redetermination shall be effectuated as follows:

(i) upon receipt by the Administrative Agent of (A) the Reserve Report and the certificate required to be delivered by the Borrower Agent, on behalf of the Borrowers, to the Administrative Agent, in the case of a Scheduled Redetermination, pursuant to Section 8.12(a) and (d), and, in the case of an Interim Redetermination, pursuant to Section 8.12(b) and (d), and (B) such other reports, data and supplemental information, including, without limitation, the information provided pursuant to Section 8.12(b), as may, from time to time, be reasonably requested by the Required Lenders (the Reserve Report, such certificate and such other reports, data and supplemental information being the "Engineering Reports"), the Administrative Agent shall evaluate the information contained in the Engineering Reports and shall, in its sole discretion, propose a new Borrowing Base (the "Proposed Borrowing Base") based upon such information and such other information (including, without limitation, the status of title information with respect to the Trinidad Hydrocarbon Properties as described in the Engineering Reports and the existence of any other Debt, the Credit Parties' other assets, liabilities, fixed

charges, cash flow, business, properties, prospects, management and ownership, hedged and unhedged exposure to price, price and production scenarios, interest rate and operating cost changes) as the Administrative Agent deems appropriate in its sole discretion. In no event shall the Proposed Borrowing Base exceed the Aggregate Maximum Credit Amounts;

(ii) the Administrative Agent shall notify the Borrower Agent, on behalf of the Borrowers, and the Lenders of the Proposed Borrowing Base (the “Proposed Borrowing Base Notice”) after the Administrative Agent has received complete Engineering Reports from the Borrowers and has had a reasonable opportunity to determine the Proposed Borrowing Base in accordance with Section 2.07(c); and

(iii) any Proposed Borrowing Base that would increase the Borrowing Base then in effect must be approved by all of the Lenders in their sole discretion as provided in this Section 2.07(c)(iii); and any Proposed Borrowing Base that would decrease or maintain the Borrowing Base then in effect must be approved or be deemed to have been approved by the Required Lenders in their sole discretion as provided in this Section 2.07(c)(iii). Upon receipt of the Proposed Borrowing Base Notice, each Lender shall have fifteen (15) days to agree with the Proposed Borrowing Base or disagree with the Proposed Borrowing Base by proposing an alternate Borrowing Base. All decisions regarding the Borrowing Base hereunder shall be made by each Lender in its sole discretion. If, in the case of any Proposed Borrowing Base that would decrease or maintain the Borrowing Base then in effect, at the end of such fifteen (15) days, any Lender has not communicated its approval or disapproval in writing to the Administrative Agent, such silence shall be deemed to be an approval of the Proposed Borrowing Base. If, in the case of any Proposed Borrowing Base that would increase the Borrowing Base then in effect, at the end of such fifteen (15) days, any Lender has not communicated its approval or disapproval in writing to the Administrative Agent, such silence shall be deemed to be a disapproval of the Proposed Borrowing Base. If, at the end of such 15-day period, all of the Lenders, in the case of a Proposed Borrowing Base that would increase the Borrowing Base then in effect, or the Required Lenders, in the case of a Proposed Borrowing Base that would decrease or maintain the Borrowing Base then in effect, have approved or, in the case of a decrease or reaffirmation, deemed to have approved, as aforesaid, then the Proposed Borrowing Base shall become the new Borrowing Base, effective on the date specified in Section 2.07(d). If, however, at the end of such 15-day period, all of the Lenders or the Required Lenders, as applicable, have not approved or, in the case of a decrease or reaffirmation, deemed to have approved, as aforesaid, then the Administrative Agent shall poll the Lenders to ascertain the highest Borrowing Base then acceptable to (x) in the case of a decrease or reaffirmation, a number of Lenders sufficient to constitute the Required Lenders and (y) in the case of an increase, all of the Lenders, and such amount shall become the new Borrowing Base, effective on the date specified in Section 2.07(d).

(d) Effectiveness of a Redetermined Borrowing Base. After a redetermined Borrowing Base is approved or is deemed to have been approved by all of the Lenders or the Required Lenders, as applicable, pursuant to Section 2.07(c)(iii), the Administrative Agent shall notify the Borrower Agent, on behalf of the Borrowers, and the Lenders of the amount of the redetermined Borrowing Base (the “New Borrowing Base Notice”), and such amount shall become the new Borrowing Base, effective and applicable to the Borrowers, the Administrative Agent, the Issuing Bank and the Lenders:

(i) in the case of a Scheduled Redetermination, (A) if the Administrative Agent shall have received the Engineering Reports required to be delivered by the Borrowers pursuant to Section 8.12(a) and (d) in a timely and complete manner, then on the April 1st or October 1st (or, in each case, such date promptly thereafter as reasonably practicable), as applicable, following such notice, or (B) if the Administrative Agent shall not have received the Engineering Reports required to be delivered by

the Borrowers pursuant to Section 8.12(a) and (d) in a timely and complete manner, then on the Business Day next succeeding delivery of such notice; and

(ii) in the case of an Interim Redetermination, on the Business Day next succeeding delivery of such notice.

Such amount shall then become the Borrowing Base until the next Scheduled Redetermination Date, the next Interim Redetermination Date or the next adjustment to the Borrowing Base under Section 2.07(e), or Section 8.13, whichever occurs first. Notwithstanding the foregoing, no Scheduled Redetermination or Interim Redetermination shall become effective until the New Borrowing Base Notice related thereto is received by the Borrower Agent, on behalf of the Borrowers.

(e) Reduction of Borrowing Base Upon Liquidation of Swap Agreements and Dispositions. If at any time between Scheduled Redeterminations of the Borrowing Base, the aggregate value of Trinidad Hydrocarbon Properties disposed of (whether pursuant to a disposition of Equity Interests in a Subsidiary or otherwise) by the Credit Parties pursuant to Section 9.11, together with the aggregate value of any Swap Agreement Liquidated pursuant to Section 9.11 upon which the Lenders relied in determining the Borrowing Base, exceeds five percent (5%) of the then effective Borrowing Base as determined by the Administrative Agent in its sole discretion, then the Borrowing Base shall be automatically reduced, effective immediately upon any such disposition or Liquidation, by an amount equal to the fair market value of such Trinidad Hydrocarbon Properties disposed of and/or Swap Agreements so Liquidated included in the recently delivered Reserve Report (as determined by the Administrative Agent), and the Borrowing Base as so reduced shall become the new Borrowing Base immediately upon the consummation of such disposition or Liquidation, effective and applicable to the Borrowers, the Administrative Agent, the Issuing Bank and the Lenders until the next redetermination or adjustment of the Borrowing Base pursuant to this Agreement. Upon any such redetermination, the Administrative Agent shall promptly deliver a New Borrowing Base Notice to the Borrower Agent, on behalf of the Borrowers, and the Lenders.

Section 2.08 Letters of Credit.

(a) General. Subject to the terms and conditions set forth herein, any Borrower may request the issuance of U.S. Dollar denominated Letters of Credit for its own account or for the account of any other Credit Party, in a form reasonably acceptable to the Administrative Agent and the Issuing Bank, at any time and from time to time during the Availability Period; provided that such Borrower may not request the issuance, amendment, renewal or extension of Letters of Credit hereunder if a Borrowing Base Deficiency exists at such time or would exist as a result thereof. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by any Borrower to, or entered into by such Borrower with, the Issuing Bank relating to any Letter of Credit, the terms and conditions of this Agreement shall control.

(b) Notice of Issuance, Amendment, Renewal, Extension; Certain Conditions. To request the issuance of a Letter of Credit (or the amendment, renewal or extension of an outstanding Letter of Credit), the applicable Borrower shall hand deliver or facsimile (or transmit by electronic communication, if arrangements for doing so have been approved by the Issuing Bank) to the Issuing Bank and the Administrative Agent (not less than five (5) Business Days in advance of the requested date of issuance, amendment, renewal or extension) a notice:

(i) requesting the issuance of a Letter of Credit or identifying the Letter of Credit to be amended, renewed or extended;

(ii) specifying the date of issuance, amendment, renewal or extension (which shall be a Business Day);

(iii) specifying the date on which such Letter of Credit is to expire (which shall comply with Section 2.08(c));

(iv) specifying the amount of such Letter of Credit, the amount of current LC Exposure and the pro forma total LC Exposure (giving effect to the requested Letter of Credit or the requested amendment, renewal or extension of an outstanding Letter of Credit);

(v) specifying the name and address of the beneficiary thereof and such other information as shall be necessary to prepare, amend, renew or extend such Letter of Credit; and

(vi) specifying the amount of the then effective Borrowing Base and whether a Borrowing Base Deficiency exists at such time, the current total Credit Exposures (without regard to the requested Letter of Credit or the requested amendment, renewal or extension of an outstanding Letter of Credit) and the pro forma total Credit Exposures (giving effect to the requested Letter of Credit or the requested amendment, renewal or extension of an outstanding Letter of Credit).

Each notice shall constitute a representation by the Borrowers that after giving effect to the requested issuance, amendment, renewal or extension, as applicable, (x) the LC Exposure shall not exceed the LC Commitment and (y) the total Credit Exposures shall not exceed the total Commitments (*i.e.*, the lesser of (a) the Aggregate Maximum Credit Amounts or (b) the then effective Borrowing Base). No letter of credit issued by the Issuing Bank (if the Issuing Bank is not the Administrative Agent) shall be deemed to be a “Letter of Credit” issued under this Agreement unless the Issuing Bank has requested and received written confirmation from the Administrative Agent that the representations by the Borrowers contained in the foregoing clauses (x) and (y) are true and correct.

If requested by the Issuing Bank, the applicable Borrower also shall submit a letter of credit application on the Issuing Bank’s standard form in connection with any request for a Letter of Credit; provided that, in the event of any conflict between such application or any Letter of Credit Agreement and the terms of this Agreement, the terms of this Agreement shall control.

(c) Expiration Date. Each Letter of Credit shall expire at or prior to the close of business on the earlier of (i) the date that is one year after the date of the issuance of such Letter of Credit (or, in the case of any renewal or extension thereof, one year after such renewal or extension) and (ii) the date that is five Business Days prior to the Maturity Date.

(d) Participations. By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount thereof) and without any further action on the part of the Issuing Bank or the Lenders, the Issuing Bank hereby grants to each Lender, and each Lender hereby acquires from the Issuing Bank, a participation in such Letter of Credit equal to such Lender’s Applicable Percentage of the aggregate amount (in U.S. Dollars) available to be drawn under such Letter of Credit. In consideration and in furtherance of the foregoing, each Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for the account of the Issuing Bank, such Lender’s Applicable Percentage of each LC Disbursement made by the Issuing Bank and not reimbursed by the Borrowers on the date due as provided in Section 2.08(e), or of any reimbursement payment required to be refunded to the Borrowers for any reason. Each Lender acknowledges and agrees that its obligation to acquire participations pursuant to this Section 2.08(d) in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of a Default, the existence of a Borrowing Base

Deficiency or reduction or termination of the Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(e) Reimbursement. If the Issuing Bank shall make any LC Disbursement in respect of a Letter of Credit, the Borrowers shall reimburse such LC Disbursement by paying to the Administrative Agent an amount (in U.S. Dollars) equal to such LC Disbursement not later than 12:00 noon, New York City time, on the date that such LC Disbursement is made, if any Borrower shall have received notice of such LC Disbursement prior to 10:00 a.m., Toronto, Canada time, on such date, or, if such notice has not been received by such Borrower, prior to such time on such date, then not later than 12:00 noon, New York City time, on (i) the Business Day that such Borrower receives such notice, if such notice is received prior to 10:00 a.m., Toronto, Canada time, on the day of receipt, or (ii) the Business Day immediately following the day that such Borrower receives such notice, if such notice is not received prior to such time on the day of receipt; *provided* that such Borrower shall, subject to the conditions to Borrowing set forth herein, be deemed to have requested, and such Borrower does hereby request under such circumstances, that such payment be financed with an ABR Borrowing in an equivalent amount and, to the extent so financed, the Borrowers' obligations to make such payment shall be discharged and replaced by the resulting ABR Borrowing. If the Borrowers fail to make such payment when due, the Administrative Agent shall notify each Lender of the applicable LC Disbursement, the payment then due from the Borrowers in respect thereof and such Lender's Applicable Percentage thereof. Promptly following receipt of such notice, each Lender shall pay to the Administrative Agent its Applicable Percentage of the payment then due from the Borrowers, in the same manner as provided in Section 2.05 with respect to Loans made by such Lender (and Section 2.05 shall apply, *mutatis mutandis*, to the payment obligations of the Lenders), and the Administrative Agent shall promptly pay to the Issuing Bank the amounts so received by it from the Lenders. Promptly following receipt by the Administrative Agent of any payment from the Borrowers pursuant to this Section 2.08(e), the Administrative Agent shall distribute such payment to the Issuing Bank or, to the extent that Lenders have made payments pursuant to this Section 2.08(e) to reimburse the Issuing Bank, then to such Lenders and the Issuing Bank as their interests may appear. Any payment made by a Lender pursuant to this Section 2.08(e) to reimburse the Issuing Bank for any LC Disbursement (other than the funding of ABR Loans as contemplated above) shall not constitute a Loan and shall not relieve the Borrowers of their obligation to reimburse such LC Disbursement.

(f) Obligations Absolute. The Borrowers' obligation to reimburse LC Disbursements as provided in Section 2.08(e) shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit, any Letter of Credit Agreement or this Agreement, or of any term or provision therein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) payment by the Issuing Bank under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit or any Letter of Credit Agreement, or (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section 2.08(f), constitute a legal or equitable discharge of, or provide a right of setoff against, the Borrowers' obligations hereunder. Neither the Administrative Agent, the Lenders nor the Issuing Bank, nor any of their Related Parties shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of the Issuing Bank; *provided* that the foregoing shall not be construed to excuse the Issuing Bank from liability

to the Borrowers the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by the Borrowers to the extent permitted by applicable law) suffered by the Borrowers that are caused by the Issuing Bank's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence or willful misconduct on the part of the Issuing Bank (as finally determined by a court of competent jurisdiction), the Issuing Bank shall be deemed to have exercised all requisite care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, the Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(g) Disbursement Procedures. The Issuing Bank shall, promptly following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. The Issuing Bank shall promptly notify the Administrative Agent and such Borrower by telephone (confirmed by facsimile) of such demand for payment and whether the Issuing Bank has made or will make an LC Disbursement thereunder; provided that any failure to give or delay in giving such notice shall not relieve the Borrowers of their obligation to reimburse the Issuing Bank and the Lenders with respect to any such LC Disbursement.

(h) Interim Interest. If the Issuing Bank shall make any LC Disbursement, then, until the Borrowers shall have reimbursed the Issuing Bank for such LC Disbursement (either with its own funds or a Borrowing under Section 2.08(e)), the unpaid amount (in U.S. Dollars) thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that the Borrowers reimburse such LC Disbursement, at the rate per annum then applicable to ABR Loans. Interest accrued pursuant to this Section 2.08(h) shall be for the account of the Issuing Bank, except that interest accrued on and after the date of payment by any Lender pursuant to Section 2.08(e) to reimburse the Issuing Bank shall be for the account of such Lender to the extent of such payment.

(i) Replacement of the Issuing Bank. The Issuing Bank may be replaced at any time by written agreement among the Borrower Agent, on behalf of the Borrowers, the Administrative Agent, the replaced Issuing Bank and the successor Issuing Bank. The Administrative Agent shall notify the Lenders of any such replacement of the Issuing Bank. At the time any such replacement shall become effective, the Borrowers shall pay all unpaid fees accrued for the account of the replaced Issuing Bank pursuant to Section 3.06(b). From and after the effective date of any such replacement, (a) the successor Issuing Bank shall have all the rights and obligations of the Issuing Bank under this Agreement with respect to Letters of Credit to be issued thereafter and (b) references herein to the term "Issuing Bank" shall be deemed to refer to such successor or to any previous Issuing Bank, or to such successor and all previous Issuing Banks, as the context shall require. After the replacement of the Issuing Bank hereunder, the replaced Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of the Issuing Bank under this Agreement with respect to Letters of Credit issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit.

(j) Cash Collateralization. If (i) any Event of Default shall occur and be continuing and the Borrower Agent, on behalf of the Borrowers, receives notice from the Administrative Agent or the Required Lenders demanding the deposit of cash collateral pursuant to this Section 2.08(j), or (ii) the Borrowers are required to pay to the Collateral Agent the excess attributable to an LC Exposure in connection with any prepayment pursuant to Section 3.04(c) then the Borrowers shall deposit, in an account with the Collateral Agent, in the name of the Collateral Agent and for the benefit of the Lenders,

an amount in cash (in U.S. Dollars) equal to, in the case of an Event of Default, the LC Exposure, and in the case of a payment required by Section 3.04(c) the amount of such excess as provided in Section 3.04(c), as of such date plus any accrued and unpaid interest thereon; provided that the obligation to deposit such cash collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to the Borrowers or any other Credit Party described in Section 10.01(h) or Section 10.01(i). The Borrowers hereby grant to the Collateral Agent, for the benefit of the Issuing Bank and the Lenders, an exclusive first priority and continuing perfected security interest in and Lien on such account and all cash, checks, drafts, certificates and instruments, if any, from time to time deposited or held in such account, all deposits or wire transfers made thereto, any and all investments purchased with funds deposited in such account, all interest, dividends, cash, instruments, financial assets and other Property from time to time received, receivable or otherwise payable in respect of, or in exchange for, any or all of the foregoing, and all proceeds, products, accessions, rents, profits, income and benefits therefrom, and any substitutions and replacements therefor. The Borrowers' obligation to deposit amounts pursuant to this Section 2.08(j) shall be absolute and unconditional, without regard to whether any beneficiary of any such Letter of Credit has attempted to draw down all or a portion of such amount under the terms of a Letter of Credit, and, to the fullest extent permitted by applicable law, shall not be subject to any defense or be affected by a right of set-off, counterclaim or recoupment which the Borrowers or any of their Subsidiaries may now or hereafter have against any such beneficiary, the Issuing Bank, the Collateral Agent, the Administrative Agent, the Lenders or any other Person for any reason whatsoever. Such deposit shall be held as collateral securing the payment and performance of the Borrowers' and the Guarantors' obligations under this Agreement and the other Loan Documents. The Collateral Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account. Other than any interest earned on the investment of such deposits, which investments shall be made at the option and sole discretion of the Collateral Agent and at the Borrowers' risk and expense, such deposits shall not bear interest. Interest or profits, if any, on such investments shall accumulate in such account. Moneys in such account shall be applied by the Collateral Agent to reimburse the Issuing Bank for LC Disbursements for which it has not been reimbursed and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of the Borrowers for the LC Exposure at such time or, if the maturity of the Loans has been accelerated, be applied to satisfy other obligations of the Borrowers and the Guarantors under this Agreement or the other Loan Documents. If the Borrowers are required to provide an amount of cash collateral hereunder as a result of the occurrence of an Event of Default, and the Borrowers are not otherwise required to pay to the Collateral Agent the excess attributable to an LC Exposure in connection with any prepayment pursuant to Section 3.04(c), then such amount (to the extent not applied as aforesaid) shall be returned to the Borrowers within three Business Days after all Events of Default have been cured or waived.

(k) Defaulting Lenders. Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, and any LC Exposure exists at the time a Lender becomes a Defaulting Lender, then:

(i) all or any part of such LC Exposure shall be reallocated among the Non-Defaulting Lenders in accordance with their respective Applicable Percentages but only to the extent (x) the sum of all Non-Defaulting Lenders' Credit Exposures does not exceed the total of all Non-Defaulting Lenders' Commitments and (y) the conditions set forth in Section 6.02 are satisfied at such time;

(ii) if the reallocation described in clause (i) above cannot, or can only partially, be effected, the Borrowers shall within one (1) Business Day following notice to the Borrower Agent, on behalf of the Borrowers, by the Administrative Agent cash collateralize such Defaulting Lender's LC Exposure (after giving effect to any partial reallocation pursuant to clause (i) above) in

accordance with the procedures set forth in Section 2.08(j) for so long as such LC Exposure is outstanding;

(iii) if the Borrowers cash collateralize any portion of such Defaulting Lender's LC Exposure pursuant to this Section 2.08(k), the Borrowers shall not be required to pay any fees to such Defaulting Lender pursuant to Section 3.06(b) with respect to such Defaulting Lender's LC Exposure during the period such Defaulting Lender's LC Exposure is cash collateralized;

(iv) if the LC Exposure of the Non-Defaulting Lenders is reallocated pursuant to this Section 2.08(k), then the fees payable to the Lenders pursuant to Section 3.06(a) and Section 3.06(b) shall be adjusted in accordance with such Non-Defaulting Lenders' Applicable Percentages; or

(v) if any Defaulting Lender's LC Exposure is neither cash collateralized nor reallocated pursuant to this Section 2.08(k), then, without prejudice to any rights or remedies of the Issuing Bank or any Lender hereunder, all commitment fees that otherwise would have been payable to such Defaulting Lender (solely with respect to the portion of such Defaulting Lender's Commitment that was utilized by such LC Exposure) under Section 3.06(a) and letter of credit fees payable under Section 3.06(b) with respect to such Defaulting Lender's LC Exposure shall be payable to the Issuing Bank until such LC Exposure is cash collateralized and/or reallocated.

Notwithstanding any provision of this Agreement to the contrary, so long as any Lender is a Defaulting Lender, the Issuing Bank shall not be required to issue, amend or increase any Letter of Credit, unless it is satisfied that the related exposure will be 100% covered by the Commitments of the Non-Defaulting Lenders and/or cash collateral will be provided by the Borrowers in accordance with Section 2.08(j), and participating interests in any such newly issued or increased Letter of Credit shall be allocated among Non-Defaulting Lenders in a manner consistent with Section 2.08(k)(i) (and any Defaulting Lender shall not participate therein).

ARTICLE III

Payments of Principal and Interest; Prepayments; Fees

Section 3.01 Repayment of Loans. The Borrowers hereby unconditionally promise to pay to the Administrative Agent for the account of each Lender the then unpaid principal amount of each Loan on the Termination Date.

Section 3.02 Interest.

(a) ABR Loans. The Loans comprising each ABR Borrowing shall bear interest at the Alternate Base Rate plus the Applicable Margin, but in no event to exceed the Highest Lawful Rate.

(b) Eurodollar Loans. The Loans comprising each Eurodollar Borrowing shall bear interest at the Adjusted LIBO Rate for the Interest Period in effect for such Borrowing plus the Applicable Margin, but in no event to exceed the Highest Lawful Rate.

(c) Post-Default Rate. Notwithstanding the foregoing, (i) if any Event of Default of the type described in Section 10.01(a), Section 10.01(b), Section 10.01(h), Section 10.01(i) or Section 10.01(j) occurs, then all outstanding principal, fees and other obligations under any Loan Document shall automatically bear interest at a rate per annum of two percent (2%) plus the rate applicable to ABR Loans as provided in Section 3.02(a) (including the Applicable Margin), but in no event to exceed the Highest Lawful Rate, and shall be payable on demand by the Administrative Agent and (ii) if any Event of

Default occurs (other than an Event of Default described in Section 10.01(a), Section 10.01(b), Section 10.01(h), Section 10.01(i) or Section 10.01(j)), then at the election of the Required Lenders (or the Administrative Agent at the direction of Required Lenders), all outstanding principal, fees and other obligations under any Loan Document shall bear interest at a rate per annum of two percent (2%) plus the rate applicable to ABR Loans as provided in Section 3.02(a) (including the Applicable Margin), but in no event to exceed the Highest Lawful Rate, and shall be payable on demand by the Administrative Agent.

(d) Interest Payment Dates. Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan and on the Termination Date; provided that (i) interest accrued pursuant to Section 3.02(c) shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan (other than an optional prepayment of an ABR Loan prior to the Termination Date), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment, and (iii) in the event of any conversion of any Eurodollar Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(e) Interest Rate Computations. All interest hereunder shall be computed on the basis of a year of 360 days, unless such computation would exceed the Highest Lawful Rate, in which case interest shall be computed on the basis of a year of 365 days (or 366 days in a leap year), except that interest computed by reference to the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Alternate Base Rate, Adjusted LIBO Rate or LIBO Rate shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error, and be binding upon the parties hereto.

Section 3.03 Alternate Rate of Interest. If prior to the commencement of any Interest Period for a Eurodollar Borrowing:

(a) the Administrative Agent determines (which determination shall be conclusive absent demonstrable error) that adequate and reasonable means do not exist for ascertaining the Adjusted LIBO Rate or the LIBO Rate for such Interest Period; or

(b) the Administrative Agent is advised by the Required Lenders that the Adjusted LIBO Rate or LIBO Rate, as applicable, for such Interest Period will not adequately and fairly reflect the cost to such Lenders of making or maintaining their Loans included in such Borrowing for such Interest Period;

then the Administrative Agent shall give notice thereof to the Borrower Agent, on behalf of the Borrowers, and the Lenders by telephone or facsimile as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrower Agent, on behalf of the Borrowers, and the Lenders that the circumstances giving rise to such notice no longer exist, (i) any Interest Election Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Eurodollar Borrowing shall be ineffective, and (ii) if any Borrowing Request requests a Eurodollar Borrowing, such Borrowing shall be made either as an ABR Borrowing or at an alternate rate of interest determined by the Required Lenders as their cost of funds.

Section 3.04 Prepayments.

(a) Optional Prepayments. Subject to any break funding costs payable pursuant to Section 5.02, the Borrowers shall have the right at any time and from time to time to prepay any

Borrowing in whole or in part, subject to prior notice in accordance with Section 3.04(b); provided that any such prepayment with respect to (i) a Eurodollar Borrowing shall be in an aggregate amount that is an integral multiple of US\$100,000 and not less than US\$1,000,000 and (ii) ABR Borrowing shall be in an aggregate amount that is an integral multiple of US\$100,000 and not less than US\$500,000.

(b) Notice and Terms of Optional Prepayment. The Borrower Agent, on behalf of the Borrowers, shall notify the Administrative Agent by telephone (confirmed by facsimile) of any prepayment hereunder (i) in the case of prepayment of a Eurodollar Borrowing, not later than 12:00 noon, Toronto, Canada time, three Business Days before the date of prepayment, or (ii) in the case of prepayment of an ABR Borrowing, not later than 12:00 noon, Toronto, Canada time, one Business Day before the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid. Promptly following receipt of any such notice relating to a Borrowing, the Administrative Agent shall advise the Lenders of the contents thereof. Each partial prepayment of any Borrowing shall be in an amount that would be permitted in the case of an advance of a Borrowing of the same Type as provided in Section 2.02. Each prepayment of a Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing. Prepayments shall be accompanied by accrued interest to the extent required by Section 3.02 and any payments to the extent required by Section 5.02.

(c) Mandatory Prepayments.

(i) If, after giving effect to any termination or reduction of the Aggregate Maximum Credit Amounts pursuant to Section 2.06(b), the total Credit Exposures exceeds the total Commitments, then the Borrowers shall (A) prepay the Borrowings on the date of such termination or reduction in an aggregate principal amount equal to such excess, and (B) if any excess remains after prepaying all of the Borrowings as a result of an LC Exposure, pay to the Collateral Agent on behalf of the Lenders an amount equal to such excess to be held as cash collateral as provided in Section 2.08(j).

(ii) Upon any redetermination of or adjustment to the amount of the Borrowing Base in accordance with Section 2.07(c)(iii) or Section 8.13, if the total Credit Exposures exceeds the redetermined or adjusted Borrowing Base, then the Borrowers shall (A) within thirty (30) days following receipt of the New Borrowing Base Notice, prepay the Borrowings in an aggregate principal amount equal to such excess and (B) if any excess remains after prepaying all of the Borrowings as a result of an LC Exposure, pay to the Collateral Agent on behalf of the Lenders an amount equal to such excess to be held as cash collateral as provided in Section 2.08(j); provided that all payments required to be made pursuant to this Section 3.04(c)(ii) must be made on or prior to the Termination Date.

(iii) Upon any adjustments to the Borrowing Base pursuant to Section 2.07(e) if the total Credit Exposures exceed the Borrowing Base as adjusted, then the Borrowers shall (A) immediately prepay the Borrowings in an aggregate principal amount equal to such excess, and (B) if any excess remains after prepaying all of the Borrowings as a result of an LC Exposure, pay to the Collateral Agent on behalf of the Lenders an amount equal to such excess to be held as cash collateral as provided in Section 2.08(j). The Borrowers shall be obligated to make such prepayment and/or pay to the Collateral Agent on behalf of the Lenders an amount equal to such excess to be held as cash collateral as provided in Section 2.08(j) on the date the adjustment to the Borrowing Base occurs; provided that all payments required to be made pursuant to this Section 3.04(c)(iii) must be made on or prior to the Termination Date.

(iv) Promptly following any sale, lease, conveyance, disposition or other transfer by any Credit Party of any of its Trinidad Hydrocarbon Properties, or any termination or other monetization by any Credit Party of any Swap Agreement, the Borrowers shall prepay the Loans in an

aggregate amount equal to one hundred percent (100%) of the Net Proceeds of such sale, termination or other monetization. Nothing in this paragraph is intended to permit any Credit Party to sell any Oil and Gas Property other than pursuant to Section 9.11, and any such non-permitted sale will constitute a breach of this Agreement.

(v) Promptly following the consummation of a Primera Brighton Disposition, the Borrowers shall prepay the Loans in an amount equal to one hundred percent (100%) of the Net Proceeds of such sale, conveyance, disposition or transfer.

(vi) Promptly following the issuance and sale of any Equity Interests by any Credit Party (other than (1) the issuance and sale of Equity Interests by a Credit Party to another Credit Party; (2) the issuance, grant or exercise of any Equity Interest pursuant to the current or any proposed stock option plan, share purchase plan or other share compensation or incentive arrangements of the Parent; (3) the issuance, grant or exercise of any Equity Interests pursuant to share purchase warrants of the Parent outstanding as of the date of this Agreement; (4) the issuance, grant or exercise of any Equity Interests pursuant to convertible or exchangeable securities of the Parent outstanding as of the date of this Agreement; or (5) obligations of the Parent in respect of any arrangement, amalgamation or other business combination in effect as of the date of this Agreement), the Borrowers shall prepay the Borrowings in an aggregate amount equal to seventy-five percent (75%) of the Net Proceeds of such issuance and sale of Equity Interests.

(vii) Promptly following the incurrence of any Debt by any Credit Party (other than Debt permitted under Section 9.02), the Borrowers shall prepay the Borrowings in an aggregate amount equal to one hundred percent (100%) of the Net Proceeds received in respect of such Debt. Nothing in this paragraph is intended to permit any Credit Party to incur Debt other than as permitted under Section 9.02, and any such incurrence of Debt shall be a violation of Section 9.02 and a breach of this Agreement.

(viii) Promptly following the receipt of Net Proceeds by any Credit Party in respect of any Casualty Event or a disposition of Property permitted by Section 9.11(a)(iii)(B), the Borrowers shall prepay the Borrowings in an aggregate amount equal to one hundred percent (100%) of such Net Proceeds; provided, that if the Borrower Agent, on behalf of the Borrowers, delivers to the Administrative Agent a certificate of a Responsible Officer to the effect that the Credit Parties intend to apply the Net Proceeds from such Casualty Event or disposition of Property (or a portion thereof as specified in such certificate), within 60 days after receipt of such Net Proceeds, to purchase assets useful in the business of the Credit Parties, then, so long as no Default or Borrowing Base Deficiency then exists, no prepayment shall be required pursuant to this paragraph in respect of the Net Proceeds specified in such certificate; provided further, that to the extent any such Net Proceeds have not been so applied by the end of such 60 day period, a prepayment shall be required in an amount equal to such Net Proceeds that have not been so applied.

(ix) Each prepayment of Borrowings pursuant to this Section 3.04(c) shall be, applied ratably to the Loans included in the prepaid Borrowings. Prepayments pursuant to this Section 3.04(c) shall be accompanied by accrued interest to the extent required by Section 3.02.

(x) Subject to the application of each prepayment of Borrowings to the Loans pursuant to Section 3.04(c)(ix), each prepayment of Borrowings pursuant to this Section 3.04(c) shall be applied, first, ratably to any ABR Borrowings then outstanding, and, second, to any Eurodollar Borrowings then outstanding, and if more than one Eurodollar Borrowing is then outstanding, to each such Eurodollar Borrowing in order of priority beginning with the Eurodollar Borrowing with the least

number of days remaining in the Interest Period applicable thereto and ending with the Eurodollar Borrowing with the most number of days remaining in the Interest Period applicable thereto.

(d) No Premium or Penalty. Prepayments permitted or required under this Section 3.04 shall be without premium or penalty, except as required under Section 5.02.

Section 3.05 [Reserved].

Section 3.06 Fees.

(a) Commitment Fees. The Borrowers agree to pay to the Administrative Agent for the account of each Lender a commitment fee, which shall accrue at the applicable Commitment Fee Rate on the average daily amount of the unused Commitment of such Lender during the period from and including the date of this Agreement to but excluding the Termination Date. Accrued commitment fees shall be payable in arrears on the last day of March, June, September and December of each year and on the Termination Date, commencing on the first such date to occur after the date hereof. All commitment fees shall be computed on the basis of a year of 360 days, unless such computation would exceed the Highest Lawful Rate, in which case such fees shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(b) Letter of Credit Fees. The Borrowers agree to pay (i) to the Administrative Agent for the account of each Lender a participation fee with respect to its participations in Letters of Credit, which shall accrue at the same Applicable Margin used to determine the interest rate applicable to Eurodollar Loans on the average daily amount of such Lender's LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the date of this Agreement to but excluding the later of the date on which such Lender's Commitment terminates and the date on which such Lender ceases to have any LC Exposure, (ii) to the Issuing Bank a fronting fee, which shall accrue at the rate 0.35% per annum on the average daily amount of the LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the date of this Agreement to but excluding the later of the date of termination of the Commitments and the date on which there ceases to be any LC Exposure, provided that in no event shall such fee be less than US\$500 during any quarter, and (iii) to the Issuing Bank, for its own account, its standard fees with respect to the issuance, amendment, renewal or extension of any Letter of Credit or processing of drawings thereunder. Participation fees and fronting fees accrued through and including the last day of March, June, September and December of each year shall be payable on the third Business Day following such last day, commencing on the first such date to occur after the date of this Agreement; provided that all such fees shall be payable on the Termination Date and any such fees accruing after the Termination Date shall be payable on demand. During the continuation of an Event of Default, the fees payable pursuant to this Section 3.06(b) shall increase by 2.00% per annum over the then applicable rate. Any other fees payable to the Issuing Bank pursuant to this Section 3.06(b) shall be payable within 10 days after demand. All participation fees and fronting fees shall be computed on the basis of a year of 360 days, unless such computation would exceed the Highest Lawful Rate, in which case such fees shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(c) Administrative Agent Fees. The Borrowers agree to pay to the Administrative Agent, for its own account, fees payable in the amounts and at the times separately agreed upon between the Borrowers and the Administrative Agent.

(d) Defaulting Lender Fees. Subject to Section 2.08(k), the Borrowers shall not be obligated to pay the Administrative Agent any Defaulting Lender's ratable share of the fees described in Section 3.06(a) and (b) for the period commencing on the day such Defaulting Lender becomes a Defaulting Lender and continuing for so long as such Lender continues to be a Defaulting Lender.

(e) Borrowing Base Increase Fees. The Borrowers agree to pay to the Administrative Agent, for the account of each Lender then party to this Agreement, a Borrowing Base increase fee in an amount to be set forth in a separate written agreement based on the amount equal to (i) the amount of the increased Borrowing Base *minus* (ii) the amount of the Borrowing Base immediately prior to such increase, payable on the effective date of any such increase to the Borrowing Base.

ARTICLE IV

Payments; Pro Rata Treatment; Sharing of Set-offs

Section 4.01 Payments Generally; Pro Rata Treatment; Sharing of Set-offs.

(a) Payments by the Borrowers. The Borrowers shall make each payment required to be made by them hereunder (whether of principal, interest, fees or reimbursement of LC Disbursements, or of amounts payable under Section 5.01, Section 5.02, Section 5.03 or otherwise) prior to 12:00 noon, Toronto, Canada time, on the date when due, in immediately available funds, without defense, deduction, recoupment, set-off or counterclaim. Fees, once paid, shall be fully earned and shall not be refundable under any circumstances. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent at its offices specified in Section 12.01, except payments to be made directly to the Issuing Bank as expressly provided herein and except that payments pursuant to Section 5.01, Section 5.02, Section 5.03 and Section 12.03(a) shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder shall be made in U.S. Dollars.

(b) Application of Insufficient Payments. If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, unreimbursed LC Disbursements, interest and fees then due hereunder, such funds shall be applied (i) first towards payment of interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties and (ii) second, ratably among the Lenders towards payment of the Loans and unreimbursed LC Disbursements then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal and unreimbursed LC Disbursements then due to such parties.

(c) Sharing of Payments by Lenders. If any Lender shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans of a particular Type or participations in LC Disbursements resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Loans of a particular Type and participations in LC Disbursements and accrued interest thereon than the proportion received by any other Lender holding Loans of the same Type, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Loans of such Type and participations in LC Disbursements of other Lenders holding Loans of the same Type to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of

and accrued interest on their respective Loans of such Type and participations in LC Disbursements; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this Section 4.01(c) shall not be construed to apply to any payment made by the Borrowers pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans of such Type or participations in LC Disbursements to any assignee or participant, other than to any Credit Party or Affiliate thereof (as to which the provisions of this Section 4.01(c) shall apply). The Borrowers consent to the foregoing and agree, to the extent they may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrowers rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrowers in the amount of such participation.

Section 4.02 Presumption of Payment by the Borrowers. Unless the Administrative Agent shall have received notice from the Borrowers prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or the Issuing Bank that the Borrowers will not make such payment, the Administrative Agent may assume that the Borrowers have made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the Issuing Bank, as the case may be, the amount due. In such event, if the Borrowers have not in fact made such payment, then each of the Lenders or the Issuing Bank, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or Issuing Bank with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

Section 4.03 Certain Deductions by the Administrative Agent. If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.05(a), Section 2.08(d), Section 2.08(e) or Section 4.02, or otherwise hereunder, then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Administrative Agent for the account of such Lender to satisfy such Lender's obligations under such Sections until all such unsatisfied obligations are fully paid. If at any time prior to the acceleration or maturity of the Loans, the Administrative Agent shall receive any payment in respect of principal of a Loan or a reimbursement of an LC Disbursement while one or more Defaulting Lenders shall be party to this Agreement, the Administrative Agent shall apply such payment first to the Borrowing(s) for which such Defaulting Lender(s) shall have failed to fund its pro rata share until such time as such Borrowing(s) are paid in full or each Lender (including each Defaulting Lender) is owed its Applicable Percentage of all Loans then outstanding. After acceleration or maturity of the Loans, all principal will be paid ratably as provided in Section 10.02(c).

Section 4.04 Disposition of Proceeds. The Security Instruments contain an assignment by the Borrowers and/or the Guarantors unto and in favor of the Collateral Agent for the benefit of the Secured Parties of all of the Borrowers' or each Guarantor's interest in and to production and all proceeds attributable thereto which may be produced from or allocated to the Mortgaged Property. The Security Instruments further provide in general for the application of such proceeds to the satisfaction of the Obligations and other obligations described therein and secured thereby. Notwithstanding the assignment contained in such Security Instruments, until the occurrence of an Event of Default, (a) the Collateral Agent and the Lenders agree that they will neither notify the purchaser or purchasers of such production nor take any other action to cause such proceeds to be remitted to the Collateral Agent or the Lenders, but the Lenders will instead permit such proceeds to be paid to the Borrowers and the other Credit Parties and

(b) the Lenders hereby authorize the Collateral Agent to take such actions as may be necessary to cause such proceeds to be paid to the Borrowers and/or such Credit Parties.

ARTICLE V
Increased Costs; Break Funding Payments; Taxes; Illegality

Section 5.01 Increased Costs.

(a) Eurodollar Changes in Law. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender (except any such reserve requirement reflected in the Adjusted LIBO Rate);

(ii) subject any Lender to any Taxes (other than (A) Indemnified Taxes, or (B) Excluded Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Lender or the London interbank market any other condition affecting this Agreement or Eurodollar Loans made by such Lender;

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any Eurodollar Loan (or of maintaining its obligation to make any such Loan) or to reduce the amount of any sum received or receivable by such Lender (whether of principal, interest or otherwise), then the Borrowers will pay to such Lender such additional amount or amounts as will compensate such Lender for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If any Lender or the Issuing Bank determines that any Change in Law regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's or the Issuing Bank's capital or on the capital of such Lender's or the Issuing Bank's holding company, if any, as a consequence of this Agreement or the Loans made by, or participations in Letters of Credit held by, such Lender, or the Letters of Credit issued by the Issuing Bank, to a level below that which such Lender or the Issuing Bank or such Lender's or the Issuing Bank's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or the Issuing Bank's policies and the policies of such Lender's or the Issuing Bank's holding company with respect to capital adequacy and liquidity), then from time to time the Borrowers will pay to such Lender or the Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or the Issuing Bank or such Lender's or the Issuing Bank's holding company for any such reduction suffered.

(c) Certificates. A certificate of a Lender or the Issuing Bank setting forth the amount or amounts necessary to compensate such Lender or the Issuing Bank or its holding company, as the case may be, as specified in Section 5.01(a) or (b) shall be delivered to the Borrower Agent, on behalf of the Borrowers, and shall be conclusive absent manifest error. The Borrowers shall pay such Lender or the Issuing Bank, as the case may be, the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Effect of Failure or Delay in Requesting Compensation. Failure or delay on the part of any Lender or the Issuing Bank to demand compensation pursuant to this Section 5.01 shall not constitute a waiver of such Lender's or the Issuing Bank's right to demand such compensation; provided that the Borrowers shall not be required to compensate a Lender or the Issuing Bank pursuant to this

Section 5.01 for any increased costs or reductions incurred more than 270 days prior to the date that such Lender or the Issuing Bank, as the case may be, notifies the Borrowers of the Change in Law giving rise to such increased costs or reductions and of such Lender's or the Issuing Bank's intention to claim compensation therefor; provided further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 270-day period referred to above shall be extended to include the period of retroactive effect thereof.

Section 5.02 Break Funding Payments. In the event of (a) the payment of any principal of any Eurodollar Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (b) the conversion of any Eurodollar Loan into an ABR Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any Eurodollar Loan on the date specified in any notice delivered pursuant hereto, or (d) the assignment of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto as a result of a request of the Borrower Agent, on behalf of the Borrowers, pursuant to Section 5.04(b), then, in any such event, the Borrowers shall compensate each Lender for the loss, cost and expense attributable to such event. In the case of a Eurodollar Loan, such loss, cost or expense to any Lender shall be deemed to include an amount determined by such Lender to be the excess, if any, of (i) the amount of interest which would have accrued on the principal amount of such Loan had such event not occurred, at the Adjusted LIBO Rate that would have been applicable to such Loan, for the period from the date of such event to the last day of the then current Interest Period (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Loan), over (ii) the amount of interest which would accrue on such principal amount for such period at the interest rate which such Lender would bid were it to bid, at the commencement of such period, for U.S. Dollar deposits of a comparable amount and period from other banks in the eurodollar market.

A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section 5.02 shall be delivered to the Borrower Agent, on behalf of the Borrowers, and shall be conclusive absent manifest error. The Borrowers shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

Section 5.03 Taxes.

(a) Payments Free of Taxes. Any and all payments by or on account of any obligation of any Credit Party under any Loan Document shall be made free and clear of and without deduction for any Taxes, except as required by applicable law. If any applicable law requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by any Borrower or Guarantor shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section), the Administrative Agent, Lender or Issuing Bank (as the case may be) receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(b) Payment of Other Taxes by the Borrowers. The Credit Parties shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Administrative Agent timely reimburse it for payment of, any Other Taxes.

(c) Indemnification by the Borrowers. The Credit Parties shall jointly and severally indemnify each Recipient, within 10 days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on

or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. The Credit Parties shall also, and do hereby, indemnify the Administrative Agent, and shall make payment in respect thereof within 10 days after demand therefor, for any amount which a Lender for any reason fails to pay indefeasibly to the Administrative Agent as required by Section 5.03(d). A certificate of the amount of any payment or liability delivered to the applicable Borrower by a Lender or Issuing Bank (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Recipient setting forth in reasonable detail as to the amount of such payment or liability under this Section 5.03(d) shall be delivered to the Borrower Agent, on behalf of the Borrowers, and shall be conclusive absent manifest error.

(d) Indemnification by the Lenders. Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that the Borrowers have not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Borrowers to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 12.04(c) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this paragraph (d).

(e) Evidence of Payments. As soon as practicable after any payment of Indemnified Taxes or Other Taxes by any Credit Party to a Governmental Authority, the applicable Credit Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(f) Status of Lenders. Any Lender that is entitled to an exemption from or reduction of withholding tax with respect to payments made under any Loan Document shall deliver to the Withholding Agent, at the time or times reasonably requested by the Withholding Agent, such properly completed and executed documentation reasonably requested by the Withholding Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender shall deliver such other documentation prescribed by applicable law or reasonably requested by the Withholding Agent as will enable the Withholding Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Withholding Agent in writing of its legal inability to do so.

For purposes of this Section 5.03, the defined term “Administrative Agent” shall include the Collateral Agent.

Section 5.04 Mitigation Obligations; Replacement of Lenders.

(a) Designation of Different Lending Office. If any Lender requests compensation under Section 5.01, or if any Credit Party is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 5.03, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 5.01 or Section 5.03, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrowers hereby agree to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) Replacement of Lenders. If any Lender requests compensation under Section 5.01, or if the Borrowers are required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 5.03, or if any Lender becomes a Defaulting Lender or a Non-Consenting Lender hereunder, then the Borrower Agent, on behalf of the Borrowers, may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 12.04(b)), all its interests, rights and obligations under this Agreement to an assignee and delegate that shall assume such obligations (which assignee and delegate may be another Lender, if a Lender accepts such assignment and delegation); provided that (i) the Borrower Agent, on behalf of the Borrowers, shall have received the prior written consent of the Administrative Agent, which consent shall not unreasonably be withheld, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and participations in LC Disbursements, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee and delegate (to the extent of such outstanding principal and accrued interest and fees) or the Borrowers (in the case of all other amounts), (iii) in the case of any such assignment and delegation resulting from a claim for compensation under Section 5.01 or payments required to be made pursuant to Section 5.03, such assignment and delegation will result in a reduction in such compensation or payments and (iv) in the case of any assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower Agent, on behalf of the Borrowers, to require such assignment and delegation cease to apply. Notwithstanding the foregoing, a Lender shall not be required to make any such assignment and delegation if such Lender is a Secured Swap Provider with any outstanding Swap Agreements with any Credit Party (to the extent obligations under such Swap Agreements constitute Obligations), unless on or prior thereto, all such Swap Agreements have been terminated or novated to another Person and such Lender (or its Affiliate) shall have received payment of all amounts, if any, payable to it in connection with such termination or novation.

Section 5.05 Illegality. Notwithstanding any other provision of this Agreement, in the event that it becomes unlawful for any Lender or its applicable lending office to honor its obligation to make or maintain Eurodollar Loans either generally or having a particular Interest Period hereunder, then (a) such Lender shall promptly notify the Borrower Agent, on behalf of the Borrowers, and the Administrative Agent thereof and such Lender’s obligation to make such Eurodollar Loans shall be suspended (the “Affected Loans”) until such time as such Lender may again make and maintain such Eurodollar Loans and (b) all Affected Loans which would otherwise be made by such Lender shall be made instead as ABR

Loans (and, if such Lender so requests by notice to the Borrower Agent, on behalf of the Borrowers, and the Administrative Agent, all Affected Loans of such Lender then outstanding shall be automatically converted into ABR Loans on the date specified by such Lender in such notice) and, to the extent that Affected Loans are so made as (or converted into) ABR Loans, all payments of principal which would otherwise be applied to such Lender's Affected Loans shall be applied instead to its ABR Loans.

ARTICLE VI

Conditions Precedent

Section 6.01 Effective Date. The obligations of the Lenders to make Loans and of the Issuing Bank to issue Letters of Credit hereunder shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 12.02):

(a) The Borrowers shall have deposited sufficient funds with the applicable counsel for the Administrative Agent, to be held by such counsel and applied toward payment of costs and expenses for recordation of the Security Instruments, as provided pursuant to Section 12.03(a). If such deposit exceeds the amount of such costs and expenses, the excess shall be returned to the Borrowers. If such deposit is less than such costs and expenses, the deficit shall be paid by the Borrowers pursuant to Section 12.03(a).

(b) The Administrative Agent, the Collateral Agent, the Arranger and the Lenders shall have received all commitment, facility and agency fees and all other fees and amounts due and payable on or prior to the Effective Date, including, to the extent invoiced, reimbursement or payment of all reasonable out-of-pocket expenses required to be reimbursed or paid by the Borrowers hereunder (including, without limitation, the fees and expenses of Vinson & Elkins LLP, Fitzwilliam, Stone, Furness-Smith & Morgan, Clarke Gittens Farmer and Borden Ladner Gervais LLP, as counsel to the Administrative Agent).

(c) The Administrative Agent shall have received a certificate of the Secretary or an Assistant Secretary of each Credit Party setting forth (i) resolutions of its board of directors or other applicable governing body with respect to the authorization of such Credit Party to execute and deliver the Loan Documents to which it is a party and to enter into the transactions contemplated in those documents, (ii) the officers of such Credit Party (y) who are authorized to sign the Loan Documents to which such Credit Party is a party and (z) who will, until replaced by another officer or officers duly authorized for that purpose, act as its representative for the purposes of signing documents and giving notices and other communications in connection with this Agreement and the transactions contemplated hereby, (iii) specimen signatures of such authorized officers, and (iv) articles or certificate of incorporation and bylaws (or comparable organizational documents for any Credit Parties that are not corporations) of each Credit Party, certified as being true and complete. The Administrative Agent and the Lenders may conclusively rely on such certificate until the Administrative Agent receives notice in writing from the Borrower Agent, on behalf of the Borrowers, to the contrary.

(d) The Administrative Agent shall have received certificates of the appropriate Governmental Authorities with respect to the existence, qualification and good standing of each Credit Party.

(e) The Administrative Agent shall have received a compliance certificate which shall be substantially in the form of Exhibit E, duly and properly executed by a Responsible Officer and dated as of the date of Effective Date.

(f) The Administrative Agent shall have received from each party hereto counterparts (in such number as may be requested by the Administrative Agent) of this Agreement signed on behalf of such party.

(g) The Administrative Agent shall have received duly executed Notes payable to each Lender in a principal amount equal to its Maximum Credit Amount dated as of the Effective Date.

(h) The Administrative Agent shall have received from each party thereto duly executed counterparts (in such number as may be requested by the Administrative Agent) of the Security Instruments, including the Guaranty Agreement, the Barbados Security Instruments, the Canadian Security Instruments, the Trinidad Security Instruments and the other Security Instruments described on Exhibit F, together with share certificates, share transfer instruments, registers, direction letters, acknowledgement notices, memoranda and any other documents in connection with the Liens created thereby as the Administrative Agent may reasonably require. In connection with the execution and delivery of the Security Instruments, the Administrative Agent shall be reasonably satisfied that the Security Instruments create first priority, perfected Liens (subject only to MEEA Consent or Post Closing Petrotrin Consent, if applicable, and Excepted Liens identified in clauses (a) to (e) and (g) of the definition thereof, but subject to the provisos at the end of such definition) on all Mortgaged Property purported to be pledged as collateral pursuant to the Security Instruments and have received:

(i) appropriate governmental or third party search certificates (including, if applicable, UCC search certificates) as it may require reflecting no prior Liens other than Excepted Liens encumbering the Properties of the Credit Parties for each of the following jurisdictions: the Republic of Trinidad and Tobago, Barbados, the Provinces of Alberta and Saskatchewan, Canada and any other jurisdiction requested by the Administrative Agent; other than those being assigned or released on or prior to the Effective Date or Liens permitted by Section 9.03;

(ii) evidence satisfactory to it that (A) each Guarantor has guaranteed the Obligations pursuant to the Guaranty Agreement and (B) the Security Instruments create first priority, perfected Liens (subject only to MEEA Consent or Post Closing Petrotrin Consent, if applicable, and Excepted Liens identified in clauses (a) to (e) and (g) of the definition thereof, but subject to the provisos at the end of such definition) on all Mortgaged Property purported to be pledged as collateral pursuant to the Security Instruments;

(iii) delivery of a notification in the form of the Effective Date Petrotrin Consent to the Eligible Buyer under each Offtake Agreement to which any Credit Party is a party, pursuant to which such Person (and any other Person obligated to make payments thereunder) shall make all future payments under such Offtake Agreement to the relevant Collection Account;

(iv) evidence satisfactory to it that all of the Equity Interests in each Credit Party other than the Parent have been pledged to the Collateral Agent for the benefit of the Secured Parties pursuant to the Security Instruments, and to the extent applicable, the Collateral Agent shall have received certificates, together with undated, blank stock powers (or the appropriate equivalent) for each such certificate, representing all of the issued and outstanding Equity Interests of such Credit Party;

(v) evidence satisfactory to it that all filings, registrations and recordings have been made in the appropriate governmental offices, and all other actions have been taken, which shall be necessary to create, first priority, perfected Liens (subject to Excepted Liens) on the Collateral (as defined in the Security Instruments) pursuant to the Security Instruments; and

(vi) the Administrative Agent shall have received an opinion of (A) LEX Caribbean, special Trinidad and Tobago counsel to the Borrowers, in form and substance reasonably satisfactory to the Administrative Agent, (B) Norton Rose Fulbright LLP, special Canadian counsel to the Borrowers, the Parent and Touchstone Energy, in form and substance reasonably satisfactory to the Administrative Agent, (C) Osler, Hoskin & Harcourt LLP, special New York counsel to the Borrowers, in form and substance reasonably satisfactory to the Administrative Agent and (D) LEX Caribbean, special Barbados counsel to the Borrowers, in form and substance reasonably satisfactory to the Administrative Agent.

(i) The Administrative Agent shall have received a certificate of insurance coverage of the Credit Parties evidencing that the Credit Parties are carrying insurance in accordance with Section 7.12.

(j) The Administrative Agent shall have received evidence satisfactory to it that all Governmental Requirements and third-party consents and approvals necessary in connection with the Transactions have been obtained (without the imposition of any conditions not already satisfied) and are in full force and effect; and all applicable waiting periods have expired without any action being taken by any competent authority; and no law or regulation is applicable that prevents or imposes materially adverse conditions upon the Transactions.

(k) The Administrative Agent shall have received, and satisfactorily completed its review of, all due diligence information regarding the Credit Parties as it shall have requested including, without limitation, information regarding litigation, tax matters, accounting matters, insurance matters, labor matters, pension liabilities (actual or contingent), real estate leases, material contracts, debt agreements, property ownership, contingent liabilities and other legal matters of the Parent and its Subsidiaries.

(l) The capitalization structure and equity ownership of each Credit Party after giving effect to the Transactions shall be satisfactory to the Administrative Agent in all respects.

(m) The Administrative Agent shall have received:

(i) a certificate of a Responsible Officer of the Borrower Agent certifying that the Credit Parties have received all consents and approvals required by Section 7.03 (other than the MEEA Consent or the Post Closing Petrotrin Consent);

(ii) a duly executed copy of the NOTO Consent, in form and substance satisfactory to the Administrative Agent;

(n) The Administrative Agent shall have received (i) the Financial Statements, (ii) the Credit Parties' consolidated balance sheet and statement of cash flows, dated as of June 30, 2014, giving pro forma effect to the Transactions, (iii) the Initial Reserve Report accompanied by a certificate of a Responsible Officer in substantially the form of Exhibit H attached hereto, and (iv) the Credit Parties' budget for the next three (3) fiscal years.

(o) The Administrative Agent shall be satisfied with the terms and conditions of each Material Document to which any Credit Party is a party.

(p) The Administrative Agent shall have received a copy, certified by a Responsible Officer as true and complete (in each case, together with all amendments thereto, if any), of (i) each License Agreement listed on Schedule 1.02(a), together with all amendments thereto, if any, and all

participation agreements, farm-ins, royalty agreements or similar agreements that establish any obligation or interest in favor of a third party derived from the License Agreements, (ii) each Offtake Agreement listed on Schedule 1.02(c) and (iii) each Swap Agreement listed on Schedule 7.19.

(q) The Administrative Agent and the Lenders shall have received, and be reasonably satisfied in form and substance with, all documentation and other information required by bank regulatory authorities under applicable “know-your-customer” and anti-money laundering rules and regulations, including but not restricted to the USA PATRIOT Act.

(r) The Administrative Agent shall have received evidence satisfactory to it that all Liens on the Oil and Gas Properties and other Properties of the Credit Parties (other than Excepted Liens identified in clauses (a) to (e), (g) and (i) of the definition thereof) associated with any credit facilities, funded Debt existing as at the date of this Agreement have been paid in full and released (other than unasserted contingent indemnity obligations), terminated or assigned to the Collateral Agent.

(s) The Administrative Agent shall be reasonably satisfied with title to, and the environmental condition of, the Oil and Gas Properties of the Credit Parties.

(t) The Administrative Agent shall have received a letter from Corporation Service Company evidencing its appointment as authorized agent for service of process on each Credit Party under each Loan Document to which it is a party.

(u) [Reserved].

(v) The Administrative Agent shall have received evidence satisfactory to it that the Credit Parties have paid, or are concurrently paying as of the Effective Date, all stamp duties owed in connection with the recordation of the Trinidad Security Instruments pursuant to the laws of the Republic of Trinidad and Tobago.

(w) The Administrative Agent shall have received such other documents as the Administrative Agent or special counsel to the Administrative Agent may reasonably request.

All documents executed or submitted pursuant to this Section 6.01 by and on behalf of the Borrowers or any Credit Party shall be in form and substance satisfactory to the Administrative Agent and its counsel. The obligations of the Lenders to make Loans and of the Issuing Bank to issue Letters of Credit hereunder shall not become effective unless each of the foregoing conditions is satisfied (or waived pursuant to Section 12.02) at or prior to 2:00 p.m., New York City time, on December 3, 2014 (and, in the event such conditions are not so satisfied or waived, the Commitments shall terminate at such time). The Administrative Agent shall notify the Borrower Agent, on behalf of the Borrowers, and the Lenders of the Effective Date, and such notice shall be conclusive and binding.

Section 6.02 Each Credit Event. The obligation of each Lender to make a Loan on the occasion of any Borrowing (including on the Effective Date), and of the Issuing Bank to issue, amend, renew or extend any Letter of Credit, is subject to the satisfaction of the following conditions:

(a) At the time of and immediately after giving effect to such Borrowing or the issuance, amendment, renewal or extension of such Letter of Credit, as applicable, no Default, Event of Default or Borrowing Base Deficiency shall have occurred and be continuing.

(b) At the time of and immediately after giving effect to such Borrowing or the issuance, amendment, renewal or extension of such Letter of Credit, as applicable, no event, development

or circumstance has occurred or shall then exist that has resulted in, or could reasonably be expected to have, a Material Adverse Effect.

(c) The representations and warranties of the Credit Parties set forth in this Agreement and in the other Loan Documents shall be true and correct in all material respects (except to the extent that such representations or warranties are qualified by materiality or Material Adverse Effect, in which case such representations or warranties shall be true and correct) on and as of the date of such Borrowing or the date of issuance, amendment, renewal or extension of such Letter of Credit, as applicable, except to the extent any such representations and warranties are expressly limited to an earlier date, in which case, on and as of the date of such Borrowing or the date of issuance, amendment, renewal or extension of such Letter of Credit, as applicable, such representations and warranties shall continue to be true and correct in all material respects (except to the extent that such representations or warranties are qualified by materiality or Material Adverse Effect, in which case such representations or warranties shall be true and correct) as of such specified earlier date.

(d) The making of such Loan or the issuance, amendment, renewal or extension of such Letter of Credit, as applicable, would not conflict with, or cause any Lender or the Issuing Bank to violate or exceed, any applicable Governmental Requirement, and no Change in Law shall have occurred, and no litigation shall be pending or threatened, which does or, with respect to any such threatened litigation, seeks to, enjoin, prohibit or restrain, the making or repayment of any Loan, the issuance, amendment, renewal, extension or repayment of any Letter of Credit or any participations therein or the consummation of the transactions contemplated by this Agreement or any other Loan Document.

(e) The receipt by the Administrative Agent of a Borrowing Request in accordance with Section 2.03 or a request for a Letter of Credit (or an amendment, extension or renewal of a Letter of Credit) in accordance with Section 2.08(b), as applicable.

Each request for a Borrowing and each request for the issuance, amendment, renewal or extension of any Letter of Credit shall be deemed to constitute a representation and warranty by the Borrowers on the date thereof as to the matters specified in Section 6.02(a) through (d).

ARTICLE VII

Representations and Warranties

The Borrowers represent and warrant jointly and severally to the Administrative Agent, the Collateral Agent and Lenders that:

Section 7.01 Organization; Powers. Each Credit Party is duly organized or continued, validly existing and in good standing under the laws of the jurisdiction of its organization, has all requisite power and authority, and has all material governmental licenses, authorizations, consents and approvals necessary to own its assets and to carry on its business as now conducted, and is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required, except where failure to have such power, authority, licenses, authorizations, consents, approvals and qualifications could not reasonably be expected to have a Material Adverse Effect.

Section 7.02 Authority; Enforceability. The Transactions are within each Credit Party's corporate powers and have been duly authorized by all necessary corporate and, if required, stockholder action (including, without limitation, any action required to be taken by any class of directors of the Borrowers, the Parent or any other Person, whether interested or disinterested, in order to ensure the due authorization of the Transactions). Each Loan Document and Material Document to which each Credit Party is a party has been duly executed and delivered by such Credit Party and constitutes a legal, valid

and binding obligation of such Credit Party, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

Section 7.03 Approvals; No Conflicts. Except as set forth on Schedule 7.03, the Transactions (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority or any other third Person (including shareholders or any class of directors, whether interested or disinterested, of any Credit Party), nor is any such consent, approval, registration, filing or other action necessary for the validity or enforceability of any Loan Document or any Material Document or the consummation of the Transactions, except such as have been obtained or made and are in full force and effect other than (i) the stamping, recording and filing of the Security Instruments as required by the governing law of each Security Instrument and (ii) those third party approvals or consents which, if not made or obtained, would not cause a Default hereunder, could not reasonably be expected to have a Material Adverse Effect or do not have an adverse effect on the enforceability of the Loan Documents, (b) will not violate any applicable law or regulation or the charter, by-laws or other organizational documents of any Credit Party or any order of any Governmental Authority binding upon such Credit Party or its respective Properties, (c) will not violate or result in a default under any Material Document or any indenture, agreement or other instrument binding upon any Credit Party or any of its respective Properties, or give rise to a right thereunder to require any payment to be made by any Credit Party and (d) will not result in the creation or imposition of any Lien on any Property of any Credit Party (other than the Liens created or permitted by the Loan Documents).

Section 7.04 Financial Condition; No Material Adverse Change.

(a) The Parent has heretofore furnished to the Lenders (i) its audited consolidated balance sheet and statements of income, stockholders equity and cash flows as of and for the three fiscal years ended December 31, 2013, reported on by KPMG LLP, independent external auditors, and (ii) as of and for the portion of the fiscal year ending June 30, 2014, certified by a Financial Officer of the Borrower Agent. Such Financial Statements present fairly, in all material respects, the financial position and results of operations and cash flows of the Parent and its Consolidated Subsidiaries as of such dates and for such periods in accordance with IFRS, subject to year-end audit adjustments and the absence of footnotes in the case of the unaudited quarterly Financial Statements.

(b) Since December 31, 2013, (i) there has been no event, development or circumstance that has had or could reasonably be expected to have a Material Adverse Effect and (ii) the business of each Credit Party has been conducted only in the ordinary course consistent with past business practices.

(c) No Credit Party has on the date hereof, any material Debt (including Disqualified Capital Stock) or any contingent liabilities, off-balance sheet liabilities or partnerships, liabilities for Taxes, unusual forward or long-term commitments or unrealized or anticipated losses from any unfavorable commitments, except as referred to or reflected or provided for in the Financial Statements or disclosed in the Schedules hereto.

Section 7.05 Litigation. Except as set forth on Schedule 7.05, there are no actions, suits, investigations or proceedings by or before any arbitrator or Governmental Authority pending against or, to the knowledge of any Credit Party, threatened against or affecting any Credit Party or involving any Material Document (i) not fully covered by insurance (except for normal deductibles) as to which there is a reasonable possibility of an adverse determination that, if adversely determined, could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect or (ii) that seek to enjoin

any of the Transactions or otherwise involve any Loan Document or the Transactions. Since the date of this Agreement, there has been no change in the status of the matters disclosed in Schedule 7.05 that, individually or in the aggregate, has resulted in, or could reasonably be expected to result in, a Material Adverse Effect on the Credit Parties.

Section 7.06 Environmental Matters. Except for such matters as set forth on Schedule 7.06 or that, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect:

(a) each Credit Party and each of its respective Properties and operations thereon are, and within all applicable statute of limitation periods have been, in compliance with all applicable Environmental Laws;

(b) each Credit Party has obtained all Environmental Permits required for its respective operations and each of its Properties, with all such Environmental Permits being currently in full force and effect, and no such Person has received any written notice or otherwise has knowledge that any such existing Environmental Permit will be revoked or that any application for any new Environmental Permit or renewal of any existing Environmental Permit will be protested or denied;

(c) there are no claims, demands, suits, orders, inquiries, or proceedings concerning any violation of, or any liability (including as a potentially responsible party) under, any applicable Environmental Laws that is pending or, to any Credit Party's knowledge, threatened against any Credit Party or any of its respective Properties or as a result of any operations at such Properties;

(d) none of the Properties of any Credit Party contains or have contained any (i) underground storage tanks; (ii) asbestos containing materials, (iii) landfills or dumps or (iv) hazardous waste management units;

(e) there has been no Release or, to any Credit Party's knowledge, threatened Release, of Hazardous Materials at, on, under or from any Credit Party's respective Properties, there are no investigations, remediations, abatements, removals, or monitorings of Hazardous Materials required under applicable Environmental Laws at such Properties and, to the knowledge of each Credit Party, none of such Properties is adversely affected by any Release or threatened Release of a Hazardous Material originating or emanating from any other real property;

(f) no Credit Party has received any written notice asserting an alleged liability or obligation under any applicable Environmental Laws with respect to the investigation, remediation, abatement, removal, or monitoring of any Hazardous Materials at, under, or Released or threatened to be Released from any real properties offsite of any Credit Party's Properties and, to the Credit Parties' knowledge, there are no conditions or circumstances that could reasonably be expected to result in the receipt of such written notice;

(g) there has been no exposure of any Person or Property to any Hazardous Materials as a result of or in connection with the operations and businesses of any Credit Party's Properties that could reasonably be expected to form the basis for a material claim for damages or compensation; and

(h) each Credit Party has provided to the Lenders complete and correct copies of all environmental site assessment reports, investigations, studies, analyses, and correspondence on environmental matters (including matters relating to any alleged non-compliance with or liability under Environmental Laws) that are in each Credit Party's possession or control and relating to the Properties or operations of such Credit Party.

Section 7.07 Compliance with Laws and Agreements; No Defaults or Borrowing Base Deficiency.

(a) Each Credit Party is in compliance with all Governmental Requirements applicable to it or its Property and all agreements and other instruments binding upon it or its Property, and possesses all licenses, permits, franchises, exemptions, approvals and other governmental authorizations necessary for the ownership of its Property and the conduct of its business, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

(b) Except as set forth on Schedule 7.07, each Material Document is in full force and effect, and constitutes a valid and legally enforceable obligation of the parties thereto, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles; and no Credit Party is in default thereunder, nor has any event or circumstance occurred which, but for the expiration of any applicable grace period or the giving of notice, or both, would constitute a default thereunder, or would permit any counterparty thereto the right to terminate such Material Document or any transaction thereunder, or exercise any remedial rights thereunder.

(c) No Credit Party is in default nor has any event or circumstance occurred which, but for the expiration of any applicable grace period or the giving of notice, or both, would constitute a default or would require any Credit Party to Redeem or make any offer to Redeem under any indenture, note, credit agreement or instrument pursuant to which any Material Obligations is outstanding or by which any Credit Party or any of its Properties is bound.

(d) No Default, Event of Default or Borrowing Base Deficiency has occurred and is continuing.

Section 7.08 Investment Company Act. No Credit Party is an "investment company" or a company "controlled" by an "investment company," within the meaning of, or subject to regulation under, the Investment Company Act of 1940, as amended.

Section 7.09 Taxes. Except as set forth on Schedule 7.09, each Credit Party has timely filed or caused to be filed all material Tax returns and reports required to have been filed and has paid or caused to be paid all Taxes required to have been paid by it, except Taxes that are being contested in good faith by appropriate proceedings and for which any Credit Party, as applicable, has set aside on its books adequate reserves in accordance with IFRS. The charges, accruals and reserves on the books of each Credit Party in respect of Taxes and other governmental charges are, in the reasonable opinion of each Credit Party, adequate. No Lien in respect of Taxes has been filed and, to the knowledge of any Credit Party, no claim is being asserted with respect to any such Tax or other such governmental charge.

Section 7.10 Employee Benefit Arrangements. No Credit Party maintains any employee pension or defined benefit plan except as set forth on Schedule 7.10.

Section 7.11 Disclosure; No Material Misstatements. Each Credit Party has disclosed to the Administrative Agent and the Lenders all agreements, instruments and corporate or other restrictions to which it or any of its Subsidiaries is subject, and all other matters known to it, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. No reports, financial statements, certificates or other information furnished by or on behalf each Credit Party to the Administrative Agent or any Lender or any of their Affiliates in connection with the negotiation of this Agreement or any other Loan Document or delivered hereunder or under any other Loan Document (as

modified or supplemented by other information so furnished) contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, and in the light of the circumstances under which they were made, not misleading; provided that, with respect to projected financial information, each Credit Party represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time. There is no fact peculiar to any Credit Party which could reasonably be expected to have a Material Adverse Effect or in the future is reasonably likely to have a Material Adverse Effect and which has not been set forth in this Agreement or the other Loan Documents or the other documents, certificates and statements furnished to the Administrative Agent or the Lenders by or on behalf of any Credit Party prior to, or on, the date hereof in connection with the transactions contemplated hereby. There are no statements or conclusions in any Reserve Report which are based upon or include misleading information or fail to take into account material information regarding the matters reported therein, it being understood that projections concerning volumes attributable to the Oil and Gas Properties of each Credit Party and production and cost estimates contained in each Reserve Report are necessarily based upon professional opinions, estimates and projections and that such Credit Party does not warrant that such opinions, estimates and projections will ultimately prove to have been accurate.

Section 7.12 Insurance. Each Credit Party has (a) all insurance policies sufficient for the compliance by each of them with all material Governmental Requirements and all material agreements and (b) insurance coverage in at least amounts and against such risk (including, without limitation, public liability) that are usually insured against by companies similarly situated and engaged in the same or a similar business for the assets and operations of such Credit Party. The Administrative Agent and the Lenders have been named as additional insureds in respect of such liability insurance policies and the Administrative Agent has been named as loss payee with respect to Property loss insurance. No Credit Party owns any material Building (as defined in the applicable Flood Insurance Regulations) or material Manufactured (Mobile) Home (as defined in the applicable Flood Insurance Regulations) for which such Credit Party has not delivered to the Administrative Agent evidence reasonably satisfactory to the Administrative Agent that (a) such Credit Party maintains Flood Insurance for such Building or Manufactured (Mobile) Home or (b) such Building or Manufactured (Mobile) Home is not located in a Special Flood Hazard Area.

Section 7.13 Restriction on Liens. Except as set forth on Schedule 7.13, no Credit Party is a party to any material agreement or arrangement (other than Capital Leases creating Liens permitted by Section 9.03(c), but then only on the Property subject of such Capital Leases), or subject to any order, judgment, writ or decree, which either restricts or purports to restrict its ability to grant Liens to the Administrative Agent, the Collateral Agent and the Lenders on or in respect of its Properties to secure the Obligations and the Loan Documents.

Section 7.14 Subsidiaries.

(a) Set forth on Schedule 7.14, or as disclosed in writing to the Administrative Agent and the Collateral Agent, which shall promptly furnish a copy to the Lenders, and which disclosure shall be a supplement to Schedule 7.14, is (i) a true and complete list of each Subsidiary and whether such Subsidiary is a Material Subsidiary and each Person holding ownership interests in such Subsidiary, and (ii) a true and complete description of the nature of the ownership interests held by each such Person and the percentage of ownership of such Subsidiary represented by such ownership interests.

(b) Except as disclosed in Schedule 7.14, or as disclosed in writing to the Administrative Agent and the Collateral Agent, which shall promptly furnish a copy to the Lenders, and which disclosure shall be a supplement to Schedule 7.14, (i) each Credit Party has no Subsidiaries; (ii) each Credit Party owns, free and clear of Liens (other than Liens created pursuant to the Security

Instruments), and has the unencumbered right to vote, all outstanding ownership interests in each Person shown therein to be held by it, and (iii) all of the issued and outstanding Equity Interests of each such Person have been duly authorized and are validly issued, fully paid and nonassessable.

(c) Each Subsidiary is a Wholly-Owned Subsidiary.

Section 7.15 Location of Business and Offices. Each Credit Party's jurisdiction of organization, name as listed in the public records of its jurisdiction of organization, organizational identification number in its jurisdiction of organization, address of the principal place of business and chief executive offices and taxpayer identification number are set forth on Schedule 7.15.

Section 7.16 Properties; Titles, Etc.

(a) Except as set forth on Schedule 7.16, each Credit Party has good and defensible title to its respective Oil and Gas Properties and good title to all its personal Properties, in each case, free and clear of all Liens except Liens permitted by Section 9.03. After giving full effect to the Excepted Liens, each Credit Party specified as the owner owns the net interests in production attributable to the Hydrocarbon Interests as reflected in the most recently delivered Reserve Report, and the ownership of such Properties shall not in any material respect obligate such Credit Party to bear the costs and expenses relating to the maintenance, development and operations of each such Property in an amount in excess of the working interest of each Property set forth in the most recently delivered Reserve Report that is not offset by a corresponding proportionate increase such Credit Party's net revenue interest in such Property.

(b) Except as set forth on Schedule 7.16, all material leases and agreements necessary for the conduct of the business of each Credit Party are valid and subsisting, in full force and effect, and there exists no default or event or circumstance which with the giving of notice or the passage of time or both would give rise to a default under any such lease or leases, which could reasonably be expected to have a Material Adverse Effect.

(c) The rights and Properties presently owned, leased or licensed by each Credit Party including, without limitation, all easements and rights of way, include all rights and Properties necessary to permit each Credit Party to conduct its business in all material respects in the same manner as its business has been conducted prior to the date hereof.

(d) All of the Properties of the Credit Parties which are reasonably necessary for the operation of their businesses are in good working condition and are maintained in accordance with prudent business standards.

(e) Each Credit Party owns, or is licensed to use, all trademarks, tradenames, copyrights, patents and other intellectual Property material to its business, and the use thereof by such Credit Party does not infringe upon the rights of any other Person, except for any such infringements that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. Each Credit Party either owns or has valid licenses or other rights to use all databases, geological data, geophysical data, engineering data, seismic data, maps, interpretations and other technical information used in its businesses as presently conducted, subject to the limitations contained in the agreements governing the use of the same, which limitations are customary for companies engaged in the business of the exploration and production of Hydrocarbons from or attributable to such Oil and Gas Properties, with such exceptions as could not reasonably be expected to have a Material Adverse Effect.

(f) Each Credit Party is using its best efforts to renew, or cause to be renewed, the licenses to Oil and Gas Properties set forth on Schedule 7.07 such that such Credit Party shall have good

and defensible title to its respective Oil and Gas Properties, free and clear of all Liens except Liens permitted by Section 9.03.

Section 7.17 Maintenance of Properties. Except for such acts or failures to act as could not be reasonably expected to have a Material Adverse Effect, the Oil and Gas Properties (and Properties unitized therewith) of each Credit Party have been maintained, operated and developed in a good and workmanlike manner and in conformity with all Governmental Requirements and in conformity with the provisions of all leases, subleases or other contracts comprising a part of the Hydrocarbon Interests in connection with any Oil and Gas Properties and other contracts and agreements forming a part of the Oil and Gas Properties of such Credit Party. Specifically in connection with the foregoing, except for those as could not be reasonably expected to have a Material Adverse Effect, (i) no Oil and Gas Property of any Credit Party is subject to having allowable production reduced below the full and regular allowable (including the maximum permissible tolerance) because of any overproduction (whether or not the same was permissible at the time) and (ii) none of the wells comprising a part of the Oil and Gas Properties (or Properties unitized therewith) of any Credit Party is deviated from the vertical more than the maximum permitted by Governmental Requirements, and such wells are, in fact, bottomed under and are producing from, and the well bores are wholly within, the Oil and Gas Properties (or in the case of wells located on Properties unitized therewith, such unitized Properties) of such Credit Party. All pipelines, wells, gas processing plants, platforms and other material improvements, fixtures and equipment owned in whole or in part by each Credit Party that are necessary to conduct normal operations are being maintained in a state adequate to conduct normal operations, and with respect to such of the foregoing which are operated by any Credit Party, in a manner consistent such Credit Party's past practices (other than those the failure of which to maintain in accordance with this Section 7.17 could not reasonably be expected to have a Material Adverse Effect).

Section 7.18 Marketing of Production.

(a) Except for contracts listed and in effect on the date hereof on Schedule 7.18, and thereafter either disclosed in writing to the Administrative Agent and the Collateral Agent or included in the most recently delivered Reserve Report (with respect to all of which contracts each Borrower represents that it or any other Credit Party is receiving a price for all production sold thereunder which is computed substantially in accordance with the terms of the relevant contract and are not having deliveries curtailed substantially below the subject Oil and Gas Property's delivery capacity), no material agreements exist which are not cancelable on 60 days' notice or less without penalty or detriment for the sale of production from the Borrowers' or any other Credit Party's Hydrocarbons (including, without limitation, calls on or other rights to purchase, production, whether or not the same are currently being exercised) that (i) pertain to the sale of production at a fixed price and (ii) have a maturity or expiry date of longer than six (6) months from the date hereof.

(b) Each contract for the purchase and sale of crude oil and other Hydrocarbons to which any Credit Party is a party is an Offtake Agreement and the Eligible Buyer has acknowledged and accepted the instructions to make any payment in the correspondent Collection Account.

(c) Each Person to whom any Credit Party sells crude oil and other Hydrocarbons is an Eligible Buyer.

Section 7.19 Swap Agreements and Qualified ECP Guarantor. Schedule 7.19, as of the date hereof, and after the date hereof, each report required to be delivered by the Borrowers pursuant to Section 8.01(g), sets forth, a true and complete list of all Swap Agreements of each Credit Party, the material terms thereof (including the type, term, effective date, termination date and notional amounts or volumes), the net mark to market value thereof, all credit support agreements relating thereto (including

any margin required or supplied) and the counterparty to each such agreement. Each Borrower is a Qualified ECP Guarantor.

Section 7.20 Gas Imbalances, Prepayments. Except as set forth on Schedule 7.20 or on the most recent certificate delivered pursuant to Section 8.12(d), on a net basis there are no gas imbalances, take or pay or other prepayments which would require any Credit Party to deliver Hydrocarbons produced from its Oil and Gas Properties at some future time without then or thereafter receiving full payment therefor exceeding one-half bcf of gas (on an mcf equivalent basis) in the aggregate.

Section 7.21 [Reserved].

Section 7.22 Use of Loans and Letters of Credit. The proceeds of the Loans and the Letters of Credit shall be used to (a) pay for fees and expenses related to this Agreement and the other Loan Documents, (b) provide working capital for exploration and production operations, (c) make capital expenditures, (d) make permitted acquisitions and (e) develop Trinidad Hydrocarbon Properties and for general corporate purposes of the Credit Parties; provided that (i) the Borrowers may contribute proceeds of the Loans to any Credit Party and (ii) the proceeds of the Loans and the Letters of Credit shall not be used to develop “heavy” Oil and Gas Properties or Oil and Gas Properties consisting of tar sands (or their equivalent); provided further that none of the Administrative Agent, the Issuing Bank nor any Lender shall have any responsibility to monitor or verify the application by the Borrowers of any amounts borrowed pursuant to this Agreement. No Credit Party is engaged principally, or as one of its important activities, in the business of extending credit for the purpose, whether immediate, incidental or ultimate, of buying or carrying margin stock (within the meaning of Regulation T, U or X of the Board). No part of the proceeds of any Loan or Letter of Credit will be used for any purpose which violates the provisions of Regulations T, U or X of the Board. If requested by the Administrative Agent, the Borrowers will furnish to the Administrative Agent and each Lender a statement to the foregoing effect in conformity with the requirements of FR Form U-1 or such other form referred to in Regulation U, Regulation T or Regulation X of the Board, as the case may be.

Section 7.23 Solvency. After giving effect to the transactions contemplated hereby, (a) the aggregate assets (after giving effect to amounts that could reasonably be received by reason of indemnity, offset, insurance or any similar arrangement), at a fair valuation, of the Credit Parties, taken as a whole, will exceed the aggregate Debt of the Credit Parties on a consolidated basis, as the Debt becomes absolute and matures, (b) each of the Credit Parties will not have incurred or intended to incur, and will not believe that it will incur, Debt beyond its ability to pay such Debt (after taking into account the timing and amounts of cash to be received by each of the Credit Parties and the amounts to be payable on or in respect of its liabilities, and giving effect to amounts that could reasonably be received by reason of indemnity, offset, insurance or any similar arrangement) as such Debt becomes absolute and matures and (c) each of the Credit Parties will not have (and will have no reason to believe that it will have thereafter) unreasonably small capital for the conduct of its business.

Section 7.24 Material Documents. The copies of the Material Documents, as amended or modified, previously delivered by the Credit Parties to the Administrative Agent are true, accurate and complete and have not been further amended or modified in any manner, other than pursuant to amendments or modifications permitted pursuant to Section 9.17 and previously delivered to the Administrative Agent.

Section 7.25 Foreign Corrupt Practices. No Credit Party, nor, to the knowledge of any Credit Party, any director, officer, agent, employee or Affiliate of any Credit Party, is aware of or has taken any action, directly or indirectly, that has resulted in a material violation by such Persons of the FCPA, including without limitation, making use of the mails or any means or instrumentality of interstate

commerce corruptly in furtherance of an offer, payment, promise to pay or authorization of the payment of any money, or other Property, gift, promise to give, or authorization of the giving of anything of value to any “foreign official” (as such term is defined in the FCPA) or any foreign political party or official thereof or any candidate for foreign political office, in material contravention of the FCPA; and, each Credit Party and, to the knowledge of each Credit Party, its Affiliates have conducted their businesses in material compliance with the FCPA to the extent applicable thereto.

Section 7.26 OFAC; Sanctions; Anti-Corruption Laws.

(a) To the extent applicable, the Credit Parties are in compliance in all material respects with (i) the Trading with the Enemy Act, as amended, and each of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended), and any other enabling legislation or executive order relating thereto, (ii) the PATRIOT Act and (iii) applicable anti-corruption laws. No Credit Party, or to the knowledge of any such Person, any director, officer, employee, agent, or representative thereof, is an individual or entity that is, or is owned or controlled by any individual or entity that is (i) currently the subject or target of any Sanctions or (ii) located, organized or resident in a Designated Jurisdiction.

(b) No Loan, nor the proceeds from any Loan, has been used, directly or (to the knowledge of any Credit Party after diligent investigation) indirectly, to lend, contribute or provide for, or has otherwise been made available to, (i) fund any activity or business in a Designated Jurisdiction, that, at the time of the making of any Loan or issuance of any Letter of Credit, is the subject of Sanctions or (ii) fund any activity or business of any Person located, organized or residing in any Designated Jurisdiction, that, at the time of the making of any Loan or issuance of any Letter of Credit, is the subject of Sanctions or (iii) in any other manner that will result in a violation by the Credit Parties of Sanctions.

Section 7.27 Ranking. The Loans and the LC Exposure constitute senior secured Debt of the Borrowers and rank (a) *pari passu* with all obligations under all Secured Swap Agreements and (b) senior to all other Debt of the Borrowers, except for Debt with respect to Excepted Liens identified in clauses (a) to (e) and (g) of the definition thereof and obligations that are accorded mandatory preference by law and as may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors’ rights generally and as may be limited by equitable principles of general applicability.

ARTICLE VIII
Affirmative Covenants

Until the Commitments have expired or been terminated and the principal of and interest on each Loan and all fees payable hereunder and all other amounts payable under the Loan Documents shall have been paid in full and all Letters of Credit shall have expired or terminated and all LC Disbursements shall have been reimbursed, the Borrowers covenant and agree with the Administrative Agent, the Collateral Agent and the Lenders that:

Section 8.01 Financial Statements; Other Information. The Borrower Agent will furnish to the Administrative Agent and each Lender:

(a) Annual Financial Statements. In accordance with applicable law, but in any event not later than 90 days after the end of the Parent’s fiscal year, the Parent’s audited consolidated balance sheet and related statements of operations, stockholders’ equity and cash flows as of the end of and for such year, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on by Ernst & Young LLP or other independent external auditor acceptable to the Administrative Agent, acting reasonably (without a “going concern” or like qualification or exception and

without any qualification or exception as to the scope of such audit) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of the Parent and its Consolidated Subsidiaries on a consolidated basis in accordance with IFRS, consistently applied and certified by a Financial Officer of the Parent as presenting fairly in all material respects the financial condition and results of operations of such Person and its Consolidated Subsidiaries on a consolidated basis.

(b) Quarterly Financial Statements. In accordance with applicable law, but in any event not later than 45 days after the end of each of the first three fiscal quarters of each fiscal year of the Parent, the Parent's consolidated balance sheet and related statements of operations, stockholders' equity and cash flows as of the end of and for such fiscal quarter and the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year, all certified by a Financial Officer of the Parent as presenting fairly in all material respects the financial condition and results of operations of the Parent and its Consolidated Subsidiaries on a consolidated basis in accordance with IFRS consistently applied, subject to normal year-end audit adjustments and the absence of footnotes.

(c) Certificate of Accounting Firm – Defaults. Concurrently with any delivery of financial statements under Section 8.01(a), a certificate of the accounting firm that reported on such financial statements stating whether they obtained knowledge during the course of their examination of such financial statements of any Default (which certificate may be limited to the extent required by accounting rules or guidelines).

(d) Certificate of Financial Officer – Consolidating Information. If, at any time, all of the Consolidated Subsidiaries of the Parent are not Credit Parties, then concurrently with any delivery of financial statements under Section 8.01(a) or Section 8.01(b), a certificate of a Financial Officer of the Borrower Agent setting forth consolidating spreadsheets that show all Subsidiaries which are not consolidated with the Parent and the eliminating entries, in such form as would be presentable to the auditors of the Parent.

(e) Financial Projections. As soon as available, but in any event no later than September 1 (or if such date is not a Business Day, then the immediately succeeding Business Day) of each fiscal year of the Parent, financial projections of the Credit Parties for the subsequent fiscal year, certified by a Financial Officer of the Borrower Agent that such projections have been prepared on the basis of sound financial planning practice consistent with past budgets and financial statements and that such officer has no reason to question the reasonableness of any material assumptions on which such projections were prepared.

(f) Certificate of Financial Officer – Compliance. Concurrently with any delivery of financial statements under Section 8.01(a) or Section 8.01(b) and the delivery of each Reserve Report hereunder, a certificate of a Financial Officer of the Borrower Agent in substantially the form of Exhibit E hereto (i) certifying as to whether a Default has occurred and, if a Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto, (ii) setting forth reasonably detailed calculations demonstrating compliance with Section 9.01 (with respect to the Parent), (iii) stating whether any change in IFRS, or in the application thereof has occurred since December 31, 2013, and, if any such change has occurred, specifying the effect of such change on the financial statements accompanying such certificate and (iv) (other than with respect to the Parent) setting forth each Subsidiary of the Parent and stating whether such Subsidiary is a Material Subsidiary.

(g) Certificate of Financial Officer – Swap Agreements. Concurrently with any delivery of financial statements under Section 8.01(a) and Section 8.01(b), a certificate of a Financial

Officer of the Borrower Agent, in form and substance reasonably satisfactory to the Administrative Agent, setting forth as of a recent date, a true and complete list of all Swap Agreements of the Credit Parties, the material terms thereof (including the type, term, effective date, termination date and notional amounts or volumes), the net mark to market value thereof, any new credit support agreements relating thereto not listed on Schedule 7.19, any margin required or supplied under any credit support document, and the counterparty to each such agreement.

(h) Certificate of Insurer – Insurance Coverage. Concurrently with any delivery of financial statements by the Parent under Section 8.01(a), a certificate of insurance coverage from each insurer with respect to the insurance required by the Credit Parties pursuant to Section 8.07, in form and substance satisfactory to the Administrative Agent, and, if requested by the Administrative Agent or any Lender, all copies of the applicable policies.

(i) Other Accounting Reports. Promptly upon receipt thereof, a copy of each other material report or letter submitted to any Credit Party by independent accountants in connection with any annual, interim or special audit made by them of the books of such Credit Party, and a copy of any response by any Credit Party, or the Board of Directors of any Credit Party, to such letter or report.

(j) Securities Commissions and Other Filings; Reports to Shareholders. Promptly after the same become publicly available, copies of all periodic and other reports, proxy statements and other materials filed by the Parent or any of its Subsidiaries with any securities commissions having jurisdiction over the Parent or any of its Subsidiaries, or distributed by the Parent or any of its Subsidiaries to its shareholders generally, as the case may be and all material documents posted on the Toronto Stock Exchange; provided that the foregoing will be deemed to be delivered by posting such information on www.sedar.com or any other website to which Lenders have free access.

(k) Notices Under Material Documents. Promptly after the furnishing thereof, copies of any material financial statement, report or notice furnished to or by (i) any Person pursuant to the terms of any preferred stock designation, indenture, loan or credit or other similar agreement, other than this Agreement and not otherwise required to be furnished to the Lenders pursuant to any other provision of this Section 8.01 or (ii) Petrotrin or any other Person pursuant to or in connection with the terms of any Material Documents.

(l) Defaults under Material Documents. Promptly after any Credit Party knows that any condition or event that constitutes a default, event of default, force majeure event or termination event (howsoever described) under any Material Document has occurred, a notice of such occurrence, together with a certificate from a Responsible Officer of such entity specifying the nature and period of existence of such default, event of default, force majeure event or termination event, and any action taken or proposed to be taken with respect thereto.

(m) Lists of Purchasers; Offtake Agreements; Eligible Buyers. Promptly (i) following the reasonable written request of the Administrative Agent, a list of all Persons purchasing Hydrocarbons from each Credit Party, as well as a list of Offtake Agreements to which any Credit Party is a party; and (ii) after any Credit Party knows that any Person has ceased to be an Eligible Buyer, written notice thereof, together with a certificate from a Responsible Officer of such entity specifying in reasonable detail the circumstance(s) that has resulted in such Person ceasing to be an Eligible Buyer, and any additional information related thereto reasonably requested by the Administrative Agent or any Lender.

(n) Notice of Sales of Oil and Gas Properties and Liquidation of Swap Agreements. In the event any Credit Party intends to sell, transfer, assign or otherwise dispose of any Oil or Gas

Properties pursuant to Section 9.11(a)(iv) or any Credit Party intends to sell, transfer, assign or otherwise dispose of any Equity Interests in any Subsidiary pursuant to Section 9.11(a)(iv), reasonable prior written notice (and in any event no later than 10 days prior thereto) of such disposition, the price thereof and the anticipated date of closing and any other details thereof requested by the Administrative Agent or any Lender. In the event that any Credit Party receives any notice of early termination of any Swap Agreement to which it is a party from any of its counterparties, or any Swap Agreement to which any Credit Party is a party is Liquidated, prompt written notice of the receipt of such early termination notice or such Liquidation, as the case may be, together with a reasonably detailed description or explanation thereof and any other details thereof requested by the Administrative Agent or any Lender.

(o) Notice of Casualty Events. Prompt written notice, and in any event within three (3) Business Days following a Credit Party obtaining knowledge thereof, of the occurrence of any Casualty Event or the commencement of any action or proceeding that could reasonably be expected to result in a Casualty Event.

(p) Information Regarding Borrowers and Guarantors. Prompt written notice (and in any event within thirty (30) days prior thereto) of any change (i) in any Credit Party's corporate name or in any trade name used to identify such Person in the conduct of its business or in the ownership of its Properties, (ii) in the location of any Credit Party's chief executive office or principal place of business, (iii) in any Credit Party's identity or corporate structure or in the jurisdiction in which such Person is incorporated or formed, (iv) in any Credit Party's jurisdiction of organization or such Person's organizational identification number in such jurisdiction of organization, and (v) in any Credit Party's taxpayer identification number.

(q) Production Report and Operating Statements.

(i) Within forty-five (45) days after the end of each fiscal quarter, a report setting forth, for each calendar month during the then current fiscal year to date, the volume of production and sales attributable to production (and the prices at which such sales were made and the revenues derived from such sales), including gross production and net production after royalties, for each such calendar month from the Oil and Gas Properties of the Credit Parties, and setting forth the related ad valorem, severance and production taxes and operating expenses attributable thereto and incurred for each such calendar month, and such other related information as the Administrative Agent may reasonably request.

(ii) Within forty-five (45) days after the end of each fiscal year of the Parent, a report prepared by or on behalf of the Parent detailing (i) the projected production of Hydrocarbons from or attributable to such Oil and Gas Properties by the Credit Parties in each of the next four fiscal quarters and the assumptions used in calculating such projections, (ii) an annual operating budget for the Credit Parties for the forthcoming fiscal year, and (iii) the projected capital expenditures to be incurred by the Credit Parties in each of the next four fiscal quarters, with a breakdown of those capital expenditures to be used for the development of proved undeveloped reserves in the Oil and Gas Properties of the Credit Parties (including the Trinidad Hydrocarbon Properties), and the assumptions used in calculating such projections.

(r) Notices of Certain Changes. Promptly, but in any event within five (5) Business Days after the execution thereof, copies of any amendment, modification or supplement to the certificate or articles of incorporation, bylaws, certificate or articles of organization, regulations, any preferred stock designation or any other organic document of any Credit Party.

(s) Material Changes. Promptly after the occurrence thereof, notice of any material change in royalties or Taxes, or the confiscation, condemnation, seizure, forfeiture or expropriation in respect of any Oil and Gas Properties of any Credit Party.

(t) Notices under License Agreements. Promptly after receipt thereof, copies of any requirement that any Credit Party receives from Petrotrin and any other lessor (or sublessor) of such Credit Party's Trinidad Hydrocarbon Properties that results or may result in the early termination of one or more of the License Agreements.

(u) Notices of Material Subsidiaries. Promptly, but in any event within five (5) Business Days of any Subsidiary becoming a Material Subsidiary, a certificate of a Responsible Officer of the Parent, in form and substance reasonably satisfactory to the Administrative Agent, notifying the Administrative Agent of such event, together with a list of all Subsidiaries of the Parent and whether each such Subsidiary is a Material Subsidiary.

(v) Notices of Dedicated Cash Receipts. Promptly, but in any event within three (3) Business Days from the date any Credit Party receives Dedicated Cash Receipts pursuant to Section 8.14(c)(iii), notice of receipt of such Dedicated Cash Receipts and a request to open a Collection Account pursuant to Section 8.14(c)(iii)(C).

(w) Notices of Renewal of Leases. Promptly, but in any event with five (5) Business Days after the end of each month, a report substantially in the form of Schedule 7.07 setting forth the status of the renewal of the licenses set forth on Schedule 7.07.

(x) Other Requested Information. Promptly following any request therefor, such other information regarding the operations, business affairs and financial condition of any Credit Party, or compliance with the terms of this Agreement or any other Loan Document, as the Administrative Agent or any Lender may reasonably request.

Section 8.02 Notices of Material Events. The Borrower Agent will furnish to the Administrative Agent, the Collateral Agent and each Lender prompt (and in any event within three (3) Business Days) written notice of the following:

(a) the occurrence of any Default;

(b) the filing or commencement of, or the threat in writing of, any action, suit, proceeding, investigation or arbitration by or before any arbitrator or Governmental Authority against or affecting any Credit Party or any Affiliate thereof not previously disclosed in writing to the Lenders or any material adverse development in any action, suit, proceeding, investigation or arbitration (whether or not previously disclosed to the Lenders) that, in either case, if adversely determined, could reasonably be expected to result in liability in excess of US\$500,000, not fully covered by insurance, subject to normal deductibles; and

(c) any other development that results in, or could reasonably be expected to result in, a Material Adverse Effect.

Each notice delivered under this Section 8.02 shall be accompanied by a statement of a Responsible Officer of such entity setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

Section 8.03 Existence; Conduct of Business. Each Credit Party will do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and the rights, licenses, permits, privileges and franchises material to the conduct of its business and maintain, if necessary, its qualification to do business in each other jurisdiction in which its Oil and Gas Properties is located or the ownership of its Properties requires such qualification, except where the failure to so qualify could not reasonably be expected to have a Material Adverse Effect; provided that the foregoing shall not prohibit any merger, consolidation, liquidation or dissolution permitted under Section 9.10.

Section 8.04 Payment of Obligations. Each Credit Party will pay its Material Obligations, including Tax liabilities of such Credit Party, before the same shall become delinquent or in default, except where the validity or amount thereof is being contested in good faith by appropriate proceedings and such Person has set aside on its books adequate reserves with respect thereto in accordance with IFRS.

Section 8.05 [Reserved].

Section 8.06 Operation and Maintenance of Properties. Each Credit Party, at its own expense, will:

(a) operate its Oil and Gas Properties and other material Properties or cause such Oil and Gas Properties and other material Properties to be operated in a careful and efficient manner in accordance with the practices of the industry and in compliance with all applicable contracts and agreements and in compliance with all Governmental Requirements, including, without limitation, applicable proration requirements and Environmental Laws, and all applicable laws, rules and regulations of every other Governmental Authority from time to time constituted to regulate the development and operation of its Oil and Gas Properties and the production and sale of Hydrocarbons from or attributable to such Oil and Gas Properties and other minerals therefrom.

(b) keep and maintain all Property material to the conduct of its business in good working order and condition (ordinary wear and tear excepted) and preserve, maintain and keep in good repair, working order and efficiency (ordinary wear and tear excepted) all of its Oil and Gas Properties and other Properties material to the conduct of its business, including, without limitation, all equipment, machinery and facilities.

(c) promptly pay and discharge, or make reasonable and customary efforts to cause to be paid and discharged, all delay rentals, royalties, expenses and indebtedness accruing under the leases or other agreements affecting or pertaining to its Oil and Gas Properties and will do all other things necessary to keep unimpaired its rights with respect thereto and prevent any forfeiture thereof or default thereunder.

(d) promptly perform or make reasonable and customary efforts to cause to be performed, in accordance with industry standards, the obligations required by each and all of the assignments, deeds, leases, sub-leases, contracts and agreements affecting its interests in its Oil and Gas Properties and other material Properties.

(e) to the extent the Borrowers are not the operator of any Property, use reasonable efforts to cause the operator to comply with this Section 8.06.

Section 8.07 Insurance. Each Credit Party will maintain, with financially sound and reputable insurance companies, insurance in such amounts and against such risks as are customarily maintained by companies engaged in the same or similar businesses operating in the same or similar locations. The loss

payable clauses or provisions in said insurance policy or policies insuring any of the collateral for the Loans shall be endorsed in favor of and made payable to the Administrative Agent as its interests may appear and such policies shall name the Administrative Agent and the Lenders as “additional insureds” and provide that the insurer will endeavor to give at least thirty (30) days prior notice of any cancellation to the Administrative Agent.

Section 8.08 Books and Records; Inspection Rights. Each Credit Party will keep proper books of record and account in which full, true and correct entries are made of all dealings and transactions in relation to its business and activities. Each Credit Party will permit any representatives designated by the Administrative Agent or any Lender, upon reasonable prior notice, to visit and inspect its Properties, to examine and make extracts from its books and records, and to discuss its affairs, finances and condition with its officers and independent accountants, all at such reasonable times during business hours and as often as reasonably requested.

Section 8.09 Compliance with Laws. Each Credit Party will comply with all laws, rules, regulations and orders of any Governmental Authority applicable to it or its Property, except (other than with respect to bribery and anti-corruption Governmental Requirements) where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

Section 8.10 Environmental Matters.

(a) Each Credit Party shall at its sole expense: (i) comply, and shall cause its Properties and operations to comply, with all applicable Environmental Laws, the breach of which could be reasonably expected to have a Material Adverse Effect; (ii) not Release or threaten to Release any Hazardous Material on, under, about or from any Credit Party’s Properties or any other property offsite any Property to the extent caused by such Credit Party’s operations except in compliance with applicable Environmental Laws, the Release or threatened Release of which could reasonably be expected to have a Material Adverse Effect; (iii) timely obtain or file all Environmental Permits, if any, required under applicable Environmental Laws to be obtained or filed in connection with the operation or use of any Credit Party’s Properties, which failure to obtain or file could reasonably be expected to have a Material Adverse Effect; (iv) promptly commence and diligently prosecute to completion, and shall cause each Subsidiary to promptly commence and diligently prosecute to completion, any assessment, evaluation, investigation, monitoring, containment, cleanup, removal, repair, restoration, remediation or other remedial obligations (collectively, the “Remedial Work”) in the event any Remedial Work is required or reasonably necessary under applicable Environmental Laws because of or in connection with the actual or suspected past, present or future Release or threatened Release of any Hazardous Material on, under, about or from any Credit Party’s Properties, which failure to commence and diligently prosecute to completion could reasonably be expected to have a Material Adverse Effect; (v) conduct its respective operations and businesses in a manner that will not expose any Property or Person to Hazardous Materials that could reasonably be expected to form the basis for a claim for damages or compensation; and (vi) establish and implement such procedures as may be necessary to continuously determine and assure that each Credit Party’s obligations under this Section 8.10(a) are timely and fully satisfied, which failure to establish and implement could reasonably be expected to have a Material Adverse Effect.

(b) Each Credit Party will promptly, but in no event later than five days after any Credit Party obtains knowledge thereof, notify the Administrative Agent and the Lenders in writing of any threatened in writing action, investigation or inquiry by any Governmental Authority or any threatened demand or lawsuit by any Person against any Credit Party or any of its respective Properties of which any such Person has knowledge in connection with any Environmental Laws if such Person reasonably anticipates that such action will result in liability (whether individually or in the aggregate) in excess of US\$500,000, not fully covered by insurance, subject to normal deductibles.

(c) Each Credit Party shall provide environmental assessments, audits and tests in accordance with the most current version of the Republic of Trinidad and Tobago Environmental Management Act standards upon request by the Administrative Agent and the Lenders and no more than once per year in the absence of any Event of Default (or as otherwise required to be obtained by the Administrative Agent or the Lenders by any Governmental Authority), in connection with any future acquisitions of Oil and Gas Properties or other Properties.

Section 8.11 Further Assurances.

(a) Each Credit Party at its sole expense will, and each such Person will cause each of its Subsidiaries to, promptly execute and deliver to the Administrative Agent all such other documents, agreements and instruments requested by the Administrative Agent, acting reasonably, to comply with, cure any defects or accomplish the conditions precedent, covenants and agreements of any Credit Party, as the case may be, in the Loan Documents, including the Notes, or to further evidence and more fully describe the collateral intended as security for the Obligations, or to correct any omissions in this Agreement or the Security Instruments, or to state more fully the obligations secured therein, or to perfect, protect or preserve any Liens created pursuant to this Agreement or any of the Security Instruments or the priority thereof, or to make any recordings, file any notices or obtain any consents, all as may be necessary or appropriate, in the sole discretion of the Administrative Agent, acting reasonably, in connection therewith.

(b) Each Credit Party hereby authorizes the Collateral Agent to file one or more financing or continuation statements (or the equivalent thereof), and amendments thereto, relative to all or any part of the Mortgaged Property without the signature of any Credit Party where permitted by law. A carbon, photographic or other reproduction of the Security Instruments or any financing statement covering the Mortgaged Property or any part thereof shall be sufficient as a financing statement where permitted by law. The Borrowers acknowledge and agree that any such financing statement (or equivalent thereof) may describe the collateral as “all assets” of the applicable Credit Party or words of similar effect as may be required by the Collateral Agent.

Section 8.12 Reserve Reports.

(a) On or before April 1st of each year prior to the Maturity Date, the Borrowers shall furnish to the Administrative Agent and the Lenders a Reserve Report evaluating the Trinidad Hydrocarbon Properties of each of the Credit Parties that are Qualified ECP Guarantors evaluating such Trinidad Hydrocarbon Properties as of the immediately preceding December 31st and prepared by one or more Approved Petroleum Engineers.

(b) On or before October 1st of each year prior to the Maturity Date the Borrowers shall furnish to the Administrative Agent and the Lenders a Reserve Report evaluating the Trinidad Hydrocarbon Properties of each of the Credit Parties that are Qualified ECP Guarantors evaluating such Trinidad Hydrocarbon Properties as of the immediately preceding June 30th and prepared by or under the supervision of the chief engineer of the Borrowers who shall certify such Reserve Report to be true and accurate and to have been prepared in accordance with the procedures used in the immediately preceding Reserve Report.

(c) In the event of an Interim Redetermination, the Borrowers shall furnish to the Administrative Agent and the Lenders a Reserve Report prepared by or under the supervision of the chief engineer of the Borrowers, and a Financial Officer of the Borrower Agent shall certify such Reserve Report to be true and accurate and to have been prepared in accordance with the procedures used in the immediately preceding December 31st Reserve Report. For any Interim Redetermination requested by

the Administrative Agent or the Borrower Agent pursuant to Section 2.07(b), the Borrowers shall provide such Reserve Report with an “as of” date as required by the Administrative Agent as soon as possible, but in any event no later than thirty (30) days following the receipt of such request.

(d) With the delivery of each Reserve Report, the Borrowers shall provide to the Administrative Agent and the Lenders a certificate from a Responsible Officer of the Borrower Agent certifying that in all material respects: (i) the information contained in the Reserve Report and any other information delivered in connection therewith is true and correct, (ii) each Credit Party owns good and defensible title to the Trinidad Hydrocarbon Properties evaluated in such Reserve Report and such Properties are free of all Liens except for Excepted Liens and Liens securing the Obligations, (iii) except as set forth on an exhibit to the certificate, on a net basis there are no gas imbalances, take or pay or other prepayments in excess of the volume specified in Section 7.18 with respect to its Trinidad Hydrocarbon Properties evaluated in such Reserve Report which would require any Credit Party to deliver Hydrocarbons either generally or produced from such Trinidad Hydrocarbon Properties at some future time without then or thereafter receiving full payment therefor, (iv) none of their Trinidad Hydrocarbon Properties has been sold since the date of the last Borrowing Base determination except as set forth on an exhibit to the certificate, which certificate shall list all of its Trinidad Hydrocarbon Properties sold and in such detail as required by the Administrative Agent, acting reasonably, (v) attached to the certificate is a list of all marketing agreements entered into subsequent to the later of the date hereof or the most recently delivered Reserve Report which a Credit Party could reasonably be expected to have been obligated to list on Schedule 7.19 had such agreement been in effect on the date hereof and (vi) attached thereto is a schedule of the Trinidad Hydrocarbon Properties evaluated by such Reserve Report that are Trinidad Mortgaged Properties and demonstrating the percentage of the total value of the Trinidad Hydrocarbon Properties evaluated in such Reserve Report that the value of such Trinidad Mortgaged Properties represent in compliance with Section 8.14(a).

Section 8.13 Title Information.

(a) On or before the delivery to the Administrative Agent and the Lenders of each Reserve Report required by Section 8.12(a) or Section 8.12(b), the Borrowers will deliver title information in form and substance acceptable to the Administrative Agent covering enough of the Trinidad Hydrocarbon Properties evaluated by such Reserve Report that were not included in the immediately preceding Reserve Report, so that the Administrative Agent shall have received together with title information previously delivered to the Administrative Agent, satisfactory title information on at least eighty percent (80%) of the total value of the Trinidad Hydrocarbon Properties evaluated by such Reserve Report.

(b) If the Borrowers have provided title information for additional Trinidad Hydrocarbon Properties under Section 8.13(a), the Borrowers shall, within sixty (60) days after notice from the Administrative Agent that title defects or exceptions exist with respect to such additional Trinidad Hydrocarbon Properties, either (i) cure any such title defects or exceptions (including defects or exceptions as to priority) which are not permitted by Section 9.03, (ii) substitute acceptable Mortgaged Properties with no title defects or exceptions except for Excepted Liens (other than Excepted Liens described in clauses (f), (h) and (i) of such definition) having an equivalent value or (iii) deliver title information in form and substance acceptable to the Administrative Agent so that the Administrative Agent shall have received, together with title information previously delivered to the Administrative Agent, satisfactory title information on at least the percentage set forth in Section 8.13(a) of the total value of the Trinidad Hydrocarbon Properties evaluated by such Reserve Report.

(c) If the Borrowers are unable to cure any title defect requested by the Administrative Agent or the Lenders to be cured within the sixty (60) day period or the Borrowers do not

comply with the requirements to provide acceptable title information covering at least the percentage set forth in Section 8.13(a) of the total value of the Trinidad Hydrocarbon Properties evaluated by such Reserve Report, such default shall not be a Default, but instead the Administrative Agent and/or the Required Lenders shall have the right to exercise the following remedy in their sole discretion from time to time, and any failure to so exercise this remedy at any time shall not be a waiver as to future exercise of the remedy by the Administrative Agent or the Lenders. To the extent that the Administrative Agent or the Required Lenders are not satisfied with title to any additional Trinidad Hydrocarbon Properties under Section 8.13(a) after such sixty (60) day period has elapsed, such unacceptable Trinidad Hydrocarbon Properties shall not count towards the percent requirement set forth in Section 8.13(a), and the Administrative Agent may send a notice to the Borrower Agent, on behalf of the Borrowers, and the Lenders that the then outstanding Borrowing Base shall be reduced by an amount as determined by the Required Lenders to cause the Borrowers to be in compliance with the requirement to provide acceptable title information on at least the percentage of the total value of the Trinidad Hydrocarbon Properties set forth in Section 8.13(a). This new Borrowing Base shall become effective immediately after receipt of such notice.

Section 8.14 Collateral and Guaranty Agreement.

(a) Collateral. In connection with each redetermination of the Borrowing Base, the Borrowers shall review the Reserve Report and the list of current Trinidad Mortgaged Properties (as described in Section 8.12(d)(vi)) to ascertain whether the Trinidad Mortgaged Properties represent at least eighty percent (80%) of the total value of the Trinidad Hydrocarbon Properties evaluated in the most recently completed Reserve Report after giving effect to exploration and production activities, acquisitions, dispositions and production. In the event that the Trinidad Mortgaged Properties do not represent at least eighty percent (80%) of such total value, then the Borrowers shall, and shall cause each Credit Party to, grant, within thirty (30) days of delivery of the certificate required under Section 8.12(c), to the Collateral Agent as security for the Obligations a first-priority Lien interest (subject to MEEA Consent and Post Closing Petrotrin Consent, if applicable, and provided that Excepted Liens of the type described in clauses (a) to (e) and (g) of the definition thereof may exist, but subject to the provisos at the end of such definition) on additional Trinidad Hydrocarbon Properties of the Credit Parties that are Qualified ECP Guarantors and which Trinidad Hydrocarbon Properties are not already subject to a Lien of the Security Instruments such that after giving effect thereto, the Mortgaged Properties will represent at least eighty percent (80%) of such total value. All such Liens will be created and perfected by and in accordance with the provisions of deeds of trust, security agreements and financing statements or other Security Instruments, all in form and substance reasonably satisfactory to the Collateral Agent and in sufficient executed (and acknowledged where necessary or appropriate) counterparts for recording purposes. In order to comply with the foregoing, if any Credit Party places a Lien on its Oil and Gas Properties and such Credit Party is not a Guarantor, then it shall become a Guarantor and comply with Section 8.14(b).

(b) Subsidiaries.

(i) In the event that the Borrowers determine that any Subsidiary is a Material Subsidiary, the Borrowers shall promptly cause such Subsidiary to guarantee the Obligations pursuant to the Guaranty Agreement. In connection with any such guaranty, the Borrowers shall, or shall cause such Subsidiary to, (A) execute and deliver a supplement to the Guaranty Agreement executed by such Subsidiary, (B) pledge all of the Equity Interests of such new Subsidiary (including, without limitation, delivery of original stock certificates evidencing the Equity Interests of such Subsidiary, together with appropriate undated stock powers for each certificate duly executed in blank by the registered owner thereof) and (C) execute and deliver such other additional closing documents, certificates and legal opinions as shall be requested by the Collateral Agent, acting reasonably.

(ii) In the event that any Guarantor organized and existing under the laws of the Republic of Trinidad and Tobago acquires any Property with a value greater than US\$500,000, such Guarantor shall, as of the date of such acquisition, execute and deliver a supplement to the Guaranty Agreement executed by such Guarantor.

(c) Collection Accounts. Each Credit Party shall promptly:

(i) deposit or cause to be deposited directly into one or more Collection Accounts in U.S. Dollars, Trinidad Dollars or such other currency as the Required Lenders may approve in their reasonable discretion, all Dedicated Cash Receipts; and

(ii) grant a first priority, perfected Lien to the Collateral Agent for the benefit of the Secured Parties on all of its right, title and interest in and to each Collection Account established in the name of such Credit Party pursuant to one or more Deposit Account Control Agreements and/or one or more other Security Instruments on terms satisfactory in form and substance to the Collateral Agent.

(iii) If at any time a Credit Party receives Dedicated Cash Receipts, but has not, at the time of such receipt, established a Collection Account in the name of such Credit Party, such Credit Party shall (A) hold such Dedicated Cash Receipts as bailee for perfection on behalf of the Collateral Agent, (B) not commingle such Dedicated Cash Receipts with any other funds, and keep such Dedicated Cash Receipts separate and distinct from any other funds and (C) promptly, and in no event later than the date which is ten (10) Business Days after receipt by such Credit Party of any Dedicated Cash Receipt, establish a Collection Account.

(d) Notwithstanding any provision in any of the Loan Documents to the contrary, in no event is any Building (as defined in the applicable Flood Insurance Regulations) or Manufactured (Mobile) Home (as defined in the applicable Flood Insurance Regulations) owned by any Credit Party included in the Mortgaged Property and no Building or Manufactured (Mobile) Home shall be encumbered by any Security Instrument; provided, that (A) the applicable Credit Party's interests in all lands and Hydrocarbons situated under any such Building or Manufactured (Mobile) Home shall be included in the Mortgaged Property and shall be encumbered by the Security Instruments and (B) no Borrower shall, and shall not permit any of its Restricted Subsidiaries to, permit to exist any Lien on any Building or Manufactured (Mobile) Home except Excepted Liens.

(e) Other Actions. In addition to the requirements of subsections (a) through (d) above, each Credit Party shall (i) execute and deliver such other additional Security Instruments as may be necessary or advisable in the reasonable opinion of the Collateral Agent in connection therewith, (ii) execute and deliver such other closing documents, certificates and legal opinions as shall be required by the Security Instruments, by Governmental Requirements or as may be requested by the Collateral Agent, acting reasonably, in connection therewith (including, to the extent applicable, the delivery of original stock certificates evidencing the Equity Interests of any Credit Party or a Material Subsidiary, together with appropriate undated stock powers for each certificate duly executed in blank by the registered owner thereof), and (iii) take all other action requested in connection therewith by the Collateral Agent, acting reasonably, including, without limitation, the filing of appropriate financing statements (or the equivalent thereof) under the provisions of the Uniform Commercial Code, applicable foreign, domestic or local laws, rules or regulations in each of the offices where such filing is necessary or appropriate. The Borrowers will at all times cause the other material tangible and intangible assets of the Credit Parties to be subject to a Lien of the Security Instruments.

Section 8.15 Compliance with Contracts. Each Credit Party shall comply in all material respects with the terms and conditions of each contract which is material to such entity's business or operations.

Section 8.16 Subsidiaries. The Borrowers will use reasonable efforts to cause the management, business and affairs of each Credit Party to be conducted in such a manner (including, without limitation, by keeping separate books of account, furnishing separate financial statements of Subsidiaries to creditors and potential creditors thereof and by not permitting Properties of the Credit Parties to be commingled) so that each Credit Party that is a corporation will be treated as a corporate entity separate and distinct from the other Credit Parties.

Section 8.17 Commodity Exchange Act Keepwell Provisions. The Borrowers hereby guarantee the payment and performance of all Obligations of each Credit Party (other than Borrowers) and absolutely, unconditionally and irrevocably undertake to provide such funds or other support as may be needed from time to time by each Credit Party (other than the Borrowers) in order for such Credit Party to honor its obligations under its respective Guaranty Agreement including obligations with respect to Swap Agreements (provided, however, that the Borrowers shall only be liable under this Section 8.17 for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Section 8.17, or otherwise under this Agreement or any Loan Document, as it relates to such other Credit Parties, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations of the Borrowers under this Section 8.17 shall remain in full force and effect until all Obligations are paid in full to the Lenders, the Administrative Agent and all other Secured Parties, and all of the Lenders' Commitments are terminated. The Borrowers intend that this Section 8.17 constitute, and this Section 8.17 shall be deemed to constitute, a "keepwell, support, or other agreement" for the benefit of each other Credit Party for all purposes of Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

Section 8.18 Minimum Hedging Program. From and after the date which is thirty (30) days after the Effective Date (or such later date as the Borrower Representative and the Administrative Agent may agree), the Credit Parties shall maintain Swap Agreements in respect of commodities entered into not for speculative purposes for each fiscal year of the Borrowers, the notional volumes for which (when aggregated with other commodity Swap Agreements then in effect other than basis differential swaps on volumes already hedged pursuant to other Swap Agreements) are the volumes set forth in the definition of "Brent Swap Agreements" for each such day during the period during which such Swap Agreement is in effect.

Section 8.19 Post-Closing Covenants. The Borrower Representative shall:

(a) use all reasonable commercial efforts to facilitate, and do or cause to be done all other things necessary to facilitate, the timely delivery of a duly executed copy of the Post Closing Petrotrin Consent to the Administrative Agent, in form and substance satisfactory to the Administrative Agent and Borrower Representative, acting reasonably;

(b) use all reasonable commercial efforts to take, or cause to be taken, all actions and do, or cause to be done, all other things necessary to obtain a duly executed Consent of the Ministry of Energy and Exploration Affairs of the Republic of Trinidad and Tobago with respect to the sublicenses related to any previous assignment of the Lease Operatorship Agreements with respect to the WD-4 and/or WD-8 Blocks to Exploration; and

(c) no later than the date which is one hundred twenty (120) days after the Effective Date (or such longer period of time as the Administrative Agent may agree in its sole discretion):

(i) deliver the title information set forth on Schedule 8.19(a), in form and substance reasonably satisfactory to the Administrative Agent; and

(ii) execute and deliver to the Administrative Agent a Mortgage Debenture in form and substance satisfactory to the Administrative Agent, covering those portions of the “Fyzabad” and “San Francique” Trinidad Hydrocarbon Properties which are private leasehold interests, including but not limited to, those set forth on Schedule 8.19(b), along with such other documents (including, without limitation favorable legal opinions) which the Administrative Agent may request, in form and substance reasonably satisfactory to the Administrative Agent.

ARTICLE IX

Negative Covenants

Until the Commitments have expired or terminated and the principal of and interest on each Loan and all fees payable hereunder and all other amounts payable under the Loan Documents (other than contingent indemnification obligations) have been paid in full and all Letters of Credit have expired or terminated and all LC Disbursements shall have been reimbursed, the Borrowers covenant and agree with the Administrative Agent, the Collateral Agent and the Lenders that:

Section 9.01 Financial Covenants.

(a) Ratio of Total Debt to EBITDAX. The Parent will not, at any time, permit the ratio of Total Debt as of such time to EBITDAX for the four fiscal quarters ending on the last day of the fiscal quarter immediately preceding the date of determination for which financial statements have been delivered to the Administrative Agent hereunder to be greater than 3.00 to 1.00.

(b) Interest Coverage Ratio. The Parent will not, as of the last day of any fiscal quarter, permit its ratio of EBITDAX for the period of four fiscal quarters then ending to Interest Expense for such period to be less than 2.50 to 1.00.

(c) Minimum Production Test. Beginning with the first calendar month following the Effective Date, the Credit Parties shall not permit the amount equal to (i) the net production volume of oil and gas from the Trinidad Hydrocarbon Properties for each calendar month divided by (ii) the total number of days in such calendar month to be less than 1,600 Bboe per day. For purposes of this Section 9.01(c), every 6MCF of gas shall be converted into 1BBoe of oil. The Borrowers will provide the Administrative Agent with evidence that the preceding is being satisfied within fifteen (15) days after the end of each calendar month.

Section 9.02 Debt. Each Credit Party will not incur, create, assume or suffer to exist any Debt, except:

(a) the Notes or other Obligations arising under the Loan Documents or any guaranty of or suretyship arrangement for the Notes or other Obligations arising under the Loan Documents;

(b) purchase money Debt and Capital Leases not to exceed an aggregate amount at any one time equal to US\$3,000,000;

(c) accounts payable and accrued expenses, liabilities or other obligations to pay the deferred purchase price of Property or services, from time to time incurred in the ordinary course of business which are not greater than ninety (90) days past the date of invoice or which are being contested

in good faith by appropriate action and for which adequate reserves have been maintained in accordance with IFRS;

(d) Debt associated with bonds, letters of credit or surety obligations required by Governmental Requirements or License Agreements in connection with the operation of the Oil and Gas Properties;

(e) intercompany Debt between Credit Parties; provided that such Debt is not held, assigned, transferred, negotiated or pledged to any Person other than the Borrowers or other Credit Party, and, provided further, that any such Debt owed by either the Borrowers or other Credit Party shall be subordinated to the Obligations on terms substantially as set forth in the Guaranty Agreement or otherwise acceptable to the Administrative Agent and the Required Lenders, acting reasonably;

(f) endorsements of negotiable instruments for collection in the ordinary course of business; and

(g) Debt of the Credit Parties described in Schedule 9.02 as of the Effective Date.

Section 9.03 Liens. Each Credit Party will not create, incur, assume or permit to exist any Lien on any of its Properties (now owned or hereafter acquired), except:

(a) Liens securing the payment of any Obligations;

(b) Excepted Liens; and

(c) Liens securing Debt incurred pursuant to Section 9.02(b) but only on the Property under lease or the Property so acquired with the proceeds of such purchase money Debt.

Notwithstanding the foregoing, none of the Liens permitted pursuant to this Section 9.03 (other than Liens securing the Obligations and Excepted Liens) may at any time attach to any Oil and Gas Properties of the Credit Parties.

Section 9.04 Dividends, Distributions and Redemptions. Each Credit Party will not declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment, return any capital to its Equity Interest holders or make any distribution of its Property to its Equity Interest holders, except: (i) the Borrowers may declare and pay dividends with respect to their Equity Interests payable solely in additional shares of its Equity Interests (other than Disqualified Capital Stock), (ii) any Subsidiary may declare and pay dividends ratably with respect to its Equity Interests to its direct parent that is the Borrowers or a Wholly-Owned Subsidiary of the Borrowers, and (iii) the Borrowers may declare and pay cash dividends to Credit Parties in an aggregate amount in any twelve month period not to exceed (x) 50% of the Borrowers' aggregate Consolidated Net Income (on an after-tax basis) *minus* (y) the principal amount of outstanding Debt at such time pursuant to Section 9.02(e), if, both before and immediately after giving effect thereto, (A) no Default, Event of Default or Borrowing Base Deficiency has occurred and is continuing or would result therefrom and (B) the Borrowing Base Utilization Percentage then in effect does not exceed 80%.

Section 9.05 Investments, Loans and Advances. Each Credit Party will not make or permit to remain outstanding any Investments in or to any Person, except that the foregoing restriction shall not apply to:

(a) Investments reflected in the Financial Statements or which are disclosed to the Lenders in Schedule 9.05;

(b) accounts receivable arising in the ordinary course of business;

(c) direct obligations of the United States or the Government of Canada or any agency thereof, or obligations guaranteed by the United States or the Government of Canada or any agency thereof, in each case maturing within one year from the date of creation thereof;

(d) commercial paper maturing within one year from the date of creation thereof rated in the highest grade by S&P, Moody's or Dominion Bond Rating Service Limited;

(e) deposits maturing within one year from the date of creation thereof with, including certificates of deposit issued by, any Lender or Affiliate thereof;

(f) deposits in money market funds investing exclusively in Investments described in Section 9.05(c), Section 9.05(d) or Section 9.05(e);

(g) Investments made by any Credit Party in or to any other Credit Party;

(h) subject to the limits in Section 9.06, Investments (including, without limitation, capital contributions) in general or limited partnerships or other types of entities (each a "venture") entered into by the Credit Parties in the ordinary course of business; provided that (i) any such venture is engaged exclusively in oil and gas exploration, development, production, processing and related activities, including transportation, (ii) the interest in such venture is acquired in the ordinary course of business and on fair and reasonable terms and (iii) such venture interests acquired and capital contributions made (valued as of the date such interest was acquired or the contribution made) do not exceed, in the aggregate at any time outstanding an amount equal to US\$0; and

(i) Investments in stock, obligations or securities received in settlement of Debts arising from Investments permitted under this Section 9.05 owing to any Credit Party as a result of a bankruptcy or other insolvency proceeding of the obligor in respect of such Debts or upon the enforcement of any Lien in favor of any Credit Party.

Section 9.06 Nature of Business. Each Credit Party will not allow any material change to be made in the character of its business as an independent oil and gas exploration and production company, to its fiscal year or accounting practices.

Section 9.07 Limitation on Leases. Each Credit Party will not create, incur, assume or suffer to exist any obligation for the payment of rent or hire of Property of any kind whatsoever (real or personal but excluding Capital Leases and leases of Hydrocarbon Interests in connection with any Trinidad Hydrocarbon Properties or leases of drilling rigs), under leases or lease agreements which would cause the aggregate amount of all payments made by the Credit Parties pursuant to all such leases or lease agreements, including, without limitation, any residual payments at the end of any lease, in any period of twelve consecutive calendar months during the life of such leases not to exceed US\$3,000,000 less the value of purchase money Debt and Capital Leases outstanding pursuant to Section 9.02(b) in the aggregate.

Section 9.08 Sale or Discount of Receivables. Except for receivables obtained by each Credit Party out of the ordinary course of business or the settlement of joint interest billing accounts in the ordinary course of business or discounts granted to settle collection of accounts receivable or the sale of

defaulted accounts arising in the ordinary course of business in connection with the compromise or collection thereof and not in connection with any financing transaction, each Credit Party will not discount or sell (with or without recourse) any of its notes receivable or accounts receivable.

Section 9.09 Proceeds of Notes. The Borrowers will not permit the proceeds of the Notes to be used for any purpose other than those permitted by Section 7.22. No Borrower nor any Person acting on behalf of any Borrower has taken or will take any action which might cause any of the Loan Documents to violate Regulations T, U or X or any other regulation of the Board or to violate Section 7 of the Securities Exchange Act of 1934 or any rule or regulation thereunder, in each case as now in effect or as the same may hereinafter be in effect. If requested by the Administrative Agent, the Borrowers will furnish to the Administrative Agent and each Lender a statement to the foregoing effect in conformity with the requirements of FR Form U-1 or such other form referred to in Regulation U, Regulation T or Regulation X of the Board, as the case may be.

Section 9.10 Mergers, Etc. Each Credit Party will not merge into or with or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or sell, transfer, lease or otherwise dispose of (whether in one transaction or in a series of transactions) all or substantially all of its Property to any other Person (whether now owned or hereafter acquired), (any such transaction, a “consolidation”), or liquidate or dissolve; except

(a) a Borrower or any Guarantor may liquidate, dissolve, merge, amalgamate, consolidate with or into any Borrower or any other Guarantor (provided that if a Borrower is party to such merger, amalgamation or consolidation, a Borrower shall be the surviving entity) and, without limiting the foregoing, Touchstone Energy may merge or amalgamate with the Parent, with the Parent as the surviving entity;

(b) a Borrower may acquire all or substantially all of the assets of any other Borrower or any Guarantor and any Guarantor may acquire all or substantially all of the assets of any other Guarantor; and otherwise as described in Schedule 9.10;

(c) the Primera Brighton Disposition pursuant to Section 9.11(a)(v); and

(d) the Archon Disposition pursuant to Section 9.11(a)(v).

Section 9.11 Sale of Properties and Termination of Swap Agreements.

(a) No Credit Party shall sell, assign, farm-out, convey or otherwise transfer any Property or terminate or otherwise monetize any Swap Agreement (other than Swap Agreements entered into pursuant to Section 6.01(v)) in respect of commodities except for:

(i) the sale of Hydrocarbons from or attributable to Oil and Gas Properties in the ordinary course of business;

(ii) (A) farmouts or the leases of undeveloped acreage to which no proved reserves are attributable and assignments in connection with such farmouts or leases and (B) abandonments, surrenders or terminations of Oil and Gas Properties which are effected in accordance with prudent industry practice and which dispositions are effected with respect to Oil and Gas Properties which are not capable of production in economic quantities provided that no Default or Borrowing Base Deficiency exists or would result from such sale or disposition of Property;

(iii) (A) the sale or transfer of equipment from or attributable to Trinidad Hydrocarbon Properties with a value equal to or less than US\$500,000 in the aggregate during any twelve (12) month period which may have become worn out, unservable, unserviceable, obsolete, unsuitable or that is no longer necessary for the business of any Credit Party or is replaced by equipment of at least comparable value and use and (B) subject to Section 3.04(c)(iv), the sale or transfer of equipment with a value greater than US\$500,000 in the aggregate during any twelve (12) month period which may have become worn out, unservable, unserviceable, obsolete, unsuitable or no longer necessary for the business of any Credit Party;

(iv) the sale or other disposition (including Casualty Events) of any Oil and Gas Property or any interest therein or any Credit Party owning Oil and Gas Properties; and the termination or monetization of any Swap Agreement in respect of commodities provided that

(A) no Default or Borrowing Base Deficiency exists or would result from such sale or disposition of Property or the termination or monetization of any Swap Agreement in respect of commodities;

(B) 100% of the consideration received in respect of such sale or other disposition or termination shall be cash;

(C) the consideration received in respect of such sale or other disposition or termination or monetization of any Swap Agreement in respect of commodities shall be equal to or greater than the Fair Market Value of the Oil and Gas Property, interest therein or Credit Party subject of such sale or other disposition, or Swap Agreement subject of such termination or monetization (as reasonably determined by the board of directors (or comparable governing body) of the Borrower Agent, on behalf of the Borrowers, and, if requested by the Administrative Agent, the Borrower Agent, on behalf of the Borrowers, shall deliver a certificate of a Responsible Officer of the Borrower Agent, on behalf of the Borrowers, certifying to that effect);

(v) an Archon Disposition or Primera Brighton Disposition, provided that no Default or Borrowing Base Deficiency exists or would result from such Archon Disposition or Primera Brighton Disposition (as applicable).

(b) Effective Date Swap Agreements. The Parent shall not Liquidate the Swap Agreements entered into pursuant to Section 8.18.

Section 9.12 Environmental Matters. Each Credit Party will not cause or permit any of its Property to be in violation of, or do anything or permit anything to be done which will subject any such Property to a Release or threatened Release of Hazardous Materials, exposure to any Hazardous Materials, or to any Remedial Work under any Environmental Laws, assuming disclosure to the applicable Governmental Authority of all relevant facts, conditions and circumstances, if any, pertaining to such Property where such violations, Release or threatened Release, exposure, or Remedial work could reasonably be expected to have a Material Adverse Effect.

Section 9.13 Transactions with Affiliates. Each Credit Party will not enter into any transaction, including, without limitation, any purchase, sale, lease or exchange of Property or the rendering of any service, with any Affiliate (other than the Guarantors) unless such transactions are otherwise permitted under this Agreement and are upon fair and reasonable terms no less favorable to it than it would obtain in a comparable arm's length transaction with a Person not an Affiliate.

Section 9.14 Subsidiaries. Each Credit Party will not create or acquire any additional Subsidiary unless the Borrowers give written notice to the Administrative Agent and the Collateral Agent of such creation or acquisition and complies with Section 8.14. Each Credit Party shall not sell, assign or otherwise dispose of any Equity Interests in any Subsidiary except in compliance with Section 9.11(a)(iv) or Section 9.11(a)(v).

Section 9.15 Negative Pledge Agreements; Dividend Restrictions. Each Credit Party will not create, incur, assume or suffer to exist any contract, agreement or understanding (other than this Agreement, the Security Instruments, or Capital Leases creating Liens permitted by Section 9.03(c) which in any way prohibits or restricts (or which requires the consent of or notice to other Persons in connection therewith): (a) the granting, conveying, creation or imposition of any Lien on any of its Property in favor of the Collateral Agent and the Lenders, (b) any Credit Party from paying dividends or making distributions to any other Credit Party, (c) any Credit Party from paying any Debt owed to any other Credit Party, (d) any Credit Party from making loans or advances to, or other Investments in any other Credit Party or (e) transferring any of its assets to any other Credit Party.

Section 9.16 Swap Agreements. No Credit Party will enter into any Swap Agreements with any Person other than:

(a) Subject to clause (c) of this Section 9.16, any Credit Party may enter into Swap Agreements with an Approved Counterparty in respect of commodities entered into not for speculative purposes the notional volumes for which (when aggregated with other commodity Swap Agreements then in effect other than basis differential swaps on volumes already hedged pursuant to other Swap Agreements) do not exceed, as of the date such Swap Agreement is entered into (and for each month during the period during which such Swap Agreement is in effect), (x) 85% of the reasonably anticipated production of crude oil, (y) 85% of the reasonably anticipated production of natural gas and (z) 85% of the reasonably anticipated production of natural gas liquids and condensate, in each case, as such production is projected from the Borrowers' and any other Credit Party's proved, developed, producing Trinidad Hydrocarbon Properties as set forth on the most recent Reserve Report delivered pursuant to the terms of this Agreement; provided, however, that (A) such Swap Agreements shall not, in any case, have a tenor of greater than four (4) years, and (B) (without duplication) any Credit Party shall be permitted to enter into Swap Agreements, trades or transactions with respect to reasonably anticipated production of natural gas liquids and condensate by entering into Swap Agreements, trades or transactions for crude oil on a conversion/equivalency basis where each volume unit of crude oil equals two volume units of natural gas liquids or condensate. It is understood that Swap Agreements in respect of commodities which may, from time to time, "hedge" the same volumes, but different elements of commodity risk thereof, shall not be aggregated together when calculating the foregoing limitations on notional volumes.

(b) Any Credit Party may enter into Swap Agreements in respect of interest rates with an Approved Counterparty:

(i) effectively converting interest rates from fixed to floating, the notional amounts of which (when aggregated with all other Swap Agreements of the Borrowers and any other Credit Party then in effect effectively converting interest rates from fixed to floating) do not exceed 50% of the then outstanding principal amount of the Credit Parties' Debt for borrowed money which bears interest at a fixed rate, and which Swap Agreements shall not, in any case, have a tenor beyond the maturity date of such Debt, and

(ii) effectively converting interest rates from floating to fixed, the notional amounts of which (when aggregated with all other Swap Agreements of the Borrowers and any other Credit Party then in effect effectively converting interest rates from floating to fixed) do not exceed 75%

of the then outstanding principal amount of the Credit Parties' Debt for borrowed money which bears interest at a floating rate, and which Swap Agreements shall not, in any case, have a tenor beyond the maturity date of such Debt.

(c) If, after the end of any calendar quarter, commencing with the first calendar quarter ending after the Effective Date, the Borrowers determine that the aggregate volume of all Swap Agreements in respect of commodities for which settlement payments were calculated in such calendar quarter (other than basis differential swaps on volumes already hedged pursuant to other Swap Agreements) exceeded 100% of actual production of Hydrocarbons from or attributable to such Trinidad Hydrocarbon Properties in such calendar quarter, then the Borrowers (i) shall promptly notify the Administrative Agent of such determination and (ii) shall, within 30 days of such determination, terminate (only to the extent such terminations are permitted pursuant to Section 9.11), create off-setting positions, allocate volumes to other production for which the Borrowers or any other Credit Party are marketing, or otherwise unwind or monetize (only to the extent such unwinds or monetizations are permitted pursuant to Section 9.11) existing Swap Agreements such that, at such time, future hedging volumes will not exceed 100% of reasonably anticipated projected production for the then-current and any succeeding calendar quarters.

(d) In no event shall any Swap Agreement contain any requirement, agreement or covenant for any Credit Party to post collateral or margin to secure its obligations under such Swap Agreement or to cover market exposures.

(e) No Credit Party will terminate or monetize any Swap Agreement in respect of commodities without the prior written consent of the Required Lenders except to the extent such terminations are permitted pursuant to Section 9.11.

(f) For purposes of entering into or maintaining Swap Agreement trades or transactions under Section 9.16(a) and Section 9.16(b), respectively, forecasts of reasonably anticipated production from the Borrowers' and the other Credit Parties' proved, developed, producing Trinidad Hydrocarbon Properties as set forth on the most recent Reserve Report delivered pursuant to the terms of this Agreement shall be revised to account for any increase or decrease therein anticipated because of information obtained by the Borrowers' and the other Credit Parties' subsequent to the publication of such Reserve Report including the Borrowers' and the other Credit Parties' internal forecasts of production decline rates for existing wells and additions to or deletions from anticipated future production from new wells and completed acquisitions coming on stream or failing to come on stream.

(g) Any Credit Party may enter into Swap Agreements pursuant to Section 6.01(v).

Section 9.17 Material Documents. Each Credit Party will not amend, modify, supplement, cancel or terminate, or waive compliance with respect to, any Material Documents without the prior written consent of the Required Lenders (and provided that the Borrowers promptly furnish to the Administrative Agent a copy of such amendment, modification, supplement, cancellation, termination or waiver).

Section 9.18 Marketing Activities. Each Credit Party will not enter into any contracts for the purchase and sale of crude oil or any other Hydrocarbons other than Offtake Agreements which (a) are in form and substance satisfactory to the Administrative Agent, acting reasonably, and (b) provide, to the Administrative Agent's reasonable satisfaction, that all payments thereunder shall be made to the relevant Collection Account.

Section 9.19 Non-Qualified ECP Guarantors. The Borrowers shall not permit any Credit Party that is not a Qualified ECP Guarantor to own, at any time, any Oil and Gas Properties or any Equity Interests in any Subsidiaries other than Oil and Gas Properties owned as of the Effective Date.

Section 9.20 Gas Imbalances, Take-or-Pay or Other Prepayments. No Credit Party shall allow gas imbalances, take-or-pay or other prepayments with respect to the Oil and Gas Properties of any Credit Party that would require any Credit Party to deliver Hydrocarbons from or attributable to Oil and Gas Properties at some future time without then or thereafter receiving full payment therefor to exceed one half bcf of gas (on an mcf equivalent basis) in the aggregate.

Section 9.21 Marketing Activities. No Credit Party shall engage in marketing activities for any Hydrocarbons from or attributable to Oil and Gas Properties or enter into any contracts related thereto other than (a) contracts for the sale of Hydrocarbons from or attributable to Oil and Gas Properties scheduled or reasonably estimated to be produced from their proved Oil and Gas Properties during the period of such contract, (b) contracts for the sale of Hydrocarbons from or attributable to Oil and Gas Properties scheduled or reasonably estimated to be produced from proved Oil and Gas Properties of third parties during the period of such contract associated with the Oil and Gas Properties of the Credit Parties that any Credit Party has the right to market pursuant to joint operating agreements, unitization agreements or other similar contracts that are usual and customary in the oil and gas business and (c) other contracts for the purchase and/or sale of Hydrocarbons of third parties (i) which have generally offsetting provisions (i.e. corresponding pricing mechanics, delivery dates and points and volumes) such that no “position” is taken and (ii) for which appropriate credit support has been taken to alleviate the material credit risks of the counterparty thereto.

Section 9.22 Sanctions. No Credit Party shall, directly or (to its knowledge after diligent investigation) indirectly, use the proceeds of any Loan or Letter of Credit, or lend, contribute or otherwise make available such proceeds to any Subsidiary, joint venture partner or other individual or entity, to knowingly fund any activities of or business with any individual or entity, or in any Designated Jurisdiction, that, at the time of such funding, is the subject of Sanctions, or in any other manner that will result in a violation by any individual or entity (including any individual or entity participating in the transaction, whether as Lender, Administrative Agent, Issuing Bank, or otherwise) of Sanctions.

Section 9.23 Anti-Corruption Laws. No Credit Party shall fail to conduct their businesses in compliance with applicable anti-corruption laws in all material respects.

ARTICLE X

Events of Default; Remedies

Section 10.01 Events of Default. One or more of the following events shall constitute an “Event of Default”:

(a) the Borrowers shall fail to pay any principal of any Loan or any reimbursement obligation when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof, by acceleration or otherwise;

(b) the Borrowers shall fail to pay any interest on any Loan or reimbursement obligation or any fee or any other amount (other than an amount referred to in Section 10.01(a)) payable under any Loan Document, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of three (3) days;

(c) any representation or warranty made or deemed made by or on behalf of any Credit Party in or in connection with any Loan Document or any amendment or modification of any Loan Document or waiver under such Loan Document, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with any Loan Document or any amendment or modification thereof or waiver thereunder, shall prove to have been incorrect in any material respect when made or deemed made;

(d) any Credit Party shall fail to observe or perform any covenant, condition or agreement contained in Section 8.01(k), Section 8.01(l), Section 8.01(p), Section 8.02, Section 8.03, Section 8.12, Section 8.14, Section 8.16, Section 8.18, Section 8.19 or in Article IX to which such Person is subject;

(e) any Credit Party shall fail to observe or perform any covenant, condition or agreement contained in this Agreement (other than those specified in Section 10.01(a), Section 10.01(b) or Section 10.01(d)) or any other Loan Document, and such failure shall continue unremedied for a period of fifteen (15) days;

(f) any Credit Party shall fail to make any payment of more than US\$2,000,000 (whether of principal or interest and regardless of amount) in respect of any Material Obligations, when and as the same shall become due and payable;

(g) any event or condition occurs that results in any Material Obligations becoming due prior to its scheduled maturity or that enables or permits (with or without the giving of notice, the lapse of time or both) the holder or holders of any such Material Obligations or any trustee or agent on its or their behalf to cause any such Material Obligations to become due, or to require the Redemption thereof or any offer to Redeem to be made in respect thereof, prior to its scheduled maturity or require any Credit Party or Subsidiary to make an offer in respect thereof;

(h) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of any Credit Party, or of a substantial part of its assets, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for any Credit Party or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for forty-five (45) days or an order or decree approving or ordering any of the foregoing shall be entered;

(i) any Credit Party shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in Section 10.01(h), (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for any Credit Party or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing; or any stockholder of any Credit Party shall make any request for or take any action for the purpose of calling a meeting of the stockholders of any Credit Party to consider a resolution to dissolve and wind-up any Credit Party's affairs;

(j) any Credit Party shall become unable, admit in writing its inability or fail generally to pay its debts as they become due;

(k) (1) one or more judgments for the payment of money in an aggregate amount in excess of US\$1,000,000 (to the extent not covered by independent third party insurance provided by insurers of the highest claims paying rating or financial strength as to which the insurer does not dispute coverage and is not subject to an insolvency proceeding) or (2) any one or more non-monetary judgments that have, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, shall be rendered against any Credit Party or any combination thereof and the same shall remain undischarged for a period of thirty (30) consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of any Credit Party to enforce any such judgment;

(l) the Loan Documents after delivery thereof shall for any reason, except to the extent permitted by the terms thereof, cease to be in full force and effect and valid, binding and enforceable in accordance with their terms against any Credit Party party thereto or shall be repudiated by any of them, or cease to create a valid and perfected Lien of the priority required thereby on any of the collateral purported to be covered thereby, except to the extent permitted by the terms of this Agreement or any other Loan Document, or any Credit Party or any of its Subsidiaries shall so state in writing;

(m) any Governmental Authority shall (i) take any action to condemn, seize, nationalize or appropriate any portion of the Property of any Credit Party (either with or without payment of compensation) used in the exploration or development of Properties the condemnation, seizure, nationalization or appropriation of which could reasonably be expected to have a Material Adverse Effect, or (ii) take any action to renegotiate, materially modify or increase the rate of taxation or the amount of royalties payable by any Credit Party and such renegotiation, modification or increase could reasonably be expected to result in a Material Adverse Effect;

(n) any Credit Party defaults on any of its obligations under one or more License Agreements relating to Oil and Gas Properties having a Fair Market Value greater than US\$2,000,000, where the effect of such default is to entitle Petrotrin or any other licensor or sub-licensor either immediately or with the giving of notice, the lapse of time or a combination thereof, to terminate such Agreement(s), or to take any other course of action with respect thereto;

(o) any Credit Party defaults on any of its obligations under an Offtake Agreement having a Fair Market Value greater than US\$2,000,000 where the effect of such default is to entitle the Eligible Buyer under such Offtake Agreement, either immediately or with the giving of notice, the lapse of time or a combination thereof, to terminate such Offtake Agreement, or to take any other course of action with respect thereto; or

(p) a Change in Control shall occur.

Section 10.02 Remedies.

(a) In the case of an Event of Default other than one described in Section 10.01(h), Section 10.01(i) or Section 10.01(j), at any time thereafter during the continuance of such Event of Default, the Administrative Agent may, and at the request of the Required Lenders, shall, by notice to the Borrower Agent, on behalf of the Borrowers, take either or both of the following actions, at the same or different times: (i) terminate the Commitments, and thereupon the Commitments shall terminate immediately, and (ii) declare the Notes, and the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Credit Parties accrued hereunder and under the Notes and the other Loan Documents (including, without limitation, the payment

of cash collateral to secure the LC Exposure as provided in Section 2.08(j)), shall become due and payable immediately, without presentment, demand, protest, notice of intent to accelerate, notice of acceleration or other notice of any kind, all of which are hereby waived by each Credit Party; and in case of an Event of Default described in Section 10.01(h), Section 10.01(i) or Section 10.01(j), the Commitments shall automatically terminate and the Notes and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and the other obligations of the Credit Parties accrued hereunder and under the Notes and the other Loan Documents (including, without limitation, the payment of cash collateral to secure the LC Exposure as provided in Section 2.08(j)), shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Credit Parties.

(b) In the case of the occurrence of an Event of Default, the Collateral Agent, the Administrative Agent and the Lenders will have all other rights and remedies available at law and equity.

(c) All proceeds realized from the liquidation or other disposition of collateral or otherwise received after maturity of the Notes, whether by acceleration or otherwise, shall be applied:

(i) first, to payment or reimbursement of that portion of the Obligations constituting fees, expenses and indemnities payable to the Administrative Agent and the Collateral Agent in their capacities as such;

(ii) second, pro rata to payment or reimbursement of that portion of the Obligations constituting fees, expenses and indemnities payable to the Lenders;

(iii) third, pro rata to payment of accrued interest on the Loans;

(iv) fourth, to pro rata payment of (A) principal outstanding on the Loans, (B) to serve as cash collateral to be held by the Collateral Agent to secure the remaining LC Exposure, and (C) Obligations referred to in Clause (b) of the definition of Obligations owing to Secured Swap Providers;

(v) fifth, pro rata to any other Obligations; and

(vi) sixth, any excess, after all of the Obligations shall have been indefeasibly paid in full in cash, shall be paid to the Borrowers or as otherwise required by any Governmental Requirement or directed by the Borrowers.

Notwithstanding the foregoing, amounts received from the Borrowers or any Guarantor that is not an “eligible contract participant” under the Commodity Exchange Act shall not be applied to any Excluded Swap Obligations (it being understood, that in the event that any amount is applied to Obligations other than Excluded Swap Obligations as a result of this clause, the Administrative Agent shall make such adjustments as it determines are appropriate to distributions pursuant to clause fourth above from amounts received from “eligible contract participants” under the Commodity Exchange Act to ensure, as nearly as possible, that the proportional aggregate recoveries with respect to Obligations described in clause fourth above by the holders of any Excluded Swap Obligations are the same as the proportional aggregate recoveries with respect to other Obligations pursuant to clause sixth above).

ARTICLE XI
The Administrative Agent and Collateral Agent

Section 11.01 Appointment; Powers. Each of the Lenders and the Issuing Bank hereby irrevocably appoints the Administrative Agent and the Collateral Agent as its agent and authorizes the Administrative Agent and the Collateral Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent or the Collateral Agent by the terms hereof and the other Loan Documents, together with such actions and powers as are reasonably incidental thereto.

Section 11.02 Duties and Obligations of Administrative Agent. Neither the Administrative Agent nor the Collateral Agent shall have any duties or obligations except those expressly set forth in the Loan Documents. Without limiting the generality of the foregoing, (a) neither the Administrative Agent nor the Collateral Agent shall be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing (the use of the term “agent” herein and in the other Loan Documents with reference to the Administrative Agent or the Collateral Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law; rather, such term is used merely as a matter of market custom, and is intended to create or reflect only an administrative relationship between independent contracting parties), (b) neither the Administrative Agent nor the Collateral Agent shall have any duty to take any discretionary action or exercise any discretionary powers, except as provided in Section 11.03, and (c) except as expressly set forth herein, neither the Administrative Agent nor the Collateral Agent shall have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to any Credit Party that is communicated to or obtained by the bank serving as Administrative Agent or Collateral Agent or any of its Affiliates in any capacity. The Administrative Agent shall not be deemed to have knowledge of any Default unless and until written notice thereof is given to the Administrative Agent by the Borrowers or a Lender, and shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or under any other Loan Document or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or in any other Loan Document, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document, (v) the satisfaction of any condition set forth in Article VI or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent or as to those conditions precedent expressly required to be to the Administrative Agent’s satisfaction, (vi) the existence, value, perfection or priority of any collateral security or the financial or other condition of Credit Parties or any other obligor or guarantor, or (vii) any failure by the Borrowers or any other Person (other than itself) to perform any of its obligations hereunder or under any other Loan Document or the performance or observance of any covenants, agreements or other terms or conditions set forth herein or therein. For purposes of determining compliance with the conditions specified in Article VI, each Lender shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received written notice from such Lender prior to the proposed closing date specifying its objection thereto.

Section 11.03 Action by Administrative Agent or Collateral Agent. Neither the Administrative Agent nor the Collateral Agent shall have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent or the Collateral Agent is required to exercise in writing as directed by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 12.02) and in all cases the Administrative Agent or Collateral Agent shall be fully justified in failing or refusing to act hereunder or under any other

Loan Documents unless it shall (a) receive written instructions from the Required Lenders or the Lenders, as applicable, (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 12.02) specifying the action to be taken and (b) be indemnified to its satisfaction by the Lenders against any and all liability and expenses which may be incurred by it by reason of taking or continuing to take any such action. The instructions as aforesaid and any action taken or failure to act pursuant thereto by the Administrative Agent or the Collateral Agent shall be binding on all of the Lenders. If a Default has occurred and is continuing, then the Administrative Agent or the Collateral Agent shall take such action with respect to such Default as shall be directed by the requisite Lenders in the written instructions (with indemnities) described in this Section 11.03, provided that, unless and until the Administrative Agent or the Collateral Agent (as the case may be) shall have received such directions, the Collateral Agent or the Administrative Agent, as the case may be, may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default as it shall deem advisable in the best interests of the Lenders. In no event, however, shall the Collateral Agent or the Administrative Agent be required to take any action which exposes the Administrative Agent or the Collateral Agent to personal liability or which is contrary to this Agreement, the other Loan Documents or applicable law. Neither the Administrative Agent nor the Collateral Agent shall be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders or the Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 12.02), and otherwise neither the Administrative Agent nor the Collateral Agent shall be liable for any action taken or not taken by it hereunder or under any other Loan Document or under any other document or instrument referred to or provided for herein or therein or in connection herewith or therewith INCLUDING ITS OWN ORDINARY NEGLIGENCE, except for its own gross negligence or willful misconduct.

Section 11.04 Reliance by Administrative Agent and the Collateral Agent. The Administrative Agent and the Collateral Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. Each of the Administrative Agent and the Collateral Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon and each of the Borrowers, the Lenders and the Issuing Bank hereby waives the right to dispute the Administrative Agent's or the Collateral Agent's record of such statement, except in the case of gross negligence or willful misconduct by the Administrative Agent or the Collateral Agent, as applicable. Each of the Administrative Agent and the Collateral Agent may consult with legal counsel (who may be counsel for the Borrowers), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts. The Administrative Agent may deem and treat the payee of any Note as the holder thereof for all purposes hereof unless and until a written notice of the assignment or transfer thereof permitted hereunder shall have been filed with the Administrative Agent.

Section 11.05 Subagents. Each of the Administrative Agent and Collateral Agent may perform any and all its duties and exercise its rights and powers by or through any one or more sub-agents appointed by the Administrative Agent or the Collateral Agent, as applicable. Each of the Administrative Agent and Collateral Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of the preceding Sections of this Article XI shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and the Collateral Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent or Collateral Agent, as applicable.

Section 11.06 Resignation of Administrative Agent or Collateral Agent. Subject to the appointment and acceptance of a successor Administrative Agent or Collateral Agent, as the case may be, as provided in this Section 11.06, the Administrative Agent or the Collateral Agent may resign at any time by notifying the Lenders, the Issuing Bank and the Borrower Agent, on behalf of the Borrowers. Upon any such resignation or removal, the Required Lenders shall have the right, in consultation with the Borrowers, to appoint a successor. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent or Collateral Agent gives notice of its resignation, then the retiring Administrative Agent or Collateral Agent may, on behalf of the Lenders and the Issuing Bank, appoint a successor Administrative Agent or Collateral Agent, as the case may be, which shall be a bank with an office in New York, New York, or an Affiliate of any such bank. Upon the acceptance of its appointment as Administrative Agent or Collateral Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent or Collateral Agent, as the case may be, and the retiring Administrative Agent or Collateral Agent shall be discharged from its duties and obligations hereunder. The fees payable by the Borrowers to a successor Administrative Agent or Collateral Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrowers and such successor. After the Administrative Agent's or Collateral Agent's resignation hereunder, the provisions of this Article XI and Section 12.03 shall continue in effect for the benefit of such retiring Administrative Agent or Collateral Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while it was acting as Administrative Agent or Collateral Agent.

Section 11.07 Administrative Agent as Lender. The bank serving as Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent, and such bank and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with any of the Borrowers or any Affiliate thereof as if it were not the Administrative Agent hereunder.

Section 11.08 No Reliance. Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent, the Collateral Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement and each other Loan Document to which it is a party. Each Lender also acknowledges that it will, independently and without reliance upon the the Administrative Agent, the Collateral Agent or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document, any related agreement or any document furnished hereunder or thereunder. Neither the Administrative Agent nor the Collateral Agent shall be required to keep itself informed as to the performance or observance by any Credit Party of this Agreement, the other Loan Documents or any other document referred to or provided for herein or to inspect the Properties or books of any Credit Party or any Affiliate thereof. Except for notices, reports and other documents and information expressly required to be furnished to the Lenders by the Administrative Agent or the Collateral Agent hereunder, neither the Administrative Agent nor the Collateral Agent have any duty or responsibility to provide any Lender with any credit or other information concerning the affairs, financial condition or business of the Credit Parties (or any of their Affiliates) which may come into the possession of the Administrative Agent or the Collateral Agent. In this regard, each Lender acknowledges that each of Vinson & Elkins LLP, Fitzwilliam, Stone, Furness-Smith & Morgan, Clarke Gittens Farmer and Borden Ladner Gervais LLP is acting in this transaction as special counsel to the Administrative Agent only, except to the extent otherwise expressly stated in any legal opinion or any Loan Document. Each other party hereto will consult with its own legal counsel to the extent that it deems necessary in connection with the Loan Documents and the matters contemplated therein.

Section 11.09 Administrative Agent and Collateral Agent May File Proofs of Claim. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to any Credit Party or any Affiliate thereof, the Administrative Agent or the Collateral Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrowers) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, the Collateral Agent and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders, the Collateral Agent and the Administrative Agent under Section 12.03(a)) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and the Collateral Agent and each of their agents and counsel, and any other amounts due the Administrative Agent or the Collateral Agent under Section 12.03(a).

Nothing contained herein shall be deemed to authorize the Administrative Agent or Collateral Agent to authorize or consent to or accept or adopt on behalf of any Lender any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or to authorize the Administrative Agent or Collateral Agent to vote in respect of the claim of any Lender in any such proceeding.

Section 11.10 Authority of Collateral Agent to Release Collateral, Liens and Guarantors.

Each Lender and the Issuing Bank hereby authorizes the Collateral Agent to release (i) any collateral that is permitted to be sold or released pursuant to the terms of the Loan Documents (including pursuant to Section 9.11(a)(v)) and (ii) any Guarantor if 100% of the Equity Interests in such Guarantor are sold in a transaction permitted under the Loan Documents. Each Lender and the Issuing Bank hereby authorizes the Collateral Agent to execute and deliver to the Borrowers, at the Borrowers' sole cost and expense, any and all releases of Liens, termination statements, assignments or other documents reasonably requested by the Borrowers in connection with any sale or other disposition of Property to the extent such sale or other disposition is permitted by the terms of the Loan Documents.

Section 11.11 The Arranger. The Arranger shall have no duties, responsibilities or liabilities under this Agreement and the other Loan Documents other than its duties, responsibilities and liabilities in its capacity as Lender hereunder.

ARTICLE XII

Miscellaneous

Section 12.01 Notices.

(a) Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to Section 12.01(b)), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

- (i) if to the Borrowers, to them at:

Touchstone Exploration (Trinidad) Ltd.
30 Forest Reserve Road
Fyzabad, Trinidad and Tobago
Fax: (868) 677-7462
Attn: Country Manager

With a copy to:

Touchstone Exploration Inc.
1100, 332 6th Ave. SW
Calgary, Alberta, Canada
T2P 0B2
Fax: (403) 266-5794
Attn: Chief Financial Officer

- (ii) if to the Borrower Agent, to it at:

Touchstone Exploration (Trinidad) Ltd.
30 Forest Reserve Road
Fyzabad, Trinidad and Tobago
Fax: (868) 677-7462
Attn: Country Manager

With a copy to:

Touchstone Exploration Inc.
1100, 332 6th Ave. SW
Calgary, Alberta, Canada
T2P 0B2
Fax: (403) 266-5794
Attn: Chief Financial Officer

- (iii) if to the Administrative Agent or the Issuing Bank, to it at:

[redacted]
711 Louisiana St. Suite 1400, Houston, TX, 77002
Tel: [redacted]
Email: [redacted]

With a copy to:

Credit Contact:
Corporate Banking Centre
Scotiabank Trinidad and Tobago Limited
56-58 Richmond Street
Port of Spain
Fax: [redacted]
Tel: [redacted]
Attention: General Manager
Email: [redacted]
Email: [redacted]
Email: [redacted]

(iv) if to the Administrative Agent or the Issuing Bank for principal repayments, interest, fees, to it at:

[redacted]
720 King Street West, 2nd Floor,
Toronto, Ontario, Canada M5V 2T3
Tel: [redacted]
Email: [redacted]

[redacted]
720 King Street West, 2nd Floor,
Toronto, Ontario, Canada M5V 2T3
Tel: [redacted]
Email: [redacted]

With a copy to:

Business Service Centre
Operations and Shared Services Company Limited
9-15 Bhim Street
Chaguanas
Attention: Manager, Document Services
Fax: [redacted]
Tel: [redacted]
Email: [redacted]

(v) if to any other Lender, to it at its address (or telecopy number or electronic mail address) set forth in its Administrative Questionnaire.

(b) Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Administrative Agent;

provided that the foregoing shall not apply to notices pursuant to Article II, Article III, Article IV and Article V unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent or the Borrowers may, in their discretion, agree to accept notices and other communications to it or them hereunder by electronic communications pursuant to procedures approved by it or them; provided that approval of such procedures may be limited to particular notices or communications.

(c) Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt.

Section 12.02 Waivers; Amendments.

(a) No failure on the part of the Administrative Agent, the Collateral Agent, the Issuing Bank or any Lender to exercise and no delay in exercising, and no course of dealing with respect to, any right, power or privilege, or any abandonment or discontinuance of steps to enforce such right, power or privilege, under any of the Loan Documents shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege under any of the Loan Documents preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies of the Administrative Agent, the Collateral Agent, the Issuing Bank and the Lenders hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or any other Loan Document or consent to any departure by the Borrowers therefrom shall in any event be effective unless the same shall be permitted by Section 12.02(b), and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan or issuance of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent, the Collateral Agent, any Lender or the Issuing Bank may have had notice or knowledge of such Default at the time.

(b) Neither this Agreement nor any provision hereof nor any Security Instrument nor any provision thereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrowers and the Required Lenders or by the Borrowers and the Administrative Agent with the consent of the Required Lenders; provided that no such agreement shall (i) increase the Commitment or the Maximum Credit Amount of any Lender without the written consent of such Lender, (ii) increase the Borrowing Base without the written consent of each Lender, decrease or maintain the Borrowing Base without the consent of the Required Lenders, or modify Section 2.07 in any manner that results in an increase in the Borrowing Base without the consent of each Lender (other than any Defaulting Lender), (iii) reduce the principal amount of any Loan or LC Disbursement or reduce the rate of interest thereon, or reduce any fees payable hereunder, or reduce any other Obligations hereunder or under any other Loan Document, without the written consent of each Lender affected thereby, (iv) postpone the scheduled date of payment or prepayment of the principal amount of any Loan or LC Disbursement, or any interest thereon, or any fees payable hereunder, or any other Obligations hereunder or under any other Loan Document, or reduce the amount of, waive or excuse any such payment, or postpone or extend the Termination Date without the written consent of each Lender affected thereby, (v) change Section 4.01(b) or Section 4.01(c) in a manner that would alter the pro rata sharing of payments required thereby, without the written consent of each Lender, (vi) waive or amend Section 3.04(c), Section 6.01, Section 8.12(a), Section 8.13, Section 8.14, Section 10.02(c) or Section 12.15 or change the definition of the terms "Material Subsidiary" or "Subsidiary", without the written consent of each Lender (other than any Defaulting Lender), (vii) release any Guarantor (except as set forth in Section 11.10 or in the Guaranty Agreement), release all or substantially all of the collateral (other than as

provided in Section 11.10), or reduce the percentage set forth in Section 8.14(a) to less than 80%, without the written consent of each Lender (other than any Defaulting Lender), or (viii) change any of the provisions of this Section 12.02(b) or the definition of “Required Lenders” or any other provision hereof specifying the number or percentage of Lenders required to waive, amend or modify any rights hereunder or under any other Loan Documents or make any determination or grant any consent hereunder or any other Loan Documents, without the written consent of each Lender (other than any Defaulting Lender); provided further that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent, the Collateral Agent or the Issuing Bank hereunder or under any other Loan Document without the prior written consent of the Administrative Agent, the Collateral Agent or the Issuing Bank, as the case may be. Notwithstanding the foregoing, (x) any supplement to Schedule 7.14 (Subsidiaries) shall be effective simply by delivering to the Administrative Agent a supplemental schedule clearly marked as such and, upon receipt, the Administrative Agent will promptly deliver a copy thereof to the Lenders, (y) the Borrowers and the Administrative Agent may amend this Agreement or any other Loan Document without the consent of the Lenders in order to correct, amend or cure any ambiguity, inconsistency or defect or correct any typographical error or other manifest error in any Loan Document, and (z) the Collateral Agent and/or the Administrative Agent and the Borrowers (or other applicable Credit Party) may enter into any amendment, modification or waiver of this Agreement or any other Loan Document or enter into any agreement or instrument to effect the granting, perfection, protection, expansion or enhancement of any security interest in any Mortgaged Property or Property to become Mortgaged Property to secure the Obligations for the benefit of the Lenders or as required by any Governmental Requirement to give effect to, protect or otherwise enhance the rights or benefits of any Lender under the Loan Documents without the consent of any Lender.

Section 12.03 Expenses, Indemnity; Damage Waiver.

(a) The Borrowers shall pay (i) all reasonable out-of-pocket expenses incurred by the Administrative Agent, the Collateral Agent, the Arranger and their Affiliates, including, without limitation, the reasonable fees, charges and disbursements of counsel and other outside consultants for the Administrative Agent or the Collateral Agent, the reasonable travel, photocopy, mailing, courier, telephone and other similar expenses, and the cost of environmental invasive and non-invasive assessments and audits and surveys and appraisals, in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration (both before and after the execution hereof and including advice of counsel to the Administrative Agent or the Collateral Agent as to the rights and duties of the Administrative Agent, the Collateral Agent and the Lenders with respect thereto) of this Agreement and the other Loan Documents and any amendments, modifications or waivers of or consents related to the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all costs, expenses, Taxes, assessments and other charges incurred by the Administrative Agent, the Collateral Agent or any Lender in connection with any filing, registration, recording or perfection of any security interest contemplated by this Agreement or any Security Instrument or any other document referred to therein, (iii) all reasonable out-of-pocket expenses incurred by the Issuing Bank in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder, (iv) all out-of-pocket expenses incurred by the Administrative Agent, the Collateral Agent, the Issuing Bank or any Lender, including the fees, charges and disbursements of any counsel for the Administrative Agent, the Collateral Agent, the Issuing Bank or any Lender, in connection with the enforcement or protection of its rights in connection with this Agreement or any other Loan Document, including its rights under this Section 12.03(a), or in connection with the Loans made or Letters of Credit issued hereunder, including, without limitation, all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(b) THE BORROWERS SHALL INDEMNIFY THE ADMINISTRATIVE AGENT, THE COLLATERAL AGENT, THE ARRANGER, THE ISSUING BANK AND EACH LENDER, AND EACH RELATED PARTY OF ANY OF THE FOREGOING PERSONS (EACH SUCH PERSON BEING CALLED AN “INDEMNITEE”) AGAINST, AND DEFEND AND HOLD EACH INDEMNITEE HARMLESS FROM, ANY AND ALL LOSSES, CLAIMS, DAMAGES, PENALTIES, LIABILITIES AND RELATED EXPENSES, INCLUDING THE TAXES AND FEES, CHARGES AND DISBURSEMENTS OF ANY COUNSEL FOR ANY INDEMNITEE, INCURRED BY OR ASSERTED AGAINST ANY INDEMNITEE ARISING OUT OF, IN CONNECTION WITH, OR AS A RESULT OF (i) THE EXECUTION OR DELIVERY OF THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR ANY AGREEMENT OR INSTRUMENT CONTEMPLATED HEREBY OR THEREBY, THE PERFORMANCE BY THE PARTIES HERETO OR THE PARTIES TO ANY OTHER LOAN DOCUMENT OF THEIR RESPECTIVE OBLIGATIONS HEREUNDER OR THEREUNDER OR THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED HEREBY OR BY ANY OTHER LOAN DOCUMENT, (ii) THE FAILURE OF THE BORROWERS OR ANY OTHER CREDIT PARTY OR SUBSIDIARY TO COMPLY WITH THE TERMS OF ANY LOAN DOCUMENT, INCLUDING THIS AGREEMENT, OR WITH ANY GOVERNMENTAL REQUIREMENT, (iii) ANY INACCURACY OF ANY REPRESENTATION OR ANY BREACH OF ANY WARRANTY OR COVENANT OF ANY CREDIT PARTY SET FORTH IN ANY OF THE LOAN DOCUMENTS OR ANY INSTRUMENTS, DOCUMENTS OR CERTIFICATIONS DELIVERED IN CONNECTION THEREWITH, (iv) ANY LOAN OR LETTER OF CREDIT OR THE USE OF THE PROCEEDS THEREFROM, INCLUDING, WITHOUT LIMITATION, (A) ANY REFUSAL BY THE ISSUING BANK TO HONOR A DEMAND FOR PAYMENT UNDER A LETTER OF CREDIT IF THE DOCUMENTS PRESENTED IN CONNECTION WITH SUCH DEMAND DO NOT STRICTLY COMPLY WITH THE TERMS OF SUCH LETTER OF CREDIT, OR (B) THE PAYMENT OF A DRAWING UNDER ANY LETTER OF CREDIT NOTWITHSTANDING THE NON-COMPLIANCE, NON-DELIVERY OR OTHER IMPROPER PRESENTATION OF THE DOCUMENTS PRESENTED IN CONNECTION THEREWITH, (v) ANY OTHER ASPECT OF THE LOAN DOCUMENTS, (vi) THE OPERATIONS OF THE BUSINESS OF THE BORROWERS OR ANY SUBSIDIARY OR ANY AFFILIATE THEREOF BY EACH SUCH PERSON, (vii), ANY ENVIRONMENTAL LAW APPLICABLE TO THE BORROWERS OR ANY CREDIT PARTY OR ANY OF THEIR PROPERTIES OR OPERATIONS, INCLUDING, THE PRESENCE, GENERATION, STORAGE, RELEASE, THREATENED RELEASE, USE, TRANSPORT, DISPOSAL, ARRANGEMENT OF DISPOSAL OR TREATMENT OF HAZARDOUS MATERIALS ON OR AT ANY OF THEIR PROPERTIES, (viii) THE BREACH OR NON-COMPLIANCE BY THE BORROWERS OR ANY CREDIT PARTY WITH ANY ENVIRONMENTAL LAW APPLICABLE TO ANY SUCH PERSON, (ix) THE PAST OWNERSHIP BY THE BORROWERS OR ANY CREDIT PARTY THEREOF OF ANY OF THEIR PROPERTIES OR PAST ACTIVITY ON ANY OF THEIR PROPERTIES WHICH, THOUGH LAWFUL AND FULLY PERMISSIBLE AT THE TIME, RESULTS IN PRESENT LIABILITY, (x) THE PRESENCE, USE, RELEASE, STORAGE, TREATMENT, DISPOSAL, GENERATION, THREATENED RELEASE, TRANSPORT, ARRANGEMENT FOR TRANSPORT OR ARRANGEMENT FOR DISPOSAL OF HAZARDOUS MATERIALS ON OR AT ANY OF THE PROPERTIES OWNED OR OPERATED BY THE BORROWERS OR ANY CREDIT PARTY OR ANY ACTUAL OR ALLEGED PRESENCE OR RELEASE OF HAZARDOUS MATERIALS ON OR FROM ANY PROPERTY OWNED OR OPERATED BY THE BORROWERS OR ANY CREDIT PARTY, (xi) ANY ENVIRONMENTAL LIABILITY RELATED IN ANY WAY TO THE BORROWERS OR ANY CREDIT PARTY, OR (xii) ANY OTHER ENVIRONMENTAL, HEALTH OR SAFETY CONDITION IN CONNECTION WITH THE LOAN DOCUMENTS, OR (xiii) ANY ACTUAL OR PROSPECTIVE CLAIM, LITIGATION, INVESTIGATION OR PROCEEDING RELATING TO ANY OF THE FOREGOING, WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY AND REGARDLESS OF WHETHER ANY INDEMNITEE IS A PARTY THERETO, AND SUCH INDEMNITY SHALL EXTEND TO EACH INDEMNITEE

NOTWITHSTANDING THE SOLE OR CONCURRENT NEGLIGENCE OF EVERY KIND OR CHARACTER WHATSOEVER, WHETHER ACTIVE OR PASSIVE, WHETHER AN AFFIRMATIVE ACT OR AN OMISSION, INCLUDING WITHOUT LIMITATION, ALL TYPES OF NEGLIGENT CONDUCT IDENTIFIED IN THE RESTATEMENT (SECOND) OF TORTS OF ONE OR MORE OF THE INDEMNITEES OR BY REASON OF STRICT LIABILITY IMPOSED WITHOUT FAULT ON ANY ONE OR MORE OF THE INDEMNITEES; PROVIDED THAT SUCH INDEMNITY SHALL NOT, AS TO ANY INDEMNITEE, BE AVAILABLE TO THE EXTENT THAT SUCH LOSSES, CLAIMS, DAMAGES, LIABILITIES OR RELATED EXPENSES ARE DETERMINED BY A COURT OF COMPETENT JURISDICTION BY FINAL AND NONAPPEALABLE JUDGMENT TO HAVE RESULTED FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SUCH INDEMNITEE.

(c) To the extent that the Borrowers fail to pay any amount required to be paid by them to the Administrative Agent, the Collateral Agent, the Arranger or the Issuing Bank under Section 12.03(a) or (b), each Lender severally agrees to pay to the Administrative Agent, the Collateral Agent, the Arranger or the Issuing Bank, as the case may be, such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent, the Collateral Agent, the Arranger or the Issuing Bank in its capacity as such.

(d) To the extent permitted by applicable law, the Borrowers shall not assert, and hereby waive, any claim against any indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the Transactions, any Loan or Letter of Credit or the use of the proceeds thereof.

(e) All amounts due under this Section 12.03 shall be payable promptly after written demand therefor.

(f) Notwithstanding any other provision of this Section 12.03, the Borrowers' obligations under this Section 12.03 to indemnify any indemnitee for any fees, charges or disbursements of any counsel shall be limited to the fees, charges and disbursements of one counsel to the indemnitees, collectively, and, if necessary, one local counsel to the indemnitees, collectively, in any relevant jurisdiction; provided that if there is a conflict of interest among one or more indemnitees, the Borrowers' indemnification obligations under this Section 12.03 shall also apply with respect to the fees, charges and disbursements of one additional counsel for each indemnitee affected by such conflict.

Section 12.04 Successors and Assigns.

(a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby (including any Affiliate of the Issuing Bank that issues any Letter of Credit), except that (i) the Borrowers may not assign or otherwise transfer any of their respective rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrowers without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section 12.04. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby (including any Affiliate of the Issuing Bank that issues any Letter of Credit), Participants (to the extent provided in Section 12.04(c)) and, to the extent expressly contemplated hereby,

the Related Parties of each of the Administrative Agent, the Collateral Agent, the Issuing Bank and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in Section 12.04(b)(ii), any Lender may assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld) of:

(A) the Borrowers, provided that no consent of the Borrowers shall be required if such assignment is to a Lender, an Affiliate of a Lender, an Approved Fund or, if an Event of Default has occurred and is continuing, to any other assignee; and

(B) the Administrative Agent, provided that no consent of the Administrative Agent shall be required for an assignment to an assignee that is a Lender immediately prior to giving effect to such assignment.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender or an Affiliate of a Lender or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than US\$5,000,000, provided that no such consent of the Borrowers shall be required if an Event of Default has occurred and is continuing;

(B) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement;

(C) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of US\$3,500;

(D) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire; and

(E) in no event may any Lender assign all or a portion of its rights and obligations under this Agreement to the Borrowers, any Affiliate of the Borrowers or any natural person.

(iii) Subject to Section 12.04(b)(iv) and the acceptance and recording thereof, from and after the effective date specified in each Assignment and Assumption the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Section 5.01, Section 5.02, Section 5.03 and Section 12.03(a)). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 12.04 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with Section 12.04(c).

(iv) The Administrative Agent, acting solely for this purpose as a non-fiduciary agent of the Borrowers, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Maximum Credit Amount of, and principal amount (and stated interest) of the Loans and LC Disbursements owing to, each Lender pursuant to the terms hereof from time to time (the “Register”). The entries in the Register shall be conclusive, and the Borrowers, the Administrative Agent, the Collateral Agent, the Issuing Bank and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrowers, the Issuing Bank and any Lender, at any reasonable time and from time to time upon reasonable prior notice. In connection with any changes to the Register, if necessary, the Administrative Agent will reflect the revisions on Annex I and forward a copy of such revised Annex I to the Borrowers, the Issuing Bank and each Lender.

(v) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an assignee, the assignee’s completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in Section 12.04(c) and any written consent to such assignment required by Section 12.04(b), the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this Section 12.04(b).

(c)

(i) Any Lender may, without the consent of the Borrowers, the Administrative Agent or the Issuing Bank, sell participations to one or more banks or other Persons (other than the Borrowers, any Affiliate of the Borrowers or any natural person) (a “Participant”) in all or a portion of such Lender’s rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it); provided that (A) such Lender’s obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (C) the Borrowers, the Administrative Agent, the Collateral Agent, the Issuing Bank and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender’s rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the proviso to Section 12.02 that affects such Participant. In addition such agreement must provide that the Participant be bound by the provisions of Section 5.04 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 12.04(b). Subject to Section 12.04(c)(ii), the Borrower Agent, on behalf of the Borrowers, agrees that each Participant shall be entitled to the benefits of Section 5.01, Section 5.02 and Section 5.03 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 12.04(b). To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 12.08 as though it were a Lender provided such Participant agrees to be subject to Section 4.01(c) as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrowers, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant’s interest in the Loans or other obligations under the Loan Documents (the “Participant Register”); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under

any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(ii) Each Participant agrees (A) to be subject to the provisions of Section 5.03 (subject to the requirements and limitations therein, including the requirements under Section 5.03(f) (it being understood that the documentation required under Section 5.03(f) shall be delivered to the participating Lender)) as if it were an assignee under paragraph (b) of this Section; and (B) that it shall not be entitled to receive any greater payment under Sections 5.01 or 5.03, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation.

(d) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including, without limitation, any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section 12.04 shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(e) Notwithstanding any other provisions of this Section 12.04, no transfer or assignment of the interests or obligations of any Lender or any grant of participations therein shall be permitted if such transfer, assignment or grant would require any Credit Party to file a registration statement or to qualify the Loans under any other applicable securities law.

Section 12.05 Survival; Revival; Reinstatement.

(a) All covenants, agreements, representations and warranties made by the Borrowers herein and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the making of any Loans and issuance of any Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent, the Collateral Agent, the Issuing Bank or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement is outstanding and unpaid or any Letter of Credit is outstanding and so long as the Commitments have not expired or terminated. The provisions of Section 5.01, Section 5.02, Section 5.03 and Section 12.03(a) and Article XI shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Letters of Credit and the Commitments or the termination of this Agreement, any other Loan Document or any provision hereof or thereof.

(b) To the extent that any payments on the Obligations or proceeds of any collateral are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, debtor in possession, receiver or other Person under any bankruptcy law, common law or equitable cause, then to such extent, the Obligations so satisfied shall be revived and continue as if such

payment or proceeds had not been received and the Administrative Agent's, Collateral Agent's and the Lenders' Liens, security interests, rights, powers and remedies under this Agreement and each Loan Document shall continue in full force and effect. In such event, each Loan Document shall be automatically reinstated and the Borrowers shall take such action as may be requested by the Administrative Agent or the Collateral Agent, acting reasonably, and the Lenders to effect such reinstatement.

Section 12.06 Counterparts; Integration; Effectiveness.

(a) This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract.

(b) This Agreement, the other Loan Documents and any separate letter agreements with respect to fees payable to the Administrative Agent and the Arranger constitute the entire contract among the parties relating to the subject matter hereof and thereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof and thereof. **THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES HERETO AND THERETO AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.**

(c) Except as provided in Section 6.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by telecopy, facsimile, email transmission or other similar electronic means shall be effective as delivery of a manually executed counterpart of this Agreement.

Section 12.07 Severability. Any provision of this Agreement or any other Loan Document held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof or thereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

Section 12.08 Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other Debt obligations (including, without limitation, obligations under Swap Agreements) at any time owing by such Lender or Affiliate to or for the credit or the account of any Credit Party or any Affiliate thereof against any of and all the obligations of any Credit Party or any Affiliate thereof owed to such Lender now or hereafter existing under this Agreement or any other Loan Document, irrespective of whether or not such Lender shall have made any demand under this Agreement or any other Loan Document and although such obligations may be unmatured. The rights of each Lender under this Section 12.08 are in addition to other rights and remedies (including other rights of setoff) which such Lender or its Affiliates may have.

Section 12.09 GOVERNING LAW; JURISDICTION; CONSENT TO SERVICE OF PROCESS.

(a) THIS AGREEMENT AND THE NOTES SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

(b) ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THE LOAN DOCUMENTS MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK OR OF THE UNITED STATES OF AMERICA FOR THE SOUTHERN DISTRICT OF NEW YORK, AND, BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH PARTY HEREBY ACCEPTS FOR ITSELF AND (TO THE EXTENT PERMITTED BY APPLICABLE LAW) IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE NON-EXCLUSIVE JURISDICTION OF THE AFORESAID COURTS. EACH PARTY HEREBY IRREVOCABLY WAIVES ANY OBJECTION, INCLUDING, WITHOUT LIMITATION, ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF *FORUM NON CONVENIENS*, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY SUCH ACTION OR PROCEEDING IN SUCH RESPECTIVE JURISDICTIONS. THIS SUBMISSION TO JURISDICTION IS NON-EXCLUSIVE AND DOES NOT PRECLUDE A PARTY FROM OBTAINING JURISDICTION OVER ANOTHER PARTY IN ANY COURT OTHERWISE HAVING JURISDICTION.

(c) IN ADDITION, TO THE EXTENT THAT ANY CREDIT PARTY OR AFFILIATE THEREOF MAY BE ENTITLED, IN ANY JURISDICTION IN WHICH JUDICIAL PROCEEDINGS MAY AT ANY TIME BE COMMENCED WITH RESPECT TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, TO CLAIM FOR ITSELF OR ITS REVENUES, ASSETS OR PROPERTIES ANY IMMUNITY FROM SUIT, THE JURISDICTION OF ANY COURT, ATTACHMENT PRIOR TO JUDGMENT, ATTACHMENT IN AID OF EXECUTION OF A JUDGMENT, SET-OFF, EXECUTION OF A JUDGMENT OR ANY OTHER LEGAL PROCESS, AND TO THE EXTENT THAT IN ANY SUCH JURISDICTION THERE MAY BE ATTRIBUTED SUCH IMMUNITY (WHETHER OR NOT CLAIMED), SUCH PERSON IRREVOCABLY AGREES NOT TO CLAIM AND HEREBY IRREVOCABLY WAIVES SUCH IMMUNITY TO THE FULLEST EXTENT PERMITTED BY THE LAWS OF SUCH JURISDICTION AND HEREBY AGREES THAT THE FOREGOING WAIVER SHALL BE ENFORCED TO THE FULLEST EXTENT PERMITTED UNDER THE FOREIGN SOVEREIGN IMMUNITIES ACT OF 1976 OF THE UNITED STATES OF AMERICA, AS AMENDED, AND IS INTENDED TO BE IRREVOCABLE FOR THE PURPOSE OF SUCH ACT.

(d) THE BORROWERS HEREBY IRREVOCABLY DESIGNATE, APPOINT AND EMPOWER AND HEREBY CONFER AN IRREVOCABLE SPECIAL POWER, AMPLE AND SUFFICIENT, TO CORPORATION SERVICE COMPANY, WITH OFFICES ON THE DATE HEREOF AT 1180 AVENUE OF THE AMERICAS, SUITE 210, NEW YORK, NEW YORK 10036-8401 AS THEIR DESIGNEE, APPOINTEE AND AGENT WITH RESPECT TO ANY SUCH ACTION OR PROCEEDING IN NEW YORK TO RECEIVE, ACCEPT AND ACKNOWLEDGE FOR AND ON THEIR BEHALF, AND IN RESPECT OF THEIR PROPERTY, SERVICE OF ANY AND ALL LEGAL PROCESS, SUMMONS, NOTICES AND DOCUMENTS WHICH MAY BE SERVED IN ANY SUCH PROCEEDING AND AGREE THAT THE FAILURE OF SUCH AGENT TO GIVE ANY ADVICE OF ANY SUCH SERVICE OF PROCESS TO THE BORROWERS SHALL NOT IMPAIR OR AFFECT THE VALIDITY OF SUCH SERVICE OR OF ANY CLAIM BASED THEREON. IF FOR ANY REASON SUCH DESIGNEE, APPOINTEE AND AGENT SHALL CEASE TO BE AVAILABLE TO ACT AS SUCH, THE BORROWERS AGREE TO DESIGNATE A NEW DESIGNEE, APPOINTEE AND AGENT REASONABLY SATISFACTORY TO THE ADMINISTRATIVE AGENT ON THE TERMS AND FOR THE PURPOSES OF THIS PROVISION. EACH PARTY IRREVOCABLY

CONSENTS TO THE SERVICE OF PROCESS OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO IT AT THE ADDRESS SPECIFIED IN SECTION 12.01 (OR WITH RESPECT TO THE BORROWER'S AGENT, THE ADDRESS SPECIFIED IN THIS SECTION 12.09(D)), OR SUCH OTHER ADDRESS AS IS SPECIFIED PURSUANT TO SECTION 12.01 (OR ITS ASSIGNMENT AND ASSUMPTION), SUCH SERVICE TO BECOME EFFECTIVE THIRTY (30) DAYS AFTER SUCH MAILING. NOTHING HEREIN SHALL AFFECT THE RIGHT OF A PARTY OR ANY HOLDER OF A NOTE TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST ANOTHER PARTY IN ANY OTHER JURISDICTION.

(e) EACH PARTY HEREBY (i) IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN; (ii) IRREVOCABLY WAIVES, TO THE MAXIMUM EXTENT NOT PROHIBITED BY LAW, ANY RIGHT IT MAY HAVE TO CLAIM OR RECOVER IN ANY SUCH LITIGATION ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES, OR DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES; (iii) CERTIFIES THAT NO PARTY HERETO NOR ANY REPRESENTATIVE OR AGENT OF COUNSEL FOR ANY PARTY HERETO HAS REPRESENTED, EXPRESSLY OR OTHERWISE, OR IMPLIED THAT SUCH PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVERS; AND (iv) ACKNOWLEDGES THAT IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT, THE LOAN DOCUMENTS AND THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS CONTAINED IN THIS SECTION 12.09.

Section 12.10 Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

Section 12.11 Confidentiality. Each of the Administrative Agent, the Issuing Bank and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority or any self-regulatory authority, (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement or any other Loan Document, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any suit, action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section 12.11, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any Swap Agreement relating to the Borrowers and their obligations, (g) with the consent of the Borrowers or (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section 12.11 or (ii) becomes available to the Administrative Agent, the Issuing Bank or any Lender on a nonconfidential basis from a source other than the Borrowers. For the purposes of this Section 12.11, "Information" means all information received from any Credit Party relating to any Credit Party and its businesses, other than any such information that is available to the Administrative Agent, the Issuing Bank or any Lender on a nonconfidential basis prior to disclosure by a Credit Party; provided that,

in the case of information received from any Credit Party after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section 12.11 shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

Section 12.12 Interest Rate Limitation. It is the intention of the parties hereto that each Lender shall conform strictly to usury laws applicable to it. Accordingly, if the transactions contemplated hereby would be usurious as to any Lender under laws applicable to it (including the laws of the State of New York or any other jurisdiction whose laws may be mandatorily applicable to such Lender notwithstanding the other provisions of this Agreement), then, in that event, notwithstanding anything to the contrary in any of the Loan Documents or any agreement entered into in connection with or as security for the Notes, it is agreed as follows: (i) the aggregate of all consideration which constitutes interest under law applicable to any Lender that is contracted for, taken, reserved, charged or received by such Lender under any of the Loan Documents or agreements or otherwise in connection with the Notes shall under no circumstances exceed the maximum amount allowed by such applicable law, and any excess shall be canceled automatically and if theretofore paid shall be credited by such Lender on the principal amount of the Obligations (or, to the extent that the principal amount of the Obligations shall have been or would thereby be paid in full, refunded by such Lender to the Borrowers); and (ii) in the event that the maturity of the Notes is accelerated by reason of an election of the holder thereof resulting from any Event of Default under this Agreement or otherwise, or in the event of any required or permitted prepayment, then such consideration that constitutes interest under law applicable to any Lender may never include more than the maximum amount allowed by such applicable law, and excess interest, if any, provided for in this Agreement or otherwise shall be canceled automatically by such Lender as of the date of such acceleration or prepayment and, if theretofore paid, shall be credited by such Lender on the principal amount of the Obligations (or, to the extent that the principal amount of the Obligations shall have been or would thereby be paid in full, refunded by such Lender to the Borrowers). All sums paid or agreed to be paid to any Lender for the use, forbearance or detention of sums due hereunder shall, to the extent permitted by law applicable to such Lender, be amortized, prorated, allocated and spread throughout the stated term of the Loans evidenced by the Notes until payment in full so that the rate or amount of interest on account of any Loans hereunder does not exceed the maximum amount allowed by such applicable law. If at any time and from time to time (i) the amount of interest payable to any Lender on any date shall be computed at the Highest Lawful Rate applicable to such Lender pursuant to this Section 12.12 and (ii) in respect of any subsequent interest computation period the amount of interest otherwise payable to such Lender would be less than the amount of interest payable to such Lender computed at the Highest Lawful Rate applicable to such Lender, then the amount of interest payable to such Lender in respect of such subsequent interest computation period shall continue to be computed at the Highest Lawful Rate applicable to such Lender until the total amount of interest payable to such Lender shall equal the total amount of interest which would have been payable to such Lender if the total amount of interest had been computed without giving effect to this Section 12.12.

Section 12.13 Judgment Currency. This is an international loan transaction in which the specification of U.S. Dollars is of the essence, and the stipulated currency shall in each instance be the currency of account and payment in all instances. A payment obligation in one currency hereunder (the "Original Currency") shall not be discharged by an amount paid in another currency (the "Other Currency"), whether pursuant to any judgment expressed in or converted into any Other Currency or in another place except to the extent that such tender or recovery results in the effective receipt by the payee of the full amount of the Original Currency payable by it under this Agreement. If for the purpose of obtaining judgment in any court it is necessary to convert a sum due hereunder in the Original Currency into the Other Currency, the rate of exchange that shall be applied shall be that at which in accordance with normal banking procedures the Administrative Agent or any Lender hereunder could purchase

Original Currency with the Other Currency on the Business Day next preceding the day on which such judgment is rendered. The obligation of each Credit Party in respect of any such sum due from it to the Administrative Agent or any other Person under any Loan Document (in this Section called an “Entitled Person”) shall, notwithstanding the rate of exchange actually applied in rendering such judgment, be discharged only to the extent that on the Business Day following receipt by such Entitled Person of any sum adjudged to be due hereunder in the Other Currency such Entitled Person may in accordance with normal banking procedures purchase and transfer the Original Currency to New York with the amount of the judgment currency so adjudged to be due; and each Credit Party hereby, as a separate obligation and notwithstanding any such judgment, agrees jointly and severally to indemnify such Entitled Person against, and to pay such Entitled Person on demand, in the Original Currency, the amount (if any) by which the sum originally due to such Entitled Person in the Original Currency hereunder exceeds the amount of the Original Currency so purchased and transferred; provided that if the amount of the Original Currency so purchased and transferred exceeds the sum originally due to such Entitled Person, such Entitled Person shall forthwith return the amount of such excess to the applicable Credit Party (or to any other Person who may be entitled thereto under applicable law).

Section 12.14 EXCULPATION PROVISIONS. EACH OF THE PARTIES HERETO SPECIFICALLY AGREES THAT IT HAS A DUTY TO READ THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS AND AGREES THAT IT IS CHARGED WITH NOTICE AND KNOWLEDGE OF THE TERMS OF THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS; THAT IT HAS IN FACT READ THIS AGREEMENT AND IS FULLY INFORMED AND HAS FULL NOTICE AND KNOWLEDGE OF THE TERMS, CONDITIONS AND EFFECTS OF THIS AGREEMENT; THAT IT HAS BEEN REPRESENTED BY INDEPENDENT LEGAL COUNSEL OF ITS CHOICE THROUGHOUT THE NEGOTIATIONS PRECEDING ITS EXECUTION OF THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS; AND HAS RECEIVED THE ADVICE OF ITS ATTORNEY IN ENTERING INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS; AND THAT IT RECOGNIZES THAT CERTAIN OF THE TERMS OF THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS RESULT IN ONE PARTY ASSUMING THE LIABILITY INHERENT IN SOME ASPECTS OF THE TRANSACTION AND RELIEVING THE OTHER PARTY OF ITS RESPONSIBILITY FOR SUCH LIABILITY. EACH PARTY HERETO AGREES AND COVENANTS THAT IT WILL NOT CONTEST THE VALIDITY OR ENFORCEABILITY OF ANY EXCULPATORY PROVISION OF THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS ON THE BASIS THAT THE PARTY HAD NO NOTICE OR KNOWLEDGE OF SUCH PROVISION OR THAT THE PROVISION IS NOT “CONSPICUOUS.”

Section 12.15 Collateral Matters; Swap Agreements.

(a) The benefit of the Security Instruments and of the provisions of this Agreement relating to any collateral securing the Obligations shall also extend to and be available to the Secured Swap Providers with respect to any Swap Agreement including any Swap Agreement in existence prior to the date hereof, but excluding any additional transactions or confirmations entered into (a) after such Secured Swap Provider ceases to be a Lender or an Affiliate of a Lender or (b) after assignment by a Secured Swap Provider to another Secured Swap Provider that is not a Lender or an Affiliate of a Lender. No Lender or any Affiliate of a Lender shall have any voting or consent rights under any Loan Document as a result of the existence of obligations owed to it under any such Swap Agreements.

(b) Collateral Agent shall not be responsible for and makes no representation as to the existence, genuineness, value or protection of any collateral, for the legality, effectiveness or sufficiency of any Loan Document, or for the creation, perfection, priority, sufficiency or protection of any liens securing the Notes. For the avoidance of doubt, nothing herein shall require Collateral Agent or Administrative Agent to file financing statements, continuation statements, termination statements or any

other amendments thereto or be responsible for maintaining the security interests purported to be created as described herein (except for the safe custody of any collateral in its possession and the accounting for moneys actually received by it hereunder or under any other Loan Document and except as expressly contemplated in this Agreement or any other Loan Document).

Section 12.16 Collateral Assignment of Swap Agreements.

(a) Pursuant to the Security Instruments, each Credit Party is required to pledge, assign and transfer (the “Swap Assignment”) to the Collateral Agent, for the benefit of the Secured Parties, as collateral security for the prompt and complete payment and performance when due of the Obligations (as defined therein), a first priority continuing security interest in, lien on and right of setoff against, all of its right, title and interest in and to each Swap Agreement to which it is a party, including each Swap Agreement between such Credit Party and any Lender or Affiliate of a Lender, all as more particularly described in the Security Instruments (the “Swap Collateral”). In furtherance of the foregoing, each Lender hereby: (i) consents and agrees to the Swap Assignment and (ii) agrees that from and after the Effective Date it will make any payments which become payable by such Lender under or pursuant to any Swap Agreement between such Lender and any Credit Party directly to the relevant Collection Account until such time as the grant of security interest in such collateral is released pursuant to the terms of this Agreement and the other Loan Documents.

(b) The Borrowers agree that any payment made by a Lender or an Affiliate of a Lender pursuant to the provisions of this Section 12.16 shall, to the extent of such payment, satisfy the obligations of such Lender or its Affiliate under the relevant Swap Agreement. The Borrowers agree to hold each Lender and its Affiliates harmless from any claims or liabilities resulting from actions of such Lender or its Affiliates in accordance with the terms of this Section 12.16.

Section 12.17 No Third Party Beneficiaries. This Agreement, the other Loan Documents, and the agreement of the Lenders to make Loans and the Issuing Bank to issue, amend, renew or extend Letters of Credit hereunder are solely for the benefit of the Borrowers, and no other Person (including, without limitation, any Subsidiary of any Credit Party, any obligor, contractor, subcontractor, supplier or materialsman) shall have any rights, claims, remedies or privileges hereunder or under any other Loan Document against the Administrative Agent, the Collateral Agent, the Issuing Bank or any Lender for any reason whatsoever. There are no third party beneficiaries.

Section 12.18 USA Patriot Act Notice.

(a) Each Lender and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies each Credit Party that pursuant to the requirements of the USA Patriot Act, it is required to obtain, verify and record information that identifies each of them, which information includes the name and address of each Credit Party and other information that will allow such Lender or the Administrative Agent, as applicable, to identify such Person in accordance with the USA Patriot Act. The Borrowers shall, and shall cause each of their Subsidiaries to, provide, to the extent commercially reasonable, such information and take such actions as are reasonably requested by each Lender and the Administrative Agent to maintain compliance with the USA Patriot Act.

(b) In the event that: (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the date of this Agreement, (ii) any change in the status of any Credit Party after the date of this Agreement, or (iii) a proposed assignment or transfer by a Lender of any of its rights and obligations under this Agreement to a party that is not a Lender prior to such assignment or transfer, requires the Administrative Agent (for itself or on behalf of a Lender) or a Lender to comply with “know your customer” or similar identification procedures in

circumstances where the necessary information is not already available to it, any or all of the Credit Parties, as applicable, shall promptly, upon the request of the Administrative Agent, supply, or produce the supply of such documentation and other evidence as is requested by the Administrative Agent (for itself or on behalf of any of the Lenders) in order for the Administrative Agent or the Lenders, as the case may be, to carry out and be satisfied it has complied with all necessary “know your customer” or other similar checks under all applicable laws.

(c) Each Lender shall promptly upon the request of the Administrative Agent, supply or procure the supply of, such documentation and other evidence as is reasonably requested by the Administrative Agent (for itself) in order for the Administrative Agent to carry out and be satisfied it has complied with all necessary “know your customer” or other similar checks under all applicable laws.

Section 12.19 English Language. This Agreement has been negotiated and executed in the English language. All certificates, reports, notices and other documents and communications given or delivered pursuant to this Agreement shall be in the English language or, if not in English and if requested by the Administrative Agent, accompanied by a certified English translation thereof. The English language version of any such document for purposes of this Agreement shall control the meaning of the matters set forth herein.

Section 12.20 Obligations of Borrowers Absolute.

(a) The joint and several obligations of each of the Borrowers under the Loans shall be absolute and unconditional and shall remain in full force and effect until the Loans (including all principal, interest, default interest, increased costs and breakage costs, if any, and all other amounts under or in respect of the Loans, and all additional amounts, if any, due pursuant to any other Loan Document) shall have been fully paid. Until the Obligations have been paid in full, the obligations of the Borrowers with respect thereto shall not be discharged, affected, modified or impaired on the happening from time to time of any event, including, without limitation, any of the following, whether or not with notice to or consent of any of the Borrowers:

(i) the waiver, compromise, settlement, release, termination or amendment (including, without limitation, any extension or postponement of the time for payment or performance or renewal or refinancing) of any or all of the Obligations including all obligations of the Borrowers under this Agreement or any other Loan Document;

(ii) the failure to give notice to any or all of the undersigned of the occurrence of a Default or Event of Default under the terms and provisions of this Agreement or any other Loan Document;

(iii) the release, substitution or exchange by the Collateral Agent of any collateral, or other collateral, securing any of the Obligations (whether with or without consideration) or the acceptance by Collateral Agent of any additional collateral, or other collateral, or the acceptance, availability or claimed availability of any other collateral or source of repayment or any nonperfection or other impairment of any collateral;

(iv) the release of any Person primarily or secondarily liable for all or any part of the Obligations, whether by the Administrative Agent or any transferee or in connection with any voluntary or involuntary liquidation, dissolution, receivership, insolvency, bankruptcy, assignment for the benefit of creditors or similar event or proceeding affecting any or all of the Borrowers, or any other Loan Party, or any other Person or entity who, or any of whose Property, shall at the time in question be obligated in respect of the Obligations or any part thereof; or

(v) to the extent permitted by law, any other event, occurrence, action or circumstance that would, in the absence of this Section 12.20, result in the release or discharge of any or all of the Borrowers from the payment, performance or observance of any Obligations.

Section 12.21 Full Force and Effect of Joint and Several Obligations. The obligations of the Borrowers to the Administrative Agent, the Collateral Agent and the Lenders under this Agreement shall be joint and several. Such obligations shall remain in full force and effect (or be reinstated) until the Administrative Agent and the Lenders have received payment in full of all Obligations and the expiration of any applicable preference or similar period pursuant to any bankruptcy, insolvency, reorganization, moratorium or similar law, or at law or equity, without any claim having been made before the expiration of such period asserting an interest in all or any part of any payment or payments received by the Administrative Agent or the Lenders.

Section 12.22 Express Agreement. The Borrowers expressly agree that neither the Administrative Agent nor the Collateral Agent shall be required first to institute any suit or to exhaust any of its remedies against any of the Borrowers or against any other Person that is or becomes liable for any of the Obligations, or against any collateral, in order to enforce this Agreement; and the Borrowers expressly agree that, notwithstanding the occurrence of any of the foregoing, the Borrowers shall be and remain, directly and primarily liable for all sums due under this Agreement and the other Loan Documents. On disposition by the Collateral Agent of any collateral, the Borrowers shall be and shall remain jointly and severally liable for any deficiency.

Section 12.23 No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), each Borrower acknowledges and agrees, and acknowledges its Subsidiaries' understanding, that: (a)(i) no fiduciary, advisory or agency relationship between any Borrower and its Subsidiaries and the Administrative Agent, the Collateral Agent or any Lender is intended to be or has been created in respect of the transactions contemplated hereby or by the other Loan Documents, irrespective of whether the Administrative Agent, the Collateral Agent or any Lender has advised or is advising any Credit Party on other matters; (ii) the arranging and other services regarding this Agreement provided by the Administrative Agent, the Collateral Agent and the Lenders are arm's-length commercial transactions between each Borrower and its Subsidiaries, on the one hand, and the Administrative Agent, the Collateral Agent and the Lenders, on the other hand; (iii) each Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent that it has deemed appropriate; and (iv) each Borrower is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; and (b)(i) the Administrative Agent, the Collateral Agent and the Lenders each is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for any Borrower or any of its Subsidiaries, or any other Person; (ii) none of the Administrative Agent, the Collateral Agent or the Lenders has any obligation to any Borrower or any of its Subsidiaries with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (iii) the Administrative Agent, the Collateral Agent and the Lenders and their respective Affiliates may be engaged, for their own accounts or the accounts of customers, in a broad range of transactions that involve interests that differ from those of each Borrower and its Subsidiaries, and neither none of the Administrative Agent, the Collateral Agent nor or the Lenders has any obligation to disclose any of such interests to any Borrower or its Subsidiaries. To the fullest extent permitted by law, each Borrower hereby waives and releases any claims that it may have against the Administrative Agent, the Collateral Agent and the Lenders with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

[SIGNATURES BEGIN NEXT PAGE]

The parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

BORROWERS:

PRIMERA OIL AND GAS LIMITED

By: /S/ Paul Baay
Name: Paul R. Baay
Title: Director

**TOUCHSTONE EXPLORATION (TRINIDAD)
LTD.**

By: /S/ Paul Baay
Name: Paul R. Baay
Title: Director

CONSENTED AND AGREED:

TOUCHSTONE EXPLORATION INC.

By: /S/ Paul Baay
Name: Paul R. Baay
Title: Director

ADMINISTRATIVE AGENT:

THE BANK OF NOVA SCOTIA,
as Administrative Agent

By: (Signed)
Name:
Title:

By: (Signed)
Name:
Title:

COLLATERAL AGENT:

THE BANK OF NOVA SCOTIA,
as Collateral Agent

By: (Signed)
Name:

Title:

By: _____ (Signed)

Name:

Title:

LENDER:

**SCOTIABANK TRINIDAD AND TOBAGO
LIMITED, as a Lender**

By: (Signed)

Name:

Title:

By: (Signed)

Name:

Title:

ANNEX I
List of Maximum Credit Amounts

Lender	Applicable Percentage	Maximum Credit Amounts
Scotiabank Trinidad and Tobago Limited	100.00%	US\$50,000,000.00
TOTAL	100.00%	US\$50,000,000.00

EXHIBIT A
Form of Note

US\$[] [], 201[]

FOR VALUE RECEIVED, PRIMERA OIL AND GAS LIMITED, a company organized and existing under the laws of Trinidad and Tobago ("Primera") and TOUCHSTONE EXPLORATION (TRINIDAD) LTD., a company organized and existing under the laws of Trinidad and Tobago ("Exploration") and, together with Primera, the "Borrowers" and, each a "Borrower"), hereby jointly and severally promise to pay to [] (the "Lender"), at the principal office of THE BANK OF NOVA SCOTIA (the "Administrative Agent"), at [], United States of America, the principal sum of [] Dollars (US\$[]) (or such lesser amount as shall equal the aggregate unpaid principal amount of the Loans made by the Lender to the Borrowers under the Credit Agreement, as hereinafter defined), in lawful money of the United States of America and in immediately available funds, on the dates and in the principal amounts provided in the Credit Agreement, and to pay interest on the unpaid principal amount of each such Loan, at such office, in like money and funds, for the period commencing on the date of such Loan until such Loan shall be paid in full, at the rates per annum and on the dates provided in the Credit Agreement.

The date, amount, Type, interest rate, Interest Period and maturity of each Loan made by the Lender to the Borrowers, and each payment made on account of the principal thereof, shall be recorded by the Lender on its books and, prior to any transfer of this Note, may be recorded by the Lender on the schedules attached hereto or any continuation thereof or on any separate record maintained by the Lender. Failure to make any such notation or to attach a schedule shall not affect any Lender's or the Borrowers' rights or obligations in respect of such Loans or affect the validity of such transfer by any Lender of this Note.

This Note is one of the Notes referred to in the Credit Agreement dated as of December 3, 2014 among the Borrowers, the Administrative Agent, and the other agents and lenders signatory thereto (including the Lender), and evidences Loans made by the Lender thereunder (such Credit Agreement as the same may be amended, supplemented, modified or restated from time to time, the “Credit Agreement”). Capitalized terms used in this Note have the respective meanings assigned to them in the Credit Agreement.

This Note is issued pursuant to, and is subject to the terms and conditions set forth in, the Credit Agreement and is entitled to the benefits provided for in the Credit Agreement and the other Loan Documents. The Credit Agreement provides for the acceleration of the maturity of this Note upon the occurrence of certain events, for prepayments of Loans upon the terms and conditions specified therein and other provisions relevant to this Note.

THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH,
THE LAWS OF THE STATE OF NEW YORK.

PRIMERA OIL AND GAS LIMITED
TOUCHSTONE EXPLORATION (TRINIDAD) LTD.
By: _____
Name: _____
Title: _____

EXHIBIT B
[Reserved]

EXHIBIT C
Form of Borrowing Request

[1], 201[1]

TOUCHSTONE EXPLORATION INC., a company organized and existing under the laws of Alberta (the “Borrower Agent”), pursuant to Section 2.03 of the Credit Agreement dated as of December 3, 2014 (together with all amendments, restatements, supplements or other modifications thereto, the “Credit Agreement”) among PRIMERA OIL AND GAS LIMITED, a company organized and existing under the laws of Trinidad and Tobago (“Primera”) and TOUCHSTONE EXPLORATION (TRINIDAD) LTD., a company organized and existing under the laws of Trinidad and Tobago (“Exploration”) and THE BANK OF NOVA SCOTIA, as Administrative Agent and the other agents and lenders (the “Lenders”) which are or become parties thereto (unless otherwise defined herein, each capitalized term used herein is defined in the Credit Agreement), hereby requests a Borrowing as follows:

- (i) aggregate amount of the requested Borrowing is US\$[];
- (ii) date of such Borrowing is [], 201[];
- (iii) requested Borrowing is to be [an ABR Borrowing] [a Eurodollar Borrowing];

[(iv) the Interest Period applicable to the resulting Borrowing after giving effect to such election is period of [one] [two] [three] [six] [twelve months];] [*Applicable only to Eurodollar Borrowings*];

(v) the amount of the then effective Borrowing Base, the Borrowing Base Availability, the current total Credit Exposures (without regard to the requested Borrowing) and the pro forma total Credit Exposures (giving effect to the requested Borrowing) is []; and

(vi) location and number of the Borrower's account to which funds are to be disbursed, which shall comply with the requirements of Section 2.05 of the Credit Agreement, is as follows:

The undersigned certifies that he/she is the [] of the Borrower Agent, and that as such he/she is authorized to execute this certificate on behalf of the Borrower Agent, on behalf of the Borrowers. The undersigned further certifies, represents and warrants on behalf of the Borrowers that the Borrowers are entitled to receive the requested Borrowing under the terms and conditions of the Credit Agreement.

TOUCHSTONE EXPLORATION INC.

By: _____

Name: _____

Title: _____

EXHIBIT D
Form of Interest Election Request

[], 201 []

TOUCHSTONE EXPLORATION INC., a company organized and existing under the laws of Alberta (the “Borrower Agent”), pursuant to Section 2.04 of the Credit Agreement dated as of December 3, 2014 (together with all amendments, restatements, supplements or other modifications thereto, the “Credit Agreement”) among PRIMERA OIL AND GAS LIMITED, a company organized and existing under the laws of Trinidad and Tobago (“Primera”) and TOUCHSTONE EXPLORATION (TRINIDAD) LTD., a company organized and existing under the laws of Trinidad and Tobago (“Exploration”) and THE BANK OF NOVA SCOTIA, as Administrative Agent and the other agents and lenders (the “Lenders”) which are or become parties thereto (unless otherwise defined herein, each capitalized term used herein is defined in the Credit Agreement), hereby makes an Interest Election Request as follows:

(i) The Borrowing to which this Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information specified pursuant to (ii) and (iii) below shall be specified for each resulting Borrowing) is [];

(ii) The effective date of the election made pursuant to this Interest Election Request is [], 201[];

(iii) The resulting Borrowing is to be [an ABR Borrowing] [a Eurodollar Borrowing];

[(iv) The Interest Period applicable to the resulting Borrowing after giving effect to such election is period of [one] [two] [three] [six] [twelve months]]. *[Applicable only to Eurodollar Borrowings]*;

(v) Amount of Borrowing Base in effect on the date hereof is US\$[];

(vi) Total Credit Exposures on the date hereof (*i.e.*, outstanding principal amount of Loans and total LC Exposure) are US\$[];

(vii) Pro forma total Credit Exposures (giving effect to the requested Borrowing) are US\$[]; and

The undersigned certifies that he/she is the [] of the Borrower Agent, and that as such he/she is authorized to execute this certificate on behalf of the Borrower Agent, on behalf of the Borrowers. The undersigned further certifies, represents and warrants on behalf of the Borrowers that the Borrowers are entitled to receive the requested continuation or conversion under the terms and conditions of the Credit Agreement.

TOUCHSTONE EXPLORATION INC.

By: _____

Name: _____

Title: _____

EXHIBIT E
Form of Compliance Certificate

The undersigned hereby certifies that he/she is the [] of TOUCHSTONE EXPLORATION INC., a company organized and existing under the laws of Alberta (the "Borrower Agent"), and that as such he/she is authorized to execute this certificate on behalf of the Borrowers. With reference to the Credit Agreement dated as of December 3, 2014 (together with all amendments, restatements, supplements or other modifications thereto being the "Agreement") among PRIMERA OIL AND GAS LIMITED, a company organized and existing under the laws of Trinidad and Tobago ("Primera") and TOUCHSTONE EXPLORATION (TRINIDAD) LTD., a company organized and existing under the laws of Trinidad and Tobago ("Exploration" and, together with Primera, the "Borrowers" and, each a "Borrower"), THE BANK OF NOVA SCOTIA, as Administrative Agent, and the other agents and lenders (the "Lenders") which are or become a party thereto, the undersigned represents and warrants as follows (each capitalized term used herein having the same meaning given to it in the Agreement unless otherwise specified):

(a) The representations and warranties of the Credit Parties contained in Article VII of the Agreement and in the Loan Documents and otherwise made in writing by or on behalf of the Borrowers pursuant to the Agreement and the Loan Documents were true and correct in all material respects (except to the extent that such representations or warranties were qualified by materiality or Material Adverse Effect, in which case such representations or warranties were true and correct) when made, except to the extent any such representations and warranties are expressly limited to an earlier date, in which case, such representations and warranties were true and correct in all material respects (except to the extent that such representations or warranties were qualified by materiality or Material Adverse Effect, in which case such representations or warranties were true and correct) as of such specified earlier date, and are repeated at and as of the time of delivery hereof and are true and correct in all material respects (except to the extent that such representations or warranties are qualified by materiality or Material Adverse Effect, in which case such representations or warranties are true and correct) at and as of the time of delivery hereof, except to the extent any such representations and warranties are expressly limited to an earlier date, in which case, such representations and warranties are true and correct in all material respects (except to the extent that such representations or warranties are qualified by materiality or Material Adverse Effect, in which case such representations or warranties are true and correct) as of such earlier date.

(b) There exists no Default or Event of Default [or specify Default and describe].

(c) Attached hereto are the detailed computations necessary to determine whether the Parent is in compliance with Section 9.01 as of the end of the [fiscal quarter][fiscal year] ending [].

EXECUTED AND DELIVERED this [] day of [], 201[].

TOUCHSTONE EXPLORATION INC.

By: _____
Name: _____
Title: _____

EXHIBIT F
Security Instruments

(1) Guaranty Agreement by the Guarantors party thereto in favor of the Collateral Agent.

EXHIBIT G
Form of Assignment and Assumption

This Assignment and Assumption (the “Assignment and Assumption”) is dated as of the Effective Date set forth below and is entered into by and between [*Insert name of Assignor*] (the “Assignor”) and [*Insert name of Assignee*] (the “Assignee”). Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, supplemented, restated or otherwise modified from time to time, the “Credit Agreement”), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of the Assignor’s rights and obligations in its capacity as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below (including any letters of credit and guarantees included in such facilities) and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as the “Assigned Interest”). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

1. Assignor: _____
2. Assignee: _____
[and is an Affiliate/Approved Fund of [*identify Lender*]¹]
3. Borrowers: Primera Oil and Gas Limited and Touchstone Exploration (Trinidad) Ltd.
4. Administrative Agent: The Bank of Nova Scotia
5. Credit Agreement: The Credit Agreement dated as of December 3, 2014 among Primera Oil and Gas Limited, a company organized and existing under the laws of Trinidad and Tobago (“Primera”), and Touchstone Exploration (Trinidad) Ltd., a company organized and existing under the laws of Trinidad and Tobago (“Exploration” and, together with

¹ Select as applicable.

Primera, the “Borrowers” and, each a “Borrower”), the Lenders parties thereto, The Bank of Nova Scotia, as Administrative Agent, and the other agents parties thereto

6. Assigned Interest:

Commitment Assigned	Aggregate Amount of Commitment/Loans for all Lenders	Amount of Commitment/Loans Assigned	Percentage Assigned of Commitment/Loans²
	US\$	US\$	%
	US\$	US\$	%
	US\$	US\$	%

Effective Date: _____, 201____ [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR

[NAME OF ASSIGNOR]

By: _____
Name: _____
Title: _____

ASSIGNEE

[NAME OF ASSIGNEE]

By: _____
Name: _____
Title: _____

² Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.

[Consented to and]³ Accepted:

The Bank of Nova Scotia,
as Administrative Agent

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

[Consented to:]⁴

[NAME OF RELEVANT PARTY]

By: _____
Name: _____
Title: _____

³ To be added only if the consent of the Administrative Agent is required by the terms of the Credit Agreement.

⁴ To be added only if the consent of the Borrowers and/or other parties (*e.g.*, Issuing Bank) is required by the terms of the Credit Agreement.

STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1 Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Credit Parties or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the Borrowers, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2. Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it satisfies the requirements, if any, specified in the Credit Agreement that are required to be satisfied by it in order to acquire the Assigned Interest and become a Lender, (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 8.01 thereof, as applicable, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent or any other Lender, and (v) if it is a Foreign Lender, attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement (including Section 5.03(f) thereof), duly completed and executed by the Assignee; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignor for amounts which have accrued to but excluding the Effective Date and to the Assignee for amounts which have accrued from and after the Effective Date.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and

Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of New York.

EXHIBIT H
Form of Reserve Report Certificate

The undersigned officer executing this certificate on behalf of TOUCHSTONE EXPLORATION INC., a company organized and existing under the laws of Alberta (the "Borrower Agent"), certifies that he/she is the [] of the Borrower Agent, and that as such he/she is authorized to execute this certificate on behalf of PRIMERA OIL AND GAS LIMITED, a company organized and existing under the laws of Trinidad and Tobago ("Primera") and TOUCHSTONE EXPLORATION (TRINIDAD) LTD., a company organized and existing under the laws of Trinidad and Tobago ("Exploration") and, together with Primera, the "Borrowers" and, each a "Borrower"). Reference is made to that certain Credit Agreement dated as of December 3, 2014 (together with all amendments, restatements, supplements or other modifications thereto being the "Credit Agreement") among the Borrowers, The Bank of Nova Scotia, as Administrative Agent, and the other agents and lenders (the "Lenders") which are or become a party thereto. Terms used but not defined herein shall have the meanings given them in the Credit Agreement and all section references herein refer to sections of the Credit Agreement. This certificate is being delivered pursuant to Section 8.12(b) of the Credit Agreement. The Borrower Agent hereby certifies that:

(a) None of the Credit Parties provided any statements or conclusions in the preparation of the Reserve Report which were based upon or include misleading information or failed to take into account material information regarding the matters reported therein, it being understood that projections concerning volumes attributable to the Oil and Gas Properties and production and cost estimates contained in the Reserve Report are necessarily based upon professional opinions, estimates and projections and that the Credit Parties do not warrant that such opinions, estimates and projections will ultimately prove to have been accurate.

(b) The Credit Parties own good and defensible title to the Oil and Gas Properties evaluated in the Reserve Report delivered herewith and such Properties are free of all Liens except for Liens permitted by Section 9.03 of the Credit Agreement.

(c) Except as set forth on Schedule [] attached hereto, on a net basis there are no gas imbalances, take or pay or other prepayments.

(d) Except as set forth on Schedule [] attached hereto, no Oil and Gas Properties whose associated oil and gas reserves were evaluated in the last Reserve Report delivered to the Administrative Agent have been sold since the date of the last Reserve Report.

(e) Set forth on Schedule [] attached hereto, is a true and complete list of (1) all Persons to whom the Credit Parties sell crude oil and any other Hydrocarbons and (2) all contracts for the purchase and sale of crude oil and any other Hydrocarbons to which any Credit Party is a party (including, without limitation, each Offtake Agreement).

(f) Attached hereto as Exhibit A is a list of the Oil and Gas Properties of the Credit Parties evaluated in the Reserve Report delivered that are included in the Borrowing Base.

EXECUTED AND DELIVERED this [] day of _____, 201[].

TOUCHSTONE EXPLORATION INC.

By: _____
Name: _____
Title: _____

SCHEDULE 1.02(a)
Trinidad Hydrocarbon Properties/License Agreements

Trinidad Property	Party	Type	Partner
Barrackpore	Primera Oil and Gas Limited	Private Leases	Various
Coora Block 1	Touchstone Exploration (Trinidad) Ltd.	Lease Operatorship Agreement	Petroleum Company of Trinidad and Tobago Limited ("Petrotrin")
Coora Block 2	Touchstone Exploration (Trinidad) Ltd.	Lease Operatorship Agreement	Petrotrin
Cory Moruga	Primera Energy Resources Ltd.	Exploration and Production License	The Republic of Trinidad and Tobago
	Primera Energy Resources Ltd.	Joint Operatorship Agreement	Parex Resources (Trinidad) Limited
	Primera Oil and Gas Limited	Private Leases	Various
Icacos	Primera Oil and Gas Limited	Private Leases	Various
	Primera Oil and Gas Limited	Joint Operatorship Agreement	Leni Gas and Oil Ltd.
New Dome	Touchstone Exploration (Trinidad) Ltd.	Farmout Agreement	Petrotrin
San Francique	Primera Oil and Gas Limited	Private Leases	Various
South Palo Seco	Touchstone Exploration (Trinidad) Ltd.	Farmout Agreement	Petrotrin
WD 4	Touchstone Exploration (Trinidad) Ltd.	Lease Operatorship Agreement	Petrotrin
WD 8	Touchstone Exploration (Trinidad) Ltd.	Lease Operatorship Agreement	Petrotrin
Non LOA/Farmout Blocks	Primera Oil and Gas Limited	Crude Oil Sales Agreement	Petrotrin
Ortoire	Primera Oil and Gas Limited	Exploration and Production License	The Republic of Trinidad and Tobago

SCHEDULE 1.02(b)
Eligible Buyers

Petroleum Company of Trinidad and Tobago Limited

SCHEDULE 1.02(c)
Offtake Agreements

Trinidad Property	Party	Type
Coora Block 1	Touchstone Exploration (Trinidad) Ltd.	Lease Operatorship Agreement
Coora Block 2	Touchstone Exploration (Trinidad) Ltd.	Lease Operatorship Agreement
New Dome	Touchstone Exploration (Trinidad) Ltd.	Farmout Agreement
South Palo Seco	Touchstone Exploration (Trinidad) Ltd.	Farmout Agreement
WD 4	Touchstone Exploration (Trinidad) Ltd.	Lease Operatorship Agreement
WD 8	Touchstone Exploration (Trinidad) Ltd.	Lease Operatorship Agreement
Non LOA/Farmout Blocks	Primera Oil and Gas Limited	Crude Oil Sales Agreement

SCHEDULE 7.03
Consents

Post Closing Petrotrin Consent
MEEA Consent

SCHEDULE 7.04
Financial Condition

Not Applicable.

SCHEDULE 7.05
Litigation

[redacted]

SCHEDULE 7.06
Environmental Matters

Not Applicable.

SCHEDULE 7.07
Compliance with Laws and Agreements

[redacted]

SCHEDULE 7.09
Taxes

At the August 19, 2011 purchase of Primera Oil and Gas (“POGL”) from CL Financial Limited (“CLF”), there were tax balances owing from 2000 through 2011 for which POGL was obligated to pay the principal balances and CLF was obligated to pay the interest balances.

Although a principal tax settlement proposal negotiated by Price Waterhouse Coopers Trinidad (“PWC”) with the Trinidad and Tobago Board of Inland Revenue (“BIR”) on POGL’s behalf was confirmed by the BIR, and POGL made the agreed to payments on account of principal, all subsequent BIR tax statements have principal balances outstanding (approx. TT\$10.4M or US\$1.6M). POGL management performed a reconciliation of the outstanding tax liabilities and noted that a number of past principal balances were not applied. PWC is currently assisting the BIR in reconciling the BIR statement to POGL internal records.

PWC has also corresponded on behalf of POGL to the BIR Commissioner requesting a waiver of interest and penalties related to the outstanding tax principal liabilities above. PWC informed POGL management that the application of the waiver was denied, however, there has been no formal correspondence from the BIR. PWC is currently seeking audience with the Minister of Finance and Economy on POGL’s behalf.

CLF is to assume all liabilities with respect to outstanding interest and penalties prior to August 19, 2011, however CLF has stated that it will not settle any amounts until the interest and penalty waiver is formally accepted or denied. As at October 3, 2013, the current interest owing per the BIR statement is TT\$120.3M or US\$18.7M, of which POGL’s share is approximately TT\$13.1M or US\$2.1M.

SCHEDULE 7.10
Employee Benefit Arrangements

None.

SCHEDULE 7.13
Lien Covenants and Negative Pledges

None.

SCHEDULE 7.14
Subsidiaries

Subsidiaries	Description
Archon Technologies Ltd.	R&D company
Archon Technologies International Inc.	R&D company
Touchstone Energy Inc.	Holding company
Touchstone Exploration (Barbados) Ltd.	Holding company
Touchstone Exploration (Trinidad) Ltd.	E&P company
Primera Oil and Gas Limited	E&P company
Primera East Brighton Limited	Exploration company
Territorial Oilfield Management Services Limited	Service company

SCHEDULE 7.15
Location of Business and Offices

Operations Office - #30 Forest Reserve Road, Fyzabad, Trinidad, West Indies

Head Office - 1100, 332 6th Ave. SW, Calgary, Alberta, Canada T2P 0B2

SCHEDULE 7.16
Properties; Titles; Etc.

Certain Credit Parties hold of its Oil and Gas Property interests indirectly through government issued exploration and production licences (otherwise known as royalty/tax concessions) and production sharing contracts such as lease operatorship or farm-in agreements with Petrotrin which entitle such Credit Parties to retain cash flows from the operation of the assets but does not entitle such Credit Parties to ownership of any reserves.

Those leases set forth on Schedule 7.07.

SCHEDULE 7.18
Marketing of Production

None.

SCHEDULE 7.19
Swap Agreements

None.

SCHEDULE 7.20
Gas Imbalances

None.

SCHEDULE 8.19(a)
Title Information

[redacted]

SCHEDULE 8.19(b)
Leases

[redacted]

SCHEDULE 9.02
Debt

[redacted]

SCHEDULE 9.05
Investments

[redacted]

SCHEDULE 9.10
Mergers; Etc.

[redacted]