

FOURTH AMENDING AGREEMENT

THIS AGREEMENT dated as of December 11, 2020

AMONG:

CATHEDRAL ENERGY SERVICES LTD. and CATHEDRAL ENERGY SERVICES, INC.

as Borrowers

AND

THE FINANCIAL INSTITUTIONS PARTY HERETO

IN THEIR CAPACITIES AS LENDERS

AND

ATB FINANCIAL

as Administrative Agent

WHEREAS the parties hereto are parties to the Credit Agreement;

AND WHEREAS the parties hereto have agreed to amend and supplement certain provisions of the Credit Agreement as set out herein;

NOW THEREFORE in consideration of the covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby conclusively acknowledged by each of the parties hereto, the parties hereto covenant and agree as follows:

1. **INTERPRETATION**

1.1 In this Agreement and the recitals hereto, unless something in the subject matter or context is inconsistent therewith:

"Agreement" means this Fourth Amending Agreement;

"Amended Credit Agreement" means the Credit Agreement as amended and supplemented by this Agreement, and as the same may be further amended, modified, supplemented or restated from time to time;

"Credit Agreement" means the credit agreement dated as of December 13, 2017 among, *inter alia*, the Borrowers, the Agent (under its former name Alberta Treasury Branches) and the Lenders, as amended by a First Amending Agreement dated as of November 8, 2018 and a Second Amending Agreement dated as of December 19, 2019 and a Third Amending Agreement dated June 29, 2020; and

"Effective Date" means the date on which all of the conditions precedent in Section 3.1 of this Agreement have been satisfied or waived by the Lenders.

1.2 Capitalized terms used herein without express definition shall have the same meanings herein as are ascribed thereto in the Credit Agreement.

1.3 The division of this Agreement into Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement and not to any particular Section or other portion hereof and include any agreements supplemental hereto. Unless expressly indicated otherwise, all references to "Section" or "Sections" are intended to refer to a Section or Sections of the Credit Agreement.

1.4 This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and federal laws of Canada applicable therein.

2. AMENDMENTS TO CREDIT AGREEMENT

2.1 The Credit Agreement is amended by adding the following as a new Section 12.26:

"12.26 ATB as Sole Lender

Notwithstanding anything to the contrary in this Agreement, at any time while ATB is the sole Lender:

- (a) ATB may in its sole discretion abridge any notice periods required to be given by the Borrowers to the Agent and the Lenders and otherwise make adjustments to the administrative provisions of this Agreement which are not adverse to the Loan Parties;
- (b) communications pursuant to Section 14.7 shall be deemed to have been received or communicated (as the case may be) by or to the Agent and the Lenders if received or communicated (as the case may be) by or to ATB;
- (c) regardless of any expressed capacity, ATB shall be the sole counterparty to the Loan Parties under the Loan Documents and possess all rights and obligations of the Agent, Collateral Agent and Lenders thereunder; and
- (d) no agency fee shall be payable pursuant to Section 5.8 provided that any such fees paid in advance shall be non-refundable."

3. CONDITIONS PRECEDENT TO EFFECTIVENESS

3.1 This Agreement shall be effective on the date each of the following conditions precedent are satisfied (or waived by the Lenders hereunder):

- (a) as of the Effective Date, there exists no Default or Event of Default;
- (b) the representations and warranties contained in Article 2 of the Credit Agreement (with this Agreement being a Loan Document and references to the Credit Agreement being deemed to be references to the Amended Credit Agreement) are true and correct as of the Effective Date;
- (c) there shall have not occurred any event or change in either Borrower or any other Loan Party (each on a consolidated basis) since September 30, 2020 which would reasonably be expected to have a Material Adverse Effect;
- (d) the Cdn. Borrower shall deliver or cause to be delivered to the Agent the following:
 - (i) an executed copy of this Agreement; and
 - (ii) such other documents, consents, acknowledgements and agreements as may be reasonably requested by the Agent or its counsel; and
- (e) payment of the Agent's legal fees incurred to date including in connection with this Agreement and any other Loan Documents.

3.2 The conditions precedent set out in Section 3.1 above are inserted for the sole benefit of the Lenders and may be waived only by unanimous consent of the Lenders.

4. **REPRESENTATIONS AND WARRANTIES**

Each Borrower hereby represents and warrants as follows to each Lender and the Agent and acknowledges and confirms that each Lender and the Agent is relying upon such representations and warranties:

(a) **Capacity, Power and Authority**

- (i) It is duly incorporated and is validly subsisting under the laws of its jurisdiction of incorporation, and has all the requisite corporate capacity, power and authority to carry on its business as presently conducted and to own its property; and
- (ii) It has the requisite corporate capacity, power and authority to execute and deliver this Agreement.

(b) **Authorization; Enforceability**

It has taken or caused to be taken all necessary action to authorize, and has duly executed and delivered, this Agreement, and each of this Agreement and the Amended Credit Agreement is a legal, valid and binding obligation of it enforceable against it in accordance with its terms, subject to applicable bankruptcy, reorganization, winding up, insolvency, moratorium or other laws of general application affecting the enforcement of creditors' rights generally and to the equitable and statutory powers of the courts having jurisdiction with respect thereto.

(c) **Compliance with Other Instruments**

The execution, delivery by it of this Agreement, the performance by it of this Agreement and the Amended Credit Agreement and the consummation of the transactions contemplated therein do not conflict with, result in any breach or violation of, or constitute a default under the terms, conditions or provisions of its articles, by-laws or other constating documents or any unanimous shareholder agreement relating to it, or of any law, regulation, judgment, decree or order binding on or applicable to it or to which its property is subject or of any material agreement, lease, licence, permit or other instrument to which it or any of its Subsidiaries is a party or is otherwise bound or by which any of them benefits or to which any of their property is subject and do not require the consent or approval of any Governmental Authority or any other party.

(d) **Credit Agreement Representations and Warranties**

Each of the representations and warranties of the Borrowers set forth in Section 2.1 of the Amended Credit Agreement is true and accurate in all material respects as of the date hereof (and in all respects if any such representation or warranty is already qualified by materiality) other than any such representations and warranties which expressly speak of an earlier date.

(e) **No Default**

No Default or Event of Default has occurred or is continuing or shall result from or exist immediately after the coming into effect of the amendments and supplements to the Credit Agreement contemplated hereby.

5. **CONFIRMATION OF CREDIT AGREEMENT AND OTHER DOCUMENTS**

The Credit Agreement and all covenants, terms and provisions thereof, except as expressly amended and supplemented by this Agreement, shall be and continue to be in full force and effect. The Credit Agreement as amended hereby is hereby ratified and confirmed and shall from and after the date hereof continue in full force and effect. Each of the Cdn. Borrower and the U.S. Borrower confirms and agrees that the Guarantee executed and delivered by it in connection with the Credit Agreement is and shall remain in full force and effect in all respects notwithstanding the amendments and supplements contained in this Agreement and that the Guaranteed Obligations (as defined in such Guarantee) shall include all obligations, liabilities and indebtedness of each Borrower to the Lenders under the Amended Credit Agreement.

6. **FURTHER ASSURANCES**

The parties hereto shall from time to time do all such further acts and things and execute and deliver all such documents as are required in order to effect the full intent of and fully perform and carry out the terms of this Agreement.

7. **COUNTERPARTS**

This Agreement may be executed in any number of counterparts, including by way of facsimile, each of which 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 Agreement to produce or account for more than one such counterpart. Delivery of an executed counterpart of a signature page of this Agreement by telecopier or other electronic means shall be effective as delivery of a manually executed counterpart of this Agreement.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first written above.

CDN. BORROWER:

CATHEDRAL ENERGY SERVICES LTD.

Per: "P. Scott MacFarlane"

Name P. Scott MacFarlane

Title President & CEO

Per: "Randy Pustanyk"

Name Randy Pustanyk

Title Executive Vice President

U.S. BORROWER:

CATHEDRAL ENERGY SERVICES, INC.

Per: "P. Scott MacFarlane"

Name P. Scott MacFarlane

Title President

Per: "Randy Pustanyk"

Name Randy Pustanyk

Title Vice President

[Signature Page to Fourth Amending Agreement – Cathedral]

AGENT:

ATB FINANCIAL, as Agent

Per: (Signed) "Authorized Signatory"

Per: (Signed) "Authorized Signatory"

[Signature Page to Fourth Amending Agreement – Cathedral]

ATB FINANCIAL, as Lender

Per: (Signed) "Authorized Signatory"

Per: (Signed) "Authorized Signatory"