[REDACTED VERSION]

SEVENTH AMENDING AGREEMENT

THIS SEVENTH AMENDING AGREEMENT (the "**Seventh Amending Agreement**") is made as of January 16, 2017 (the "**Seventh Amendment Effective Date**").

AMONG

CATHEDRAL ENERGY SERVICES LTD. and CATHEDRAL ENERGY SERVICES, INC. (collectively, the "**Borrowers**")

AND:

THE BANK OF NOVA SCOTIA and each of the financial institutions named herein or as from time to time become lenders hereunder (collectively, the "**Lenders**")

AND:

THE BANK OF NOVA SCOTIA, as agent (in such capacity, the "**Agent**")

RECITALS:

A. The Borrowers, the Lenders and the Agent are parties to an amended and restated credit agreement made as of August 8, 2014, as amended by a first amending agreement made as of June 12, 2015, a second amending agreement made as of January 26, 2016 (the "**Second Amending Agreement**"), a letter amending agreement dated June 30, 2016, a fourth amending agreement made as of August 9, 2016 (the "**Fourth Amending Agreement**"), a fifth amending agreement made as of September 2, 2016 and a sixth amending agreement made as of December 22, 2016 (as so amended, the "**Credit Agreement**").

B. The parties have agreed to amend certain provisions of the Credit Agreement as provided herein (the Credit Agreement, as amended by this Seventh Amending Agreement is referred to as the "**Amended Credit Agreement**").

NOW THEREFORE for consideration of the premises and the agreements, provisions and covenants herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each of the parties hereto), the parties agree as follows:

ARTICLE 1
INTERPRETATION

1.1 All capitalized terms used herein and not otherwise defined herein have the meanings given to them in the Amended Credit Agreement.

1.2 All references in this Seventh Amending Agreement to Articles, Sections, subsections and clauses are to Articles, Sections, subsections and clauses of the Credit Agreement.

ARTICLE 2
AMENDMENTS AND SUPPLEMENTS TO CREDIT AGREEMENT

2.1 The Credit Agreement is hereby amended as follows:

(a) to amend the definition of "Covenant Relief Period" contained in Section 1.1 of the Credit Agreement to delete the reference to "September 30, 2017" contained therein and to substitute therefor a reference to "December 31, 2018";

(b) to delete the definition of "Funded Debt" contained in Section 1.1 of the Credit Agreement in its entirety and to substitute the following therefor:

> "**"Funded Debt"** means as at any particular time all Debt of the Cdn. Borrower on a consolidated basis in accordance with IFRS, and (a) less the amount of any unencumbered cash and Cash Equivalents of the Borrowers (which, for certainty, shall not include any cash or Cash Equivalents subject to a Lien other than in favour of the Agent) which are on deposit or invested with any Lender or if not deposited or invested with a Lender, such cash or Cash Equivalents are held in an account which is subject to a first priority Lien in favour of the Agent together with an account control agreement satisfactory to the Agent provided that with respect to unencumbered cash or Cash Equivalents deposited or invested by the U.S. Borrower with Wells Fargo Bank, such amounts may be deducted during the sixty day period referred to in Section 9.15 and (b) excluding obligations in respect of letters of credit which are provided by a Lender and which are fully insured by Export Development Canada or another insurance company acceptable to the Agent, in its sole discretion, up to a maximum exclusion of Cdn.$2,000,000 at any time.";

(c) to reduce the aggregate Revolving Commitments to Cdn. $23,000,000 effective immediately and to delete in its entirety Schedule "A" to the Credit Agreement and replace the same with Exhibit "1" attached hereto;

(d) the definition of "Maturity Date" contained in Section 1.1 of the Credit Agreement is hereby amended to delete the reference to "February 10, 2018" contained therein and to substitute a reference to "December 31, 2018" therefor;

(e) Section 8.1(e) of the Credit Agreement is hereby amended to delete the last paragraph thereof (as previously added pursuant to Section 2.1(l) of the Second Amending Agreement) in its entirety and to substitute the following therefor:

> "Additionally, the Borrowers agree that, at any time after the occurrence of a Default or an Event of Default, the Lenders, at their sole discretion, have the right to appoint a Financial Consultant who

shall, at the expense of the Borrowers, prepare and deliver to the Agent Financial Consultant's reports or updated Financial Consultant reports at such times as required by the Agent."; and

(f) by deleting the entirety of Section 8.3 and replacing it with the following:

"**8.3 Financial Covenants**

So long as any Outstandings exist or the Credit Facilities are available hereunder, the Borrowers covenant and agree with each of the Lenders and the Agent that at all times:

(a) **Maximum Funded Debt to EBITDA Ratio**. The Funded Debt to EBITDA Ratio shall not be greater than the following, measured at the end of each applicable Fiscal Quarter as set out below:

Funded Debt to EBITDA Ratio	Effective Period
3.50:1.00	Fiscal Quarters ending March 31, 2017, June 30, 2017 and September 30, 2017
3.25:1.00	Fiscal Quarter ending December 31, 2017
3.00:1.00	Fiscal Quarters ending March 31, 2018, June 30, 2018, September 30, 2018, December 31, 2018 and as at each Fiscal Quarter End thereafter.

(b) **Minimum Debt Service Ratio**. The Debt Service Ratio shall not be less than the following, measured at the end of each applicable Fiscal Quarter as set out below:

Debt Service Ratio	Effective Period
2.00:1.00	Fiscal Quarter ending March 31, 2017
2.50:1.00	Fiscal Quarter ending June 30, 2017
3.00:1.00	Fiscal Quarters ending September 30, 2017, December 31, 2017, March 31, 2018, June 30, 2018, September 30, 2018, December 31, 2018 and as at each Fiscal Quarter End thereafter.

(c) **Minimum EBITDA.** The consolidated EBITDA of the

Canadian Borrower shall not be less than Cdn.$2,500,000 measured at the Fiscal Quarter ending December 31, 2016.

(d) **Minimum Working Capital Ratio**. The Working Capital Ratio shall not be less than 1.25 to 1.00.

(e) **Minimum Liquidity.** The Canadian Borrower shall, at all times up and until (but not including) June 30, 2017, have undrawn availability under the Credit Facilities plus unencumbered cash and Cash Equivalents (which, for certainty, shall not include any cash or Cash Equivalent subject to a Lien other than in favor of the Agent) which are on deposit or invested with any Lender or, if not deposited or invested with a Lender, held in an account which is subject to a first priority perfected Lien in favor of the Agent) of not less than Cdn. $2,000,000.".

For certainty, the Borrowers covenant and agree to comply with Section 8.3 of the Credit Agreement after giving effect to the amendments provided for in this Seventh Amending Agreement notwithstanding Section 2.1 of the Fourth Amending Agreement, and the parties hereto hereby agree and confirm that the provisions of Section 2.1 of the Fourth Amending Agreement are superseded and are of no longer any force and effect.

2.2 The Fourth Amending Agreement is hereby amended as follows:

(a) Section 2.4 of the Fourth Amending Agreement is hereby deleted in its entirety and the following is substituted therefor:

"The parties hereto confirm and agree that any (a) payment in connection with the Borrowers' existing settlement plan for FLSA Actions in excess of U.S.$200,000 in any Fiscal Quarter or (b) additional settlement or other payment in connection with FLSA Actions in excess of U.S.$100,000 in any Fiscal Quarter shall, in each case, require the prior written consent of all the Lenders.".

ARTICLE 3
FUNDING OF LOANS TO REFLECT REVISED COMMITMENTS

3.1 In order to give effect to the foregoing, upon the satisfaction of the conditions precedent set forth below, the Lenders hereby agree to take all steps and actions and execute and deliver all agreements, instruments and other documents as may be required by the Agent or any of the Lenders (including the assignment of interests in, or the purchase of participations in, existing Loans) to give effect to the foregoing reduction in the Revolving Facility and revised Revolving Commitments and to ensure that the aggregate Outstandings owing to each Lender under the Revolving Facility are outstanding in proportion to each Lender's Applicable Percentage of all outstanding Outstandings under the Revolving Facility after giving effect to such reduction and revised Revolving

Commitments; provided that, the foregoing provisions of this Section 3.1 shall not apply to Bankers' Acceptances and LIBO Rate Loans outstanding on the date hereof, such Bankers' Acceptances and LIBO Rate Loans being subject to and dealt with pursuant to Sections 3.2 and Section 3.3 hereof.

3.2 The parties hereby acknowledge that, on the date hereof, Bankers' Acceptances and LIBO Rate Loans having terms to maturity ending after the date hereof may be outstanding under the Revolving Facility (the "**Outstanding BAs and Libor Loans**"). Notwithstanding any provision of the Credit Agreement or this Seventh Amending Agreement to the contrary, each of the parties hereto acknowledge and agree that any obligation of the Borrowers to pay or reimburse the Lenders in respect of the Outstanding BAs and Libor Loans is solely a risk and for the account of the Lenders based upon their respective Revolving Commitments as in effect prior to and without regard to the provisions of this Seventh Amending Agreement.

3.3 Notwithstanding the foregoing, from time to time, as the Outstanding BAs and Libor Loans mature and Rollovers and Conversions are made by the Borrowers in respect thereof, each of the Lenders shall participate in the Loans effecting such Rollovers and Conversions to the full extent of its Revolving Commitment after giving effect to the provisions of this Seventh Amending Agreement.

ARTICLE 4
CONDITIONS PRECEDENT

4.1 The effectiveness of this Seventh Amending Agreement as an amendment to the Credit Agreement and the amendments and supplements contained herein are subject to and conditional upon the satisfaction of the following conditions precedent:

(a) the Borrowers shall have delivered to the Agent, on behalf of the Lenders, a duly executed copy of this Seventh Amending Agreement;

(b) the Borrowers shall have paid all fees owing to the Agent and the Lenders pursuant to Article 5 of this Seventh Amending Agreement;

(c) the transactions provided for in the asset purchase and sale agreement by and among Ideal Completions Group LLC, as purchaser, and the Borrowers, as vendors, dated December 16, 2016 shall have closed and, in connection therewith, the net sale proceeds therefrom, in amount not less than Cdn. $17,200,000 shall have been received by the Agent in repayment of Outstandings under the Revolving Facility;

(d) (i) the representations and warranties set forth in Section 7.1 of the Credit Agreement shall be true and accurate in all respects (except under Section 7.1(1) in respect of the Cabot Action (as defined in the Second Amending Agreement)) and (ii) no Default or Event of Default has occurred and is continuing and, in each case, the Borrowers shall have delivered to the Agent and the Lenders an Officer's Certificate certifying the same to the Agent and the Lenders;

(e) each Borrower shall have delivered to the Agent a current certificate of status, compliance or good standing, as the case may be, in respect of its jurisdiction of incorporation, certified copies of its constating documents, by-laws or other organizational documents, as applicable (or, if applicable, a certification that there have been no changes thereto since those previously delivered to the Lenders) and certified copies of its resolutions authorizing the execution, delivery and performance of this Seventh Amending Agreement and the transactions contemplated thereunder and an Officers' Certificate of each Borrower as to the incumbency of the officers thereof signing this Seventh Amending Agreement; and

(f) each Borrower shall have delivered to the Agent such other documents, certificates, opinions as may be reasonably requested by the Agent and the Lenders.

4.2 **Representations and Warranties**

Each Borrower hereby represents and warrants to the Agent and the Lenders that, as of the Seventh Amendment Effective Date:

(a) the representations and warranties contained in Article 7 of the Credit Agreement, as amended by this Seventh Amending Agreement, are true and correct in all material respects except those that are stated to be as of a certain date, in which case they were true and correct in all material respects on such date and except under Section 7.1(1) in respect of the Cabot Action;

(b) all of the covenants of the Borrowers set forth in the Credit Agreement, as amended by this Seventh Amending Agreement, together with all of the terms and conditions set forth in the Credit Agreement, as amended by this Seventh Amending Agreement to be complied with by the Borrowers, have been fully complied with as of the date hereof;

(c) no Default or Event of Default has occurred and is continuing; and

(d) each Borrower has taken all necessary steps to authorize the amendments and supplements to the terms of the Credit Agreement in accordance with the provisions of this Seventh Amending Agreement such that a reference in the Credit Agreement to "Agreement" means the Credit Agreement as amended and supplemented by this Seventh Amending Agreement and to authorize the performance by it of its obligations under the Amended Credit Agreement.

The representations and warranties made in this Seventh Amending Agreement shall have the same force and effect as if made under the Credit Agreement.

4.3 **Waiver of Conditions Precedent**

The conditions precedent in this Article 4 hereof are inserted for the sole benefit of the Lenders and may be waived by the Agent on the instructions of all of the Lenders.

ARTICLE 5
FEES

5.1 In consideration of the amendment and supplements contained herein, the Borrowers shall pay to the Agent, for the account of the Lenders, a total amendment and extension fee of **[Redacted Amount]**, payable to Agent on behalf of the Lenders which are a signatory to this Seventh Amending Agreement, such fee to be distributed among the Lenders with respect to their pro rata shares of the Total Commitments after giving effect to this Seventh Amending Agreement.

ARTICLE 6
RATIFICATION

6.1 Except as amended or supplemented by Article 2 hereof, all terms and conditions of the Credit Agreement shall continue in full force and effect unamended and are hereby ratified and confirmed in every respect. The Borrowers hereby consent and agree to the amendment to the Credit Agreement, as provided in this Seventh Amending Agreement, and ratify and confirm the terms of the Security Documents and other Loan Documents to which they are a party and confirms the each of the Security Documents to which it is a party remain in full force in effect notwithstanding this Seventh Amending Agreement and the amendments and supplements contained herein and shall continue to exist and apply to, *inter alia*, all of the obligations, liabilities and indebtedness of the Borrowers under the Credit Agreement, as amended and supplemented by this Seventh Amending Agreement.

ARTICLE 7
MISCELLANEOUS

7.1 Supplemental

This Seventh Amending Agreement is supplemental to and amends and supplements the Credit Agreement and the Credit Agreement shall henceforth be read in conjunction with, as amended and supplemented by, this Seventh Amending Agreement, and the Credit Agreement and this Seventh Amending Agreement shall henceforth be read, interpreted, construed and have effect so far as it is practicable as if all of the provisions of the Credit Agreement and this Seventh Amending Agreement were contained in one instrument.

7.2 No Waiver

The execution and delivery of this Seventh Amending Agreement shall not operate as a waiver of any Default, Event of Default, right, remedy, power or other matter under the Credit Agreement or the other Loan Documents or any other agreements or instruments delivered in connection therewith or pursuant thereto, nor constitute a waiver of any provision of the Credit Agreement or any of the other Loan Documents or any other agreements or instruments delivered in connection therewith or pursuant thereto.

7.3 Further Assurances

The Borrowers hereby covenant and agree that they shall at all times and from time to time hereafter and upon every request by the Agent so to do, make, do, execute, deliver or cause to be made, done, executed and delivered, all such further acts, deeds, assurances, opinions and things as may be required for more effectually implementing and carrying out the provisions of the Amended Credit Agreement.

7.4 **Fees and Expenses**

The Borrowers acknowledge and agree that all costs, fees and expenses as incurred by the Agent and the Lenders and their legal counsel with respect to this Seventh Amending Agreement shall be for the account of Borrowers.

7.5 **Headings**

The headings of the Articles and Sections of this Seventh Amending Agreement are inserted for convenience of reference only and shall not affect the construction or interpretation of this Seventh Amending Agreement.

7.6 **Governing Law**

The parties agree that this Seventh Amending Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein, without prejudice to or limitation of any other rights or remedies available under the laws of any jurisdiction where property or assets of the Borrowers may be found.

7.7 **Counterparts**

This Seventh Amending Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument, and it shall not be necessary in making proof of this Seventh Amending Agreement to produce or account for more than one such counterpart executed by each party. For purposes of this Section, the delivery of a facsimile copy or a scanned copy by electronic mail of an executed counterpart of this Seventh Amending Agreement shall be deemed to be an original thereof.

[Signatures on following pages.]

IN WITNESS WHEREOF the parties hereto have caused this Seventh Amending Agreement to be duly executed as of the date first above written.

AS BORROWERS:

CATHEDRAL ENERGY SERVICES LTD.

Per: **"signed"**
Name:
Title:

Per: **"signed"**
Name:
Title:

CATHEDRAL ENERGY SERVICES, INC.

Per: **"signed"**
Name:
Title:

Per: **"signed"**
Name:
Title:

AS AGENT:

THE BANK OF NOVA SCOTIA

Per: **"signed"**
Name:
Title:

Per: **"signed"**
Name:
Title:

AS LENDERS:

THE BANK OF NOVA SCOTIA

Per: **"signed"**
Name:
Title:

Per: **"signed"**
Name:
Title:

EXPORT DEVELOPMENT CANADA

Per: **"signed"**
Name:
Title:

Per: **"signed"**
Name:
Title:

EXHIBIT 1

SCHEDULE A
TO THE AMENDED AND RESTATED CREDIT AGREEMENT

LENDERS AND COMMITMENTS

Lender	**Swingline Commitment**	**Revolving Commitment**
The Bank of Nova Scotia	**[Commitment Redacted]**	**[Commitment Redacted]**
Export Development Canada	**[Commitment Redacted]**	**[Commitment Redacted]**
Total Commitment	Cdn. $5,000,000	Cdn. $18,000,000