EXECUTION VERSION

RESTRUCTURING SUPPORT AGREEMENT

This RESTRUCTURING SUPPORT AGREEMENT (as amended, supplemented or otherwise modified from time to time, this "Agreement" or "RSA"), dated as of April 20, 2016, is entered into by and among:

(a) Pacific Exploration & Production Corporation ("Pacific"), incorporated in the Province of British Columbia, Canada and its undersigned direct and indirect affiliates and subsidiaries (each, including Pacific, a "Company Party" and collectively, the "Company");

(b) the beneficial holders, investment advisors or managers for the beneficial holders and/or discretionary accounts of such beneficial holders signatory to this Agreement by way of execution of this Agreement or a Joinder Agreement (as defined below) (collectively, the "Consenting Noteholders") of claims under (i) the 5.375% senior unsecured notes due January 26, 2019 issued by the Company (the "2019 Notes"); (ii) the 7.25% senior unsecured notes due December 12, 2021 issued by the Company (the "2021 Notes"); (iii) the 5.125% senior unsecured notes due March 28, 2023 issued by the Company (the "2023 Notes"); and/or (iv) the 5.625% senior unsecured notes due January 19, 2025 (the "2025 Notes," and together with the 2019 Notes, 2021 Notes and 2023 Notes, the "Notes," and the claims and other obligations arising thereunder, the "Note Claims," and the indentures and supplemental indentures governing the Notes, collectively, the "Note Indentures");

(c) the undersigned lenders (collectively, the "Consenting Lenders" and, together with the Consenting Noteholders and each entity that becomes a Joining Party (as defined below) in accordance with the terms and conditions of this Agreement, the "Consenting Creditors") under each of (i) the $109,000,000 Credit and Guaranty Agreement dated as of May 2, 2013 among the Company, as borrower, the guarantors party thereto, and Bank of America, N.A. as lender (as amended, modified, restated or supplemented from time to time, the "BofA Facility"); (ii) the $250,000,000 Credit and Guaranty Agreement dated as of April 8, 2014 among the Company, as borrower, the guarantors party thereto, the lenders party thereto and HSBC Bank USA, N.A., as administrative agent (as amended, modified, restated or supplemented from time to time, the "HSBC Facility"); and/or (iii) the $1,000,000,000 Revolving Credit and Guaranty Agreement dated April 30, 2014 among the Company, as borrower, the guarantors party thereto, Bank of America, N.A. as administrative agent and the lenders party thereto (as amended, modified, restated or supplemented from time to time, the "Revolving Facility," and together with the BofA Facility and the HSBC Facility, the "Credit Facilities" and the loans, commitments, and other obligations held by the applicable Lenders pursuant to the Credit Facilities, collectively, the "Bank Debt Claims," and together with the Note Claims, the "Company Claims"); *provided, however*, that as used herein, "Note Claim," "Bank Debt Claim," and "Company Claim," shall not include any claim held in a fiduciary capacity or held by any other distinct business unit of a Consenting Creditor other than the business unit expressly identified on the signature pages hereto unless such other business unit is or becomes party to this Agreement, and "Consenting Noteholder," "Consenting Lender," "Consenting Creditor" and "Party" shall not include any distinct business unit of a Consenting Creditor other than the business unit expressly identified on the signature pages hereto unless such other business unit is or becomes party to this Agreement; *provided further* that any custodian, depositary, agent or management company that executes this Agreement or any Joinder Agreement (as defined below) for and on behalf of any Consenting Creditor, in circumstances where the relevant Consenting Creditor is or becomes a party to this

Agreement and such custodian, depositary, agent or management company merely executes this Agreement or the relevant Joinder Agreement on its behalf, shall have no obligations or liability under this Agreement or the relevant Joinder Agreement; and

(d) The Catalyst Capital Group Inc. (the "Plan Sponsor").

Each of the Company Parties, the Consenting Creditors and the Plan Sponsor is referred to herein as a "Party" and, collectively, as the "Parties."

RECITALS

WHEREAS, the Company, an ad hoc committee of certain Consenting Noteholders (the "Ad Hoc Noteholder Committee"), a steering committee of certain Consenting Lenders (the "Lender Committee") and the Plan Sponsor and their respective counsel and other advisors have engaged in arm's-length, good-faith negotiations regarding a comprehensive restructuring of certain financial obligations of the Company (the "Restructuring"), including the Company's indebtedness and obligations under the Notes and the Credit Facilities pursuant to a plan of arrangement or compromise (as amended and supplemented with the consent of the Requisite Consenting Creditors (as defined below) and the Plan Sponsor and in accordance with this RSA, the "Plan") contemplated by the recapitalization term sheet (the "Recapitalization Term Sheet") attached as Exhibit A hereto;

WHEREAS, the Company intends to implement the Restructuring in accordance with the terms and conditions set forth in the Recapitalization Term Sheet and this RSA by commencing (i) voluntary main proceedings (the "Canadian Proceedings") pursuant to the Companies' Creditors Arrangement Act (the "CCAA"), in the Ontario Superior Court of Justice (Commercial List) (the "Canadian Court") and (ii) ancillary recognition proceedings (together with the Canadian Proceedings, the "Insolvency Cases"), or such other proceedings, acceptable to the Company, the Requisite Consenting Creditors and the Plan Sponsor, each acting in their sole discretion, to be commenced under (a) Ley 1116 of 2006 in Colombia ("Law 1116") in the court seized of jurisdiction (the "Colombian Court") in a Colombian proceeding under Law 1116 and (b) chapter 15 of title 11 of the United States Code (the "Bankruptcy Code" and, together with the CCAA and Law 1116, the "Insolvency Laws") in the United States Bankruptcy Court for the Southern District of New York (the "U.S. Court" and, together with the Colombian Court and the Canadian Court, the "Insolvency Courts"), or as may be otherwise agreed by the Company, the Requisite Consenting Creditors (as defined below) and the Plan Sponsor, to effect the Restructuring as set forth herein and in the Recapitalization Term Sheet and the Plan;

WHEREAS, if the Company, the Requisite Consenting Creditors and the Plan Sponsor agree (each acting in their sole discretion), the Restructuring may be implemented through a plan of reorganization filed in a proceeding to be commenced under chapter 11 of the Bankruptcy Code before the U.S. Court, with such other appropriate proceedings before each of the Canadian Court and the Colombian Court as agreed by the Company, Requisite Consenting Creditors and the Plan Sponsor; and

WHEREAS, each Party and its respective counsel and other advisors has reviewed or has had the opportunity to review the Recapitalization Term Sheet and this RSA and each Party has agreed to the Restructuring on the terms and conditions set forth in the Recapitalization Term Sheet and this RSA.

NOW, THEREFORE, in consideration of the covenants and agreements contained herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Party, intending to be legally bound hereby, agrees as follows:

Section 1. RSA Effective Date. This Agreement shall be effective and binding on each of the Parties upon the satisfaction of each of the following conditions (the date upon which all such conditions have been satisfied, the "RSA Effective Date"):

(a) each of the Company Parties shall have executed and delivered counterpart signature pages to this RSA to counsel to the Consenting Creditors and the Plan Sponsor;

(b) Consenting Creditors holding, in the aggregate, at least 45% of the outstanding principal amount of the aggregate of the Note Claims and the Bank Debt Claims shall have executed and delivered counterpart signature pages to this RSA to counsel to the Company and the Plan Sponsor, *provided* that in the case of signature pages delivered to the Plan Sponsor, such signature pages shall be redacted in accordance with Section 8.02;

(c) the Plan Sponsor shall have executed and delivered its counterpart signature page to this RSA to counsel to the Consenting Creditors and the Company; and

(d) the execution of commitment letters (the "Commitment Letters") in connection with (i) the DIP Note Facility (as defined below) by the Plan Sponsor and each of the other DIP Note Purchasers (as defined in the DIP/Exit Term Sheet, defined below), which in the aggregate provide for commitments to purchase $500 million of DIP Notes (as defined in the DIP/Exit Term Sheet), subject to the terms and conditions set forth in such Commitment Letters; and (ii) the DIP LC Facility (as defined below), which in the aggregate provides for letter of credit commitments up to a maximum amount of $134 million, in each case subject to the terms and conditions set forth in such Commitment Letters.

Section 2. Definitive Documents; Exhibits.

2.01 Definitive Documents. The definitive documents (the "Definitive Documents") with respect to the Restructuring shall include all documents (including any related orders, agreements, instruments, schedules or exhibits) that are contemplated by the Plan and that are reasonably necessary to implement the Restructuring, including, without limitation: (i) the Plan; (ii) the documents to be filed in the supplement to the Plan (collectively, the "Plan Supplement"); (iii) the information circular for the Plan (the "Information Circular"); (iv) the motion seeking approval of the Information Circular (the "Meeting Order Motion") and calling a meeting of the Company's creditors to consider and vote on the Plan (the "Meeting Order"); (v) any other materials to be distributed to creditors for the purpose of soliciting votes on the Plan (the "Solicitation Materials"); (vi) the order of the Canadian Court sanctioning the Plan (the "Plan Approval Order"); (vii) all "first day" motions or applications and other "first day" documents filed by the Company with any of the Insolvency Courts (the "First Day Documents"); (viii) all other material motions, orders, rulings and other pleadings filed by the Company with any of the Insolvency Courts (the "Other Pleadings"); (ix) each Commitment Letter; (x) the indenture or note purchase agreement governing the Company's $500 million debtor-in-possession financing facility (the "DIP Note Facility") on the terms set forth in the the secured DIP and exit financing facility term sheet attached to the Commitment Letters (the "DIP/Exit Term Sheet") and all other documents, agreements and instruments related to the DIP Note Facility; (xi) a hedging agreement, if any, that provides for hedging of an agreed-upon percentage of the Company's crude oil production through the DIP Maturity Date (as defined in the DIP/Exit Term Sheet) on the terms set forth in the DIP/Exit Term Sheet and that is secured on a *pari passu* basis with the DIP Note Facility (the "DIP Hedging Facility") and all other documents, agreements and instruments related to such facility; (xii) a second-lien secured debtor-in-possession revolving letter of credit agreement (the "DIP LC Facility" and, together with the DIP Note Facility and the DIP Hedging Facility (if any), the "DIP Facilities") of up to $134 million on the terms and conditions set forth in the DIP LC facility term sheet attached to the Commitment Letters (the "DIP/Exit LC Term Sheet") and all other documents, agreements and instruments related to the DIP LC Facility; (xiii) the revolving credit agreement governing the Exit LC Facility (as defined in the DIP/Exit LC Term Sheet) and all other documents, agreements and instruments related to the Exit LC Facility; (xiv) the indenture governing the Exit Notes (as defined in the DIP/Exit Term Sheet) and all documents, agreements and instruments related to the Exit Notes (such facility, the "Exit Note Facility"); (xv) the form of the key employee retention plan (the "KERP"); (xvi) any order of the U.S. Court recognizing any order issued in the Canadian Proceedings, including, without limitation, the order recognizing the Canadian Proceedings before the Canadian Court as a foreign main proceeding pursuant to chapter 15 of the Bankruptcy Code (the "U.S. CCAA Recognition Order") and the order recognizing the Plan Approval Order (the "U.S. Plan Recognition Order"); (xvii) any order of the Colombian Court recognizing any order issued in the Canadian Proceedings, including, without limitation, the order recognizing the Canadian Proceedings before the Canadian Court as a foreign main proceeding (the "Colombian CCAA Recognition Order"); (xviii) the order ("Initial CCAA Order") (a) approving, among other things, the DIP Facilities and related charges and (b) authorizing and directing the Company to pay the fees and expenses of PricewaterhouseCoopers Inc. as Monitor appointed in the Canadian Proceeding (the "Monitor"), the Monitor Advisors, the Company Advisors (subject to the proviso below relating to the Principal Company Financial Advisor (as defined below)), the Consenting Noteholder Advisors, the Consenting Lender Advisors and the Plan Sponsor Advisors (each as defined below) granting a first ranking administrative charge over the property and assets of the Company to secure the fees and expenses (including any break-up fee payable to the DIP Note Purchasers (as defined in the DIP/Exit Term Sheet) and any agreed success fees, where applicable), of the Consenting Noteholder Advisors, the Consenting Lender Advisors, the Monitor, the Monitor Advisors, the Company Advisors (including any success fee of the Principal Company Financial Advisor but provided that the fees of the Principal Company Financial Advisor shall be payable subject to and only in accordance with the amendment, effective as of April 18, 2016, to the terms of Principal Company Financial Advisor's engagement agreement (which agreement shall not be further amended after the date hereof without the prior written consent of the Requisite Consenting Creditors, the Plan Sponsor and the Company), which was provided to the Plan Sponsor and the Requisite Consenting Creditors), and the Plan Sponsor Advisors; and (xix) any organizational documents, shareholder and member related agreements or other governance documents for the reorganized Company, and any variations, amendments and supplements to each of the foregoing.

Each of the Definitive Documents shall (1) contain terms and conditions consistent in all respects with this Agreement and the Recapitalization Term Sheet and (2) otherwise be reasonably satisfactory in all respects to (i) the Company, (ii) the Consenting Noteholders that are members of the Ad Hoc Noteholder Committee holding at least sixty per cent (60%) in aggregate principal amount of the Note Claims held by all Consenting Noteholders that are members of the Ad Hoc Noteholder Committee (the "Requisite Consenting Noteholders"), (iii) the Consenting Lenders holding at least a majority in aggregate principal amount of Bank Debt Claims held by all

Consenting Lenders (the "Requisite Consenting Lenders" and, together with the Requisite Consenting Noteholders, the "Requisite Consenting Creditors"), and (iv) the Plan Sponsor, including, in each case, with respect to any modifications, amendments, or supplements to such Definitive Documents made at any time during the period commencing on the RSA Effective Date and ending on the date that this RSA is terminated as to the applicable Party pursuant to Section 5 hereof (such period as to each Party, the "RSA Effective Period"). For the avoidance of doubt, the Requisite Consenting Creditors shall not include, and shall not be calculated taking into account, any Parties that have validly terminated their obligations under this Agreement. If the Company, the Requisite Consenting Creditors and the Plan Sponsor agree, each acting in their sole discretion, the Restructuring may be implemented through a plan of reorganization filed in a proceeding to be commenced under chapter 11 of the Bankruptcy Code before the U.S. Court, with such other appropriate proceedings before each of the Canadian Court and the Colombian Court as agreed by the Company, Requisite Consenting Creditors and the Plan Sponsor.

2.02 Exhibits. Each of the exhibits attached hereto is expressly incorporated herein in its entirety and is made part of this RSA as if set forth herein, and all references to this RSA shall include the exhibits. In the event of any inconsistency between this RSA (without reference to the exhibits) and the exhibits, this RSA (without reference to the exhibits) shall govern.

Section 3. Commitments Regarding the Restructuring.

3.01 Consenting Creditor Commitments. During the RSA Effective Period applicable to such Consenting Creditor, subject to the terms and conditions set forth herein and in the Recapitalization Term Sheet, each Consenting Creditor, severally and not jointly, agrees that it shall:

(a) take all commercially reasonable actions that are reasonably necessary or appropriate to consummate the Restructuring in accordance with the terms and conditions set forth in the Recapitalization Term Sheet, including the governance mechanics set forth on Annex A of the Recapitalization Term Sheet, and this RSA;

(b) vote any Note Claims and Bank Debt Claims, as applicable, that it beneficially owns or for which it serves as the nominee, investment manager or advisor for beneficial holders thereof, inclusive of any claims acquired after it executes this Agreement and that are required to be subject to this Agreement pursuant to Section 3.04(d) hereof, to accept the Plan by taking such actions as are necessary to accept the Plan on a timely basis following the commencement of any solicitation in accordance with this RSA and any applicable Insolvency Laws and its actual receipt of Solicitation Materials (as defined herein) that have been approved by the applicable Insolvency Courts;

(c) not change or withdraw (or cause to be changed or withdrawn) such vote; *provided, however,* that the vote or proxy of any Consenting Creditor shall be immediately revoked and deemed *void ab initio* upon a termination of this Agreement as to such Consenting Creditor;

(d) not, in its capacity as a Consenting Creditor, (i) object to, delay, impede or take any other action, including initiating any legal proceedings or enforcing rights as a holder of the Note Claims or Bank Debt Claims, to interfere with the acceptance, approval or implementation of the Restructuring or the Plan (including approval of the DIP Facilities); (ii) propose, file, participate in or knowingly facilitate, support or vote for, or enter into any letter of intent or other agreement regarding any restructuring, workout, liquidation, plan of arrangement or plan of reorganization for the Company under any applicable bankruptcy or insolvency laws other than the Restructuring or the Plan; (iii) exercise any right or remedy for the enforcement, collection or recovery of any claim against the Company or any direct or indirect subsidiaries of the Company that do not seek relief or protection under applicable Insolvency Law except in a manner consistent with this Agreement; or (iv) solicit or direct any person, including, without limitation, the indenture trustee under the Indentures and the bank agent under the Credit Facilities, to undertake any action prohibited by the foregoing clauses (i)-(iii) of this paragraph (d); *provided*, *however*, that, except as otherwise set forth in this RSA, the foregoing prohibition will not limit any Consenting Creditor's rights under any applicable indenture, credit agreement, other loan document (including, without limitation, enforcing rights under the DIP Facilities) or applicable law to appear and participate as a party in interest in any matter to be adjudicated in any case under the CCAA, the Bankruptcy Code or under the laws of any other applicable jurisdiction concerning the Company in any forum, so long as such appearance and the positions advocated in connection therewith are consistent with the Recapitalization Term Sheet, this RSA, and the Restructuring and do not materially hinder, delay, or prevent consummation of the Restructuring set forth in the Recapitalization Term Sheet; and

(e) not seek or support any amendment or supplement to the KERP without the consent of the Plan Sponsor and the Company.

3.02 Plan Sponsor Commitments. During the RSA Effective Period, subject to the terms and conditions set forth herein and in the Recapitalization Term Sheet, the Plan Sponsor agrees that it shall:

(a) take all commercially reasonable actions that are reasonably necessary or appropriate to promptly consummate the Restructuring in accordance with the terms and conditions set forth in the Recapitalization Term Sheet, including the governance mechanics set forth on Annex A of the Recapitalization Term Sheet, and this RSA;

(b) subject to the terms and conditions of the Plan Sponsor's Commitment Letter, take all actions required to be taken thereunder to purchase the DIP Notes (as defined the in the DIP/Exit Term Sheet) and consummate the transactions set forth therein on the timeline set forth in such Commitment Letter;

(c) vote any Note Claims and Bank Debt Claims, as applicable, that it beneficially owns or for which it serves as the nominee, investment manager or advisor for beneficial holders thereof, inclusive of any claims acquired pursuant to Section 3.04(d) hereof, to accept the Plan by taking such actions as are necessary to accept the Plan on a timely basis following the commencement of any solicitation in accordance with this RSA and any applicable Insolvency Laws and its actual receipt of Solicitation Materials that have been approved by the applicable Insolvency Courts;

(d) not change or withdraw (or cause to be changed or withdrawn) such vote; *provided*, *however*, that the vote of the Plan Sponsor shall be immediately revoked and deemed *void ab initio* upon a termination of this Agreement as to the Plan Sponsor;

(e) not (i) object to, delay, impede or take any other action, including initiating any legal proceedings or enforcing rights as a holder of the Note Claims or Bank Debt Claims, to interfere with acceptance, approval or implementation of the Restructuring or the Plan (including approval of the DIP Facilities); (ii) propose, file, participate in or knowingly facilitate, support or vote for, or enter into any letter of intent or other agreement regarding any restructuring, workout, liquidation, plan of arrangement or plan of reorganization for the Company under any applicable bankruptcy or insolvency laws other than the Restructuring or the Plan; (iii) exercise any right or remedy for the enforcement, collection or recovery of any claim against the Company or any direct or indirect subsidiaries of the Company that do not seek relief or protection under applicable Insolvency Law except in a manner consistent with this Agreement; or (iv) solicit or direct any person, including, without limitation, the indenture trustee under the Indentures and the bank agent under the Credit Facilities, to undertake any action prohibited by the foregoing clauses (i)-(iii) of this paragraph (e); *provided*, *however*, that, except as otherwise set forth in this RSA, the foregoing prohibition will not limit the Plan Sponsor's rights under any applicable indenture, credit agreement, other loan document or applicable law to appear and participate as a party in interest in any matter to be adjudicated in any case under the CCAA, the Bankruptcy Code or under the laws of any other applicable jurisdiction concerning the Company in any forum, so long as such appearance and the positions advocated in connection therewith are consistent with the Recapitalization Term Sheet, this RSA, and the Restructuring and do not materially hinder, delay, or prevent consummation of the Restructuring set forth in the Recapitalization Term Sheet;

(f) take no actions, directly or indirectly, and not encouraging any other person to take any actions, that are inconsistent with or are reasonably likely to interfere with, frustrate, delay or prevent the timely approval and consummation of the Plan in accordance with the terms and conditions of the Recapitalization Term Sheet and this RSA; and

(g) not seek or support any amendment or supplement to the KERP without the consent of the Requisite Consenting Creditors and the Company.

3.03 Company Commitments.

(a) Consummation of the Restructuring. During the RSA Effective Period applicable to the Company Parties, subject to the terms and conditions set forth herein and in the Recapitalization Term Sheet, each of the Company Parties shall take all actions reasonably necessary or appropriate to consummate the Restructuring as soon as possible in accordance with the terms and conditions set forth in the Recapitalization Term Sheet, including the governance mechanics set forth on Annex A of the Recapitalization Term Sheet, and this RSA, including, without limitation:

(i) upon execution of this RSA, (x) causing to be issued a press release or other public disclosure, in each case consistent with Section 8, that discloses the material provisions of this RSA and (y) filing a copy of this RSA (subject to the redactions required by Section 8) under the Company's profile with the System for Electronic Document Analysis and Retrieval;

(ii) providing to counsel to the Consenting Creditors and the Plan Sponsor an initial draft of all First Day Documents that the Company intends to file with any of the Insolvency Courts as early as reasonably practicable, but in no event fewer than five (5) days (other than a Saturday or Sunday) on which banks are open for general business in Toronto (such day, a "Business Day") prior to the date on which the Company intends to file such First Day

Documents and incorporating in good faith any reasonable comments provided by counsel to the Consenting Creditors or the Plan Sponsor;

(iii) providing to counsel to the Consenting Creditors and the Plan Sponsor draft copies of all Other Pleadings the Company intends to file with any of the Insolvency Courts as early as reasonably practicable, but in no event fewer than three (3) Business Days prior to the date on which the Company intends to file such Other Pleadings and incorporating in good faith any reasonable comments provided by counsel to the Consenting Creditors or the Plan Sponsor;

(iv) providing the advisors to the Consenting Creditors and the Plan Sponsor with (a) reasonable access to the books and records of the Company, as applicable, and (b) reasonable access to the respective management and advisors of the Company for the purposes of evaluating the Company's respective business plans and participating in the plan process with respect to the Restructuring;

(v) commencing the Canadian Proceedings by the date set forth in Section 5.02(b)(i) of this Agreement (such date, the "Petition Date");

(vi) filing (x) the First Day Documents on the Petition Date and (y) the Plan, Information Circular and Meeting Order Motion with the Canadian Court by the date set forth in Section 5.02(b)(viii) of this Agreement;

(vii) taking all steps reasonably necessary or desirable to obtain a bar date order, in form and substance reasonably acceptable to the Requisite Consenting Creditors and the Plan Sponsor, (the "Bar Date Order") for the claims process for the creditors of Pacific by the date set forth in Section 5.02(b)(iii) of this Agreement;

(viii) taking all steps reasonably necessary or desirable to obtain the Plan Approval Order from the Canadian Court in a manner that is consistent in all respects with the terms and conditions set forth herein and in the Recapitalization Term Sheet, by the date set forth in Section 5.02(b)(xii) of this Agreement;

(ix) if requested by the Requisite Consenting Creditors or the Plan Sponsor, taking all commercially reasonable actions to obtain entry of the U.S. Plan Recognition Order, and if the Requisite Consenting Creditors or the Plan Sponsor make such request, then entry of the U.S. Plan Recognition Order shall be a condition to the occurrence of the Plan Effective Date;

(x) taking all steps reasonably necessary to cause the effective date of the Plan (the "Plan Effective Date") to occur by the date set forth in Section 5.02(b)(xiii) of this Agreement;

(xi) taking no actions, directly or indirectly, and not encouraging any other person to take any actions, that are inconsistent with or are reasonably likely to interfere with, frustrate, delay or prevent the timely approval and consummation of the Plan in accordance with the terms and conditions of the Recapitalization Term Sheet and this RSA;

(xii) promptly making all securities and other filings and announcements and promptly publishing all documents and making all submissions required in connection with the matters contemplated by this Agreement as and when necessary to comply with all applicable laws;

(xiii) promptly notifying the Consenting Creditors and the Plan Sponsor if, following the RSA Effective Date, there have been any changes, events, or circumstances which could adversely affect the business, operations, or condition (financial or otherwise) of the Company or any constituent member thereof such that the Company may not be able to perform its material obligations in accordance with the terms of the Restructuring, whether before or after the Plan Effective Date; *provided* that the notification requirements of this Section 3.03(a)(xiii) shall not require notification of commodity prices;

(xiv) executing and/or delivering, as soon as is practicable, all other documents, agreements, instructions, proxies, directions, consents, ballots, votes, or other materials required to be submitted, or that the Requisite Consenting Creditors or the Plan Sponsor reasonably request that the Company submit, in connection with a vote on, solicitation of votes for, implementation of or in pursuit of the Plan, and file all other notices, and take such other action that is consistent with or reasonably required to implement the Restructuring;

(xv) ensuring any relevant instruments issued to the Consenting Creditors or the Plan Sponsor as part of the Restructuring do not contain any representations or warranties or other statements in relation to ERISA;

(xvi) taking no steps to amend or supplement the KERP without the consent of the Requisite Consenting Creditors and the Plan Sponsor; and

(xvii) upon the occurrence of the Plan Effective Date, promptly causing to be issued a press release or other public disclosure, in each case consistent with Section 8 of this Agreement, announcing that the Plan Effective Date has occurred.

(b) Payment of Fees and Expenses. In addition and without prejudice to the Company's obligations under the Initial CCAA Order, the Company shall reimburse, within ten (10) Business Days of receipt of an applicable invoice, which may be redacted as appropriate, all of the currently outstanding and future fees and documented expenses incurred before and during the applicable RSA Effective Period in connection with the Restructuring by (a) the legal and financial advisors to the Company, including without limitation (i) Norton Rose Fulbright Canada LLP, (ii) Proskauer Rose LLP, (iii) J&A Garrigues S.L.P., (iv) Lazard Frères & Co. LLC (the "Principal Company Financial Advisor"), (v) Zolfo Cooper Management LLC, (vi) Osler Hoskin & Harcourt LLP (for the Independent Committee), and (vii) UBS Securities Canada Inc. (for the Independent Committee) (collectively, the "Company Advisors"); (b) the Monitor and its legal advisors (collectively, the "Monitor Advisors"), which shall include Thornton Grout Finnigan LLP; (c) the legal and financial advisors to the Ad Hoc Noteholder Committee, including, without limitation, (i) Goodmans LLP ("Goodmans"), (ii) Paul, Weiss, Rifkind, Wharton & Garrison LLP ("Paul, Weiss"), (iii) Cardenas & Cardenas Abogados ("Cardenas") and (iv) Evercore Partners Inc. ("Evercore," and together with Goodmans, Paul, Weiss, and Cardenas, the "Consenting Noteholder Advisors"); (d) the legal and financial advisors to each administrative agent under the Credit Facilities, including, without limitation, (i) Torys LLP ("Torys"), (ii) Davis Polk & Wardwell LLP ("Davis Polk"), (iii) Gómez-Pinzón Zuleta Abogados ("GPZ"), (iv) Seward &

Kissel LLP ("S&K") and (v) FTI Consulting Inc. ("FTI," and together with Davis Polk, Torys, GPZ, and S&K the "Consenting Lender Advisors"); and (e) the legal and financial advisors to the Plan Sponsor, including, without limitation, (i) Brown Rudnick LLP ("Brown Rudnick"), (ii) McMillan LLP ("McMillan"), and (iii) GMP Securities L.P. ("GMP" and together with Brown Rudnick and McMillan, the "Plan Sponsor Advisors"), in each case regardless of whether the Restructuring contemplated herein is actually consummated or the documentation related to the Restructuring is executed; provided that the fees of the Principal Company Financial Advisor shall be payable subject to and only in accordance with the amendment effective as of April 18, 2016 to the terms of the Principal Company Financial Advisor's engagement agreement with the Company (which shall not be further amended after the date hereof without the prior written consent of the Requisite Consenting Creditors, the Plan Sponsor and the Company), which was provided to the Plan Sponsor and the Requisite Consenting Creditors. Without prejudice to the foregoing, prior to the Petition Date, the Company shall indefeasibly pay in full in cash all fees and expenses submitted in accordance with this RSA to the Company pursuant to this Section 3.03(b) prior to such date.

(c) Monthly Professional Fee Reporting. No later than ten (10) calendar days following the end of any calendar month that occurs after the RSA Effective Date, the Company shall deliver a detailed statement of the professional fees and expenses paid during the prior month, in substantially the same format prepared and delivered by the Company on April 5, 2016, to the Consenting Noteholder Advisors, the Consenting Lender Advisors and the Plan Sponsor Advisors.

(d) Release of Blocked Notes. Following a vote on the Plan, the Company shall take all commercially reasonable steps to release any held and blocked Notes in Euroclear or Clearstream (collectively, the "Clearing Systems") to the applicable Consenting Noteholder if (i) the Plan Approval Order is not made by the date set forth in Section 5.02(b)(xii) of this Agreement; (ii) the Plan Effective Date does not occur by the date set forth in Section 5.02(b)(xiii) of this Agreement; or (iii) following termination of this Agreement as to such Consenting Noteholder.

3.04 Transfer of Company Claims.

(a) Except as expressly provided herein, this RSA shall not in any way restrict the right or ability of any Consenting Creditor or the Plan Sponsor to sell, use, assign, transfer, pledge, participate, hypothecate or otherwise dispose of, directly or indirectly (each, a "Transfer") any or all of its Company Claims; *provided, however*, that during the RSA Effective Period as to such Consenting Creditor or the Plan Sponsor, as applicable, neither any of the Consenting Creditors nor the Plan Sponsor shall Transfer any Company Claims, and any purported Transfer of any such Company Claims shall (subject to Section 3.04(c)) be void and without effect, *unless* (i) the transferee is a Consenting Creditor or the Plan Sponsor (in which case, such transferee shall provide notice to (a) Goodmans in respect of any Company Claims transferred by a Consenting Noteholder and (b) Davis Polk in respect of Company Claims transferred by a Consenting Lender, within one (1) Business Day of the proposed Transfer) or (ii) if the transferee is not a Consenting Creditor or the Plan Sponsor prior to the Transfer, such transferee delivers by e-mail to the Company, with a copy to (a) Goodmans in respect of any Company Claims transferred by a Consenting Noteholder and (b) Davis Polk in respect of Company Claims transferred by a Consenting Lender, within one (1) Business Day of the proposed Transfer, an executed copy of the joinder agreement (each, a "Joinder Agreement") in the form attached as Exhibit B hereto in respect of the Company Claims being transferred by such Consenting Creditor or the Plan Sponsor.

(b) Upon consummation of any Transfer in compliance with this Section 3.04, (i) any person or entity that is a transferee (a "Joining Party") shall be fully bound by this RSA as a "Consenting Creditor" and shall be a "Party" hereunder, and (ii) the transferor shall no longer be bound by this RSA or the obligations, nor have any rights, hereunder with respect to the Company Claims that have been Transferred; *provided, however*, that if the Transfer occurs after the record date set for voting on the Plan and prior to the deadline for voting on the Plan, the transferor's obligations under Section 3.01(b) and (c) or Section 3.02(c) and (d) herein, as applicable, with respect to the Company Claims that have been transferred shall survive such Transfer. For the avoidance of doubt, if the Plan Sponsor transfers any Company Claims to a transferee that is not already a Consenting Creditor, such transferee shall be deemed to be a Consenting Creditor upon its execution of a Joinder Agreement. For greater certainty, in addition to any person or entity that is a transferee in connection with any Transfer, the term Joining Party shall also refer to any Consenting Creditor that is not already a party hereto as of the date hereof (or a transferee pursuant to a Transfer) but that becomes a Joining Party upon execution of a Joinder Agreement pursuant to Section 7.07 of this Agreement.

(c) Notwithstanding anything to the contrary herein, (i) the foregoing provisions shall not preclude any Consenting Creditor or the Plan Sponsor from settling or delivering any Company Claims to settle any confirmed transaction pending as of the date such Consenting Creditor or the Plan Sponsor entered into this RSA (subject to compliance with applicable securities laws and it being understood that such Company Claims so acquired and held (*i.e.*, not as a part of a short transaction) shall be subject to the terms of this RSA), (ii) a Qualified Marketmaker (as defined below) that acquires any of the Company Claims with the purpose and intent of acting as a Qualified Marketmaker for such Company Claims, shall not be required to execute and deliver to counsel a Joinder Agreement or otherwise agree to be bound by the terms and conditions set forth in this RSA if such Qualified Marketmaker transfers such Company Claims (by purchase, sale, assignment, participation or otherwise) within ten (10) Business Days of its acquisition to a Consenting Creditor, the Plan Sponsor or to a transferee who executes and delivers a Joinder Agreement to the Company in accordance with Section 3.04(a)(ii) hereof, and (iii) to the extent any Consenting Creditor is acting solely in its capacity as a Qualified Marketmaker, it may Transfer any ownership interest in the Company Claims that it acquires from a holder that is not a Consenting Creditor to a transferee that is not a Consenting Creditor at the time of such Transfer without the requirement that such transferee be or become a signatory to this Agreement or execute a Joinder Agreement. As used herein, the term "Qualified Marketmaker" means an entity that (a) holds itself out to the public or the applicable private markets as standing ready in the ordinary course of business to purchase from customers, and sell to customers, Note Claims and/or Bank Debt Claims (or enter with customers into long and short positions in respect of Note Claims and/or Bank Debt Claims), in its capacity as a dealer or market maker in the Note Claims and/or Bank Debt Claims and (b) is, in fact, regularly in the business of making a market in claims against issuers or borrowers (including debt securities or other debt).

(d) This RSA shall in no way be construed to preclude the Consenting Creditors or the Plan Sponsor from acquiring Company Claims; *provided, however*, that (i) such Company Claims shall automatically and immediately be deemed subject to all of the terms of this RSA upon acquisition by such Consenting Creditor or the Plan Sponsor and (ii) the Plan Sponsor or any

Consenting Creditor that acquires Company Claims after executing this RSA shall promptly notify by e-mail counsel to the Company, with a copy to (a) Goodmans in respect of any Company Claims acquired by a Consenting Noteholder and (b) Davis Polk in respect of Company Claims acquired by a Consenting Lender, of such acquisition.

Section 4. Representations and Warranties.

4.01 Representations, Warranties and Covenants of the Company. Each of the Company Parties represents, warrants and covenants to each of the Consenting Creditors and the Plan Sponsor that:

(a) Accuracy of Statements. The information, reports, financial statements, certificates, memoranda and schedules (other than financial projections, forward-looking information and information of a general economic or industry-specific nature) furnished (or to be furnished) in writing by or on behalf of the Company in connection with the negotiation, preparation, or delivery and performance of the Restructuring (as modified or supplemented by other information so furnished) do not, as of the time they were made, contain any untrue statement of any material fact or omit to state any material fact necessary to make such information, reports, financial statements, certificates, memoranda and schedules, taken as a whole and in light of the circumstances under which they were made and as of the time at which they were made, not materially misleading.

(b) Notifications. During the RSA Effective Period as to any of the Consenting Creditors and the Plan Sponsor, the Company shall promptly notify or update counsel to the Consenting Creditors and the Plan Sponsor upon becoming aware of any of the following occurrences: (i) a Termination Event (as defined herein) has occurred or any event that is reasonably likely to give rise to the Termination Event set forth in Section 5.02(n) has occurred; (ii) any person has challenged the validity or priority of, or has sought to avoid or alter, any claim held by any Consenting Creditor or the Plan Sponsor pursuant to a pleading filed with any Insolvency Court or another forum of competent jurisdiction; (iii) material developments, negotiations, or proposals relating to any pending case or controversy or any case or controversy that may be hereafter commenced against the Company in a court of competent jurisdiction or brought before a state or federal regulatory, licensing, or similar board, authority, or tribunal that would reasonably be expected to impede or prevent consummation of the Restructuring on the time-frame contemplated herein.

4.02 Representations and Warranties of the Consenting Creditors and the Plan Sponsor. Each of the Consenting Creditors and the Plan Sponsor, severally and not jointly, represents and warrants that, as of the date such Consenting Creditor or Plan Sponsor executes and delivers this RSA or a Joinder Agreement, as applicable, such Consenting Creditor or Plan Sponsor (i) is either (A) the sole beneficial owner of the principal amount of the Note Claims or Bank Debt Claims, as applicable, set forth below its signature hereto, or (B) has sole investment or voting discretion with respect to the principal amount of the Note Claims or Bank Debt Claims, as applicable, set forth below its signature hereto and has the power and authority to bind the beneficial owner(s) of the Note Claims or Bank Debt Claims to the terms of this RSA, (ii) has full power and authority to act on behalf of, vote on and consent to matters concerning such Note Claims or Bank Debt Claims, as applicable, and to dispose of, exchange, assign and transfer such Note Claims or Bank Debt Claims, as applicable and (iii) holds no other Note Claims or Bank

Debt Claims (other than Note Claims or Bank Debt Claims held through a business unit other than the business unit expressly identified on the Consenting Creditor's signature page hereto). The Plan Sponsor also represents and warrants that no existing director or officer of any Note Party (as defined in the DIP/Exit Term Sheet), nor any of the parties disclosed as principal shareholders in the Company's information circular dated June 10, 2015, at page 35 therein, nor any person or entity known to the Plan Sponsor to be affiliated with or related to any of the foregoing, is a direct or indirect investor in or limited partner of the Plan Sponsor or any fund managed by it.

4.03 Mutual Representations and Warranties. Each of the Parties represents and warrants, severally and not jointly, to each of the other Parties that the following statements are true and correct as of the RSA Effective Date, or, with respect to any Joining Party, as of the date it executes a Joinder Agreement:

(a) Existence; Enforceability. It is validly existing and in good standing under the laws of the jurisdiction of its organization, and this RSA is a legal, valid, and binding obligation of such Party, enforceable against it in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability.

(b) No Consent or Approval. Except as expressly provided in this RSA or under applicable Insolvency Law or under laws relating to foreign investment, competition or merger control, and except as disclosed with respect to certain consents of International Finance Corporation (or its affiliates) that are required, no consent or approval is required by any other person or entity in order for it to carry out the Restructuring contemplated by, and perform its respective obligations under, this RSA.

(c) Power and Authority. Except as expressly provided in this RSA, it has all requisite corporate, partnership, limited liability company or similar power and authority to enter into this RSA and to carry out the Restructuring contemplated by, and perform its respective obligations under, this RSA.

(d) Authorization; Execution. The execution, delivery and performance of this RSA and the performance of its obligations hereunder have been duly authorized by all necessary corporate, partnership, limited liability company or similar action on its part. This RSA has been duly executed and delivered by it.

(e) No Conflicts. The execution, delivery, and performance of this RSA by it do not and will not violate any provision of law, rule, or regulation applicable to it or of its certificate of incorporation or by-laws (or other organizational documents).

(f) Governmental Consents. The execution, delivery and performance by it of this RSA does not and will not (so far as each Party is aware) require any registration or filing with, consent or approval of, or notice to, or any other action to, with, or by, any federal, state, or other governmental authority or regulatory body, except, solely in the case of the Company, any filings in connection with the Insolvency Cases, including the approval of the Solicitation Materials, the confirmation of the Plan, and any approvals of or filings with regulatory authorities as required by applicable law or regulation (including under laws relating to foreign investment, competition or merger control).

(g) Representation by Counsel. It has been represented by counsel (or has knowingly waived the right to counsel) in connection with this RSA and the transactions contemplated by this RSA.

(h) Proceedings. No litigation or proceeding before any court, arbitrator, or administrative or governmental body is pending against it that would materially and adversely affect its ability to enter into this RSA or perform its obligations hereunder.

Section 5. Termination Events.

5.01 Automatic Termination Events. This RSA shall automatically terminate as to all Parties, without any further required action or notice by any Party, immediately upon the occurrence of any of the following events:

(a) the aggregate amount of Company Claims held by the Plan Sponsor and the Consenting Creditors that have not terminated their obligations in compliance with this Agreement is less than 35% of the aggregate amount of outstanding Company Claims and remains as such for a period of five (5) Business Days after delivery of written notice by the Company to the other Parties in accordance with Section 7.09 hereof;

(b) the Canadian Court denies approval of the Plan Approval Order or, if the Canadian Court enters the Plan Approval Order, if such Order is subsequently reversed, vacated or otherwise materially modified in a manner inconsistent with this Agreement, the Recapitalization Term Sheet and the Restructuring;

(c) if the Plan Effective Date shall not have occurred on or before the date that is two hundred and seventy (270) calendar days after the Petition Date; or

(d) the Plan Effective Date.

5.02 Consenting Noteholder Termination Events. This RSA may be terminated as between the Consenting Noteholders and all other Parties by the delivery of a written notice in accordance with Section 7.09 hereof by the Requisite Consenting Noteholders to the Company and the other Parties upon the occurrence and continuation of any of the following events (each, a "Consenting Noteholder Termination Event"):

(a) the material breach by the Company or any other Party (other than any Consenting Noteholder) of any of the representations, warranties, or covenants of such Party, as applicable, set forth in this RSA, that adversely affects the Plan or consummation of the Restructuring, and such breach shall continue for five (5) Business Days after receipt by the breaching Party, as applicable, of written notice thereof from the Requisite Consenting Noteholders in accordance with Section 7.09 hereof;

(b) upon the occurrence of any of the following:

(i) the Company has failed to commence the Canadian Proceedings in the Canadian Court on or before April 27, 2016;

(ii) the Initial CCAA Order shall not have been made by the Canadian Court on or before April 30, 2016;

(iii) the Bar Date Order shall not have been made by the Canadian Court within twenty (20) calendar days after the Petition Date;

(iv) the Company shall not have retained a CRO (as defined in the Recapitalization Term Sheet), in a manner consistent with the terms and conditions set forth in the Recapitalization Term Sheet, on or before May 6, 2016 (which date may be extended with the prior written consent of the Requisite Consenting Creditors and the Plan Sponsor), and such failure to retain a CRO is not cured within five (5) Business Days after receipt by the Company of written notice thereof from the Requisite Consenting Noteholders or the Plan Sponsor;

(v) the U.S. CCAA Recognition Order shall not have been entered by the U.S. Court on or before June 15, 2016;

(vi) the Colombian CCAA Recognition Order shall not have been entered by the Colombian Court on or before June 15, 2016;

(vii) the Initial CCAA Order shall not be in full force and effect, final and binding with no appeal or motion to vary or amend outstanding in respect thereof and all such appeals and motions finally determined within thirty (30) calendar days after any such appeal or motion;

(viii) the Company shall not have filed the Plan, Information Circular, and Meeting Order Motion with the Canadian Court within sixty (60) calendar days after the Petition Date;

(ix) the Meeting Order shall not have been made by the Canadian Court within sixty-five (65) calendar days after the Petition Date;

(x) the Company has failed to commence solicitation of the Plan and distribute the Solicitation Materials within seventy (70) calendar days after the Petition Date;

(xi) the Company has failed to hold a meeting of creditors to vote on the Plan within one hundred (100) calendar days after the Petition Date;

(xii) the Plan Approval Order shall not have been made by the Canadian Court within one hundred and ten (110) calendar days after the Petition Date; or

(xiii) the Plan Effective Date shall not have occurred within one hundred and eighty (180) calendar days after the Petition Date.

(c) any of the Company Parties shall have filed, propounded, solicited votes upon, sought confirmation of, or otherwise supported any plan of reorganization under any applicable law, other than the Plan;

(d) the issuance, promulgation, or enactment by any competent governmental entity or agent thereof, including any regulatory or licensing authority or court of competent jurisdiction, of any statute, regulation, ruling or order declaring this Agreement or any material portion hereof to be unenforceable or enjoining or otherwise restricting the consummation of a material portion of the Restructuring (including with respect to the regulatory approvals or tax treatment required for completion of the Restructuring), which action remains uncured for a period of five (5) Business Days after the issuance of such issuance, enactment, statute, regulation, ruling or order;

(e) an examiner, trustee, administrator, receiver or similar individual (other than a monitor appointed pursuant to the CCAA) shall have been appointed in any of the Insolvency Cases, or any of the Insolvency Cases shall have been converted to liquidation cases under applicable Insolvency Law, or any of the Insolvency Cases shall have been dismissed by an order of any applicable Insolvency Court or converted to liquidation cases under applicable Insolvency Law, or any of the Company Parties files or encourages a motion seeking any of the foregoing, in each case without the consent of the Requisite Consenting Noteholders;

(f) any of the Company Parties announces its intention to terminate the Restructuring or not to consummate the Restructuring on the terms and conditions set forth in this RSA and the Recapitalization Term Sheet;

(g) any of the Company Parties shall be declared the subject of any insolvency, bankruptcy, liquidation or reorganization proceeding (other than the Insolvency Cases contemplated herein or as required by the DIP Note Purchasers (as defined in the DIP/Exit Term Sheet) to perfect their security interests under the DIP Note Facility) under the laws of any jurisdiction and, only if such proceeding is an involuntary insolvency proceeding, it is not dismissed, stayed, reversed or lifted within ten (10) calendar days of such declaration;

(h) any of the Definitive Documents filed or entered with any Insolvency Court is not in form and substance acceptable to the Requisite Consenting Noteholders and consistent with this RSA and the Recapitalization Term Sheet or shall have been amended, modified, vacated, terminated or otherwise is not in full force and effect in each case except to the extent otherwise permitted by <u>Section 2</u> hereof; *provided* that, for the avoidance of doubt, it is understood that any Plan that does not include customary releases for Consenting Noteholders shall be deemed unacceptable to the Requisite Consenting Noteholders and inconsistent with this RSA and the Recapitalization Term Sheet;

(i) any Insolvency Court or any court of competent jurisdiction grants relief that is (a) materially inconsistent with this RSA or the Recapitalization Term Sheet, (b) in a form materially different than a Definitive Document approved by the Requisite Consenting Noteholders or (c) materially and adversely affects the rights of the Consenting Noteholders under this RSA, without the consent of the Requisite Consenting Noteholders, or any of the Company Parties requests or encourages any of the foregoing, and the Company has not obtained an order amending or modifying the relief in form and substance reasonably acceptable to the Requisite Consenting Noteholders within five (5) Business Days following entry of an order granting such relief;

(j) the material breach by the Plan Sponsor of its obligations under either its Commitment Letter or the DIP Note Facility;

(k) the occurrence of an event of default under any of the DIP Facilities or any amendment or change to the Initial CCAA Order that adversely affects the approval of any of the DIP Facilities and any related charges therein or priorities thereof, in each case, that is not cured or waived within five (5) Business Days after the receipt by the Company of written notice of such event of default;

(l) any of the Company Parties shall (i) agree to the restructuring of any of the Note Claims or Bank Debt Claims (whether pursuant to a voluntary out-of-court exchange offer or settlement, a voluntary or involuntary proceeding or otherwise) on terms and conditions that are more favorable to the holder thereof than any of the terms of the Restructuring, unless the terms of this RSA or the Recapitalization Term Sheet are amended to provide such terms and conditions to all Consenting Creditors, or (ii) repudiate or reject, in whole or in part, or challenge the validity of this RSA or the Plan;

(m) the Company fails to timely pay the fees and expenses of the Consenting Noteholders Advisors as provided herein, which such failure remains uncured for a period of ten (10) Business Days after the receipt by the Company of written notice of such event from the Requisite Consenting Noteholders Advisors;

(n) if there shall have been, since April 6, 2016, any change, development, effect, event, circumstance, fact or occurrence, individually or in the aggregate with other such changes, developments, effects, events, circumstances, facts or occurrences, other than as a result of those events resulting from the commencement of the Insolvency Cases, that (i) is or would reasonably be expected to be material and adverse to the business, financial condition, properties, assets (tangible or intangible), liabilities (including any contingent liabilities), or results of operations of the Company or (ii) prevents or materially adversely affects the ability of the Company to timely perform its obligations under this RSA, in each case other than any change, development, effect, event, circumstance, fact or occurrence resulting from (a) the effect of any change in the United States or foreign economies or securities, commodities or financial markets; (b) the effect of any action taken by DIP Providers with respect to the Definitive Documents or with respect to the Debtors (including through such persons' participation in the Insolvency Cases); (c) any effect resulting from the filing or public announcement of the Insolvency Cases; or (d) developments in the oil and gas exploration, development and/or production industry or industries (including actual or expected industry wide changes in oil, gas or other commodity prices);

(o) any of the Insolvency Courts grants relief terminating, annulling, or modifying any automatic stay or similar provision in applicable Insolvency Law with regard to any assets of the Company having an aggregate value in excess of US$20,000,000;

(p) Pacific or any of its direct or indirect subsidiaries (or any branch thereof) shall be declared subject to (either voluntarily or involuntarily) (a) main insolvency proceedings under Law 1116 or (b) proceedings under chapter 11 of the Bankruptcy Code, in each case without the consent of the Requisite Consenting Creditors and the Plan Sponsor and, only if such proceeding is an involuntary insolvency proceeding, it is not dismissed within ten (10) calendar days of such declaration;

(q) funding of the DIP Note Facility has not occurred on the terms set out in the DIP/Exit Term Sheet on or before June 22, 2016, unless such failure to fund results from a breach by any Consenting Noteholder; or

(r) this RSA is terminated by the Consenting Lenders pursuant to Section 5.03 hereof.

5.03 Consenting Lender Termination Events. This RSA may be terminated as between the Consenting Lenders and all other Parties by the delivery of a written notice in accordance with Section 7.09 hereof by the Requisite Consenting Lenders to the Company and the other Parties upon the occurrence and continuation of any of the following events (each, a "Consenting Lender Termination Event"):

(a) the material breach by the Company or any other Party (other than any Consenting Lender) of any of the representations, warranties, or covenants of such Party, as applicable, set forth in this RSA, that adversely affects the Plan or consummation of the Restructuring, and such breach shall continue for five (5) Business Days after receipt by the breaching Party, as applicable, of written notice thereof from the Requisite Consenting Lenders in accordance with Section 7.09 hereof;

(b) upon the occurrence of any of the following:

(i) the Company has failed to commence the Canadian Proceedings in the Canadian Court on or before April 27, 2016;

(ii) the Initial CCAA Order shall not have been made by the Canadian Court on or before April 30, 2016;

(iii) the Bar Date Order shall not have been made by the Canadian Court within twenty (20) calendar days after the Petition Date;

(iv) the Company shall not have retained a CRO (as defined in the Recapitalization Term Sheet), in a manner consistent with the terms and conditions set forth in the Recapitalization Term Sheet, on or before May 6, 2016 (which date may be extended with the prior written consent of the Requisite Consenting Creditors and the Plan Sponsor), and such failure to retain a CRO is not cured within five (5) Business Days after receipt by the Company of written notice thereof from the Requisite Consenting Lenders or the Plan Sponsor;

(v) the U.S. CCAA Recognition Order shall not have been entered by the U.S. Court on or before June 15, 2016;

(vi) the Colombian CCAA Recognition Order shall not have been entered by the Colombian Court on or before June 15, 2016;

(vii) the Initial CCAA Order shall not be in full force and effect, final and binding with no appeal or motion to vary or amend outstanding in respect thereof and all such appeals and motions finally determined within thirty (30) calendar days after any such appeal or motion;

(viii) the Company shall not have filed the Plan, Information Circular, and Meeting Order Motion with the Canadian Court within sixty (60) calendar days after the Petition Date;

(ix) the Meeting Order shall not have been made by the Canadian Court within sixty-five (65) calendar days after the Petition Date;

(x) the Company has failed to commence solicitation of the Plan and distribute the Solicitation Materials within seventy (70) calendar days after the Petition Date;

(xi) the Company has failed to hold a meeting of creditors to vote on the Plan within one hundred (100) calendar days after the Petition Date;

(xii) the Plan Approval Order shall not have been made by the Canadian Court within one hundred and ten (110) calendar days after the Petition Date; or

(xiii) the Plan Effective Date shall not have occurred within one hundred and eighty (180) calendar days after the Petition Date.

(c) any of the Company Parties shall have filed, propounded, solicited votes upon, sought confirmation of, or otherwise supported any plan of reorganization under any applicable law, other than the Plan;

(d) the issuance, promulgation, or enactment by any competent governmental entity or agent thereof, including any regulatory or licensing authority or court of competent jurisdiction, of any statute, regulation, ruling or order declaring this Agreement or any material portion hereof to be unenforceable or enjoining or otherwise restricting the consummation of a material portion of the Restructuring (including with respect to the regulatory approvals or tax treatment required for completion of the Restructuring), which action remains uncured for a period of five (5) Business Days after the issuance of such issuance, enactment, statute, regulation, ruling or order;

(e) an examiner, trustee, administrator, receiver or similar individual (other than a monitor appointed pursuant to the CCAA) shall have been appointed in any of the Insolvency Cases, or any of the Insolvency Cases shall have been converted to liquidation cases under applicable Insolvency Law, or any of the Insolvency Cases shall have been dismissed by an order of any applicable Insolvency Court or converted to liquidation cases under applicable Insolvency Law, or any of the Company Parties files or encourages a motion seeking any of the foregoing, in each case without the consent of the Requisite Consenting Lenders;

(f) any of the Company Parties announces its intention to terminate the Restructuring or not to consummate the Restructuring on the terms and conditions set forth in this RSA and the Recapitalization Term Sheet;

(g) any of the Company Parties shall be declared the subject of any insolvency, bankruptcy, liquidation or reorganization proceeding (other than the Insolvency Cases contemplated herein or as required by the DIP Note Purchasers (as defined in the DIP/Exit Term Sheet) to perfect their security interests under the DIP Note Facility) under the laws of any jurisdiction and, only if such proceeding is an involuntary insolvency proceeding, it is not dismissed, stayed, reversed or lifted within ten (10) calendar days of such declaration;

(h) any of the Definitive Documents filed or entered with any Insolvency Court is not in form and substance acceptable to the Requisite Consenting Lenders and consistent with this RSA and the Recapitalization Term Sheet or shall have been amended, modified, vacated, terminated or otherwise is not in full force and effect in each case except to the extent otherwise permitted by Section 2 hereof; *provided* that, for the avoidance of doubt, it is understood that any Plan that does not include customary releases for Consenting Lenders shall be deemed unacceptable to the Requisite Consenting Lenders and inconsistent with this RSA and the Recapitalization Term Sheet;

(i) any Insolvency Court or any court of competent jurisdiction grants relief that is (a) materially inconsistent with this RSA or the Recapitalization Term Sheet, (b) in a form materially different than a Definitive Document approved by the Requisite Consenting Lenders or (c) materially and adversely affects the rights of the Consenting Lenders under this RSA, without the consent of the Requisite Consenting Lenders, or any of the Company Parties requests or encourages any of the foregoing, and the Company has not obtained an order amending or modifying the relief in form and substance reasonably acceptable to the Requisite Consenting Lenders within five (5) Business Days following entry of an order granting such relief;

(j) the material breach by the Plan Sponsor of its obligations under either its Commitment Letter or the DIP Note Facility;

(k) the occurrence of an event of default under any of the DIP Facilities or any amendment or change to the Initial CCAA Order that adversely affects the approval of any of the DIP Facilities and any related charges therein or priorities thereof, in each case, that is not cured or waived within five (5) Business Days after the receipt by the Company of written notice of such event of default;

(l) any of the Company Parties shall (i) agree to the restructuring of any of the Note Claims or Bank Debt Claims (whether pursuant to a voluntary out-of-court exchange offer or settlement, a voluntary or involuntary proceeding or otherwise) on terms and conditions that are more favorable to the holder thereof than any of the terms of the Restructuring, unless the terms of this RSA or the Recapitalization Term Sheet are amended to provide such terms and conditions to all Consenting Creditors, or (ii) repudiate or reject, in whole or in part, or challenge the validity of this RSA or the Plan;

(m) the Company fails to timely pay the fees and expenses of the Consenting Lenders Advisors as provided herein, which such failure remains uncured for a period of ten (10) Business Days after the receipt by the Company of written notice of such event from the Requisite Consenting Lenders Advisors;

(n) if there shall have been, since April 6, 2016, any change, development, effect, event, circumstance, fact or occurrence, individually or in the aggregate with other such changes, developments, effects, events, circumstances, facts or occurrences, other than as a result of those events resulting from the commencement of the Insolvency Cases, that (i) is or would reasonably be expected to be material and adverse to the business, financial condition, properties, assets (tangible or intangible), liabilities (including any contingent liabilities), or results of operations of the Company or (ii) prevents or materially adversely affects the ability of the Company to timely perform its obligations under this RSA, in each case other than any change, development, effect, event, circumstance, fact or occurrence resulting from (a) the effect of any change in the United States or foreign economies or securities, commodities or financial markets; (b) the effect of any action taken by DIP Providers with respect to the Definitive Documents or with respect to the

Debtors (including through such persons' participation in the Insolvency Cases); (c) any effect resulting from the filing or public announcement of the Insolvency Cases; or (d) developments in the oil and gas exploration, development and/or production industry or industries (including actual or expected industry wide changes in oil, gas or other commodity prices);

(o) any of the Insolvency Courts grants relief terminating, annulling, or modifying any automatic stay or similar provision in applicable Insolvency Law with regard to any assets of the Company having an aggregate value in excess of US$20,000,000;

(p) Pacific or any of its direct or indirect subsidiaries (or any branch thereof) shall be declared subject to (either voluntarily or involuntarily) (a) main insolvency proceedings under Law 1116 or (b) proceedings under chapter 11 of the Bankruptcy Code, in each case without the consent of the Requisite Consenting Creditors and the Plan Sponsor and, only if such proceeding is an involuntary insolvency proceeding, it is not dismissed within ten (10) calendar days of such declaration;

(q) funding of the DIP Note Facility has not occurred on the terms set out in the DIP/Exit Term Sheet on or before June 22, 2016, unless such failure to fund results from a breach by any Consenting Lender; or

(r) this RSA is terminated by the Consenting Noteholders pursuant to <u>Section 5.02</u> hereof.

5.04 <u>Plan Sponsor Termination Events</u>. This RSA may be terminated as to all Parties by the delivery of a written notice in accordance with <u>Section 7.09</u> hereof by the Plan Sponsor to the Company and the other Parties upon the occurrence and continuation of any of the following event (each, a "<u>Plan Sponsor Termination Event</u>"):

(a) the occurrence of an event of default under any of the DIP Facilities or any amendment or change to the Initial CCAA Order that adversely affects the approval of any of the DIP Facilities and any related charges therein or priorities thereof, in each case, that is not cured or waived within five (5) Business Days after the receipt by the Company of written notice of such event of default;

(b) any of the Company Parties shall have filed, propounded, solicited votes upon, sought confirmation of, or otherwise supported any plan of reorganization under any applicable law, other than the Plan;

(c) any of the Company Parties announces its intention to terminate the Restructuring or not to consummate the Restructuring on the terms and conditions set forth in this RSA and the Recapitalization Term Sheet;

(d) the Company fails to timely pay the fees and expenses of the Plan Sponsor Advisors as provided herein, which such failure remains uncured for a period of ten (10) Business Days after the receipt by the Company of written notice of such event from the Plan Sponsor Advisors;

(e) funding of the DIP Note Facility has not occurred on the terms set out in the DIP/Exit Term Sheet on or before June 22, 2016, unless such failure to fund results from a breach by the Plan Sponsor;

(f) Pacific or any of its direct or indirect subsidiaries (or any branch thereof) shall be declared subject to (either voluntarily or involuntarily) (a) main insolvency proceedings under Law 1116 or (b) proceedings under chapter 11 of the Bankruptcy Code, in each case without the consent of the Requisite Consenting Creditors and the Plan Sponsor and, only if such proceeding is an involuntary insolvency proceeding, it is not dismissed within ten (10) calendar days of such declaration;

(g) this RSA is terminated by the Consenting Noteholders pursuant to Section 5.02 hereof;

(h) this RSA is terminated by the Consenting Lenders pursuant to Section 5.03 hereof; or

(i) the issuance, promulgation, or enactment by any competent governmental entity or agent thereof, including any regulatory or licensing authority or court of competent jurisdiction, of any statute, regulation, ruling or order declaring this Agreement or any material portion hereof to be unenforceable or enjoining or otherwise restricting the consummation of a material portion of the Restructuring (including with respect to the regulatory approvals or tax treatment required for completion of the Restructuring), which action remains uncured for a period of five (5) Business Days after the issuance of such issuance, enactment, statute, regulation, ruling or order.

5.05 Individual Consenting Creditor Termination Events. This RSA may be terminated as between any Consenting Creditor and all other Parties by the delivery of a written notice in accordance with Section 7.09 hereof by such Consenting Creditor to the Company and the other Parties upon the occurrence and continuation of any of the following events (each, an "Individual Consenting Creditor Termination Event"):

(a) the DIP Facilities and/or DIP/Exit Term Sheet shall have been amended or modified without such Consenting Creditor's consent to (i) increase the interest rate of the DIP Facilities, (ii) increase the amount of Reorganized Common Stock (as defined in the DIP/Exit Term Sheet) that is to be distributed on account of the DIP Note Facility, or (iii) alter the Company's reimbursement obligation under the DIP LC Facility;

(b) the Exit Note Facility and/or the DIP/Exit Term Sheet shall have been amended or modified without such Consenting Creditor's consent to (i) increase the interest rate on the Exit Notes (as defined in the DIP/Exit Term Sheet) or (ii) alter the call protection or maturity date of the Exit Notes (each as set forth in the DIP/Exit Term Sheet);

(c) Section 3.04 of this Agreement shall have been amended or modified without such Consenting Creditor's consent;

(d) the amount of Reorganized Common Stock to be distributed to Affected Creditors, or the allocation of such Reorganized Common Stock among Affected Creditors, is modified from the amount and allocation set forth in the Recapitalization Term Sheet as of the date hereof;

(e) the issuance, promulgation, or enactment by any competent governmental entity or agent thereof, including any regulatory or licensing authority or court of competent jurisdiction, of any statute, regulation, ruling or order declaring this Agreement or any material portion hereof to be unenforceable or enjoining or otherwise restricting the consummation of a material portion of the Restructuring (including with respect to the regulatory approvals or tax treatment required for completion of the Restructuring), which action remains uncured for a period of five (5) Business Days after the issuance of such issuance, enactment, statute, regulation, ruling or order;

(f) Pacific or any of its direct or indirect subsidiaries (or any branch thereof) shall be declared subject to (either voluntarily or involuntarily) (a) main insolvency proceedings under Law 1116 or (b) proceedings under chapter 11 of the Bankruptcy Code, in each case without such Consenting Creditor's consent and, only if such proceeding is an involuntary insolvency proceeding, it is not dismissed within ten (10) calendar days of such declaration;

(g) any of the Company Parties shall be declared the subject of any insolvency, bankruptcy, liquidation or reorganization proceeding (other than the Insolvency Cases contemplated herein or as required by the DIP Note Purchasers (as defined in the DIP/Exit Term Sheet) to perfect their security interests under the DIP Note Facility) under the laws of any jurisdiction and, only if such proceeding is an involuntary insolvency proceeding, it is not dismissed, stayed, reversed or lifted within ten (10) calendar days of such declaration; or

(h) if the Plan Effective Date shall not have occurred on or before the date that is two hundred and seventy (270) calendar days after the Petition Date.

5.06 Company Termination Events. The Company may terminate this RSA as to all Parties by the delivery to the other Parties of a written notice in accordance with Section 7.09 hereof upon the occurrence and continuation of any of the following events (each, a "Company Termination Event" and, together with the Consenting Noteholder Termination Events, the Consenting Lender Termination Events, the Plan Sponsor Termination Events and the Individual Consenting Creditor Termination Events, the "Termination Events"):

(a) if the board of directors of Pacific reasonably determines in good faith that, having received the advice of outside counsel to Pacific and the recommendation of the Independent Committee, the Restructuring and the Plan are not in the best interests of the Company having regard to the reasonable expectations of the holders of Company Claims and continued support of the Restructuring and the Plan pursuant to this RSA would be inconsistent with such directors' fiduciary obligations having regard to the reasonable expectations of the holders of Company Claims; or

(b) the issuance, promulgation, or enactment by any competent governmental entity, including any regulatory or licensing authority or court of competent jurisdiction, of any statute, regulation, ruling or order declaring this Agreement or any material portion hereof to be unenforceable or enjoining or otherwise restricting the consummation of a material portion of the Restructuring (including with respect to the regulatory approvals or tax treatment required for completion of the Restructuring), which action remains uncured for a period of five (5) Business

Days after the issuance of such issuance, enactment, statute, regulation, ruling or order; *provided*, that the Company used commercially reasonable efforts to lift or otherwise reverse the effect of the governmental action giving rise to such Company Termination Event.

5.07 Mutual Termination. This RSA, and the obligations of all Parties hereunder, may be terminated by mutual agreement in writing among the Parties.

5.08 Effect of Termination.

(a) Upon termination of this RSA under Sections 5.02, 5.03 and 5.05 hereof, this RSA shall be of no further force and effect as to the applicable terminating Party (each, a "Terminating Consenting Party") and such Terminating Consenting Party shall be released from its commitments, undertakings, and agreements under or related to this RSA and shall have the rights and remedies that it would have had had it not entered into this RSA, and shall be entitled to take all actions, whether with respect to the Restructuring or otherwise, that it would have been entitled to take had it not entered into this RSA, and all Parties to this Agreement shall be released from any commitments, undertakings and agreements owed to such Terminating Consenting Party under this Agreement; *provided*, *however*, that such termination shall not relieve such Terminating Consenting Party of its breach or non-performance of its obligations hereunder prior to the date of such termination. For the avoidance of doubt, all Parties to this Agreement other than any such Terminating Consenting Party shall continue to be bound by the terms and conditions of this Agreement in all respects notwithstanding such termination. Upon the occurrence of any termination of this RSA as to any Terminating Consenting Party, (i) any and all consents, votes or proxies tendered prior to such termination by such Terminating Consenting Party shall be deemed, for all purposes, to be null and void *ab initio* and shall not be considered or otherwise used in any manner by the Parties in connection with the Restructuring and this RSA or otherwise and (ii) any and all Notes held by such Terminating Consenting Party and blocked in the relevant Clearing System shall be released to such Terminating Consenting Party.

(b) Upon termination of this RSA under Sections 5.01, 5.04, 5.06 or 5.07 hereof, this RSA shall be of no further force and effect and each Party shall be released from its commitments, undertakings, and agreements under or related to this RSA and shall have the rights and remedies that it would have had had it not entered into this RSA, and shall be entitled to take all actions, whether with respect to the Restructuring or otherwise, that it would have been entitled to take had it not entered into this RSA; *provided, however,* that such termination shall not relieve any Party of its breach or non-performance of its obligations hereunder prior to the date of such termination. Upon the occurrence of any termination of this RSA, (i) any and all consents, votes or proxies tendered prior to such termination by the Consenting Creditors and the Plan Sponsor shall be deemed, for all purposes, to be null and void *ab initio* and shall not be considered or otherwise used in any manner by the Parties in connection with the Restructuring and this RSA or otherwise and (ii) any and all Notes held by any Consenting Noteholder and blocked in the relevant Clearing System shall be released to such Consenting Noteholder.

5.09 No Termination for Own Breach. Notwithstanding anything contained herein to the contrary, nothing herein shall allow any Party to terminate this Agreement as a result of its own breach.

Section 6. Amendments, Waivers. This RSA may not be modified, amended, or supplemented except in writing signed by the Company, the Requisite Consenting Creditors and the Plan

Sponsor; *provided*, that (a) the consent of each Consenting Noteholder shall be required with respect to any amendment to the definition of the Requisite Consenting Noteholders, (b) the consent of each Consenting Lender shall be required with respect to any amendment to the definition of the Requisite Consenting Lenders, and (c) the consent of each Consenting Creditor shall be required with respect to any amendment that (i) changes the definition of Requisite Consenting Creditors, or (ii) amends or modifies in any way Section 5.05 or Section 6 of this Agreement; *provided further* that, if the amendment at issue materially and adversely impacts the treatment or rights of any Consenting Creditor in a manner different from any other Consenting Creditor, the agreement in writing of any such Consenting Creditor whose treatment or rights are materially and adversely impacted in a different manner than other Consenting Creditors shall also be required for any such amendment to be effective. As used in this RSA, any consent, waiver or other form of approval by or from any of the Consenting Creditors or the Plan Sponsor shall be exercised or withheld in the sole discretion of such Parties.

The Company shall be permitted to rely upon any written confirmation (including by e-mail) from counsel to the Consenting Noteholders, the Consenting Lenders, and/or the Plan Sponsor expressly confirming any applicable Termination Event, consent, waiver or other form of approval by the applicable Consenting Creditors or the Plan Sponsor, as the case may be.

Section 7. Miscellaneous.

7.01 Swiss Proceedings. If, after consultation with the Plan Sponsor and the Requisite Consenting Creditors, the board of directors of either Meta Petroleum AG or Pacific E&P Holding Corp., respectively, in each case acting reasonably, file either Meta Petroleum AG or Pacific E&P Holding Corp. for insolvency proceedings pursuant to sec. 293 et seq. of the Swiss Debt Enforcement and Bankruptcy Act, such a filing in either case shall not constitute a breach of this Agreement.

7.02 Further Assurances. Subject to the other terms of this RSA, the Parties agree to use their commercially reasonable efforts to negotiate, document, execute (as applicable) and deliver such other instruments and perform such acts, in addition to the matters herein specified, as may be commercially reasonable, from time to time, to effectuate the Restructuring in accordance with the terms and conditions set forth in this RSA and the Definitive Documents, as applicable.

7.03 Complete Agreement. This RSA and the exhibits, schedules and other attachments hereto represent the entire agreement between the Parties with respect to the subject matter hereof and supersede all prior agreements, oral or written, among the Parties with respect thereto. No claim of waiver, modification, consent, or acquiescence with respect to any provision of this RSA shall be made against any Party, except on the basis of a written instrument executed by or on behalf of such Party or as may be carried out in accordance with Section 6.

7.04 Parties; Successors and Assigns. This RSA shall be binding upon, and inure to the benefit of, the Parties. No rights or obligations of any Party under this RSA may be assigned or transferred to any other person or entity except as provided in Section 3.04 hereof. Nothing in this RSA, express or implied, shall give to any person or entity, other than the Parties, any benefit or any legal or equitable right, remedy, or claim under this RSA.

7.05 Headings. The headings of all sections of this RSA are inserted solely for the convenience of reference and are not a part of and are not intended to govern, limit, or aid in the construction or interpretation of any term or provision hereof.

7.06 GOVERNING LAW; SUBMISSION TO JURISDICTION; SELECTION OF FORUM; WAIVER OF TRIAL BY JURY.

(a) THIS RSA IS TO BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO THE CONFLICT OF LAWS PRINCIPLES THEREOF.

(b) All actions and claims arising out of or relating to this RSA shall be heard and determined in the Canadian Court, the U.S. Court or any federal or state court sitting in the Borough of Manhattan, the city of New York (collectively, the "Chosen Courts"). Consistent with the preceding sentence, the Parties hereby (i) irrevocably submit to the exclusive jurisdiction of the Chosen Courts, (ii) waive any objection to laying of venue in any such action or proceeding in the Chosen Courts, and (iii) waive any objection that the Chosen Courts are an inconvenient forum or do not have jurisdiction over any Party; *provided, however*, that each of the Parties hereby agrees that, for the duration of any Insolvency Cases, the Canadian Court shall have exclusive jurisdiction of all matters relating to the enforcement of this Agreement. The foregoing shall not limit the rights of any Party to introduce this Agreement in any court in any jurisdiction in order to prosecute or defend against a cause of action that has been brought against it or any of its affiliates or representatives in such court.

(c) EACH PARTY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS RSA OR THE TRANSACTIONS CONTEMPLATED HEREBY.

7.07 Counterparts; Additional Support Parties. This Agreement may be executed in several identical counterparts, each of which shall be deemed to be an original, and all of which together shall be deemed to be one and the same agreement. Execution copies of this Agreement may be delivered by facsimile, electronic mail or otherwise, each of which shall be deemed to be an original for the purposes of this paragraph. Any Consenting Creditor that is not already an existing Party hereto may become a Joining Party by executing a Joinder Agreement, the form of which is attached hereto as Exhibit B, and, in doing so, such Joining Party shall thereafter be deemed to be a Party for all purposes under this Agreement. With respect to the Company Claims held by such Joining Party, such Joining Party hereby makes the representations and warranties applicable to such Joining Party set forth in Section 4 of this Agreement to the other Parties, as of the date such Joining Party executes the Joinder Agreement.

7.08 Interpretation. This RSA is the product of negotiations between the Company, the Plan Sponsor, and the Consenting Creditors, and in the enforcement or interpretation hereof, is to be interpreted in a neutral manner, and any presumption with regard to interpretation for or against any Party by reason of that Party having drafted or caused to be drafted this RSA, or any portion hereof, shall not be effective in regard to the interpretation hereof.

7.09 Notices. All notices hereunder shall be deemed given if in writing and delivered, if sent by electronic mail, courier, or registered or certified mail (return receipt requested) to the following addresses (or at such other addresses as shall be specified by like notice):

(a) in the case of the Company:

Pacific Exploration & Production Corporation
333 Bay Street, Suite 1100
Toronto, Ontario M5H 2R2

Attention: Peter Volk and Michael Galego
E-mail: pvolk@pacificcorp.energy / mgalego@pacificcorp.energy

With copies (which shall not be deemed notice) to:

Proskauer Rose LLP
Eleven Times Square
Eighth Avenue & 41st Street
New York, NY 10036-8299

Attention: Martin J. Bienenstock and Geoffrey T. Raicht
E-mail: mbienenstock@proskauer.com / graicht@proskauer.com

and

Norton Rose Fulbright Canada LLP
Suite 3800, Royal Bank Plaza, South Tower, 200 Bay Street, P.O. Box 84
Toronto, Ontario M5J 2Z4

Attention: Tony Reyes and Terence S. Dobbin
E-mail: tony.reyes@nortonrosefulbright.com / terence.dobbin@nortonrosefulbright.com

(b) in the case of each Consenting Noteholder, at the address set forth for the Consenting Noteholder on its signature page hereto or on a Joinder Agreement (as applicable), or any substitute address, e-mail address or department or officer as the Consenting Noteholder may notify to the Company by not less than five (5) Business Days' notice, with a required copy to the following addressees:

Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, New York 10019

Attention: Alan W. Kornberg and Jacob A. Adlerstein
E-mail: akornberg@paulweiss.com / jadlerstein@paulweiss.com

and

Goodmans LLP
333 Bay St #3400
Toronto, Ontario M5H 2S7

Attention: Brendan O'Neill and Celia Rhea
E-mail: boneill@goodmans.ca / crhea@goodmans.ca

(c) in the case of each Consenting Lender, at the address set forth for the Consenting Lender on its signature page hereto or on a Joinder Agreement (as applicable), or any substitute address, e-mail address or department or officer as the Consenting Lender may notify to the Company by not less than five (5) Business Days' notice, with a required copy to the following addressees:

Davis Polk & Wardwell LLP
450 Lexington Avenue
New York, New York 10017

Attention: Damian Schaible and Angela Libby
E-mail: damian.schaible@davispolk.com / angela.libby@davispolk.com

and

Torys LLP
79 Wellington St. W., 30th Floor, Box 270, TD South Tower
Toronto, Ontario M5K 1N2

Attention: Tony DeMarinis and Scott Bomhof
E-mail: tdemarinis@torys.com / sbomhof@torys.com

(d) in the case of the Plan Sponsor:

The Catalyst Capital Group Inc.
181 Bay Street Suite 4700, Box 792
Bay Wellington Tower, Brookfield Place
Toronto, Ontario M5J 2T3

Attention: Gabriel de Alba
E-mail: **[REDACTED]**

and

Brown Rudnick LLP
Seven Times Square
New York, New York 10036

Attention: Edward S. Weisfelner
E-mail: eweisfelner@brownrudnick.com

Brown Rudnick LLP
One Financial Center
Boston, Massachusetts 02111

Attention: Jeffrey L. Jonas
E-mail: jjonas@brownrudnick.com

and

McMillan LLP
Brookfield Place, Suite 4400
181 Bay Street
Toronto, Ontario M5J 2T3

Attention: Andrew J.F. Kent
E-mail: andrew.kent@mcmillan.ca

(e) in the case of the Monitor:

PricewaterhouseCoopers Inc.
Court-appointed Monitor of Pacific Exploration & Production Corporation
PwC Tower, 18 York Street, Suite 2600
Toronto, ON M5J 0B2

Attention: Gregory Prince and Mica Arlette
E-mail: gregory.n.prince@pwc.com / mica.arlette@ca.pwc.com

and

Thornton Grout Finnigan LLP
TD West Tower, 100 Wellington Street West, Suite 3200
Toronto, Ontario
M5K1K7

Attention: Robert I. Thornton
E-mail: rthornton@tgf.ca

Any notice given by delivery, electronic mail, or courier shall be effective when received.

7.10 Reservation of Rights; Waiver. Except as expressly provided in this RSA, nothing herein is intended to, or does, in any manner waive, limit, impair, or restrict any right of any Consenting Creditors or the Plan Sponsor or the ability of each of the Consenting Creditors and the Plan Sponsor to protect and preserve its rights, remedies, and interests, including, without limitation, its claims against or interests in the Company under the Note Indentures, Credit Facilities and other agreements and documents relating thereto or hereto, as well as under applicable law. If the Restructuring is not consummated in accordance with the terms of the Plan and this RSA, or if this RSA is terminated for any reason, the Parties fully reserve any and all of their rights. Pursuant to Rule 408 of the Federal Rules of Evidence and any other applicable rules of evidence, this RSA and all negotiations relating hereto shall not be admissible into evidence in any proceeding other than a proceeding to enforce its terms. Each Consenting Creditor and the Plan Sponsor may, subject to any express provision to the contrary herein, enforce its rights hereunder separately.

7.11 Specific Performance. It is understood and agreed by the Parties that money damages would be an insufficient remedy for any breach of this RSA by any Party and each non-breaching Party shall be entitled to specific performance and injunctive or other equitable relief (without the requirement to secure or post any bond in connection therewith) as a remedy of any such breach, including, without limitation, an order of the applicable Insolvency Court, the Chosen Court or other court of competent jurisdiction requiring any Party to comply promptly with any of its obligations hereunder.

7.12 Several, Not Joint, Obligations. The agreements, representations, and obligations of the each Consenting Creditor and the Plan Sponsor under this RSA are, in all respects, several and not joint. The agreements, representations and obligations of the Company Parties under this RSA are joint and several.

7.13 Remedies Cumulative. All rights, powers, and remedies provided under this RSA or otherwise available in respect hereof at law or in equity shall be cumulative and not alternative, and the exercise of any right, power, or remedy thereof by any Party shall not preclude the simultaneous or later exercise of any other such right, power, or remedy by such Party.

7.14 No Third-Party Beneficiaries. This RSA shall be solely for the benefit of the Parties, and no other person or entity shall be a third-party beneficiary hereof.

7.15 Relationship Among Parties. It is understood and agreed that no Consenting Creditor or the Plan Sponsor has any duty of trust or confidence in any form with any other Consenting Creditor or the Plan Sponsor, and, except as provided in this RSA or any of the Definitive Documents, there are no commitments among or between them. In this regard, it is understood and agreed that any Consenting Creditor or the Plan Sponsor may trade in the Note Claims, Bank Debt Claims or equity securities of the Company without the consent of any other Party, subject to applicable securities laws and the terms of this RSA, including, specifically, Section 3.04; *provided* that no Consenting Creditor or the Plan Sponsor shall have any responsibility for any such trading by any other entity by virtue of this RSA. No prior history, pattern or practice of sharing confidences among or between the Consenting Creditors and/or the Plan Sponsor shall in any way affect or negate this understanding and agreement.

7.16 Automatic Stay. The Parties acknowledge that the giving of notice or the disclosure of information, including under Section 8 hereof, or termination by any Party, including under Section 5 hereof, shall not be stayed by the automatic stay under section 362 of the Bankruptcy Code or any similar provision under the CCAA or applicable Insolvency Law, to the extent applicable, and to the extent the applicable Insolvency Court determines otherwise, the delivering Party shall not be subject to any damages on account of the giving of such notice or disclosure or with respect to termination.

7.17 Survival. Notwithstanding anything contained herein to the contrary, upon the termination of this RSA (whether as a result of the consummation of the Restructuring, or its termination pursuant to Section 5 hereof or otherwise), the agreements and obligations of the Parties set forth in Section 3.03(b), Section 3.03(d), Section 5.08, Sections 7.03-7.17, Section 8.02 and Section 9 hereof shall survive the termination of this RSA.

Section 8. Disclosure and Publicity.

8.01 Press Releases. During the RSA Effective Period:

(a) Any press release to be issued by the Company concerning this Agreement or the transactions described herein shall require the consent of the Requisite Consenting Creditors and the Plan Sponsor, which consent shall not be unreasonably withheld; *provided*, *however*, that, subject to Section 8.02 hereof, the Company shall not, without receiving the prior written consent of any applicable Consenting Creditor, (i) use the name of any Consenting Creditor or the name of any such parties' affiliates in any press release or (ii) disclose to any person, other than the Company's counsel, the principal amount or percentage of Note Claims or Bank Debt Claims held by any Consenting Creditor or any of its respective subsidiaries or affiliates.

(b) Without limiting Section 8.02 hereof, from and after the date hereof, the Company shall submit to counsel for the Consenting Creditors and the Plan Sponsor all press releases, public filings, public announcements or other public communications regarding the Restructuring, whether in Spanish, English or any other language, proposed to be made by such Parties, no less than twenty-four (24) hours prior to the time at which such press release, public filing, public announcement or other communication is proposed to be made, for prior consent by the Requisite Consenting Creditors (not to be unreasonably conditioned, withheld or delayed). Nothing set forth in this Section 8.01 shall limit, in any way, the Company's ability to comply with its obligations under applicable law, including securities law and stock exchange rules.

8.02 Holdings. The Parties agree that the holdings information provided by each Consenting Creditor with respect to its respective holdings of Note Claims or Bank Debt Claims and the identity of such Consenting Creditor shall be kept confidential, and such information shall not be disclosed to any person other than to the Company and (i) Goodmans in respect of the holdings of the Consenting Noteholders and (b) Davis Polk in respect of the holdings of the Consenting Lenders; *provided, however,* (i) the Company shall be permitted to disclose at any time (and in the case of the Plan Sponsor, shall disclose upon its request) the aggregate principal amount of, and aggregate percentage of, the Company Claims held by the Consenting Creditors and (ii) the legal and financial advisors to the Company may disclose the names of holders (or nominees, investment managers or advisors of beneficial holders of) of Company Claims (but shall be prohibited from disclosing the principal amount or percentage of the Note Claims or Bank Debt Claims held by any particular person or entity) solely to the extent such advisors deem necessary to satisfy any court order or governmental request under any provisions of applicable Insolvency Law; *provided further, however,* that upon the public filing of this RSA, the Company shall redact any signature pages hereto or file such signature pages under seal.

Section 9.

Nothing herein shall be construed to create any obligation on the part of any Consenting Creditor or the Plan Sponsor to (a) pay any fees or expenses associated with the Restructuring, including, but not limited to, any of the Consenting Creditors' professional or advisory fees or (b) indemnify the Company or any other party in connection with any action contemplated hereby.

[Remainder of Page Intentionally Left Blank]

PACIFIC EXPLORATION & PRODUCTION CORPORATION

By: *(signed) "Peter Volk"*
Name: Peter Volk
Title: General Counsel

META PETROLEUM CORP.

By: *(signed) "Laureano Jan Siegmund"*
Name: Laureano Jan Siegmund
Title: Authorized Signatory

PACIFIC E&P HOLDINGS CORP.

By: *(signed) "Laureano Jan Siegmund"*
Name: Laureano Jan Siegmund
Title: Authorized Signatory

PACIFIC STRATUS INTERNATIONAL ENERGY LTD.

By: *(signed) "Peter Volk"*

Name: Peter Volk

Title: Secretary & General Counsel

PACIFIC GUATEMALA ENERGY CORP.

By: *(signed) "Ronald Pantin"*
Name: Ronald Pantin
Title: Authorized Signatory

PACIFIC RUBIALES GUATEMALA S.A.

By: *(signed) "Ronald Pantin"*
Name: Ronald Pantin
Title: Authorized Signatory

PACIFIC STRATUS ENERGY S.A.

By: *(signed) "Laureano Jan Siegmund*
Name: Laureano Jan Siegmund
Title: Authorized Director

PACIFIC STRATUS ENERGY COLOMBIA CORP.

By: *(signed) "Laureano Jan Siegmund*
Name: Laureano Jan Siegmund
Title: Authorized Director

PACIFIC OFF SHORE PERU S.R.L.

By: *(signed) "Peter Volk"*
Name: Peter Volk
Title: Authorized Signatory

PETROMINERALES COLOMBIA CORP.

By: (*signed) "Ronald Pantin"*
Name: Ronald Pantin
Title: Authorized Signatory

PRE-PSIE COOPERATIEF U.A.

By: *(signed) "Laureano Jan Siegmund Vallenilla"*
Name: Laureano Jan Siegmund Vallenilla
Title: Authorized Signatory

[HOLDER NAME REDACTED]

By: **[REDACTED]**
Name: **[REDACTED]**
Title: **[REDACTED]**
Tel No.: **[REDACTED]**
Fax No. **[REDACTED]**
Address: **[REDACTED]**

E-mail Address: **[REDACTED]**

STRICTLY CONFIDENTIAL

CLAIMS SUBJECT TO THIS AGREEMENT

Principal Amount of 2019 Notes subject to this Agreement:	**[REDACTED]**
Principal Amount of 2021 Notes subject to this Agreement:	**[REDACTED]**
Principal Amount of 2023 Notes subject to this Agreement:	**[REDACTED]**
Principal Amount of 2025 Notes subject to this Agreement:	**[REDACTED]**
Principal Amount of BofA Facility Indebtedness subject to this Agreement:	**[REDACTED]**
Principal Amount of HSBC Facility Indebtedness subject to this Agreement:	**[REDACTED]**
Principal Amount of Revolving Facility Indebtedness subject to this Agreement:	**[REDACTED]**

THE CATALYST CAPITAL GROUP INC.

By: (signed) *"Gabriel de Alba"*
Name: Gabriel de Alba
Title: Managing Partner & Director
Tel No.: **[REDACTED]**
Fax No. **[REDACTED]**
Address: **[REDACTED]**

E-mail Address: **[REDACTED]**

STRICTLY CONFIDENTIAL

CLAIMS SUBJECT TO THIS AGREEMENT

Principal Amount of 2019 Notes subject to this Agreement:	**[REDACTED]**
Principal Amount of 2021 Notes subject to this Agreement:	**[REDACTED]**
Principal Amount of 2023 Notes subject to this Agreement:	**[REDACTED]**
Principal Amount of 2025 Notes subject to this Agreement:	**[REDACTED]**
Principal Amount of BofA Facility Indebtedness subject to this Agreement:	**[REDACTED]**
Principal Amount of HSBC Facility Indebtedness subject to this Agreement:	**[REDACTED]**
Principal Amount of Revolving Facility Indebtedness subject to this Agreement:	**[REDACTED]**

EXHIBIT A
RECAPITALIZATION TERM SHEET

PACIFIC EXPLORATION & PRODUCTION CORP.
RECAPITALIZATION – SUMMARY OF TERMS

All dollar amounts are in US dollars.

This recapitalization and financing term sheet (the "**Recapitalization Term Sheet**"), which is attached as Exhibit A to that certain Restructuring Support Agreement, dated as of April 20, 2016 (the "**RSA**")[1] by and among the Company, the Consenting Creditors and the Plan Sponsor, summarizes certain principal terms and conditions of a proposed restructuring plan and related financing facilities of Pacific Exploration & Production Corp. ("**Pacific**") and certain of its direct and indirect affiliates and subsidiaries that are Parties to the RSA (each, including Pacific, a "**Company Party**" and collectively, the "**Company**").

Pacific, the Company Parties that are Guarantors (as defined in the Note Indentures and/or the Credit Facilities) (the "**Guarantor Debtors**"), and any other direct or indirect subsidiaries of Pacific as the Company, the Requisite Consenting Creditors and the Plan Sponsor may agree (the "**Additional Debtors**" and, together with Pacific and the Guarantor Debtors, the "**Debtors**") will implement the Restructuring through a prearranged plan of reorganization, which shall be consistent with the terms of this Recapitalization Term Sheet and the RSA (as it may be amended or supplemented from time to time in accordance with the terms of the RSA, the "**Plan**") to be filed by the Debtors in (i) a proceeding to be commenced under the Companies' Creditors Arrangement Act (the "**CCAA**") in the Ontario Superior Court of Justice (Commercial List) (the "**Canadian Court**"), (ii) an ancillary proceeding, or such other proceeding, acceptable to the Company, the Requisite Consenting Creditors and the Plan Sponsor to be commenced under Ley 1116 of 2006 in Colombia ("**Law 1116**") in the court seized of jurisdiction in a Colombian proceeding under Law 1116 (the "**Colombian Court**"), and (iii) a proceeding under chapter 15 of title 11 of the United States Code (the "**Bankruptcy Code**" and, together with the CCAA and Law 1116, the "**Insolvency Laws**") in the United States Bankruptcy Court for the Southern District of New York (the "**U.S. Court**" and, together with the Canadian Court and the Colombian Court, the "**Insolvency Courts**"). If the Company, the Requisite Consenting Creditors and the Plan Sponsor agree (each acting in their sole discretion), the Restructuring may be implemented through a Plan filed in a proceeding to be commenced under chapter 11 of the Bankruptcy Code before the U.S. Court, with such other appropriate proceedings before each of the Canadian Court and the Colombian Court as agreed by the Company, Requisite Consenting Creditors and the Plan Sponsor, and the Parties to the RSA shall thereafter negotiate in good faith to promptly effectuate such modifications to the RSA and to the Definitive Documents as are reasonably necessary to implement the Restructuring in such manner.

The governing documents with respect to the Restructuring will contain terms and conditions that are dependent on each other, including those described in the RSA, this Recapitalization Term Sheet and the secured DIP and exit financing facility term sheet (the "**DIP/Exit Note Term Sheet**") and secured DIP and exit L/C facility term sheet (the "**DIP/Exit LC Term Sheet**" and, together with the DIP/Exit Note Term Sheet, the "**DIP/Exit Term Sheets**"). This Recapitalization

[1] Capitalized terms used and not defined herein shall have the meanings ascribed to such terms in the RSA.

Term Sheet and the DIP/Exit Term Sheets do not include a description of all of the terms, conditions, and other provisions that are to be contained in the definitive documentation governing the Restructuring, which remain subject to discussion and negotiation in accordance with the RSA. The Restructuring will not contain any material terms or conditions that are inconsistent in any material respect with this Recapitalization Term Sheet, the DIP/Exit Term Sheets or the RSA, except with the express written consent of the Company, the Requisite Consenting Creditors and the Plan Sponsor. This Recapitalization Term Sheet is entitled to protection from any use or disclosure to any party or person pursuant to Federal Rule of Evidence 408 and similar laws and regulations in effect in any relevant jurisdiction.

1. THE REORGANIZED COMPANY	A reorganized Pacific, which shall be re-listed on a stock exchange as of the Plan Effective Date, which shall be reorganized in a manner acceptable to Pacific, the Requisite Consenting Creditors and the Plan Sponsor, each in their sole discretion, with respect to jurisdiction of formation, tax attributes, withholding tax exemptions and other related matters (the “**Reorganized Company**”).
2. DIP/EXIT FINANCING/EQUITY PURCHASE	In accordance with and subject to the terms and conditions of the DIP/Exit Term Sheets, up to $620 million secured financing (the “**DIP Financing**”) to be provided by way of (i) senior secured first-lien notes (the “**DIP Notes**”) in an amount of up to (x) $250 million to be provided by certain funds managed or administered by the Plan Sponsor and (y) $250 million to be provided by certain of the Consenting Noteholders (together with the Plan Sponsor, the “**DIP Note Purchasers**”) and (ii) if agreed by the Requisite Consenting Creditors, the Plan Sponsor and the Company, a secured second-lien letter of credit facility in an amount of up to $134 million (the “**DIP LC Facility**”) provided by certain of the Consenting Lenders (the “**DIP LC Lenders**”). Upon consummation of the Restructuring, (i) the $250 million of the DIP Notes purchased by the DIP Note Purchasers other than the Plan Sponsor (the “**Creditor DIP Notes**”) will remain outstanding as $250 million of exit notes (on the terms set out in Schedule A of the DIP/Exit Note Term Sheet), (ii) the Plan Sponsor may exercise its rights in respect of the $250 million of the DIP Notes purchased by the Plan Sponsor (the “**Plan Sponsor Notes**”) to exchange such notes pursuant to the terms of the Plan Sponsor Notes for 16.8% of the Reorganized Common Stock (as defined below), failing which exercise, the Plan Sponsor Notes will be mandatorily exchanged for 16.8% of the Reorganized Common Stock, and (iii) the DIP LC Facility will continue to run until two (2) years following the inception of the DIP LC Facility on the terms set out in Schedule A attached to the DIP/Exit LC Term Sheet. As part of the Plan, the Plan Sponsor shall be obligated to subscribe for, with effect as at the Plan Effective Date, at least

$200 million or such larger amount as the Plan Sponsor may agree (the "**Maximum Threshold**") of the Reorganized Common Stock (but, for greater certainty, such amount and subscription obligation shall not exceed the aggregate amount required, if any, to complete the Cash Out Offer (as defined below)) to enable the Company to offer Affected Creditors (as defined below) the option to elect to receive cash in lieu of Reorganized Common Stock from the Affected Creditor Equity Pool (as defined below) and the purchase price for the cash election, and the subscription price payable by the Plan Sponsor, shall both be based on an implied equity valuation of the Reorganized Company of at least $800 million (i.e., 25% of the Reorganized Common Stock for $200 million) in a manner reasonably satisfactory to the Plan Sponsor and (solely relating to mechanics and not as to pricing) the Requisite Consenting Creditors (the "**Cash Out Offer**"). Affected Creditors may determine, in their sole discretion, whether to elect to receive cash under the Cash Out Offer and, for the avoidance of doubt, consummation of the Restructuring shall not be subject to any minimum level of participation. If Affected Creditors elect to receive cash under the Cash Out Offer in excess of the Maximum Threshold, then such cash participation will be allocated on a *pro rata* basis among such Affected Creditors or the Plan Sponsor may, in its sole discretion, elect to increase the Maximum Threshold. If Consenting Creditors who are parties to the RSA at the date hereof wish to participate as subscribers in the Cash Out Offer on the same basis as the Plan Sponsor, the Plan Sponsor will allow them to do so. In addition, if agreed by the Requisite Consenting Creditors, the Plan Sponsor and the Company, the Cash Out Offer will be implemented by way of a modified Dutch auction process.

3. AFFECTED CREDITORS

The affected creditors (the "**Affected Creditors**") in the Restructuring are comprised of the following:

1. Holders of Note Claims (approximately $4.1 billion outstanding principal amount, plus accrued interest, fees and other claims and obligations arising thereunder);
2. Holders of Bank Debt Claims (approximately $1.2 billion outstanding principal amount, plus accrued interest, fees, and other claims and obligations arising thereunder); and
3. Pacific shall promptly commence a claims process for creditors of Pacific holding unknown, unreported, contingent or contested claims (the "Other Unsecured Claims"). The holders of such Other Unsecured Claims of Pacific may be treated as Affected Creditors, together with any holders of restructuring claims that may arise, such as, for example, from the repudiation of any

contracts (e.g., leases) with Pacific. If the Company, the Requisite Consenting Creditors and the Plan Sponsor agree, some or all of the other Debtors shall commence a similar process to address claims that are unknown, unreported, contingent or contested, and, in such event, holders of such claims may be treated as Affected Creditors. The form and substance of each process shall be acceptable to the Company, the Requisite Consenting Creditors and the Plan Sponsor.

4. TREATMENT OF CREDITORS

Each Affected Creditor shall receive its *pro rata* share of Reorganized Common Stock (as defined below) from the Affected Creditor Equity Pool (as defined below), provided, however, that the Plan may provide, with the consent of the Requisite Consenting Creditors and the Plan Sponsor, that holders of Other Unsecured Claims shall instead receive the cash equivalent of the Reorganized Common Stock attributed to the Affected Creditor Equity Pool that would otherwise be distributed to such creditors; provided further, however, (i) that Affected Creditors may elect, in their sole discretion, to participate in the Cash Out Offer, and (ii) the *pro rata* share of the Reorganized Common Stock from the Affected Creditor Equity Pool that is allocated to holders of Note Claims shall be reduced by the Early Consent Consideration (as defined below).

5. TREATMENT OF EXISTING EQUITY

All existing equity interests of Pacific shall be canceled, otherwise extinguished, or significantly diluted in an amount satisfactory to the Plan Sponsor and the Requisite Consenting Creditors (such that, following the Restructuring, such equity interests (and associated voting power) will constitute in the aggregate only a nominal amount of Reorganized Common Stock).

6. EQUITY ALLOCATION

100% of the common equity interests of the Reorganized Company (the "**Reorganized Common Stock**") shall be distributed as follows, in each case in accordance with each holder's *pro rata* share of the relevant categories of claims (in each case subject to dilution on a *pro rata* basis arising from the New Management Incentive Plan (as described below)). The allocations of Reorganized Common Stock set forth below do not include or otherwise take into account the Cash Out Offer or the Early Consent Consideration (as defined below).

1. **Plan Sponsor:** (a) warrants at a nominal strike price issued together with the Plan Sponsor Notes and exercisable into **12.5%** of the Reorganized Common Stock on and only on the Plan Effective Date, on a fully diluted basis; and (b) **16.8%** of the Reorganized Common Stock pursuant to the exchange of the Plan Sponsor Notes

on and only on the Plan Effective Date, on a fully diluted basis.

2. **DIP Note Purchasers other than the Plan Sponsor:** warrants at a nominal strike price issued together with the Creditor DIP Notes and exercisable into **12.5%** of the Reorganized Common Stock on and only on the Plan Effective Date, on a fully diluted basis.
3. **Affected Creditors: 58.2%** of the Reorganized Common Stock on the Plan Effective Date, on a fully diluted basis (the "**Affected Creditor Equity Pool**").

7. EARLY CONSENT CONSIDERATION

Each holder of a Note Claim that, on or before 5:00 p.m. Toronto / New York time on April 29, 2016 (the "**Consent Date**"), executes (i) (x) the RSA or (y) a Joinder Agreement substantially in the form attached to the RSA (such holders, the "**Early Consent Consideration Noteholders**") and (ii) votes in favor of the Plan shall receive its *pro rata* share (based on the aggregate amount of Note Claims held by all Early Consent Consideration Noteholders as of the Consent Date) of the early consent consideration, which shall equal, in the aggregate, **2.2%** of the Reorganized Common Stock (the "**Early Consent Consideration**"). The Early Consent Consideration shall be payable subject to, and only upon, consummation of the Plan. If, after the Consent Date, an Early Consent Consideration Noteholder shall Transfer (as defined in the RSA), in a manner consistent with the RSA, any Note Claims that are entitled to the Early Consent Consideration, the transferee thereof shall be deemed to be an Early Consent Consideration Noteholder and entitled to that portion of the Early Consent Consideration attributable to such transferred Note Claims, subject to the terms and conditions set forth herein. For the avoidance of doubt, the Early Consent Consideration shall not be earned or payable if the Plan Effective Date does not occur and no Early Consent Consideration Noteholder shall be entitled to the Early Consent Consideration if it terminates its obligations under the RSA prior to the Plan Effective Date. For greater certainty, holders of Bank Debt Claims shall not be entitled to the Early Consent Consideration on account of their Bank Debt Claims and the distribution of the Early Consent Consideration to the Early Consent Consideration Noteholders shall not reduce or otherwise affect the portion of the Affected Creditor Equity Pool allocated to holders of Bank Debt Claims.

8. KERP

The Company shall enter into a key employee retention plan ("**KERP**") in substantially the form approved by the Independent Committee of Pacific's Board of Directors (the "**Independent**

Committee"), the Plan Sponsor and the Requisite Consenting Creditors as of April 18, 2016. Other than as permitted pursuant to the KERP, no severance or termination payments will be made to any of the Company's employees who are participants in the KERP in connection with the implementation of the Restructuring and/or termination or amendment of any of their employment agreements prior to the Plan Effective Date. The applicable Debtors will request approval of the KERP by the Canadian Court upon filing of the CCAA proceeding and each of the Plan Sponsor and the Consenting Creditors shall consent to the approval of the KERP by the Canadian Court and the granting of a court-ordered passive, silent charge to support the KERP, with a ranking that is junior to the Administration Charge, *pari passu* with any charges securing the DIP Facilities (subject to the intercreditor arrangements agreed between the beneficiaries thereof), and senior to any D&O charges (which will also be passive, silent charges); *provided* that the D&O charge shall only apply to actions taken following commencement of or relating to the Restructuring.

9. NEW MANAGEMENT INCENTIVE PLAN

All terms and conditions of the New Management Incentive Plan, including the form, amount, allocation and vesting of grants, shall be determined by the Board of Directors of the Reorganized Company, as selected by the Requisite Consenting Noteholders, the Requisite Consenting Lenders and the Plan Sponsor pursuant to the new governance procedures set out in Annex A hereto. Any Reorganized Common Stock granted pursuant to the New Management Incentive Plan shall vest over a three-year period, and the Reorganized Company shall not issue Reorganized Common Stock (or instruments that may under any circumstance be converted into Reorganized Common Stock) pursuant to the New Management Incentive Plan in an amount that exceeds 10% of the Reorganized Common Stock on a post-dilution basis.

10. GOVERNANCE / MANAGEMENT / CRO

The governance and management of the Company during the RSA Effective Period (including with respect to the appointment of a chief restructuring officer), and of the Reorganized Company shall thereafter be as set out in Annex A hereto.

11. CONDITIONS PRECEDENT TO IMPLEMENTATION

The conditions precedent to the implementation of Plan will be set forth in the Plan and will include, without limitation, the following:

1. No change of control payments will be made to any of the Company's employees in connection with implementation of the Restructuring and/or the termination or amendment of any of their employment agreements. The existing employment agreements for employees subject to the KERP will be amended, revised

or replaced on terms that are consistent with the KERP and otherwise in form and substance acceptable to the New Board, the Requisite Consenting Creditors and the Plan Sponsor;

2. The fees payable to the Principal Company Financial Advisor in connection with the negotiation and implementation of the Restructuring, and such other services as described in the engagement agreement dated as of December 17, 2015 between the Principal Company Financial Advisor and the Company, will be paid subject to and in accordance with the amendment, dated as of April 18, 2016, to the terms of the Principal Company Financial Advisor's engagement agreement with the Company, which amendment was provided to the Requisite Consenting Creditors and the Plan Sponsor contemporaneously herewith. Other than with respect to those provisions that are amended in the amendment dated as of April 18, 2016, all other terms and conditions of the Principal Company Financial Advisor's engagement agreement with the Company dated as of December 17, 2015 remain binding;
3. The Canadian Court shall have entered the Plan Approval Order, which shall provide, *inter alia*, that (i) all common shares of Pacific shall have been canceled or otherwise significantly diluted to a nominal amount in accordance with this Recapitalization Term Sheet, and (ii) any and all other equity claims and equity interests (as such terms are defined in the CCAA) of Pacific shall have been canceled, extinguished and forever barred, in each case with no consideration provided to holders of such common shares or equity claims; and
4. Upon the Plan Effective Date, the Reorganized Company Stock will be publicly listed and traded on the Toronto Stock Exchange or, if such listing is not available as a consequence of listing requirements, on the TSX-V, provided that if neither such listing is available to the Reorganized Company as a consequence of the listing requirements of such exchanges, on such other stock exchange as is acceptable to Pacific, the Requisite Consenting Creditors and the Plan Sponsor (having regard to the listing requirements of the other stock exchanges and the liquidity provided thereby).

12. GOVERNING LAW New York.

ANNEX A

Governance

- CRO; Management. During the RSA Effective Period, the Parties to the RSA shall take all steps reasonably necessary or appropriate to effectuate the following:
  - CRO Appointment. An empowered chief restructuring officer (the "CRO") with enhanced authority and new deputy chief financial officer (the "Deputy CFO") shall be appointed, each acceptable to Requisite Consenting Creditors, the Plan Sponsor and the Independent Committee, prior to May 6, 2016 (with a five business day cure period thereafter), or such later date as the Requisite Consenting Creditors, the Plan Sponsor and the Independent Committee may agree. Such CRO will report to the Independent Committee of the Company's current board of directors (the "Board of Directors") and will be authorized to provide information directly to the Consenting Creditors (or their advisors) and the Plan Sponsor. The existing CFO and the Deputy CFO shall report to the CRO.
  - Selection Process for CRO. The CRO shall be selected by the Independent Committee, the Plan Sponsor and the Requisite Consenting Creditors. Zolfo Cooper Management LLC shall be eligible for this appointment. The Deputy CFO shall be selected via a pitch process, conducted by a working group composed of the Plan Sponsor and an agreed-upon subset of the Ad Hoc Noteholder Committee, the Ad Hoc Lender Committee and the Independent Committee advisors.
  - Prerequisites for CRO and Deputy CFO. The CRO and Deputy CFO must be present in Bogotá five (5) days per week (subject to having to attend meetings concerning Pacific matters that are scheduled outside of Bogotá). The CRO and/or its team should include individuals with Spanish-language skills and relevant oil and gas experience.
  - DIP Budget. As soon as practical after his appointment, the CRO shall review the Cash Flow Projections (as defined in the DIP/Exit Note Term Sheet) and provide comments to the Requisite Consenting Creditors (or their advisors), the Plan Sponsor, and the Independent Committee.
  - CRO Powers. The mandate of the CRO shall include a full assessment of key company processes, organizational structure, systems, controls, risks and certain positions at the Company, as agreed by the Plan Sponsor and Requisite Consenting Creditors (or their advisors). The CRO is also empowered to retain a leading international executive search firm to assist in such assessment.
- New Board Composition; Reorganized Company Management; Shareholder Rights
  - Size of Reorganized Company's Board of Directors. The Reorganized Company's board of directors (the "New Board") shall be composed of seven members upon the Plan Effective Date.
  - New Board Composition. The New Board shall be initially comprised as follows: (i) three nominees selected by the Plan Sponsor, one of which may be chosen to

serve as the chairman of the New Board; (ii) two independent nominees that are jointly selected by the Plan Sponsor and the Requisite Consenting Creditors; (iii) one independent individual proposed by the Requisite Consenting Noteholders and that is reasonably acceptable to the Requisite Consenting Lenders (the "RCN Proposed Director"); and (iv) one independent individual proposed by the Requisite Consenting Lenders and that is reasonably acceptable to the Requisite Consenting Noteholders (the "RCL Proposed Director"). A majority of the New Board shall nominate directors for re-election at the end of the New Board's term, including directors then in office (if they consent to election). The Articles or by-laws of the Reorganized Company shall contain provisions (A) requiring that the Board be comprised of a majority of "Independent Directors" (to be defined in the Articles or by-laws as directors who are independent of the Reorganized Company and independent of the Plan Sponsor), and (B) requiring the Plan Sponsor to vote all of its shares in favour of the RCN Proposed Director and the RCL Proposed Director (if they consent to election) at the two annual meetings of shareholders immediately following the Plan Effective Date (i.e., in 2017 and 2018), both of which provisions shall fall away if the Plan Sponsor owns less than 10% of the outstanding Reorganized Common Stock. The requirement in (A) shall fall away on the date of the Company's annual meeting in 2019.

- Reorganized Company Management. Certain positions of the Reorganized Company in place on the Plan Effective Date (as agreed by the Plan Sponsor and Requisite Consenting Creditors) shall be affirmed by a supermajority of six members of the New Board in the case of certain members of senior management, and, with respect to the remaining positions, by four members of the New Board, including one nominee from the Plan Sponsor and either the RCN Proposed Director or the RCL Proposed Director. If the requisite majority does not affirm such management, then such management shall remain in their respective positions, but a search firm (paid on a fixed fee basis) shall assess potential alternative management, including existing management. Following the results of the search process, a vote of only four members of the New Board shall be required to select any person for a position that was not affirmed by the requisite votes, provided that the four members needed to carry an affirmative vote must include one nominee from the Plan Sponsor and either the RCN Proposed Director or the RCL Proposed Director.

- Negative Control Rights. A majority of the New Board, including (a) at least one of the RCN Proposed Director or the RCL Proposed Director (for so long as those individuals are directors), or after such time as either one of the RCN Proposed Director or the RCL Proposed Director ceases to be a director for any reason, at least two Independent Directors, and (b) (except with respect to a related party transaction involving the Plan Sponsor) at least one of the three directors initially chosen by the Plan Sponsor (or if they are no longer directors, any one director who is an employee of the Plan Sponsor) shall be required to approve any of the following: incurring new funded debt; compensation plans/MIP; related party transactions; stock buybacks; equity raises; changes to capital structure; rights offerings; material changes to development and the business plan; material asset sales; material amendments to governing documents; and changes to the size of the

New Board or method of appointment; provided that any vote in favor of any rights offering shall also require the affirmative vote of each of the RCN Proposed Director and the RCL Proposed Director, in each case for so long as such directors are on the New Board. The requirements set forth in this provision shall fall away on the date of the Company's annual meeting of shareholders in 2019.

- Shareholder Rights Plan. The Reorganized Company shall adopt a customary shareholder rights plan on the Plan Effective Date with a trigger for an "Acquiring Person" being set at 20% or more of the outstanding Reorganized Company Stock (the Plan Sponsor shall be grandfathered), such that offers to acquire the Reorganized Common Stock made by an Acquiring Person (or that, if completed, would result in the offeror becoming an Acquiring Person) must be made to all shareholders on the same terms. Termination, amendments or waivers under the shareholder rights plan would require approval by a majority of the Independent Directors.

EXHIBIT B
JOINDER

The undersigned ("Joining Party") hereby acknowledges that it has read and understands the Restructuring Support Agreement, dated as of April 20, 2016 (the "Agreement"), by and among Pacific Exploration & Production Corporation and certain of its direct and indirect subsidiaries (collectively, the "Company"), the Plan Sponsor, and certain holders of claims against the Company signatory thereto, and agrees to be bound by the terms and conditions thereof, and shall be deemed a "Consenting Creditor" under the terms of the Agreement with respect to any and all Company Claims. The Joining Party hereby makes the representations and warranties applicable to the Joining Party in the capacity set forth herein and as set forth in Section 4 of the Agreement to the other Parties thereto, as of the date hereof (and not as of any earlier date that the representations and warranties were given by other Parties pursuant to the Agreement). This joinder shall be governed by, and construed in accordance with, the internal laws of the State of New York, without giving effect to the principles of conflict of laws that would require the application of the law of any other jurisdiction.

Upon the execution of this joinder in the case of a proposed Transfer (as defined in the Agreement), the Joining Party shall (i) deliver by e-mail, to the Company, with a copy to (a) Goodmans at boneill@goodmans.ca and rbaulke@goodmans.ca in respect of any Company Claims transferred by a Consenting Noteholder; and (b) Davis Polk in respect of any Company Claims transferred by a Consenting Lender, within one (1) business day of the proposed Transfer, an executed copy of this joinder and (ii) if any Note Claims are subject to such Transfer, indicate in the e-mail notification required by clause (i) above whether, and to what extent, such Note Claims are entitled to the Early Consent Consideration pursuant to the terms of the Recapitalization Term Sheet. If a Joining Party fails to indicate whether the Note Claims subject to the proposed Transfer are entitled to the Early Consent Consideration, and if the transferee thereof holds both Note Claims that are entitled to the Early Consent Consideration and Note Claims that are not entitled to the Early Consent Consideration, then the Note Claims that are subject to the proposed Transfer shall be deemed to first include any Note Claims held by the transferee that are entitled to the Early Consent Consideration and, if that amount is less than the amount of Note Claims that is subject to the proposed Transfer, thereafter any other Note Claims.

Upon the execution of this joinder other than in the case of a proposed Transfer, the Joining Party shall immediately deliver by e-mail, to the Company, with a copy to (a) Goodmans at boneill@goodmans.ca and rbaulke@goodmans.ca in respect of any Note Claims and (b) Davis Polk in respect of any Bank Debt Claims, an executed copy of this joinder.

[Remainder of Page Intentionally Left Blank]

Date Executed: ________________

[JOINING PARTY]

By: ________________________________
Name:
Title:
Tel No.:
Fax No.
Address:

E-mail Address:

STRICTLY CONFIDENTIAL

CLAIMS SUBJECT TO THIS AGREEMENT

Principal Amount of 2019 Notes subject to this Agreement: ________________________________

Principal Amount of 2021 Notes subject to this Agreement: ________________________________

Principal Amount of 2023 Notes subject to this Agreement: ________________________________

Principal Amount of 2025 Notes subject to this Agreement: ________________________________

Principal Amount of BofA Facility Indebtedness subject to this Agreement: ________________________________

Principal Amount of HSBC Facility Indebtedness subject to this Agreement: ________________________________

Principal Amount of Revolving Facility Indebtedness subject to this Agreement: ________________________________

Clearing System through which the Notes are held	Clearing System Participant Name	Clearing System Participant Account Number