

FRONTERA ENERGY CORPORATION

U.S.\$350,000,000

9.700% SENIOR NOTES DUE 2023

INDENTURE

Dated as of June 25, 2018

FRONTERA ENERGY CORPORATION,

as Issuer

**FRONTERA ENERGY COLOMBIA AG, PACIFIC STRATUS ENERGY DEL PERU S.A.
AND PACIFIC MIDSTREAM HOLDING CORP.**

as Note Guarantors

THE BANK OF NEW YORK MELLON

as Trustee, Security Registrar and Paying Agent

and

THE BANK OF NEW YORK MELLON SA/NV, LUXEMBOURG BRANCH

as Luxembourg Paying Agent

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Exhibit A Form of Note

Exhibit B Form of Certificate for Exchange or Transfer of Restricted Global Note

Exhibit C Form of Certificate for Exchange or Transfer of Regulation S Global Note

INDENTURE, dated as of June 25, 2018, among **FRONTERA ENERGY CORPORATION**, a company formed and existing under the laws of British Columbia, Canada (the “*Issuer*”), the **NOTE GUARANTORS** listed in Schedule 1 (each individually, together with its successors, a “*Note Guarantor*”, and collectively, the “*Note Guarantors*”), **THE BANK OF NEW YORK MELLON**, a New York banking corporation, as trustee (together with its successors hereunder, in such capacity, the “*Trustee*”), security registrar (in such capacity, the “*Security Registrar*”) and paying agent (in such capacity, the “*Paying Agent*”, and together with any other paying agents under this Indenture in their respective capacities as such, the “*Paying Agents*”), and **THE BANK OF NEW YORK MELLON SA/NV, LUXEMBOURG BRANCH**, as paying agent in Luxembourg (the “*Luxembourg Paying Agent*”).

WITNESSETH:

WHEREAS, the Board of Directors of the Issuer duly authorized the issuance of its 9.700% Senior Notes due 2023 (the “*Notes*”) on May 23, 2018 and June 20, 2018; and to provide for the issuance thereof the Issuer has duly authorized the execution and delivery of this Indenture; and

WHEREAS, the Trustee has accepted the trusts created by this Indenture and in evidence thereof has joined in the execution hereof;

NOW, THEREFORE, in consideration of the premises and the purchase of the Notes by the Holders, the parties listed above covenant and agree as follows for the benefit of each other and for the equal and ratable benefit of the Holders.

**ARTICLE I
DEFINITIONS**

Section 1.1 *Definitions*. The following terms, as used herein, shall have the following meanings:

“*Actual Knowledge*” shall mean, with respect to any Person, actual knowledge of any officer (or similar agent) of such Person responsible for the administration of the transactions effected by this Indenture and the Notes or such officer (or similar agent) as shall have been designated by such Person in this Indenture and the Notes to receive written communications in connection therewith.

“*Additional Amounts*” shall have the meaning specified in Section 2.12.

“*Additional Assets*” shall mean (1) any property or assets (other than Indebtedness and Capital Stock) used or useful in a Related Business, (2) the Capital Stock of a Person that becomes a Restricted Subsidiary as a result of the acquisition of such Capital Stock by the Issuer

or another Restricted Subsidiary or (3) Capital Stock of a Restricted Subsidiary acquired from a Person other than the Issuer, the Restricted Subsidiary or another Restricted Subsidiary.

“Additional Notes” shall have the meaning given to it under Section 2.11.

“Affiliate” of any specified Person shall mean any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, *“control,”* when used with respect to any Person, shall mean the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms *“controlling”* and *“controlled”* have meanings correlative to the foregoing. For purposes of Section 4.1(k) only, Affiliate shall also mean any beneficial owner of shares representing 10% or more of the total voting power of the Voting Stock (on a fully diluted basis) of the Issuer or of rights or warrants to purchase such Voting Stock (whether or not currently exercisable) and any Person who would be an Affiliate of any such beneficial owner pursuant to the first sentence hereof.

“Affiliate Transaction” shall have the meaning given to it in Section 4.1(k).

“Applicable Law” shall mean, as to any Person, any law (statutory or common), treaty, rule or regulation or determination of an arbitrator or of a governmental authority in each case applicable to or binding upon such Person or any of its Property or to which such Person or any of its Property is subject.

“Applicable Procedures” shall have the meaning specified in Section 2.6(b).

“Asset Disposition” shall mean any sale, lease, transfer or other Disposition (or series of related sales, leases, transfers or Dispositions) by the Issuer or any Restricted Subsidiary, including any Disposition by means of a merger, consolidation, amalgamation, combination or similar transaction (each referred to for the purposes of this definition as a *“disposition”*) of:

(1) any shares of Capital Stock of a Restricted Subsidiary (other than directors’ qualifying shares or shares required by Applicable Law to be held by a Person other than the Issuer or a Restricted Subsidiary);

(2) all or substantially all the assets of any division or line of business of the Issuer or any Restricted Subsidiary (for the avoidance of doubt, excluding all or substantially all of the assets of any Unrestricted Subsidiary whether or not comprising all or substantially all of the assets of any division or line of business of the Issuer or any Restricted Subsidiary); or

(3) any other assets of the Issuer or any Restricted Subsidiary outside of the ordinary course of business of the Issuer or such Restricted Subsidiary;

provided, however, that the following shall not constitute Asset Dispositions:

- (a) a sale, lease, transfer or other disposition to the Issuer or a Restricted Subsidiary;
- (b) a Permitted Investment or Restricted Payment not then prohibited by the covenant described under Section 4.1(h);
- (c) a sale, lease, transfer or other disposition of assets (or series of related sales, leases, transfers or dispositions) with a Fair Market Value of less than U.S.\$5 million;
- (d) a sale, lease, transfer or other disposition of Temporary Cash Investments or goods held for sale in the ordinary course of business;
- (e) transactions permitted under the covenant described under Section 4.3;
- (f) the lease, assignment or sublease of any real or personal property in the ordinary course of business;
- (g) the sale, lease, transfer or other disposition of assets in a Sale and Leaseback Transaction, if otherwise permitted pursuant to the covenant described under Section 4.1(j);
- (h) the Incurrence of any Lien then permitted by the covenant described under Section 4.1(g) and the sale, lease, transfer or other disposition of the asset or property subject to such Lien; or
- (i) a sale, lease, transfer or other disposition of obsolete, surplus or worn-out equipment or other obsolete assets or other property which is uneconomical and no longer useful for the Issuer or any Restricted Subsidiary in the ordinary course of business.

“*Authorized Agent*” shall mean the collective reference to the Paying Agent(s), Security Registrar, any other co-security registrar appointed hereunder, and any Transfer Agent(s).

“*Authorized Officer*” shall mean, (1) in the case of the Issuer, the individual(s) (who may include directors of the Issuer) whose signatures and incumbency shall have been certified by the Issuer in an Officers' Certificate delivered to the Trustee which are legally entitled to represent the Issuer or (2) in the case of any other Person, the chairman of the board, chief executive officer, chief financial officer or accounting officer, any vice president or any corporate officer of such Person responsible for the administration of the transactions effected by this Indenture and the Notes.

“*Average Life*” shall mean, as of the date of determination, with respect to any Indebtedness or Preferred Stock, the quotient obtained by dividing (1) the sum of the products of the numbers of years from the date of determination to the dates of each successive scheduled

principal payment of such Indebtedness or redemption or similar payment with respect to such Preferred Stock multiplied by the amount of such payment by (2) the sum of all such payments.

“*Bankruptcy Law*” shall mean Title 11, United States Code, *Bankruptcy and Insolvency Act* (Canada), the *Companies’ Creditors Arrangement Act* (Canada), Colombian Law No. 1116 of 2006, as each may be amended from time to time, or other U.S. federal or state law, any Canadian federal or provincial law, Colombian law or the law of any other jurisdiction relating to bankruptcy, insolvency, receivership, winding-up, liquidation, administrative take-over, reorganization, plans of arrangement under Section 288 of the *Business Corporations Act* (British Columbia) or any similar provision of Canadian federal or provincial corporate law (whether or not dealing with solvent companies), “quiebra” or relief of debtors.

“*Bail-in Legislation*” shall mean in relation to a EU member state which has implemented, or which at any time implements, the BRRD, the relevant implementing law, regulation, rule or requirement as described in the EU Bail-in Legislation Schedule from time to time.

“*Bail-in Powers*” shall mean any Write-down and Conversion Powers as defined in relation to the relevant Bail-in Legislation.

“*Board of Directors*” shall mean, with respect to any Person, the board of directors of such Person or any committee thereof duly authorized to act on behalf of the board of directors of such Person or similar governing body in the case of a non-incorporated Person.

“*BRRD*” shall mean Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms.

“*BRRD Liability*” has the same meaning as in such laws, regulations, rules or requirements implementing the BRRD under the applicable Bail-in Legislation.

“*BRRD Party*” shall mean any Authorized Agent subject to Bail-in Powers.

“*Business Day*” shall mean any day other than a Saturday, Sunday or other day on which banking institutions in New York City, New York, are permitted or required by Applicable Law, regulation or executive order, to remain closed.

“*Canada*” shall mean the nation of Canada, and its provinces and territories.

“*Capital Stock*” of any Person shall mean any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity.

“*Capitalized Lease Obligation*” shall mean an obligation that is required to be classified and accounted for as a capitalized lease for financial reporting purposes in accordance with IFRS, and the amount of Indebtedness represented by such obligation shall be the capitalized amount of such obligation determined in accordance with IFRS; and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty.

“*Catalyst Group*” shall mean The Catalyst Capital Group Inc., any funds managed or administered by it, or any Affiliates of any of the foregoing, together with their respective Successors and permitted assigns.

“*Change of Control*” shall mean the occurrence of any of the following events:

(1) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger, amalgamation or consolidation), in one or a series of related transactions, of all or substantially all of the assets of the Issuer and its Subsidiaries taken as a whole to any “person” (as that term is used in Section 13(d)(3) of the Exchange Act) other than to the Issuer or one of its Subsidiaries;

(2) the consummation of any transaction (including without limitation, any merger or consolidation) the result of which is that any “person” (as that term is used in Section 13(d)(3) of the Exchange Act) other than the Catalyst Group becomes the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 31.22% of the outstanding Voting Stock of the Issuer, measured by voting power rather than number of shares;

(3) the Issuer consolidates or amalgamates with, or merges with or into, any Person, or any Person consolidates or amalgamates with, or merges with or into, the Issuer, in any such event pursuant to a transaction in which any of the outstanding Voting Stock of the Issuer or such other Person is converted into or exchanged for cash, securities or other property, other than any such transaction where the shares of the Voting Stock of the Issuer outstanding immediately prior to such transaction constitute, or are converted into or exchanged for, a majority of the Voting Stock of the surviving Person immediately after giving effect to such transaction; or

(4) the adoption of a plan relating to the liquidation or dissolution of the Issuer.

“*Change of Control Offer*” shall have the meaning given to it under Section 4.4.

“*Change of Control Payment*” shall have the meaning given to it under Section 4.4.

“*Change of Control Payment Date*” shall have the meaning given to it under Section 4.4.

“*Change of Control Triggering Event*” means the occurrence, on or within sixty (60) days (which period will be (i) extended for so long as any of the Rating Agencies has publicly announced that it is considering a possible ratings change as a result of a Change of Control or (ii) reduced in the event of a Rating Reaffirmation to the date on which the Rating Reaffirmation has been obtained) after the earlier to occur of public notice of (A) the occurrence of a Change of Control or (B) the intention by the Issuer or any other Person or Persons to effect a Change of Control, of any of the events listed below, in each case *provided* the relevant Rating Agencies identified such Change of Control as a primary reason for the relevant events listed below:

(1) in the event the Notes have an Investment Grade Rating by any two or more Rating Agencies on the Rating Date, the rating of the Notes by any such Rating

Agency will be changed by at least two such Rating Agencies to below an Investment Grade Rating;

(2) in the event the Notes have an Investment Grade Rating by any, but not two or more, of the Rating Agencies on the Rating Date, the rating of the Notes by such Rating Agency will be changed to below an Investment Grade Rating; or

(3) in the event the Notes are not rated Investment Grade by any Rating Agencies on the Rating Date, the rating of the Notes by any Rating Agency will be decreased by one or more gradations (including gradations within rating categories as well as between rating categories).

Notwithstanding the foregoing, no Change of Control Triggering Event will be deemed to have occurred under sub-clauses (1), (2) or (3) in connection with any particular Change of Control unless and until such Change of Control has actually been consummated.

“*Clearstream*” shall mean Clearstream Banking Luxembourg, a division of Clearstream International, *société anonyme*.

“*Closing Date*” shall mean the date of the issuance of the Notes.

“*Code*” shall mean the United States Internal Revenue Code of 1986, as amended.

“*Colombia*” shall mean the Republic of Colombia.

“*Combined*” means the combination of accounts of one or more Persons in accordance with IFRS.

“*Comparable Treasury Issue*” shall mean the United States Treasury security or securities selected by an Independent Investment Banker as having an actual or interpolated maturity comparable to June 25, 2021 that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to June 25, 2021.

“*Comparable Treasury Price*” shall mean, as calculated by the Independent Investment Banker, with respect to the Redemption Date, (1) the average of five Reference Treasury Dealer Quotations for the Redemption Date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (2) if the Independent Investment Banker obtains fewer than five such Reference Treasury Dealer Quotations, the average of all such quotations.

“*Consolidated*” when used in relation to the financial accounts or financial statements of a Person shall mean the consolidation of accounts of such Person and its Subsidiaries in accordance with IFRS consistently applied; provided, however, that “*Consolidated*” when specified as being in relation to the financial accounts or financial statements of the Issuer and its Restricted Subsidiaries will not include consolidation of the accounts of any Unrestricted Subsidiary, but the interest of the Issuer or any Restricted Subsidiary in any Unrestricted Subsidiary will be accounted for as an investment.

“*Consolidated Adjusted EBITDA*” shall mean, for any period, without duplication, the Consolidated Net Income for such period, plus the following, without duplication and to the extent deducted (and not added back) in calculating such Consolidated Net Income:

- (1) Consolidated Interest Expense;
- (2) consolidated income tax expense and equity tax expense of the Issuer and its Restricted Subsidiaries;
- (3) consolidated depletion and depreciation expense of the Issuer and its Restricted Subsidiaries;
- (4) consolidated amortization expense of the Issuer and its Restricted Subsidiaries; and
- (5) consolidated impairment charge, exploration expense and abandonment costs of the Issuer and its Restricted Subsidiaries.

Notwithstanding the preceding sentence, clauses (1) through (5) relating to amounts of a Restricted Subsidiary of the referent Person will be added to Consolidated Net Income to compute Consolidated Adjusted EBITDA of such Person only in the same proportion that the net income of such Restricted Subsidiary was included in calculating the Consolidated Net Income of such Person.

“*Consolidated Debt to Consolidated Adjusted EBITDA Ratio*” shall mean at any date (i) Consolidated Total Indebtedness as of such date *divided by* (ii) Consolidated Adjusted EBITDA for the most recently ended period of four consecutive fiscal quarters for which financial statements of the Issuer have been provided to the Trustee pursuant to Section 4.1(p) (the “*trailing four quarters*”), *provided*, that:

- (1) if the Issuer or any Restricted Subsidiary has
 - (a) Incurred any Indebtedness since the beginning of the trailing four quarters that remains outstanding on the date of the transaction giving rise to the need to calculate the Consolidated Debt to Consolidated Adjusted EBITDA Ratio or if the transaction giving rise to the need to calculate the Consolidated Debt to Consolidated Adjusted EBITDA Ratio is an Incurrence of Indebtedness, Indebtedness at the end of such period, Consolidated Adjusted EBITDA and Consolidated Total Indebtedness for such trailing four quarters shall be calculated on a *pro forma* basis as if such Indebtedness had been Incurred on the first day of such trailing four quarters (except that in making such computation, the amount of Indebtedness under any revolving credit facility outstanding on the day of such calculation will be deemed to be

- (i) the average daily balance of such Indebtedness during such four fiscal quarters or such shorter period for which such facility was outstanding or
 - (ii) if such facility was created after the end of such four fiscal quarters, the average daily balance of such Indebtedness during the period from the date of creation of such facility to the date of such calculation)
- (b) repaid, repurchased, defeased or otherwise discharged any Indebtedness since the beginning of such period or if any Indebtedness is to be repaid, repurchased, defeased or otherwise discharged (in each case, other than Indebtedness Incurred under any revolving credit facility unless such Indebtedness has been permanently repaid and has not been replaced) on the date of the transaction giving rise to the need to calculate the Consolidated Debt to Consolidated Adjusted EBITDA Ratio, Consolidated Adjusted EBITDA for such period shall be calculated on a *pro forma* basis as if such discharge had occurred on the first day of such period and as if the Issuer or such Restricted Subsidiary had not earned the interest income actually earned during such period in respect of cash or Temporary Cash Investments used to repay, repurchase, defease or otherwise discharge such Indebtedness;
- (2) if since the beginning of such period the Issuer or any Restricted Subsidiary shall have made any Asset Disposition, then giving *pro forma* effect to such Asset Disposition during such period on the Consolidated Adjusted EBITDA;
- (3) if since the beginning of such period, the Issuer or any Restricted Subsidiary (by merger or otherwise) shall have made an Investment in any Person that is merged with or into the Issuer or any Restricted Subsidiary (or any Person that becomes a Restricted Subsidiary) or an acquisition of assets, including any acquisition of assets occurring in connection with a transaction causing a calculation to be made hereunder, which constitutes all or substantially all of an operating unit of a business, then giving *pro forma* effect to such Investment or acquisition on the Consolidated Adjusted EBITDA for such period, any such *pro forma* calculation may include adjustments appropriate to reflect, without duplication, any such acquisition to the extent such adjustments may be reflected in the preparation of *pro forma* financial information in accordance with the requirements of Article XI of Regulation S-X under the Exchange Act, as amended;

provided, however, that in each case such adjustments are set forth in an Officers' Certificate that states (i) the amount of such adjustment or adjustments, (ii) that such adjustment or adjustments are based on the reasonable good faith beliefs of the officers executing such Officers' Certificate at the time of such execution and (iii) that any related Incurrence of Indebtedness is permitted pursuant to this Indenture; and

(4) if since the beginning of such period, any Person (that subsequently became a Restricted Subsidiary or was merged with or into the Issuer or any Restricted Subsidiary since the beginning of such period) shall have made any Asset Disposition or any Investment or acquisition of assets that would have required an adjustment pursuant to clauses (2) or (3) above if made by the Issuer or a Restricted Subsidiary during such period, Consolidated Adjusted EBITDA for such period shall be calculated after giving *pro forma* effect thereto as if such Asset Disposition, Investment or acquisition of assets occurred on the first day of such period.

For purposes of this definition, whenever *pro forma* effect is to be given to an acquisition of assets and the amount of income or earnings relating thereto, the *pro forma* calculations shall be determined in good faith by a responsible financial or accounting officer of the Issuer. If any Indebtedness bears a floating rate of interest and is being given *pro forma* effect, the interest expense on such Indebtedness shall be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any Interest Rate Agreement applicable to such Indebtedness if such Interest Rate Agreement has a remaining term as at the date of determination in excess of twelve months).

“*Consolidated Fixed Charge Ratio*” shall mean at any date, (i) the Consolidated Adjusted EBITDA for the trailing four quarters, *divided by* (ii) the Consolidated Interest Expense for such period; *provided*, that:

- (1) if the Issuer or any Restricted Subsidiary has
 - (a) Incurred any Indebtedness since the beginning of the trailing four quarters that remains outstanding on the date of the transaction giving rise to the need to calculate the Consolidated Fixed Charge Ratio or if the transaction giving rise to the need to calculate the Consolidated Fixed Charge Ratio is an Incurrence of Indebtedness, Consolidated Adjusted EBITDA and Consolidated Interest Expense for such trailing four quarters shall be calculated on a *pro forma* basis as if such Indebtedness had been Incurred on the first day of such trailing four quarters except that in making such computation, the amount of Indebtedness under any revolving credit facility outstanding on the day of such calculation will be deemed to be
 - (i) the average daily balance of such Indebtedness during such four fiscal quarters or such shorter period for which such facility was outstanding, or
 - (ii) if such facility was created after the end of such four fiscal quarters, the average daily balance of such Indebtedness during the period from the date of creation of such facility to the date of such calculation, or

- (b) repaid, repurchased, defeased or otherwise discharged any Indebtedness since the beginning of such period or if any Indebtedness is to be repaid, repurchased, defeased or otherwise discharged (in each case, other than Indebtedness Incurred under any revolving credit facility unless such Indebtedness has been permanently repaid and has not been replaced) on the date of the transaction giving rise to the need to calculate the Consolidated Fixed Charge Ratio, Consolidated Adjusted EBITDA and Consolidated Interest Expense for such period shall be calculated on a *pro forma* basis as if such discharge had occurred on the first day of such period and as if the Issuer or such Restricted Subsidiary has not earned the interest income, if any, actually earned during such period in respect of cash or Temporary Cash Investments used to repay, repurchase, defease or otherwise discharge such Indebtedness;

(2) if since the beginning of such period, the Issuer or any Restricted Subsidiary shall have made any Asset Disposition, then giving *pro forma* effect to such Asset Disposition during such period on Consolidated Adjusted EBITDA and Consolidated Interest Expense for such period;

(3) if since the beginning of such period, the Issuer or any Restricted Subsidiary (by merger, consolidation, amalgamation, combination or other similar transaction or otherwise) shall have made an Investment in any Person that is merged, consolidated, amalgamated or combined with or into the Issuer or any Restricted Subsidiary (or any Person that becomes a Restricted Subsidiary) or an acquisition of assets, including any acquisition of assets occurring in connection with a transaction causing a calculation to be made hereunder, which constitutes all or substantially all of an operating unit of a business, then giving *pro forma* effect to such Investment or acquisition on the Consolidated Adjusted EBITDA and Consolidated Interest Expense for such period, any such *pro forma* calculation may include adjustments appropriate to reflect, without duplication, any such acquisition to the extent such adjustments may be reflected in the preparation of *pro forma* financial information in accordance with the requirements of Article 11 of Regulation S-X under the Exchange Act, as amended, *provided*, that such adjustments are set forth in an Officers' Certificate that states;

- (i) the amount of such adjustment or adjustments,
- (ii) that such adjustment or adjustments are based on the reasonable good faith beliefs of the officers executing such Officers' Certificate at the time of such execution; and
- (iii) that any related Incurrence of Indebtedness is permitted pursuant to this Indenture.

(4) if since the beginning of such period, any Person (that subsequently became a Restricted Subsidiary or was merged, consolidated, amalgamated or combined with or into the Issuer or any Restricted Subsidiary since the beginning of such period) shall have made any Asset Disposition or any Investment or acquisition of assets that would have required an adjustment pursuant to clause (2) or (3) above if made by the Issuer or a Restricted Subsidiary during such period, Consolidated Adjusted EBITDA and Consolidated Interest Expense for such period shall be calculated after giving *pro forma* effect thereto as if such Asset Disposition, Investment or acquisition of assets occurred on the first day of such period.

For purposes of this definition, whenever *pro forma* effect is to be given to an acquisition of assets and the amount of income or earnings relating thereto, the *pro forma* calculations shall be determined in good faith by a responsible financial or accounting officer of the Issuer. If any Indebtedness bears a floating rate of interest and is being given *pro forma* effect, the interest expense on such Indebtedness shall be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any Interest Rate Agreement applicable to such Indebtedness if such Interest Rate Agreement has a remaining term as at the date of determination in excess of twelve months).

“*Consolidated Interest Expense*” shall mean, for any period, the total consolidated finance cost of the Issuer and its Restricted Subsidiaries, whether paid or accrued, plus, to the extent not included in such interest expense and without duplication:

- (1) interest expense attributable to Capitalized Lease Obligations;
- (2) amortization of debt discount and debt issuance cost (*provided*, that any amortization of bond premium will be credited to reduce Consolidated Interest Expense unless, pursuant to IFRS, such amortization of bond premium has otherwise reduced Consolidated Interest Expense);
- (3) non-cash interest expense (to the extent deducted in the calculation of Consolidated Net Income);
- (4) commissions, discounts and other fees and charges owed with respect to letters of credit and bankers’ acceptance financing;
- (5) the interest expense on Indebtedness of another Person that is guaranteed by the Issuer or one of its Restricted Subsidiaries or secured by a Lien on assets of the Issuer or one of its Restricted Subsidiaries, whether or not such Guarantee or Lien is called upon;
- (6) cash costs associated with Hedging Obligations (including amortization of fees); provided, however, that if Hedging Obligations result in net cash benefits rather than costs, such benefits shall be credited to reduce Consolidated Interest Expense unless, pursuant to IFRS, such net benefits are otherwise reflected in Consolidated Net Income;
- (7) the interest expense that was capitalized during such period; and

(8) all dividends paid or payable in cash, cash equivalents or Indebtedness or accrued during such period on any series of Disqualified Stock of the Issuer or on Preferred Stock of its Restricted Subsidiaries (including any applicable taxes) payable to a party other than the Issuer or a Wholly-Owned Subsidiary.

“*Consolidated Net Income*” means, for any period, the aggregate net income (loss) of the Issuer and its Restricted Subsidiaries determined in accordance with IFRS; *provided, however*, that there will not be included (to the extent otherwise included therein) in such Consolidated Net Income:

(1) any net income (loss) of any Person (other than the Issuer) that is not a Restricted Subsidiary or that is accounted for by the equity method of accounting, except that:

(a) subject to the limitations contained in clauses (3) and (4) below, the Issuer’s equity in the net income of any such Person will be included only to the extent of the amount of cash dividends or distributions actually distributed by such Person during the relevant period to the Issuer or a Restricted Subsidiary; and

(b) the Issuer’s equity in the net loss of any such Person for such period will be included to the extent such loss has been funded with cash from the Issuer or a Restricted Subsidiary during such period;

(2) any gain or loss realized upon the sale or other Disposition of any property, plant or equipment of the Issuer or its consolidated Subsidiaries (including pursuant to any Sale and Lease Back Transaction) which is not sold or otherwise Disposed of in the ordinary course of business and any gain or loss realized upon the sale or other Disposition of any Capital Stock of any Person;

(3) Extraordinary or Nonrecurring Gains or Losses;

(4) the cumulative effect of a change in accounting principles;

(5) any unrealized non-cash gains or losses or charges in respect of Hedging Obligations;

(6) income or loss attributable to discontinued operations (including, without limitation, operations Disposed of during such period whether or not such operations were classified as discontinued);

(7) any non-cash compensation charge arising from any grant of stock, stock options or other equity based awards; and

(8) any foreign exchange gains or losses.

“*Consolidated Net Tangible Assets*” shall mean, as of any date of determination, the total assets shown on the consolidated balance sheet of the Issuer and its Restricted Subsidiaries as of the most recent date for which such a balance sheet is available, determined on a consolidated basis in accordance with IFRS (and, in the case of any determination relating to any Incurrence of Indebtedness or any Investment, on a *pro forma* basis including any property or assets being acquired in connection therewith) less (i) all current liabilities (other than current maturities of long-term debt) and (ii) all intangibles, in each case as shown on the Consolidated balance sheet.

“*Consolidated Total Indebtedness*” shall mean, as of any date and with respect to the Issuer, the Consolidated Indebtedness as of such date of the Issuer and its Restricted Subsidiaries, other than Subordinated Obligations.

“*Corporate Trust Office*” shall mean the office of the Trustee on the Closing Date located at 101 Barclay Street, 7E, New York, New York, 10286, or such other office as the Trustee may from time to time designate in writing to the Issuer.

“*Covenant Defeasance*” shall have the meaning given to it under Section 6.4.

“*Covenant Suspension Event*” shall have the meaning specified in Section 4.2.

“*Currency Agreement*” shall mean, with respect to any Person, any foreign exchange contract, currency swap agreement or other similar agreement or arrangement to which such Person is a party or of which it is a beneficiary.

“*Default*” shall mean any event that is, or after notice or passage of time or both would be, an Event of Default.

“*Definitive Notes*” shall have the meaning specified in Section 2.3(a).

“*Disposition*” means, with respect to any property or asset, any sale, capital lease, Sale and Lease Back Transaction, assignment, conveyance, transfer or other disposition thereof. The terms “*Dispose*” and “*Disposed of*” shall have correlative meanings.

“*Disqualified Stock*” shall mean, with respect to any Person, any Capital Stock that by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable or exercisable) or upon the happening of any event: (1) matures or is mandatorily redeemable pursuant to a sinking fund obligation or otherwise; (2) is convertible or exchangeable for Indebtedness or Disqualified Stock; or (3) is redeemable at the option of the Holder thereof, in whole or in part; in each case on or prior to the 91st day after the final Maturity Date of the Notes; *provided, however*, that any Capital Stock that would not constitute Disqualified Stock but for provisions thereof giving Holders thereof the right to require such Person to repurchase or redeem such Capital Stock upon the occurrence of an “asset sale” or “change of control” occurring prior to the 91st day after the final Maturity Date of the Notes shall not constitute Disqualified Stock if the “asset sale” or “change of control” provisions applicable to such Capital Stock are not more favorable to the holders of such Capital Stock than the provisions of the covenants described under Section 4.1(i) or under Section 4.4, as the case may be.

“Dollars” or “U.S.\$” shall mean the lawful currency for the time being in the United States of America.

“DTC” shall mean The Depository Trust Company, a New York corporation.

“DTC Participants” shall have the meaning specified in Section 2.3(b).

“Equity Call Agreement” means the equity call agreement entered into and effective as of October 4, 2013, among Pacinfra Holding Corp. and Frontera, whereby the Issuer agrees to guarantee Pacinfra Holding Ltd.’s obligations to contribute, directly or indirectly, to Puerto Bahia pursuant to the Equity Contribution Agreement, as in existence on the Closing Date.

“Equity Contribution Agreement” shall mean the Equity Contribution Agreement among Pacific Holding Ltd., Pacific Infrastructure Ventures Inc., Sociedad Portuaria Puerto Bahia S.A. and Wilmington Trust, National Association dated as of October 4, 2013, pursuant to which Pacinfra Holding Ltd. and Pacific Infrastructure Ventures Inc. may be required to contribute (in the form of equity or loans) to Puerto Bahia to cover operating and maintenance deficiencies of Puerto Bahia and any debt service deficiency up to an amount of U.S.\$130 million, as in existence on the Closing Date.

“Equity Offering” shall mean a public offering of common stock or American Depositary Receipts representing such common stock, or of a security or instrument exchangeable for or convertible into common stock or American Depositary Receipts representing such common stock of the Issuer or its Restricted Subsidiaries, or any holding company of the Issuer or its Restricted Subsidiaries pursuant to a registration statement under the Securities Act or a prospectus under the securities laws of Canada or any other jurisdiction, a rights offering of common stock or of a security or instrument exchangeable for or convertible into common stock or American Depositary Receipts representing such common stock of the Issuer or its Restricted Subsidiaries made generally to holders of such common stock, and any private sale of common stock, or American Depositary Receipts representing such common stock, or of a security or instrument exchangeable for or convertible into common stock or American Depositary Receipts representing such common stock of the Issuer or its Restricted Subsidiaries, or any holding company of the Issuer or its Restricted Subsidiaries to any one or more Persons (other than issuances upon exercise of options by employees of the Issuer or its Restricted Subsidiaries or any holding company of the Issuer or its Restricted Subsidiaries).

“EU Bail-in Legislation Schedule” shall mean the document described as such, then in effect, and published by the Loan Market Association (or any successor person) from time to time at <http://www.lma.eu.com/>.

“Euroclear” shall mean Euroclear Bank, S.A./N.V., as operator of the Euroclear System, and its successors.

“Event of Default” shall have the meaning specified in Section 5.1(a).

“Exchange Act” shall mean the United States Securities Exchange Act of 1934, as amended.

“Existing Hedging Facilities” shall mean, collectively, the 2002 ISDA Master Agreements between (i) Morgan Stanley Capital Group and Pacific Rubiales Energy Corp., dated June 24, 2009, (ii) BP Energy Company and Pacific Rubiales Energy Corp., dated April 22, 2013, (iii) J. Aron & Company and Pacific Exploration & Production Corporation, dated April 18, 2017 and (iv) Cargill, Incorporated, acting through its Cargill Risk Management Business Unit and Frontera Energy Corporation, dated September 29, 2017, in each case, including the schedule and any confirmations related thereto for hedges outstanding thereunder on the Closing Date, and each as amended or otherwise modified from time to time.

“Existing Senior Secured Notes” shall mean the Issuer’s U.S.\$250,000,000 10.0% Senior Secured Notes due 2021.

“Extraordinary or Nonrecurring Gains or Losses” shall mean asset retirement obligations settlements, one-time extraordinary or nonrecurring expenses not related to the ongoing operations, such as restructuring and severance costs, and loss (gain) from dispositions of assets determined on a consolidated basis in accordance with IFRS.

“Fair Market Value” shall mean, with respect to any asset, the price which could be negotiated in an arm’s length free market transaction, for cash, between a willing seller and a willing buyer, neither of which is under compulsion to complete the transaction, and, unless otherwise specified herein (except for assets consisting of publicly traded securities),

(1) if such asset has a price of at least U.S.\$5 million and less than U.S.\$10 million, as such price is determined in good faith by the Board of Directors of the Issuer or a Restricted Subsidiary, as applicable, as evidenced by a resolution of such Board of Directors; or

(2) if such asset has a price of at least U.S.\$10 million, as such price is determined in good faith by the Board of Directors of the Issuer or a Restricted Subsidiary, as applicable, as evidenced by a resolution of such Board of Directors, set forth in an Officers' Certificate delivered to the Trustee.

“Financial Reports” shall have the meaning given to it under Section 4.1(p).

“Fitch” shall mean Fitch, Inc. or any successor thereto.

“Global Notes” shall mean each of the Restricted Global Note and the Regulation S Global Note, in global form, ownership and transfers of beneficial interests in which shall be made through book entries by DTC.

“Guarantee” shall mean any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person and any obligation, direct or indirect, contingent or otherwise, of any Person (1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such other Person (whether arising by virtue of partnership arrangements, or by agreement to keep well, to purchase assets, goods, securities or services, to take or pay, or to maintain financial statement conditions or otherwise) or (2) entered into for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in

part); *provided, however*, that the term “Guarantee” shall not include endorsements for collection or deposit in the ordinary course of business. The term “Guarantee” used as a verb has a correlative meaning.

“*Hedging Agreement*” means (a) any and all Interest Rate Agreements, Currency Agreements, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross currency rate swap transactions, currency options, spot contracts or any other similar transactions or any combination or the foregoing (including any option to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, traded at the over the counter or standardized markets and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or are governed by any form of master agreement published by the International Swaps and Derivative Association, Inc., any International Foreign Exchange Master Agreement or any other master agreement (including such master agreement, together with any related schedules, a “*Master Agreement*”) including any such obligations or liabilities under any Master Agreement.

“*Hedging Obligations*” of any Person shall mean the obligations of such Person pursuant to one or more Hedging Agreements.

“*Holder*” shall mean the Person in whose name a Note is registered in the Register.

“*IFRS*” shall mean International Financial Reporting Standards as issued and interpreted by the International Accounting Standards Board.

“*Incur*” shall mean issue, assume, Guarantee, incur or otherwise become liable for; *provided, however*, that any Indebtedness of a Person existing at the time such Person is merged, consolidated, amalgamated or combined with or into the Issuer or becomes a Restricted Subsidiary of the Issuer (whether by merger, consolidation, amalgamation, combination or other similar transaction) shall be deemed to be Incurred by such Person at the effective time of such merger, consolidation, amalgamation, combination or other similar transaction or at the time it becomes a Restricted Subsidiary of the Issuer. The term “*Incurrence*” when used as a noun shall have a correlative meaning. Neither the accretion of principal of a non-interest bearing or other discount security nor the capitalization accruing of interest on Indebtedness shall be deemed the Incurrence of Indebtedness.

“*Indebtedness*” shall mean, with respect to any Person on any date of determination (without duplication):

- (1) the principal in respect of indebtedness of such Person for borrowed money;
- (2) the principal in respect of obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;
- (3) all reimbursement obligations of such Person in respect of the face amount of letters of credit or other similar instruments (except to the extent such reimbursement

obligations relate to a trade payable and such obligations are satisfied within 30 days of Incurrence);

(4) all obligations of such Person to pay the deferred and unpaid purchase price of property or services (except trade payables and contingent obligations to pay earn-outs), which purchase price is due more than six months after the date of placing such property in service or taking delivery and title thereto (excluding any deferred purchase price obligations, regardless of timing, under the PML Share Sale Agreement) or the completion of such services and all obligations to deliver hydrocarbons pursuant to prepaid forward sale arrangements that would be characterized as deferred revenue in the Issuer's financial statements;

(5) all Capitalized Lease Obligations of such Person;

(6) the amount of all obligations of such Person with respect to the redemption, repayment or other repurchase of any Disqualified Stock;

(7) all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; *provided, however*, that the amount of Indebtedness of such Person shall be the lesser of: (a) the Fair Market Value of such asset at such date of determination and (b) the amount of such Indebtedness of such other Persons;

(8) to the extent not otherwise included in this definition, the aggregate net termination value of all Hedging Obligations of such Person; and

(9) all obligations of the type referred to in clauses (1) through (8) above of other Persons Guaranteed by such Person or for which such Person is otherwise liable as obligor, guarantor or otherwise.

The amount of Indebtedness of any Person at any date shall be the outstanding balance at such date of all unconditional obligations as described above and the maximum liability, upon the occurrence of the contingency giving rise to the obligation, of any contingent obligations at such date.

The following obligations shall be deemed not to be Indebtedness for any purpose:

- (a) any revolving credit facility to the extent any commitment under such revolving credit facility is undrawn (other than letters of credit, including if undrawn); or
- (b) customer deposits and advance payments received from customers in the ordinary course of business.

“*Indenture*” shall mean this Indenture, as amended or supplemented from time to time.

“*Indenture Supplement*” shall mean a supplement, if any, to this Indenture that is executed and delivered pursuant to Article IX.

“*Independent Investment Banker*” shall mean an independent investment banking institution of international standing appointed by the Issuer.

“*Interest Rate Agreement*” shall mean, with respect to any Person, any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement or other similar agreement or arrangement to which such Person is a party or a beneficiary.

“*Internal Revenue Service*” shall mean the Internal Revenue Service of the United States federal government.

“*Investment*” in any Person shall mean any direct or indirect advance, loan (other than advances to customers or suppliers in the ordinary course of business that are recorded as accounts receivable, pre-paid expenses or deposits on the balance sheet) or other extension of credit (including by way of Guarantee or similar arrangement) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase or acquisition of Capital Stock, Indebtedness or other similar instruments issued by such Person, together with all items that are or would be classified as investments on a balance sheet prepared in accordance with IFRS. For purposes of the definition of “*Unrestricted Subsidiary*” and the covenant described in Section 4.1(h) hereof, Investment shall include the portion (proportionate to the Issuer’s equity interest in such Subsidiary) of the Fair Market Value of the net assets of any Subsidiary of the Issuer at the time that such Subsidiary is designated an Unrestricted Subsidiary; *provided, however*, that, upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Issuer shall be deemed to continue to have a permanent “Investment” in an Unrestricted Subsidiary in an amount (if positive) equal to: (1) the Issuer’s Investment in such Subsidiary at the time of such redesignation less (2) the portion (proportionate to the Issuer’s equity interest in such Subsidiary) of the Fair Market Value of the net assets of such Subsidiary at the time of such redesignation. Any property transferred to or from an Unrestricted Subsidiary shall be valued at its Fair Market Value at the time of such transfer, in each case, as determined in good faith by the Board of Directors of the Issuer.

“*Investment Grade Rating*” shall mean a rating equal to or higher than BBB- (or the equivalent) by Fitch, BBB- (or the equivalent) by S&P, or Baa3 (or the equivalent) by Moody’s, or an equivalent rating by any other Rating Agency.

“*Issuer*” shall mean Frontera Energy Corporation or any of its permitted successors hereunder.

“*Legal Defeasance*” shall have the meaning given to it under Section 6.4.

“*Lien*” shall mean any mortgage, deed of trust, lien, security interest, pledge, hypothecation, assignment, deposit arrangement or other charge or encumbrance of any kind, including, without limitation, the lien or retained security title of a conditional vendor and any

easement, right of way or other encumbrance on title to real property, any right of set off or any similar arrangement under or with respect to any insurance policy or anything analogous to any of the foregoing under the laws of any jurisdiction. For the avoidance of doubt any preference of one creditor in the ordinary course over another arising by operation of law shall not be considered as a Lien.

“*Luxembourg Paying Agent*” shall have the meaning set forth in the preamble.

“*Material Adverse Effect*” shall mean, (a) a material adverse effect on the business, properties, management, financial position or results of operations of the Issuer, the Note Guarantors, and any Subsidiaries taken as a whole or on the performance by the Issuer and the Note Guarantors of their obligations under the Notes.

“*Maturity Date*” shall mean June 25, 2023.

“*Minimum Legally Required Dividends*” shall mean, for any Person and any period, an amount equal to the minimum dividend required to be distributed annually under Applicable Law by such Person to holders of its Capital Stock during such period.

“*Moody’s*” shall mean Moody’s Investors Service, Inc. or any successor thereto.

“*Net Available Cash*” from an Asset Disposition shall mean cash payments received (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise and proceeds from the sale or other disposition of any securities received as consideration, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring Person of Indebtedness or other obligations relating to the properties or assets that are the subject of such Asset Disposition or received in any other non-cash form) therefrom, in each case net of:

(1) all legal fees and expenses, title and recording tax expenses, commissions and other fees and expenses Incurred, and all federal, state, provincial, foreign and local taxes required to be paid or accrued as a liability under IFRS, as a consequence of such Asset Disposition;

(2) all payments, including any prepayment premiums or penalties, made on any Indebtedness that is secured by any assets subject to such Asset Disposition, in accordance with the terms of any Lien upon or other security agreement of any kind with respect to such assets, or that shall by its terms, or in order to obtain a necessary consent to such Asset Disposition, or by Applicable Law be repaid out of the proceeds from such Asset Disposition;

(3) all distributions and other payments required to be made to minority interest holders in Subsidiaries or joint ventures as a result of such Asset Disposition; and

(4) appropriate amounts to be provided by the seller as a reserve, in accordance with IFRS, against any liabilities associated with the property or other assets Disposed of in such Asset Disposition and retained by the Issuer or any Restricted Subsidiary after such Asset Disposition.

“*Net Cash Proceeds*” with respect to any issuance or sale of Capital Stock of the Issuer shall mean the cash proceeds of such issuance or sale net of attorneys’ fees, accountants’ fees, underwriters’ or placement agents’ fees, discounts or commissions and brokerage, consultant and other fees and expenses actually Incurred in connection with such issuance or sale and net of taxes paid or payable as a result thereof.

“*New Letter of Credit Facility*” shall mean the Letter of Credit Facility entered into between the Issuer, the Note Guarantors and certain financial institutions dated May 17, 2018, for the issuance, maintenance, renewal, extension and amendment of letters of credit for the account of the Issuer and certain Subsidiaries of the Issuer in an amount of up to U.S.\$100,000,000 as amended, restated, supplemented or otherwise modified from time to time.

“*Non-Guarantor Designation*” has the meaning set forth under Section 4.1(n).

“*Non-Guarantor Restricted Subsidiary*” has the meaning set forth under Section 4.1(n).

“*Note Guarantor Successor*” shall have the meaning given to it in Section 4.3

“*Note Guarantors*” shall mean, collectively, each of Frontera Energy Colombia AG, Pacific Stratus Energy del Peru S.A., Pacific Midstream Holding Corp. and any existing or future Subsidiary of the Issuer that becomes a Note Guarantor after the Closing Date pursuant to the terms of this Indenture.

“*Notes*” shall have the meaning specified in the recitals hereto and shall also include any Additional Notes issued in accordance with Section 2.11.

“*Offer*” shall have the meaning given to it in Section 4.1(i).

“*Offering Memorandum*” means the final offering memorandum relating to the Notes dated June 20, 2018.

“*Officers’ Certificate*” shall mean a certificate signed by two Authorized Officers or by an Authorized Officer and the Chief Financial Officer of the Issuer, any of the Note Guarantors or any Restricted Subsidiary, as the case may be, and delivered to the Trustee.

“*Opinion of Counsel*” shall mean an opinion in writing signed by legal counsel, which counsel may be an employee of the Issuer, who is reasonably acceptable to the Trustee.

“*ordinary course of business*” shall mean, in relation to any Person, a transaction or activity ordinarily undertaken by Persons engaged in the business of that Person, determined from an industrywide perspective in which the business of such Person is compared to other like businesses, whether or not such Person has previously engaged in such transactions or activities and regardless of the frequency of such transactions within the industry.

“*Other Taxes*” shall mean any and all present or future stamp, documentary or similar taxes, or any other excise or similar levies, including any interest, additions or Tax or penalties applicable thereto, that arise on account of the execution, delivery, registration, recording or

enforcement of the Notes, the Subsidiary Guarantees or this Indenture (other than any Taxes paid in accordance with the first paragraph of Section 2.12).

“*Outstanding*” when used with respect to the Notes, shall mean, as of the date of determination, all Notes theretofore authenticated and delivered under this Indenture, except:

(1) Notes theretofore canceled by the Trustee or delivered to the Trustee for cancellation;

(2) Notes, or portions thereof, for whose payment or redemption money in the necessary amount has been theretofore deposited with the Trustee or any Paying Agent (other than the Issuer) in trust or set aside and segregated in trust by the Issuer (if the Issuer shall act as its own Paying Agent) for the Holders of such Notes; *provided, however*, that, if such Notes are to be redeemed, notice of such redemption has been duly given pursuant to this Indenture or provision therefor satisfactory to the Trustee has been made;

(3) Notes which have been defeased or as to which the Issuer has effected Covenant Defeasance pursuant to Section 6.4 hereof; and

(4) Notes which have been paid pursuant to the provisions of Section 2.13 hereof or in exchange for or in lieu of which other Notes have been authenticated and delivered pursuant to the provisions of this Indenture, other than any such Notes in respect of which there shall have been presented to the Trustee proof satisfactory to it that such Notes are held by a bona fide purchaser in whose hands such Notes are valid obligations of the Issuer;

provided, however, that in determining whether the Holders of the requisite principal amount of the Outstanding Notes have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Notes owned by the Issuer or its Subsidiaries shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Notes which a Responsible Officer of the Trustee actually knows to be so owned shall be so disregarded. Notes so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the reasonable satisfaction of the Trustee the pledgee’s right so to act with respect to such Notes and that the pledgee is not any of the Issuer or its Subsidiaries.

“*Paying Agent*” shall have the meaning set forth in the preamble.

“*Payment Date*” shall mean each of June 25 and December 25 of each year and the Maturity Date, as applicable.

“*Permitted Investment*” shall mean:

(1) an Investment by the Issuer or any Restricted Subsidiary in the Issuer, a Restricted Subsidiary or a Person that will, upon the making of such Investment, become

a Restricted Subsidiary; *provided, however*, that the primary business of such Person is a Related Business;

(2) an Investment by the Issuer or any Restricted Subsidiary in another Person if as a result of such Investment such other Person is merged, consolidated, amalgamated or combined with or into, or transfers or conveys all or substantially all its assets to, the Issuer or a Restricted Subsidiary; *provided, however*, that such Person's primary business is a Related Business;

(3) (i) Investments made to comply with the Equity Contribution Agreement and the Equity Call Agreement, (ii) Investments consisting of repurchases of shares of common stock to comply with put obligations (A) under the put option agreement among Pacific Midstream Ltd., the Issuer, Pacific Midstream, International Finance Corporation, IFC Global Infrastructure Fund, LP and GIF Co Investment I, LP dated December 17, 2014, as in effect on the Closing Date, (B) under the put option agreement among Pacific Infrastructure Ventures, Inc., the Issuer, Blue Pacific Investments Group Ltd., International Finance Corporation, IFC African, Latin American and Caribbean Fund, LP and IFC Global Infrastructure Fund, LP dated November 7, 2013, as in effect on the Closing Date, and (C) under Section 3.09 of the Shareholders Agreement among Pacific Midstream Ltd., Pacific Midstream, Pacific Rubiales Energy Corp., International Finance Corporation, IFC Global Infrastructure Fund, LP and GIF Co-Investment I, LP dated December 17, 2014, as in effect on the Closing Date, and (iii) in the event an agreement described in subclause (i) or subclause (ii) above is amended or replaced in the future, Investments made to comply with each such amended or replaced agreement, but only up to an aggregate amount that does not exceed the Investment obligations (including the contingent monetary obligations relating to any equity contribution or repurchase of shares) existing on the Closing Date under each such agreement;

(4) Investments in *Oleoducto Bicentenario de Colombia S.A.S.*, or "OB," for the prepayment of certain obligations of OB as part of the renegotiation of take-or-pay tariffs and volumes that results in a reduction of the tariffs and/or volumes payable by the Issuer and Restricted Subsidiaries;

(5) Temporary Cash Investments;

(6) Receivables owing to the Issuer or any Restricted Subsidiary if created or acquired in the ordinary course of business;

(7) payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business;

(8) stock, obligations or securities received in settlement or resolution of (or foreclosure with respect to) debts created in the ordinary course of business and owing to the Issuer or any Restricted Subsidiary or in satisfaction of judgments including as a result of the bankruptcy or reorganization of any Person;

(9) an Investment by the Issuer or any Restricted Subsidiary in any Person to the extent such Investment represents the non-cash or deemed cash portion of the consideration received for an Asset Disposition that was made pursuant to and in compliance with the covenant described under Section 4.1(i) hereof;

(10) any Investment existing on the Closing Date and any extension, modification or renewal of any such Investments (but not any such extension, modification or renewal to the extent it involves additional advances, contributions or other investments of cash or property, other than reasonable expenses incidental to the structuring, negotiation and consummation of such extension, modification or renewal);

(11) Hedging Obligations permitted under clause (2)(h) of the covenant described under Section 4.1(f) hereof;

(12) Guarantees of Indebtedness permitted under the covenant described under Section 4.1(f) hereof;

(13) Investments that are made exclusively with (i) Capital Stock of the Issuer (other than Disqualified Stock) or (ii) net cash proceeds of an issuance of Capital Stock of the Issuer (other than Disqualified Stock) occurring not earlier than 270 days before the date of the related Investments;

(14) Investments in the Notes

(15) additional Investments having an aggregate Fair Market Value, taken together with all other Investments made pursuant to this clause (15) that are at the time outstanding, not to exceed U.S.\$110 million at the time of such Investment (with the Fair Market Value of each Investment being measured at the time made and without giving effect to subsequent changes in value), *provided*, that (i) during 2018, Investments made pursuant to this clause (15) may not exceed U.S.\$45 million, (ii) during 2019, Investments made pursuant to this clause (15) may not exceed U.S.\$90 million minus the amount of any Investments made during 2018 pursuant to this clause (15) that are still outstanding and (iii) beginning on January 1, 2020, Investments made pursuant to this clause (15) may not exceed U.S.\$110 million minus the amount of all prior Investments made pursuant to this clause (15) that are still outstanding. For the avoidance of doubt, an Investment that has been written off or otherwise impaired will be deemed to continue to be outstanding to the extent of the impaired or written off portion of such Investment.

“*Person*” shall mean an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, other entity or governmental authority.

“*Place of Payment*” shall have the meaning specified in Section 3.7(e).

“*PML Share Sale Agreement*” shall mean the Share Sale Agreement dated October 15, 2017 among Pacific Midstream Holding Corp., Pacific Midstream Ltd., International Finance Corporation, IFC Global Infrastructure Fund, LP, GIF Co-Investment I, LP and Issuer relating to

the acquisition by Pacific Midstream Holding Corp. of the participation of the International Finance Corporation related parties in Pacific Midstream Ltd., as in effect on the Closing Date.

“*Preferred Stock*” shall mean, with respect to the Capital Stock of any Person, any class or classes (however designated) that is preferred as to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

“*Property*” of any Person shall mean any property, rights or revenues, or interest therein, of such Person.

“*Purchase Agreement*” shall mean the Purchase Agreement, dated as of June 20, 2018, among the Issuer, the Note Guarantors and Merrill Lynch, Pierce, Fenner & Smith Incorporated and Citigroup Global Markets Inc, acting on behalf of themselves and as the representatives of the initial purchasers of the Notes issued under this Indenture.

“*Purchase Money Obligation*” shall mean:

(1) mortgage financings, purchase money obligations or other Indebtedness (including Guarantees provided by the Issuer or any Restricted Subsidiary to Colombian regulatory authorities) incurred or assumed for the purpose of financing or Refinancing all or any part of the purchase price, lease, expense or cost of any property or asset (including capital assets), tangible or intangible used in any Related Business (including the documented cost of exploration, design, development, acquisition, construction (including capitalized interests), installation, improvement, transportation, integration and prepaid maintenance and all reasonable and documented related fees or expenses); or

(2) a Capitalized Lease Obligation.

“*QIB*” shall mean a “qualified institutional buyer” as such term is defined from time to time for purposes of Rule 144A.

“*Rating Agencies*” shall mean Fitch, Moody’s and S&P or, if any of Fitch, Moody’s or S&P shall not make a rating on the Notes publicly available, such other “nationally recognized statistical rating organization” (within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the Exchange Act) as the Issuer may select (as certified by a resolution of the Board of Directors of the Issuer) as a replacement agency for Fitch, Moody’s or S&P or each of them, as the case may be.

“*Rating Date*” means in connection with a Change of Control Triggering Event, that date which is sixty (60) days prior to the earlier of (i) the occurrence of a Change of Control or (ii) public notice of the occurrence of a Change of Control or of the intention by the Issuer or any other Person or Persons to effect a Change of Control.

“*Rating Reaffirmation*” means, in connection with a Change of Control, a written reaffirmation from each Rating Agency then rating the Notes stating that the credit rating on the Notes, which was in effect immediately prior to a public notice of such Change of Control or of

the intention of the Issuer or any Person to effect such Change of Control, will not be decreased as a result of such Change of Control.

“*Receivables*” shall mean all rights of the Issuer or any Restricted Subsidiaries to payments (whether constituting accounts, chattel paper, instruments, general intangibles or otherwise, and including the right to payment of any interest or finance charges), which rights are identified in the accounting records of the Issuer or such Restricted Subsidiary as accounts receivable.

“*Record Date*” shall mean, with respect to any payment of principal or interest on any Note, the fifteenth day prior to the due date for such payment (whether or not a Business Day).

“*Redemption Date*” shall have the meaning specified in Section 3.7.

“*Reference Treasury Dealer*” shall mean a primary U.S. government securities dealer in New York, New York, appointed by the Issuer.

“*Reference Treasury Dealer Quotations*” shall mean, with respect to each Reference Treasury Dealer and any Redemption Date, the average, as determined by the Independent Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing by the relevant Reference Treasury Dealer to the Issuer at 3:30 p.m., New York City, New York, time on the third Business Day preceding such Redemption Date.

“*Refinance*” shall mean, in respect of any Indebtedness, to refinance, extend, renew, refund, repay, replace, prepay, redeem, defease or retire, in whole or in part, or to issue other Indebtedness in exchange or replacement for, in whole or in part, such Indebtedness. “*Refinanced*” and “*Refinancing*” shall have correlative meanings.

“*Refinancing Indebtedness*” shall mean Indebtedness that is Incurred to Refinance any Indebtedness of the Issuer or any Restricted Subsidiary existing on the Closing Date or Incurred in compliance with this Indenture (including Indebtedness that Refinances Refinancing Indebtedness); *provided, however, that:*

(1) the Refinancing Indebtedness has a Stated Maturity no earlier than the Stated Maturity of the Indebtedness being Refinanced;

(2) the Refinancing Indebtedness has an Average Life at the time such Refinancing Indebtedness is Incurred that is equal to or greater than the then Average Life of the Indebtedness being Refinanced;

(3) such Refinancing Indebtedness is Incurred in an aggregate principal amount (or if issued with original issue discount, an aggregate issue price) that is equal to or less than the aggregate principal amount (or if issued with original issue discount, the aggregate accreted value) then outstanding of the Indebtedness being Refinanced *plus* the amount of accrued and unpaid interest thereon, any premium paid to the holders of the Indebtedness being Refinanced and reasonable expenses Incurred in connection therewith;

(4) if the Indebtedness being Refinanced is subordinated in right of payment to the Notes, such Refinancing Indebtedness is subordinated in right of payment to the Notes at least to the same extent as the Indebtedness being Refinanced; *provided further* that Refinancing Indebtedness shall not include Indebtedness of the Issuer or a Restricted Subsidiary that Refinances Indebtedness of an Unrestricted Subsidiary; and

(5) to the extent the Indebtedness being Refinanced is secured or guaranteed, the Refinancing Indebtedness should not have any security or Guarantee beyond the security or Guarantee of the Indebtedness being Refinanced.

“*Register*” shall have the meaning specified in Section 2.15(a).

“*Regulation S*” shall mean Regulation S under the Securities Act.

“*Regulation S Global Note*” shall have the meaning specified in Section 2.1(d).

“*Related Business*” shall mean any business related, ancillary or complementary to the businesses of the Issuer and its Restricted Subsidiaries on the Closing Date as described in the offering memorandum related to the Notes.

“*Relevant Resolution Authority*” means the resolution authority with the ability to exercise any Bail-in Powers in relation to the relevant BRRD Party.

“*Required Holders*” shall mean holders of not less than a majority of the aggregate principal amount of Outstanding Notes.

“*Responsible Officer*” shall mean, when used with respect to the Trustee, any officer within the corporate trust department of the Trustee, including any vice president, assistant vice president, assistant secretary, senior associate, associate, trust officer or any other officer of the Trustee who customarily performs functions similar to those performed by the Persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of such person’s knowledge of and familiarity with the particular subject and who shall have direct responsibility for the administration of this Indenture.

“*Restricted Global Note*” shall have the meaning given to it under Section 2.1(d).

“*Restricted Payments*” shall have the meaning specified in Section 4.1(h).

“*Restricted Subsidiary(ies)*” shall mean all Subsidiaries of the Issuer other than Unrestricted Subsidiaries.

“*Reversion Date*” shall have the meaning specified in Section 4.2.

“*Rule 144A*” shall mean Rule 144A under the Securities Act.

“*Sale and Lease Back Transaction*” shall mean any arrangement with any Person (other than the Issuer or a Restricted Subsidiary), or to which any such Person is a party, providing for the leasing to the Issuer or a Restricted Subsidiary for a period of more than three years of any

Property or assets that have been or are to be sold or transferred by the Issuer or such Restricted Subsidiary to such Person or to any other Person (other than the Issuer or a Restricted Subsidiary) to which funds have been or are to be advanced by such Person on the security of the leased Property or assets.

“S&P” shall mean S&P Global Ratings or any successor thereto.

“SEC” shall mean the United States Securities and Exchange Commission.

“Securities Act” shall mean the United States Securities Act of 1933, as amended.

“Security Registrar” shall mean The Bank of New York Mellon, together with any successors thereto.

“Senior Indebtedness” shall mean all unsubordinated Indebtedness of the Issuer, the Note Guarantors or of any Restricted Subsidiary, whether outstanding on the Closing Date or Incurred thereafter.

“SFC” shall mean the Colombian Financial Superintendency (*Superintendencia Financiera de Colombia*).

“Significant Subsidiary” shall mean a Restricted Subsidiary of the Issuer (i) whose assets as shown on the Consolidated balance sheet of the Issuer account for 15.0% or more of the Consolidated Net Tangible Assets, or (ii) which represents 15.0% or more of the Consolidated Adjusted EBITDA.

“Stated Maturity” shall mean, with respect to any Indebtedness, the date specified in such Indebtedness as the fixed date on which the final payment of principal of such Indebtedness is due and payable, including, with respect to any principal amount that is then due and payable pursuant to any mandatory redemption or prepayment provision, the date specified for the payment thereof (but excluding any provision providing for the repurchase or prepayment of such Indebtedness at the option of the holder thereof upon the happening of any contingency beyond the control of the obligor thereunder unless such contingency has occurred).

“Subordinated Obligation” shall mean Indebtedness of the Issuer or any Restricted Subsidiary (whether outstanding on the Closing Date or thereafter Incurred) (i) the terms of which provide that, (a) no principal amount in respect of such obligation will become due and payable until after all principal, interest, Additional Amounts and any other amounts owing with respect to the Notes have been paid in full, and (b) in the event that (A) an installment of interest with respect to such obligation is not paid on the applicable interest Payment Date or (B) the principal of (or premium, if any, on) any such obligations is not paid on the maturity date or other date set for redemption, then the failure to make such payment on such interest Payment Date, maturity date or other Redemption Date shall not be a default under such obligation until after all principal, interest, Additional Amounts and any other amounts owing with respect to the Notes have been paid in full and (ii) which the law of the jurisdiction of the debtor recognizes (whether in any reorganization or administrative takeover proceeding or otherwise) as being subordinated or junior in right of payment to the Notes.

“*Subsidiary*” shall mean, with respect to any Person (the “*parent*”) at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent’s consolidated financial statements if such financial statements were prepared in accordance with IFRS as of such date, as well as any other corporation, limited liability company, partnership, association or other entity (1) of which securities or other ownership interests representing more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held; or (2) that is, as of such date, otherwise controlled by the parent or one or more Subsidiaries of the parent, *provided*, that, notwithstanding the foregoing, neither Oleoducto Bicentenario de Colombia S.A.S. nor Oleoducto de los Llanos Orientales S.A. shall be deemed to be a Subsidiary unless the Issuer holds, directly or indirectly, securities or other ownership interests representing more than 50% of the ordinary voting power of such entity.

“*Subsidiary Guaranty*” shall mean the unconditional Guarantee, on a joint and several basis, of the full and prompt payment of all Obligations of the Issuer under this Indenture and the Notes, in accordance with the terms of this Indenture.

“*Successor*” shall have the meaning given to it in Section 4.3.

“*Suspended Covenants*” shall have the meaning specified in Section 4.2.

“*Suspension Date*” shall have the meaning specified in Section 4.2.

“*Suspension Period*” shall have the meaning specified in Section 4.2.

“*Swiss Guarantor*” shall have the meaning specified in Section 7.11.

“*Taxes*” shall mean any and all present or future taxes, duties, levies, imposts, charges, fees, deductions or withholdings, including any interest, additions to tax or penalties applicable thereto, now or hereafter imposed, levied, collected, withheld or assessed by any governmental authority of Canada, the Bahamas, Peru, Switzerland, the jurisdiction in which the relevant obligor is resident, organized, or carrying on business for tax purposes, or any jurisdiction from or through which payments are made in respect of the Notes, the Subsidiary Guarantees or otherwise under this Indenture or, in each case, any political subdivision thereof.

“*Temporary Cash Investments*” shall mean any of the following:

(1) Investments in direct obligations of the United States of America or any agency thereof or obligations Guaranteed by the United States of America or any agency thereof, or obligations of or Guaranteed by any foreign country (other than Colombia) recognized by the United States whose long term debt rating is rated “A-” (or such similar equivalent rating) or higher by at least one nationally recognized statistical rating organization (as defined in Rule 436 under the Securities Act);

(2) Investments in time deposit accounts, certificates of deposit and money market deposits maturing within 365 days of the date of acquisition thereof issued by a bank or trust company that is organized under the laws of the United States, any state

thereof or any foreign country recognized by the United States having capital, surplus and undivided profits aggregating in excess of U.S.\$50 million (or the foreign currency equivalent thereof) and a long term debt is rated “A” (or such similar equivalent rating) or higher by at least one nationally recognized statistical rating organization (as defined in Rule 436 under the Securities Act);

(3) Investments in repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (1) above entered into with a bank meeting the qualifications described in clause (2) above;

(4) Investments in commercial paper, maturing not more than 365 days after the date of acquisition, issued by a corporation (other than an Affiliate of the Issuer) organized and in existence under the laws of the United States or any foreign country recognized by the United States, in all events not excluding Colombia, with a rating at the time as of which any Investment therein is made of “P1” (or higher) according to Moody’s; “A1” (or higher) according to S&P; F1 (or higher) according to Fitch; or, in the case of Investments made in Colombia, rated at least “A” by Duff and Phelps de Colombia.

(5) Investments in securities with maturities of 365 days or less from the date of acquisition issued or fully Guaranteed by any state, commonwealth or territory of the United States of America, or by any political subdivision or taxing authority thereof, and rated at least “A” by S&P or “A” by Moody’s, or F3 (or higher) according to Fitch, in the case of Investments made in Colombia, rated at least “A” by Duff and Phelps de Colombia and “A” by BRC Investor Services; and

(6) (a) Investments in marketable direct obligations issued or unconditionally Guaranteed by Colombia, any agency or political subdivision thereof, or rated “BB+” or higher by a Colombian rating organization licensed by the SFC,

(b) Investments in time deposits or certificates of deposit of a Colombian bank or financial institution, the commercial paper or other short term unsecured debt obligations of which (or in the case of a bank or financial institution that is the principal Subsidiary of a holding company, the holding company) are rated “A” or higher by a Colombian rating organization licensed by SFC, and maturing within one year from the date of acquisition thereof by the Issuer or a Restricted Subsidiary,

(c) Investments in repurchase obligations with a term of not more than 60 days for underlying securities of the types described in clause (a) above entered into with a bank meeting the qualifications described in clause (b) above,

(d) Investments in securities issued by (or representing shares of) Colombian companies rated “A” or higher by a Colombian rating organization licensed by the SFC, or

- (e) Investments in certificates of deposit, time deposit accounts and money market accounts maturing not more than one year after the deposit of cash or acquisition thereof issued by (i) any of the largest ten banks (based on assets of the last December 31) organized under the laws of Colombia or (ii) so long as the outstanding amount of such Investments in any such bank does not exceed at any one time U.S.\$5 million (or the foreign currency equivalent thereof), any other bank organized under the laws of Colombia.

“*Transfer Agent*” shall have the meaning specified in Section 2.15(a).

“*Transaction Documents*” means the preliminary offering memorandum dated June 4, 2018, the Offering Memorandum, the Purchase Agreement, this Indenture and the Notes.

“*Treasury Rate*” shall mean, with respect to a Redemption Date, the rate per annum equal to the semi-annual equivalent yield-to-maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price. The Treasury Rate will be calculated by the Issuer on the third Business Day preceding the Redemption Date.

“*Trust Indenture Act*” shall mean the United States Trust Indenture Act of 1939, as amended.

“*Trustee*” shall have the meaning specified in the preamble hereto.

“*Upstream or Cross-Stream Obligations*” shall have the meaning specified in Section 7.11(a).

“*United States*” or “*U.S.*” shall mean the United States of America, its fifty states and the District of Columbia.

“*Unrestricted Subsidiary*” shall mean (1) Pacific Midstream Ltd., (2) Pacinfra Holding Ltd., (3) CGX Energy Inc., (4) any Subsidiary of the Issuer that at the time of determination shall be designated an Unrestricted Subsidiary by the Board of Directors of the Issuer, and (5) any Subsidiary of an Unrestricted Subsidiary.

Notwithstanding the foregoing, the Board of Directors of the Issuer may designate any Subsidiary of the Issuer (including any newly acquired or newly formed Subsidiary) as an “Unrestricted Subsidiary” under this Indenture (a “*Designation*”) only if:

- (a) no creditor of any such Unrestricted Subsidiary shall have recourse to the Issuer or any Restricted Subsidiary thereof;
- (b) no Default or Event of Default shall have occurred and be continuing at the time of or immediately after giving effect to such Designation;

- (c) such Subsidiary and its Subsidiaries own no Capital Stock or Indebtedness of, and hold no Lien on any property of, the Issuer or any other Restricted Subsidiary of the Issuer that is not a Subsidiary of the Subsidiary so Designated; and
- (d) the Subsidiary to be so Designated (i) has total consolidated assets of U.S.\$1,000 or less or (ii) the Issuer would be permitted under this Indenture to make an Investment under all applicable provisions described in Section 4.1(h) hereof at the time of Designation (assuming the effectiveness of such Designation).

In addition, the Issuer may revoke any Designation of a Subsidiary as an Unrestricted Subsidiary (a “*Revocation*”) if:

- (a) no Default or Event of Default shall have occurred and be continuing at the time of and after giving effect to such Revocation; and
- (b) all Liens and Indebtedness of such Unrestricted Subsidiary outstanding immediately following such Revocation would, if Incurred at such time, have been permitted to be Incurred for all purposes of this Indenture.

Notwithstanding the foregoing, upon closing of the purchase by Pacific Midstream Holding Corp. of certain capital stock of Pacific Midstream Ltd. pursuant to the PML Share Sale Agreement, Pacific Midstream Ltd. shall (i) be designated a Restricted Subsidiary without regard to the conditions set forth in the paragraph immediately above, and (ii) become a Note Guarantor in accordance with, and subject to the terms set forth in Section 7.9(c).

Any such Designation or Revocation shall be evidenced by prompt delivery to the Trustee of a copy of the resolution of the Board of Directors of the Issuer giving effect thereto accompanied by an Officers’ Certificate as to compliance with the foregoing provisions.

“*Value*” shall mean, with respect to a Sale and Lease Back Transaction, as of any particular time, the amount equal to the greater of (1) the net proceeds from the sale or transfer of the property leased pursuant to such Sale and Lease Back Transaction and (2) the fair value in the opinion of the Board of Directors of the Issuer or the relevant Restricted Subsidiary of such property at the time of entering into such Sale and Lease Back Transaction, in either case divided first by the number of full years of the original term of the lease and then multiplied by the number of full years of such term remaining at the time of determination, without regard to any renewal or extension options contained in the lease.

“*Voting Stock*” of a Person shall mean all classes of Capital Stock or other interests (including partnership interests) of such Person then outstanding and normally entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof.

“*Wholly-Owned Subsidiary*” means any entity of which 100% of the outstanding Capital Stock or other ownership interests (other than directors’ qualifying shares) of such entity shall at the time be owned, directly or indirectly, by another Person.

Section 1.2 *Rules of Construction.* (a) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms.

(b) The words “hereof,” “herein,” “hereunder” and similar words refer to this Indenture as a whole and not to any particular provisions of this Indenture and any subsection, Section, Article and Exhibit references are to this Indenture unless otherwise specified.

(c) The term “documents” includes any and all documents, instruments, agreements, certificates, indentures, notices and other writings, however evidenced (including electronically).

(d) The term “including” is not limiting and (except to the extent specifically provided otherwise) shall mean “including (without limitation).”

(e) Unless otherwise specified, in the computation of periods of time from a specified date to a later specified date, the word “from” shall mean “from and including,” the words “to” and “until” each shall mean “to but excluding,” and the word “through” shall mean “to and including.”

(f) The words “may” and “might” and similar terms used with respect to the taking of an action by any Person shall reflect that such action is optional and not required to be taken by such Person.

(g) Unless otherwise expressly provided herein: (i) references to agreements (including this Indenture) and other documents shall be deemed to include all subsequent amendments and other modifications thereto, but only to the extent that such amendments and other modifications are not prohibited by this Indenture, the Notes or any other Transaction Document and (ii) references to any Applicable Law are to be construed as including all statutory and regulatory provisions or rules consolidating, amending, replacing, supplementing, interpreting or implementing such Applicable Law.

(h) With respect to any monetary amount in a currency other than Dollars, such amount shall be deemed the Dollar equivalent thereof determined by the amount of Dollars obtained at the time of determination by converting the foreign currency involved in such computation into Dollars at the spot rate for the purchase of Dollars with the applicable foreign currency as quoted on the Reuters 3000 Xtra system (or its successor) at approximately 11:00 a.m. (New York time) on the date not more than two Business Days prior to such determination. For purposes of determining whether any Indebtedness can be incurred or any transaction with Affiliates or any Investment can be made or undertaken, the Dollar equivalent of such Indebtedness, transaction or Investment shall be determined on the date incurred, made or undertaken and no subsequent change in the computation of the Dollar equivalent thereof shall cause such transaction which may otherwise be incurred, made or undertaken to have been incurred, made or undertaken in violation of this Indenture.

(i) The term “will” shall be construed to have the same meaning and effect as the word “shall.”

(j) The term “or” is not exclusive.

ARTICLE II

ISSUE, EXECUTION AND AUTHENTICATION OF NOTES; RESTRICTIONS ON TRANSFER

Section 2.1 *Creation and Designation.* (a) There is hereby created a series of Notes to be issued pursuant to this Indenture and to be known as the “9.700% Senior Notes due 2023.” The Notes shall be issued in fully registered form, without interest coupons, with such applicable legends as are set forth in Section 2.7 and with such omissions, variations and insertions as are permitted by this Indenture. Each Note shall be substantially in the form attached hereto as Exhibit A. The Notes may have such letters, numbers or other marks of identification and such legends or endorsements printed or typewritten thereon as may be required to comply with any Applicable Law or to conform to general usage.

(b) The aggregate principal amount of the Notes that may be authenticated and delivered under this Indenture is unlimited.

(c) If any term or provision contained in the Notes shall conflict with or be inconsistent with any term or provision contained in this Indenture, then the terms and provisions of this Indenture shall govern with respect to the Notes.

(d) Restricted notes initially will be represented by one or more notes in registered, global form without interest coupons (collectively, the “*Restricted Global Notes*”). Regulation S notes initially will be represented by one or more notes in registered, global form without interest coupons (collectively, the “*Regulation S Global Notes*” and, together with the *Restricted Global Notes*, the “*Global Notes*”).

Section 2.2 *Execution and Authentication of Notes.* Upon the written order of the Issuer directing the Trustee to authenticate and deliver the Notes and delivery by the Issuer of sufficient executed Notes, the Trustee shall duly authenticate and deliver the Notes in authorized denominations.

Section 2.3 *Initial Form of Notes.* (a) The Notes, upon original issuance, shall be issued in the form of typewritten or printed Global Notes registered in the name of DTC or its nominee, and (other than DTC or its nominee) no Holder investing in the Notes shall receive a definitive note representing such Holder’s interest in the Notes except to the extent that definitive, fully registered, non-global Notes (“*Definitive Notes*”) have been issued in accordance with Section 2.8. Unless and until Definitive Notes are so issued in exchange for such Global Notes, DTC will make book entry transfers among the DTC Participants and receive and transmit distributions of principal and interest on such Global Notes to the DTC Participants.

(b) Neither any members of, nor participants in, DTC (the “*DTC Participants*”) nor any other Persons on whose behalf DTC Participants may act (including

Euroclear and Clearstream and accountholders and participants therein) shall have any rights under this Indenture with respect to any Global Note, and DTC or its nominee, as the case may be, may be treated by the Issuer, the Trustee and any agent thereof (including any Authorized Agent) as the absolute owner and Holder of such Global Note for all purposes whatsoever. Unless and until Definitive Notes are issued in exchange for such Global Notes pursuant to Section 2.8: (i) the Issuer, the Trustee and any agent thereof (including any Authorized Agent) may deal with DTC and its nominee for all purposes (including the making of distributions on the Global Notes) as the authorized representatives of the Persons holding beneficial interests in such Global Notes and (ii) the rights of such beneficial owners shall be exercised only through DTC and its nominee and shall be limited to those established by Applicable Law and agreements among such DTC Participants, DTC and such nominee. Notwithstanding the foregoing, nothing herein shall prevent the Issuer or the Trustee from giving effect to any written certification, proxy or other authorization furnished by DTC or such nominee or impair, as between DTC, the DTC Participants and any other Persons on whose behalf a DTC Participant may act, the operation of the customary practices of such Persons governing the exercise of the rights of a Holder.

(c) The aggregate principal balance of the Regulation S Global Note may from time to time be increased or decreased by adjustments made on the records of the Trustee, as custodian for DTC, in connection with a corresponding decrease or increase in the aggregate principal balance of the Restricted Global Note, as provided in Section 2.6.

(d) The aggregate principal balance of the Restricted Global Note may from time to time be increased or decreased by adjustments made on the records of the Trustee, as custodian for DTC, in connection with a corresponding decrease or increase in the aggregate principal balance of the Regulation S Global Note, as provided in Section 2.6.

(e) Neither the Trustee nor any agent of the Issuer or the Trustee (including any Authorized Agent) shall have any responsibility or obligation to any DTC Participant or any other Person with respect to the accuracy of the records of DTC (or its nominee) or of any DTC Participant or any other Person, with respect to any ownership interest in the Notes or with respect to the delivery of any notice (including any notice of redemption) or the payment of any amount or delivery of any Notes (or other security or Property) under or with respect to the Notes. The Trustee and any agent of the Issuer or the Trustee (including any Authorized Agent) may rely (and shall be fully protected in relying) upon information furnished by DTC with respect to the DTC Participants and any beneficial owners of the Notes.

Section 2.4 *Execution of Notes.* Each Note shall be executed on behalf of the Issuer by one of its Authorized Officer(s). Such signature may be the manual or facsimile signature of such Authorized Officer(s). With the delivery of this Indenture, the Issuer is furnishing, and from time to time hereafter may (and, at the request of the Trustee, shall) furnish, an Officers' Certificate identifying and certifying the incumbency and specimen signatures of its Authorized Officers. Until the Trustee receives a subsequent Officers' Certificate updating such list, the Trustee shall be entitled to rely conclusively upon the last such Officers' Certificate delivered to it for purposes of determining the Issuer's Authorized Officers. Typographical and other minor errors or defects in any signature shall not affect the validity or enforceability of any Note that has been duly executed by the Issuer and authenticated and delivered by the Trustee.

In case any Authorized Officer of the Issuer who shall have signed any Note shall cease to be an Authorized Officer of the Issuer before the Note so signed shall be authenticated and delivered by the Trustee or disposed of by or on behalf of the Issuer, such Note nevertheless may be authenticated and delivered or disposed of as if the Person who signed such Note on behalf of the Issuer had not ceased to be such Authorized Officer. Any Note signed on behalf of the Issuer by a Person who, as at the actual date of his/her execution of such Note, is an Authorized Officer of the Issuer, shall be a valid and binding obligation of the Issuer notwithstanding that at the date hereof any such Person is not an Authorized Officer of the Issuer.

Section 2.5 *Certificate of Authentication.* The form of the Trustee's certificate of authentication to be borne by the Notes shall be substantially as follows:

FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION

Dated: ____, ____

This is one of the Notes referred to in the within-mentioned Indenture

THE BANK OF NEW YORK MELLON, as Trustee

By: _____
Authorized Signatory

Only such Notes as shall bear the Trustee's certificate of authentication and are executed by the Trustee by manual signature of one or more of its authorized signatories shall be entitled to the benefits of this Indenture or be valid or obligatory for any purpose. Such certification by the Trustee upon any Note executed by or on behalf of the Issuer shall be conclusive evidence that such Note has been duly authenticated and delivered hereunder. Each Note shall be dated the date of its authentication.

Section 2.6 *Restrictions on Transfer of Global Notes.* Notwithstanding any other provisions hereof to the contrary:

(a) Except as provided in Section 2.8, a Global Note may not be transferred, in whole or in part, to any Person other than DTC or a nominee thereof, and no such transfer to any such other Person may be registered (any such transfer being null and void ab initio); *provided*, that this Section 2.6(a) shall not prohibit any transfer of a beneficial interest in a Global Note effected in accordance with the other provisions of this Section. Any transfer of a Global Note (or beneficial interests therein) shall be in the authorized denominations set forth in Section 2.1(d).

(b) If the owner of a beneficial interest in the Restricted Global Note wishes at any time to exchange its beneficial interest therein for a beneficial interest in the Regulation S Global Note, or to transfer such beneficial interest to a Person who wishes to take delivery

thereof in the form of a beneficial interest in the Regulation S Global Note, then such exchange or transfer may be effected, subject to the applicable rules and procedures of DTC, Euroclear and Clearstream (the “*Applicable Procedures*”) and minimum denomination requirements, only in accordance with this Section 2.6(b). Upon receipt by the Trustee at its Corporate Trust Office of: (i) written instructions given in accordance with the Applicable Procedures from a DTC Participant directing the Trustee to credit or cause to be credited to a specified DTC Participant’s account a beneficial interest in the Regulation S Global Note in a principal balance equal to that of the beneficial interest in the Restricted Global Note to be so exchanged or transferred, (ii) a written order given in accordance with the Applicable Procedures containing information regarding the account of the DTC Participant (and the Euroclear or Clearstream account, as the case may be) to be credited with, and the account of the DTC Participant to be debited for, such beneficial interest and (iii) a certificate in substantially the form of Exhibit B given by the holder of such beneficial interest in the Restricted Global Note, the Trustee shall instruct DTC to reduce the balance of the Restricted Global Note, and to increase the balance of the Regulation S Global Note, by the amount of the beneficial interest in the Restricted Global Note to be so exchanged or transferred, and to credit or cause to be credited to the account of the DTC Participant (which may be the DTC Participant for Euroclear or Clearstream or both, as the case may be) for the benefit of such Person specified in such instructions a beneficial interest in the Regulation S Global Note having a principal balance equal to the amount by which the balance of the Restricted Global Note was reduced upon such exchange or transfer.

(c) If the owner of a beneficial interest in the Regulation S Global Note wishes at any time to exchange its beneficial interest therein for a beneficial interest in the Restricted Global Note, or to transfer such beneficial interest to a Person who wishes to take delivery thereof in the form of a beneficial interest in the Restricted Global Note, then such exchange or transfer may be effected, subject to the Applicable Procedures and minimum denomination requirement, only in accordance with this Section 2.6(c). Upon receipt by the Trustee at its Corporate Trust Office of: (i) written instructions given in accordance with the Applicable Procedures from a DTC Participant directing the Trustee to credit or cause to be credited to a specified DTC Participant’s account a beneficial interest in the Restricted Global Note in a principal balance equal to that of the beneficial interest in the Regulation S Global Note to be so exchanged or transferred, (ii) a written order given in accordance with the Applicable Procedures containing information regarding the account of the DTC Participant (and, if applicable, the Euroclear or Clearstream account, as the case may be) to be debited with, and the account of the DTC Participant to be credited for, such beneficial interest and (iii) a certificate in substantially the form set forth in Exhibit C given by the holder of such beneficial interest in the Regulation S Global Note, the Trustee shall instruct DTC to reduce the balance of the Regulation S Global Note and to increase the balance of the Restricted Global Note, by the principal balance of the beneficial interest in the Regulation S Global Note to be so exchanged or transferred, and to credit or cause to be credited to the account of the DTC Participant for the benefit of such Person specified in such instructions a beneficial interest in the Restricted Global Note having a principal balance equal to the amount by which the balance of the Regulation S Global Note was reduced upon such exchange or transfer.

(d) If a Global Note or any portion thereof (or beneficial interest therein) is exchanged for a Definitive Note pursuant to Section 2.8, then such Definitive Note may in turn be exchanged (upon transfer or otherwise) for other Definitive Notes only in accordance with

such procedures, which shall be substantially consistent with the provisions of this Section (including any certification requirement intended to ensure that transfers and exchanges of Definitive Notes comply with Rule 144A or Regulation S, as the case may be) and any Applicable Laws, as may be adopted from time to time by the Issuer.

(e) So long as the Notes are listed on the Euro MTF Market of the Luxembourg Stock Exchange and the rules of such exchange so require, transfers or exchange of Definitive Notes may be made by presenting and surrendering such Notes at, and obtaining new Definitive Notes from, the office of the Luxembourg Paying Agent. With respect to a partial transfer of a Definitive Note, a new Definitive Note in respect of the balance of the principal amount of the Definitive Note that was not transferred will be delivered at the office of the Luxembourg Paying Agent.

Section 2.7 *Restrictive Legends.* (a) Global Notes shall bear restrictive legends in substantially the form set forth in Exhibit A hereof. Definitive Notes shall be in substantially the form set forth in Exhibit A hereof excluding the Global Notes Legend set forth thereon.

(b) The required legends set forth on Exhibit A may be removed from a Global Note if there is delivered to the Issuer and the Trustee such evidence satisfactory to the Issuer, which shall include an Opinion of Counsel, as may reasonably be required by the Issuer that neither such legend nor the restrictions on transfer set forth therein are required to ensure that transfers of such Note (or beneficial interests therein) will not violate the registration requirements of the Securities Act. Upon provision of such evidence satisfactory to the Issuer, the Trustee, at the written direction of the Issuer, shall authenticate and deliver in exchange for such Note a Note (or Notes) having an equal aggregate principal balance that does not bear such legend. If such a legend required for a Note has been removed as provided above, then no other Note issued in exchange for all or any part of such Note shall bear such legend unless the Issuer has reasonable cause to believe that such other Note is a “restricted security” within the meaning of Rule 144 under the Securities Act and instructs the Trustee to cause a legend to appear thereon.

(c) The Trustee shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Indenture or Applicable Law with respect to any transfer of any interest in any Note (including any transfers between or among DTC Participants or owners of beneficial interests in any Note) other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by, this Indenture, and to examine the same to determine material compliance as to form with the express requirements hereof.

(d) Neither the Trustee nor any Authorized Agent shall have any responsibility for any actions taken or not taken by DTC.

Section 2.8 *Issuance of Definitive Notes.* If (a) DTC notifies the Trustee in writing that it is unwilling or unable to continue as the depository for a Global Note, or that it ceases to be a “clearing agency” registered under the Exchange Act and (b) the Issuer is unable to locate a qualified successor depository within 90 days of such notice, then the Trustee shall notify all applicable Holders, through DTC, of the occurrence of any such event and of the availability of Definitive Notes to beneficial owners. Upon the giving of such notice and the surrender of the

Global Notes by DTC, accompanied by registration instructions, the Trustee shall deliver Definitive Notes (which shall be in definitive, fully registered, non global form without interest coupons) for the Global Notes. If Definitive Notes are to be issued in accordance with this Section 2.8, then the Issuer shall promptly make available to the Trustee a reasonable supply of Definitive Notes. Unless counsel to the Issuer determines otherwise in accordance with Applicable Law and the procedures set forth in Section 2.7(b), any such Definitive Notes shall bear the appropriate transfer-restriction legends.

Until Definitive Notes are ready for delivery, the Issuer may prepare and, upon receipt of written instructions by the Issuer, the Trustee shall authenticate temporary Notes. Temporary Notes shall be substantially in the form of Definitive Notes but may have variations that the Issuer considers appropriate for temporary Notes. Without unreasonable delay, the Issuer shall prepare and, upon receipt of written instructions by the Issuer, the Trustee shall authenticate Definitive Notes and deliver them in exchange for temporary Notes. Until so exchanged, the Holders of temporary Notes shall have all of the rights and obligations under this Indenture as Holders of Definitive Notes.

Section 2.9 *Persons Deemed Owners.* Before due presentation of a Note for registration of transfer, the Trustee and any Authorized Agent or other agent of the Issuer or the Trustee shall treat the Person in whose name any Note is registered as the owner of such Note for the purpose of receiving distributions and for all other purposes whatsoever, and neither the Trustee nor any Authorized Agent or other such agent of the Issuer or the Trustee shall be affected by any notice to the contrary.

Section 2.10 *Payment of Notes.* (a) On or prior to 11:00 a.m., New York City time, on the Business Day prior to any Payment Date and/or Maturity Date the Issuer will deposit or cause to be deposited with the Paying Agent in the Borough of Manhattan, the City of New York, in immediately available funds, a sum in Dollars sufficient to pay the principal of, and interest (and premium and Additional Amounts, if any) due on each Note on such Payment Date and/or Maturity Date.

(b) Principal of, and interest (and premium and Additional Amounts, if any) on, the Notes will be considered paid on the date due if the Paying Agent holds, as of 11:00 a.m., New York City time on the due date, money deposited by or on behalf of the Issuer in immediately available funds in Dollars and designated for and sufficient to pay all principal of, and interest (and premium and Additional Amounts, if any) on the Notes then due. The Paying Agent will return to the Issuer upon written request therefore from the Issuer, no later than two Business Days following the date of receipt of such written request, the amount of any payment in excess of the total amount required to be paid on all of the Outstanding Notes.

(c) Each Note shall bear interest at a rate of 9.700% per annum from the issue date of such Note or from the most recent Payment Date to which interest has been paid, as the case may be, payable semi-annually in arrears on each Payment Date commencing on December 25, 2018 until the principal thereof is paid or duly provided for. All interest shall be computed on the basis of a 360-day year of twelve 30-day months and will be payable to the Holders of record on the close of business on the 15th calendar day immediately preceding the corresponding Payment Date, *provided*, that whenever any interest is calculated on the basis of a

period of time other than a calendar year, the annual rate of interest to which each rate of interest determined pursuant to such calculation is equivalent for the purposes of the *Interest Act* (Canada) is such rate as so determined multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by the number of days used in the basis for such determination. The Issuer shall notify the Trustee in writing whenever any interest is calculated on the basis of a period of time other than a calendar year. The principal amount of the Notes will be repaid on the Maturity Date. Payments due on a date other than a Business Day shall be made on the next succeeding Business Day and such extension of time shall not be included in computing interest and fees in connection with that payment.

(d) The Issuer will pay interest (including post-petition interest in any proceeding under any Bankruptcy Law to the extent that such interest is an allowed claim enforceable against the debtor under any Bankruptcy Law) on overdue principal and premium, if any, at a rate equal to 1.00% per annum in excess of the interest rate on the Notes, and to the extent lawful, it will pay interest (including post-petition interest in any proceeding under any Bankruptcy Law to the extent that such interest is an allowed claim against the debtor under such Bankruptcy Law) on overdue installments of interest (without regard to any applicable grace period) from time to time on demand at the same rate. The Issuer will pay to the Holders such defaulted interest in any lawful manner on a special record date. The Issuer will notify the Trustee in writing of the amount of defaulted interest proposed to be paid on each Note and the date of the proposed payment. The Trustee will fix or cause to be fixed each such special record date and payment date, *provided, however*, that no such special record date will be less than 10 days prior to the related payment date for such defaulted interest. At least 10 days before the special record date, the Issuer will mail or cause to be mailed to Holders a notice that states the special record date, the related payment date and the amount of such defaulted interest to be paid.

(e) Except as specified in Section 2.10(f), payments of all amounts that become due and payable in respect of any Note shall be made by the Paying Agent without surrender or presentation of such Note to the Paying Agent. The Paying Agent shall have no responsibility regarding notations of payment on a Note and shall be responsible only for maintaining its records in accordance with this Indenture. Absent manifest error, the records of the Paying Agent shall be controlling as to payments in respect of the Notes.

(f) Notwithstanding Section 2.10(b), payment of principal of any Note shall be made only against surrender of such Note at the Corporate Trust Office of the Trustee (or such other location as the Trustee shall notify the applicable Holder).

(g) Payments to Holders shall be by electronic funds transfer in immediately available funds to an account maintained by such Holder with a bank having electronic funds transfer capability upon written application to the Trustee (received by the Trustee not later than the relevant Record Date) by a Holder holding Notes; *provided, however*, that the final payment in respect of any Note shall be made only as provided in Section 2.10(f). Unless such designation for payment by electronic funds transfer is revoked in writing, any such designation made by such Holder shall remain in effect with respect to any future payments to such Holder.

(h) So long as the Notes are listed on the Euro MTF Market of the Luxembourg Stock Exchange and the rules of such exchange so require, payments of principal

on Definitive Notes may be made by presenting and surrendering such Notes at the office of the Luxembourg Paying Agent.

Section 2.11 *Additional Notes.* Subject to the limitations set forth under Section 4.1(f), the Issuer may, without the consent of any Holder, Incur additional Indebtedness. At the Issuer's option, this additional Indebtedness may consist of additional Notes ("*Additional Notes*") issued pursuant to this Indenture in one or more transactions, which have identical terms (other than issue price, issue date and date from which interest will accrue and, to the extent necessary, certain temporary securities law transfer restrictions) as the Notes issued on the Closing Date. Any such Additional Notes will be issued under a separate CUSIP unless either (i) such Additional Notes are part of the same "issue" within the meaning of United States Treasury Regulation Section 1.1275-1(f) or Treasury Regulation Section 1.1275-2(k) or (ii) neither the Notes nor such Additional Notes are issued with more than de minimis original issue discount for U.S. federal income tax purposes. The Notes offered hereby and any Additional Notes will be treated as a single class for all purposes under this Indenture and will vote together as one class on all matters with respect to the Notes.

Section 2.12 *Additional Amounts.* All payments to be made in respect of the Notes and the Subsidiary Guarantees shall be made free and clear of, and without deduction or withholding for or on account of, any Taxes, except to the extent such Taxes are imposed by Applicable Law. In the event that any Taxes are required by Applicable Law to be deducted or withheld from any payment required to be made in respect of the Notes, the Subsidiary Guarantees or otherwise under this Indenture, then the amount of such payment shall be increased by an amount ("*Additional Amounts*") as may be necessary such that the amount actually received by the Holder or beneficial owner in respect of such payment, after withholding or deduction for or on account of such Taxes, is an amount equal to the amount that would have been received by the Holder or beneficial owner in respect of such payment had no such Taxes (including any Taxes payable in respect of such Additional Amounts) been required to be so deducted or withheld. Furthermore, the amount of any Taxes required to be withheld or deducted from any payment made in respect of the Notes, the Subsidiary Guarantees or otherwise under this Indenture shall be withheld or deducted from such payment and paid to the taxing authority imposing such Taxes in accordance with Applicable Law. Together with every payment made under this Indenture requiring the withholding of any Taxes, the Issuer shall furnish to the Trustee a statement of the withholding being made, if any, in the form of a debit notice on account of tax withholding or other similar document which evidences that the withholding was duly made. As promptly as practicable thereafter, the Issuer shall provide the Trustee documentation evidencing payment of Taxes in respect of which the Issuer has paid any Additional Amounts. Copies of such documentation shall be made available to the Holders or any Paying Agent upon request.

Notwithstanding the preceding sentences, no such Additional Amounts will be payable in respect of:

- (1) any Taxes assessed or imposed by reason of: (i) any present or former connection between the Holder or beneficial owner of such payment and Bahamas, Canada, Peru, Switzerland, any other jurisdiction assessing or imposing such Taxes, or in each case any province or any political subdivision thereof (each such jurisdiction, province or political subdivision, a "*Relevant Taxing Jurisdiction*"), including the Holder

or beneficial owner (x) having a permanent establishment in the Relevant Taxing Jurisdiction, (y) being organized under the laws of the Relevant Taxing Jurisdiction, (y) being an actual or deemed resident of the Relevant Taxing Jurisdiction (other than solely as a result of the acquisition, ownership or disposition of a Note or a beneficial interest therein, the enforcement of rights under a Note or any Subsidiary Guarantee or the receipt of any payment in respect thereof under a Note or any Subsidiary Guarantee);

(2) any Canadian withholding Tax assessed or imposed in respect of a payment to a Holder or a Person who is beneficially entitled to a payment made under this Indenture who does not deal at arm's length (for the purposes of the Income Tax Act (Canada)) with the payer of such payment;

(3) any estate, inheritance, gift, personal property, sales, use, excise, transfer or other similar Tax imposed with respect to such payment;

(4) any Taxes that would not have been imposed but for the failure of the Holder or beneficial owner of such payment to timely comply with any certification, identification, information, documentation or other reporting requirement to the extent (a) such compliance is required by Applicable Law or an applicable treaty as a precondition to exemption from, or reduction in the rate of deduction or withholding of, such Taxes and (b) at least 30 days before the first Payment Date with respect to which the obligor with respect to a payment shall apply this clause (3), such obligor shall have notified the Holder or beneficial owner, as applicable, in writing that it will be required to comply with such requirement;

(5) any Taxes required to be withheld or deducted pursuant to laws enacted by Switzerland providing for the taxation of payments according to principles similar to those laid down in the draft legislation proposed by the Swiss Federal Council on December 17, 2014, in particular, the principle to have a Person other than the Issuer or a Note Guarantor withhold or deduct tax;

(6) any Taxes required to be withheld by any paying agent from any payment, if such Tax results from the presentation of such Note for payment (where presentation is required) and the payment can be made in a commercially reasonable manner without such withholding by the presentation of such Note to any other paying agent with respect to the Notes;

(7) any Note presented for payment (where presentation is required) more than 30 days after the relevant payment is first made available for payment to the Holder (except to the extent that the Holder would have been entitled to Additional Amounts had the Note been presented during such 30-day period);

(8) any Taxes that are not payable by withholding or deduction;

(9) any Tax imposed by Sections 1471 through 1474 of the Internal Revenue Code of 1986, as amended ("FATCA"), any current or future Treasury Regulations or rulings promulgated thereafter, any law, regulation or other official guidance in any

jurisdiction implementing FATCA, any intergovernmental agreement between the United States and any other jurisdiction to implement FATCA, or any agreement with the Internal Revenue Service under FATCA;

(10) any Canadian withholding Taxes assessed or imposed by reason of the Holder or beneficial owner of such payment being a “specified shareholder” as defined in subsection 18(5) of the Income Tax Act (Canada) of the payer of such payment or not dealing at arm’s length (for purposes of the Income Tax Act (Canada)) with a “specified shareholder” of the payer of such payment; or

(11) any combination of the circumstances described in clauses (1) through (10), nor will any Additional Amounts be paid with respect to any payment to a Holder on behalf of a beneficial owner who is a fiduciary or partnership or any Person other than the sole beneficial owner of such payment to the extent that a beneficiary or settlor with respect to such fiduciary or a member of such partnership or a beneficial owner would not have been entitled to the Additional Amounts had such beneficiary, settlor, member or beneficial owner been in the place of such Holder.

In addition, the Issuer shall pay any and all Other Taxes imposed by any relevant taxing authority imposing such Other Taxes in accordance with Applicable Law.

Where Tax is payable pursuant to Section 803 of the regulations under the Income Tax Act (Canada) by a Holder or beneficial owner of the Notes in respect of any amount payable under the Notes or the Subsidiary Guarantees to the Holder (other than by reason of a transfer of the Notes to a Person resident in Canada with whom the transferor does not deal at arm’s length for the purposes of the Income Tax Act (Canada)), but no Additional Amount is paid in respect of such Tax, the Issuer will pay to the Holder an amount equal to such Tax within 45 days after receiving from the Holder a notice containing reasonable particulars of the Tax so payable.

The Issuer will provide the Trustee, upon its written request, with documentation evidencing the payment of Taxes in respect of which the Issuer has paid any Additional Amounts. Copies of such documentation will be made available to the applicable recipients upon written request therefor to the Trustee.

The obligation of the Issuer to pay Additional Amounts will survive the repayment of the Notes and the sale or transfer of the Notes (or beneficial interests therein) by any investor.

For purposes of the provisions described in this Section 2.12, the term “*applicable recipient*” means the direct nominee of any beneficial owner of the relevant Note, which holds such beneficial owner’s interest in such Note.

In the event there after the Closing Date there has been any change with respect to any Taxes required by Applicable Law to be deducted or withheld from any payment required to be made in respect of the Notes or otherwise under this Indenture causing a change in the Additional Amounts payable, at least thirty (30) days prior to the first date of payment of interest on the Notes and at least thirty (30) days prior to each date, if any, of payment of principal or interest thereafter the Issuer shall furnish the Trustee and each Paying Agent with an Officers’

Certificate (but only if there has been any change with respect to the matters set forth in any previously delivered Officers' Certificate) instructing the Trustee and such Paying Agent as to whether such payment of principal of or any interest on such Notes shall be made without deduction or withholding for or on account of any tax, duty, assessment or other governmental charge. If any such deduction or withholding shall be required then such certificate shall specify the amount, if any, required to be deducted or withheld on such payment to the relevant recipient, and the Issuer shall pay or cause to be paid to the Trustee or such Paying Agent Additional Amounts, if any, required by this Section 2.12. The Issuer agrees to indemnify the Trustee and each Paying Agent for, and to hold them harmless against, any loss, liability or expense (including attorneys' fees) reasonably incurred without gross negligence or willful misconduct on their part arising out of or in connection with actions taken or omitted by it in reliance on any Officers' Certificate furnished pursuant to this Section 2.12.

Whenever in this Indenture there is mentioned, in any context, the payment of principal, premium, if any, interest or any other amount payable under or with respect to any Note, such mention shall be deemed to include mention of the payment of Additional Amounts provided for in this Section 2.12, to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof pursuant to the provisions of this Section 2.12 and express mention of the payment of Additional Amounts in any provisions hereof shall not be construed as excluding Additional Amounts in those provisions hereof where such express mention is not made.

Section 2.13 *Mutilated, Destroyed, Lost or Stolen Notes.* In case any Note shall become mutilated, defaced, destroyed, lost or stolen, the Issuer will execute and the Trustee will, upon written direction by the Issuer, authenticate, register and deliver a new definitive Note of like tenor (including the same date of issuance) and equal principal amount registered in the same manner, dated the date of its authentication and bearing interest from the date to which interest has been paid on such Note, in exchange and substitution for such Note (upon surrender and cancellation thereof in the case of mutilated or defaced notes) or in lieu of and in substitution for such Note. In case a Note is destroyed, lost or stolen, the applicant for a substitute Note shall furnish the Issuer and the Trustee (a) such security and indemnity as may be required by them to save each of them harmless and (b) satisfactory evidence of the destruction, loss or theft of such Note and of the ownership thereof. Upon the issuance of any substituted Note, the Trustee may require the payment by the registered Holder thereof of a sum sufficient to cover any Tax or other governmental charge that may be imposed in relation thereto and any fees and expenses (including those of the Trustee) connected therewith. With respect to mutilated, defaced, destroyed, lost or stolen definitive Notes, a Holder thereof may obtain new definitive registered Notes from the office of the Transfer Agent.

Notwithstanding any statement herein, the Issuer reserves the right to impose such transfer, certificate, exchange or other requirements, and to require such restrictive legends on Notes, as it may determine are necessary to ensure compliance with the securities laws of the United States and the states therein and any other Applicable Laws.

Section 2.14 *Cancellation.* (a) All Notes surrendered for payment, exchange or redemption, or deemed lost or stolen, shall, if surrendered to any Person other than the Trustee, be delivered to the Trustee by such Person and shall be promptly canceled by the Trustee (or, if

lost or stolen and not yet replaced pursuant to Section 2.13, delivered to the applicable Holder). No Note shall be authenticated in lieu of or in exchange for any Note canceled as provided in this Section except as expressly permitted by this Indenture. All canceled Notes held by the Trustee shall be disposed of or held by it in accordance with its standard retention policy.

(b) Any Note(s) (or beneficial interests therein) that are acquired by the Issuer may be canceled upon the election of the Issuer to do so, *provided, however*, that no cancellation may be made between a Record Date and the next Payment Date. In order to effect such cancellation, the Issuer shall send to the Trustee a written notice that it owns such Note(s) (or beneficial interest(s)) and wishes to have the indicated principal amount thereof cancelled (which ownership the Issuer shall evidence to the satisfaction of the Trustee). Upon receipt of any such notice and satisfactory evidence, the Issuer hereby instructs the Trustee promptly to cause such principal amount to be cancelled (including, if applicable, to notify any applicable securities depository). Upon any such cancellation, the remaining unpaid principal amount of the Notes shall be reduced to take into effect such cancellation and the calculation of interest (and other calculations under this Indenture) shall take into effect such cancellation.

Section 2.15 *Registration of Transfer and Exchange of Notes.* (a) The Issuer hereby initially appoints the Security Registrar as transfer agent for the Notes. The Security Registrar shall register Notes and transfers and exchanges thereof as provided herein. The Security Registrar and each transfer agent and co-security registrar (if any) appointed with respect to the Notes shall be referred to collectively as the “*Transfer Agent*.” The Security Registrar shall cause to be kept at the office or agency to be maintained by it in accordance with Section 7.11 a register (the “*Register*”) in which, subject to restrictions on transfer set forth herein, and such other reasonable regulations as it may prescribe, the Security Registrar shall provide for: (i) the registration of the Notes and (ii) the registration of transfers and exchanges of the Notes as provided herein. The Trustee shall preserve, in as current a form as is reasonably practicable, the names and addresses of Holders received by the Trustee.

(b) Upon surrender for registration of transfer of any Note at the Corporate Trust Office or such other office or agency maintained by the Trustee in accordance with Section 7.11, the Trustee shall authenticate and deliver, in the name of the designated transferee (and, if the transfer is for less than all of the applicable Note, the transferor), one or more new Note(s) executed by the Issuer in authorized denominations of a like aggregate principal balance and deliver such new Note(s) to the applicable Holder(s).

(c) Every Note presented or surrendered for registration of transfer or exchange shall be duly endorsed or accompanied by a written instrument of transfer in form reasonably satisfactory to the Trustee (or the applicable Transfer Agent) duly executed by the applicable Holder or its attorney duly authorized in writing.

(d) No service charge shall be charged to a Holder for any registration of transfer or exchange of Notes, but the Trustee may require payment of a sum sufficient to cover any Tax or other governmental charge payable in connection therewith.

(e) All Notes surrendered for registration of transfer or exchange shall be canceled and subsequently destroyed or retained by the Trustee in accordance with its standard retention policy.

In addition to the other provisions herein, the Issuer reserves the right to impose such transfer, certificate, exchange or other requirements, and to require such restrictive legends on a Note, as it may determine are necessary to ensure compliance with the securities laws of the United States and the states thereof and any other Applicable Laws.

ARTICLE III REDEMPTION OF NOTES

Section 3.1 *Applicability of Article.* Notes that are redeemable before the Maturity Date shall be redeemable in accordance with their terms and in accordance with this Article III.

Section 3.2 *Election to Redeem.* The election of the Issuer to redeem any Notes shall be authorized by a Board of Directors' resolution of the Issuer and evidenced by an Officers' Certificate. In the case of any redemption of Notes prior to the expiration of any restriction on such redemption provided in the terms of such Notes or elsewhere in this Indenture, or pursuant to an election by the Issuer which is subject to a condition specified in the terms of such Notes or elsewhere in this Indenture, the Issuer shall furnish the Trustee with an Officers' Certificate evidencing compliance with such restriction or condition.

Section 3.3 *Optional Redemption.*

(a) Prior to June 25, 2021, the Issuer will have the right, at its option, to redeem any of the Notes, in whole or in part, at any time and from time to time, at a redemption price equal to the greater of (1) 101% of the then outstanding principal amount of such Notes and (2) the present value to be calculated by an Independent Investment Banker at such Redemption Date of (i) the redemption price of such Notes at June 25, 2021 (such redemption price being set forth in the table below) plus (ii) all required interest payments thereon through June 25, 2021 on such Notes (excluding accrued but unpaid interest to the Redemption Date), in each case, discounted to the Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 50 basis points, plus in each case any accrued and unpaid interest on the principal amount of such Notes to, but excluding, the date of redemption, and Additional Amounts, if any; *provided, however*, that if the Notes are redeemed in part only, Notes in an amount of at least U.S.\$100 million shall remain Outstanding after any such partial redemption. Notice of such redemption to each Holder of Notes must be sent and published in accordance with the provisions set out under Section 3.7 not less than 30 days and not more than 60 days prior to the Redemption Date.

(b) The Notes will be subject to redemption at the option of the Issuer, in whole or in part, during the 12-month periods beginning on June 25 of the years indicated below upon not less than 30 and not more than 60 days' notice prior to the Redemption Date given as provided herein under Section 3.7 for a redemption price (expressed as percentages of principal amount) set forth below plus accrued but unpaid interest, if any, to the applicable Redemption Date and any Additional Amounts in respect thereto; *provided, however*, that if the Notes are

redeemed in part only, Notes in an amount of at least U.S.\$100 million shall remain Outstanding after any such partial redemption.

Year	Percentage
2021	104.850%
2022	102.425%
At Maturity (June 25, 2023)	100.0000%

(c) At any time, or from time to time, prior to June 25, 2021, the Issuer may, at its option, use an amount not to exceed the Net Cash Proceeds of one or more Equity Offerings to redeem up to 35% of the aggregate principal amount of the Outstanding Notes at a redemption price of 109.700% of the aggregate principal amount thereof, plus accrued and unpaid interest and Additional Amounts, thereon, if any, to the date of redemption (subject to the right of Holders on the relevant record date to receive interest due on the relevant interest payment date); *provided*, that:

(i) at least 65% of the aggregate principal amount of Notes issued under this Indenture remains Outstanding immediately after any such redemption; and

(ii) the Issuer makes such redemption not more than 90 days after the consummation of any such Equity Offering.

(d) If the Issuer redeems the Notes in part, the Notes for redemption shall be selected by lot or otherwise in accordance with the procedures of DTC. No Note of U.S.\$200,000 in principal amount or less shall be redeemed in part. If any Note is to be redeemed in part only, the notice of redemption will state the portion of the principal amount to be redeemed. A Note in principal amount equal to the unredeemed portion of the original Note will be issued upon the cancellation of the original Note. On and after the Redemption Date, interest will cease to accrue on the Notes or portions thereof called for redemption.

Section 3.4 *Optional Tax Redemption.* The Notes may be redeemed at the Issuer's election, in whole but not in part, on any date prior to the Maturity Date, by the giving of notice as provided herein under Section 3.7 at a price equal to the outstanding principal amount thereof, together with any Additional Amounts and accrued and unpaid interest to the Redemption Date, if, as a result of:

(a) any change in, or amendment to, laws or treaties (or any regulation or rulings promulgated thereunder) of Canada, the Bahamas, Peru, Switzerland, or any other jurisdiction of the Issuer or a Note Guarantor imposing Taxes giving rise to the obligation to pay Additional Amounts, or any political subdivision or taxing authority thereof or therein affecting taxation (each such jurisdiction being a "Subject Jurisdiction"); or

(b) any change in the official application, administration or interpretation of such laws, treaties, regulations or rulings affecting taxation in such jurisdictions, which amendment, change, application, administration or interpretation is announced and becomes effective on or after the later of the date of the Offering Memorandum, and with respect to

jurisdictions other than Canada, the Bahamas, Peru or Switzerland, the date on which the Subject Jurisdiction first became a jurisdiction with which a Note Guarantor or the Issuer has a connection, the Issuer or a Note Guarantor, as the case may be, has become or would become obligated to pay any Additional Amounts (*provided*, that, as to the Issuer or any Note Guarantor, any such Additional Amounts are in excess of those attributable to Taxes that are imposed, deducted or withheld at the applicable rate that Taxes are imposed, deducted or withheld in the jurisdiction imposing such Taxes on the date the Issuer or the Note Guarantor becomes connected with such jurisdiction or, if later, the date a Note Guarantor becomes a Note Guarantor, on or from any payments of interest under the Notes) on the next date on which any amount would be payable in respect of such Notes and the Issuer or a Note Guarantor, as the case may be, determines in good faith that such obligation cannot be avoided by taking commercially reasonable measures available to the Issuer or such Note Guarantor; *provided, however*, that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or a Note Guarantor, as the case may be, would be obligated to pay such Additional Amounts.

Notice of any redemption pursuant to this Section 3.4 will be sent at least 30 days but not more than 60 days before the Redemption Date to each Holder of the Notes to be redeemed. Prior to the giving of notice of redemption of such Notes pursuant to this Indenture, the Issuer or a Note Guarantor, as the case may be, will deliver to the Trustee an Officers' Certificate and a written opinion of such taxing jurisdiction counsel of recognized standing independent of the Issuer or a Note Guarantor, as the case may be, and its Affiliates to the effect that all governmental approvals necessary for it to effect such redemption have been or at the time of redemption will be obtained and in full force and effect, and that the Issuer or a Note Guarantor, as the case may be, has or will become obligated to pay such Additional Amounts as a result of such change, amendment, application, administration or interpretation. This Notice, once delivered to the Trustee, will be irrevocable. On the Redemption Date, interest will cease to accrue on the Notes that have been redeemed and such Notes will be cancelled.

Section 3.5 *Reserved.*

Section 3.6 *Selection by the Trustee of Notes to be Redeemed.* Except when and as provided in Section 3.3 above:

(a) if less than all the Notes are to be redeemed, the particular Notes to be redeemed shall be selected from the Outstanding Notes not previously called for redemption, by lot or otherwise, in accordance with the applicable procedures of DTC and by a method which may provide for the selection for redemption of portions (equal to the minimum authorized denomination for the Notes or any integral multiple thereof) of the principal amount of the Notes of a denomination larger than the minimum authorized denomination for the Notes. The Issuer will only redeem Notes in multiples of U.S.\$1,000 in original principal amount; *provided, however*, that the unredeemed portion of any Note redeemed in part shall be in a principal amount of U.S.\$200,000 or an integral multiple of U.S.\$1,000 in excess thereof;

(b) Notes shall be excluded from eligibility for selection for redemption if they are identified by registration and certificate number in a written statement signed by an Authorized Officer of the Issuer and delivered to the Trustee at least 60 days prior to the

Redemption Date as being owned of record and beneficially by, and not pledged or hypothecated by either (i) the Issuer, or (ii) a Person specifically identified in such written statement which is an Affiliate of the Issuer;

(c) the Trustee shall promptly notify the Issuer in writing of the Notes selected for redemption and, in the case of any Notes selected for partial redemption, the principal amount thereof to be redeemed; and

(d) for all purposes of this Indenture, unless the context otherwise requires, all provisions relating to the redemption of Notes shall relate, in the case of any Notes redeemed or to be redeemed only in part, to the portion of the principal amount of such Notes which has been or is to be redeemed.

Section 3.7 *Notice of Redemption.* In the event the Issuer exercises its right to redeem any Notes pursuant to Section 3.3 or Section 3.4, the Issuer will deliver the Trustee a notice of redemption at least forty-five (45) days prior (unless a shorter period of time is agreed to by the Trustee) to the proposed redemption date (the “*Redemption Date*”), as well as the record date to use in the case of a partial redemption. The Trustee shall provide to the Holders such written notice of redemption not less than thirty (30) nor more than sixty (60) days prior to the Redemption Date.

All notices of redemption shall identify the Notes to be redeemed and shall state:

(a) the Redemption Date;

(b) the redemption price;

(c) that on the Redemption Date the redemption price will become due and payable upon each such Note to be redeemed and, if applicable, that interest thereon will cease to accrue on and after said date;

(d) if any Note is being redeemed in part, the portion of the principal amount of such Note to be redeemed and that, after the Redemption Date upon surrender of such Note, a new Note or Notes in principal amount equal to the unredeemed portion will be issued upon cancellation of the original Note;

(e) the place or places where such Notes are to be surrendered for payment of the redemption price (the “*Place of Payment*”); and

(f) CUSIP(s), and, if applicable, ISIN(s), and that no representation is made as to the correctness or accuracy of the CUSIP and/or ISIN numbers, if any, listed in such notice or printed on the Notes.

Section 3.8 *Deposit of Redemption Price.* By 11:00 a.m., New York City time, at least one Business Day prior to any Redemption Date, the Issuer shall deposit with the Trustee or with a Paying Agent an amount of money in immediately available funds in U.S. Dollars sufficient to pay the redemption price of the Notes.

Section 3.9 *Notes Payable on Redemption Date.* Notice of redemption having been given as set forth in Section 3.7, the Notes shall, on the Redemption Date, become due and payable at the redemption price therein specified, and from and after such date (unless the Issuer shall default in the payment of the redemption price) the Notes shall cease to bear interest. Upon surrender of any Note for redemption in accordance with said notice, such Note shall be paid by the Issuer at the redemption price, together with accrued and unpaid interest to the Redemption Date.

If any Note called for redemption shall not be so paid upon surrender thereof for redemption, the principal thereof (and premium, if any) and accrued and unpaid interest thereon, as applicable, shall, until paid, bear interest from the Redemption Date at the rate prescribed therefor in the Note.

Section 3.10 *Open Market Purchases.* The Issuer or any of its Subsidiaries may at any time purchase any Note in the open market or otherwise at any price in compliance with applicable securities laws. Any Note so purchased by the Issuer or any of its Subsidiaries may be surrendered to the Trustee for cancellation.

ARTICLE IV COVENANTS

Section 4.1 *Covenants of the Issuer and the Note Guarantors.* The Issuer and the Note Guarantors agree that so long as any amount payable by it under this Indenture or the Notes remains unpaid, they shall, and shall cause its Restricted Subsidiaries, as applicable, to comply with the following covenants:

(a) Rule 144A Information. For so long as any of the Notes remain Outstanding and are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer shall furnish, upon the request of any Holder, such information as is specified in Rule 144A(d)(4) under the Securities Act: (i) to such Holder, (ii) to a prospective purchaser of such Note (or beneficial interests therein) who is a QIB designated by such Holder and (iii) to the Trustee for delivery, at the request of the Issuer, to any applicable Holders or such prospective purchaser so designated, in each case in order to permit compliance by such Holder with Rule 144A in connection with the resale of such Note (or beneficial interest therein) in reliance upon Rule 144A. All such information shall be in the English language.

(b) Notice of Default; Compliance Certificate.

(i) The Issuer will furnish to the Trustee, not later than ten Business Days after the Issuer obtains Actual Knowledge thereof, written notice of any Default, signed by an Authorized Officer of the Issuer, describing such Default and the steps that the Issuer proposes to take in connection therewith.

(ii) Within 120 days after the end of each fiscal year ending on December 31 of each year of the Issuer ending after the date hereof, the Issuer shall deliver to the Trustee a certificate which need not comply with Section 10.12, executed by the principal executive officer, the principal financial officer or the principal

accounting officer of the Issuer and one other Authorized Officer of the Issuer, as to such officers' knowledge of the Issuer's compliance with all conditions and covenants under this Indenture, such compliance to be determined (solely for the purpose of this Section 4.1(b)(ii)) without regard to any period of grace or requirement of notice under this Indenture.

(c) Maintenance of Books and Records. The Issuer will, and will cause each of its Subsidiaries to, maintain books, accounts and other records in accordance, in all material respects, with IFRS and the Issuer will cause its Subsidiaries organized under laws of any other jurisdiction to maintain their books and records in accordance, in all material respects, with the generally accepted accounting principles of the applicable jurisdiction.

(d) Further Assurances. The Issuer will, at its own cost and expense, execute and deliver to the Trustee all such other documents, instruments and agreements and do all such other acts and things as may be reasonably necessary in order to give effect to this Indenture or the Notes.

(e) Luxembourg Listing. (i) Application has been made to list the Notes on the Official List of the Luxembourg Stock Exchange and to trade them on the Euro MTF Market of such exchange and the Issuer shall use its reasonable best efforts to list and maintain the listing of the Notes on the Official List of the Luxembourg Stock Exchange and to trade them on the Euro MTF Market of such exchange or on another exchange.

(ii) The Bank of New York Mellon SA/NV, Luxembourg Branch is hereby appointed as the paying agent in Luxembourg in respect of the Notes. The Issuer will maintain such agencies so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and the rules of such exchange so require.

(iii) For so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange, the Issuer will maintain a Paying Agent in Luxembourg. The Bank of New York Mellon SA/NV, Luxembourg Branch will initially act as paying agent in Luxembourg. Upon any change in a Luxembourg Paying Agent, the Issuer will publish a notice on the website of the Luxembourg Stock Exchange at www.bourse.lu (or, if the applicable rules of the Luxembourg Stock Exchange so require, in a daily newspaper of general circulation in Luxembourg which is expected to be the *Luxemburger Wort*).

(f) Limitation on Indebtedness. (1) The Issuer will not, and will not permit any Restricted Subsidiary to, Incur, directly or indirectly, any Indebtedness; *provided, however,* that the Issuer or any Restricted Subsidiary may Incur Indebtedness if (i) on the date of such Incurrence and after giving effect thereto and the application of proceeds therefrom, the Consolidated Fixed Charge Ratio would be no less than 2.50:1.00 and the Consolidated Debt to Consolidated Adjusted EBITDA Ratio would be no greater than 3.00:1.00, and (ii) no Default or Event of Default shall have occurred and be continuing; and

(2) Notwithstanding the foregoing clause (1), the Issuer and its Restricted Subsidiaries may Incur the following Indebtedness:

- (a) Indebtedness of the Issuer owed to and held by any Restricted Subsidiary of the Issuer or Indebtedness of a Restricted Subsidiary owed to and held by the Issuer or any other Restricted Subsidiary; *provided, however, that*
 - (i) any subsequent issuance or transfer of any Capital Stock or any other event that results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any subsequent transfer of any such Indebtedness (except to the Issuer or a Restricted Subsidiary) shall be deemed, in each case, to constitute the Incurrence of such Indebtedness by the issuer thereof; and
 - (ii) if the Issuer is the obligor on such Indebtedness, such Indebtedness is expressly subordinated to the prior payment in full in cash of all obligations with respect to the Notes, unless the Restricted Subsidiary is a Note Guarantor;
- (b) Indebtedness:
 - (i) of the Issuer and any Restricted Subsidiary outstanding on the Closing Date *provided, however, that* Indebtedness under the Existing Senior Secured Notes and the New Letter of Credit Facility shall not be considered outstanding on the Closing Date for purposes of this subclause (b)(i) and clause (2)(i) below,
 - (ii) consisting of Guarantees of any Indebtedness otherwise permitted by and made in accordance with the provisions of this Section 4.1(f);
- (c) Indebtedness of a Restricted Subsidiary Incurred and outstanding on or prior to the date on which such Restricted Subsidiary was acquired by the Issuer or a Restricted Subsidiary or otherwise became a Restricted Subsidiary (other than Indebtedness Incurred as consideration of, or to provide all or any portion of the funds or credit support utilized to consummate, or otherwise in contemplation of, the transaction or series of related transactions pursuant to which such Restricted Subsidiary became a Subsidiary of, or was otherwise acquired by, the Issuer or a Restricted Subsidiary); *provided, however, that* on the date that such Restricted Subsidiary is acquired by the Issuer or a Restricted Subsidiary, either (x) the Issuer and the Restricted Subsidiaries would have been able to Incur U.S.\$1.00 of additional

Indebtedness pursuant to the foregoing clause (1), after giving *pro forma* effect to the Incurrence of such Indebtedness pursuant to this clause (c) and the acquisition of such Restricted Subsidiary, or (y) the Consolidated Fixed Charge Ratio would be no less than the Consolidated Fixed Charge Ratio immediately prior to such transactions, and the Consolidated Debt to Consolidated Adjusted EBITDA Ratio would be no greater than the Consolidated Debt to Consolidated Adjusted EBITDA Ratio immediately prior to the transactions;

- (d) Indebtedness of another Person Incurred and outstanding on or prior to the date on which such Person merges, consolidates, amalgamates or combines with or into the Issuer or a Restricted Subsidiary (other than Indebtedness Incurred as consideration of, or to provide all or any portion of the funds or credit support utilized to consummate, or otherwise in contemplation of, the transaction or series of related transactions pursuant to which such Person merges, consolidates, amalgamates or combines with or into the Issuer or a Restricted Subsidiary); *provided, however*, that on the date that such transaction is consummated, either (x) the Issuer and the Restricted Subsidiaries would have been able to Incur U.S.\$1.00 of additional Indebtedness pursuant to the foregoing clause (1) after giving *pro forma* effect to the Incurrence of such Indebtedness pursuant to this subclause (d) and such merger, consolidation, amalgamation, combination or other similar transaction, or (y) the Consolidated Fixed Charge Ratio would be no less than the Consolidated Fixed Charge Ratio immediately prior to such transactions, and the Consolidated Debt to Consolidated Adjusted EBITDA Ratio would be no greater than the Consolidated Debt to Consolidated Adjusted EBITDA Ratio immediately prior to the transactions;
- (e) Indebtedness in respect of bankers' acceptances, deposits, promissory notes, workers' compensation claims, self-insurance obligations and performance, surety, appeal or similar bonds and Guarantees provided by the Issuer or any Restricted Subsidiary in the ordinary course of business;
- (f) Indebtedness arising under agreements providing for indemnification, adjustment of purchase price or similar obligations, in each case Incurred or assumed in connection with the acquisition or Disposition of a business, assets or Capital Stock of a Restricted Subsidiary; *provided, however*, that, in the case of a Disposition, the maximum aggregate liability in respect of such Indebtedness will at no time exceed the gross proceeds actually

received by the Issuer or such Restricted Subsidiary in connection with such Disposition;

- (g) Hedging Obligations Incurred in the ordinary course of business and not for speculative purposes;
- (h) Refinancing Indebtedness, including Refinancing Indebtedness Incurred to defease the Notes as provided in Section 6.4 hereof to the extent the proceeds therefrom are applied concurrently to defease the Notes;
- (i) Indebtedness of the Issuer or any of its Restricted Subsidiaries evidenced by the Notes or the Subsidiary Guarantees;
- (j) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; *provided, however*, that such Indebtedness is extinguished within five Business Days of its Incurrence;
- (k) (i) Indebtedness under the New Letter of Credit Facility (or any replacement thereof) and (ii) Indebtedness consisting of bonds, surety obligations, restricted accounts, letters of credit (other than the New Letter of Credit Facility), trusts or similar obligations required by governmental entities in connection with the operation of the Issuer's and the Restricted Subsidiaries' oil and gas properties or by off-take agreements related to hydrocarbons infrastructure, from time to time, which Indebtedness Incurred pursuant to this subclause (k) shall not exceed the higher of U.S.\$100 million and 10.0% of Consolidated Net Tangible Assets at any one time outstanding;
- (l) Indebtedness of the Issuer or any Restricted Subsidiaries in an aggregate principal amount which, when taken together with all other Indebtedness of the Issuer and its Restricted Subsidiaries outstanding on the date of such Incurrence (other than Indebtedness permitted by subclauses (a) through (k) above or clause (l)) does not exceed the higher of (i) U.S.\$100 million and (ii) 10.0% of Consolidated Net Tangible Assets.

For purposes of determining the compliance with this covenant:

- (x) Indebtedness permitted by this covenant (including clause (1) above), need not be permitted solely by reference to one provision permitting such Indebtedness but may be permitted in part by one such provision and in part by one or more other provisions of this

covenant permitting such Indebtedness, as determined by the Issuer in its sole discretion; and

- (y) In the event that Indebtedness meets the criteria of more than one of the types of Indebtedness described in this covenant including clause (1) above, the Issuer, in its sole discretion, shall classify (and from time to time may reclassify) such item of Indebtedness, in any manner that complies with this covenant; and

(3) Notwithstanding the foregoing, the Issuer may not Incur any Indebtedness pursuant to clause (2) above if the proceeds thereof are used, directly or indirectly, to Refinance any Subordinated Obligations, unless such Indebtedness will be subordinated to any obligations owed under the Notes and this Indenture to at least the same extent as such Subordinated Obligations.

For purposes of determining compliance with any Dollar-denominated restriction on the Incurrence of Indebtedness, the Dollar-equivalent principal amount of Indebtedness denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred; *provided, however*, that if such Indebtedness is Incurred to Refinance other Indebtedness denominated in a foreign currency, and such Refinancing would cause the applicable Dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such Refinancing, such Dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such Refinancing Indebtedness does not exceed the principal amount of such Indebtedness being Refinanced. Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Issuer or any Restricted Subsidiary may Incur pursuant to this covenant shall be deemed not to be exceeded solely as a result of fluctuations in the exchange rate of currencies. The principal amount of any Indebtedness, if Incurred in a different currency from the Indebtedness being Refinanced, shall be calculated based on currency exchange rate applicable to the currencies in which such Refinancing Indebtedness is denominated that is in effect on the date of such Refinancing.

Accrual of interest, accrual of dividends, payment of interest in the form of additional Indebtedness, payment of dividends in the form of shares of Preferred Stock, accretion or amortization of original issue discount will be deemed not to be an Incurrence of Indebtedness for purposes of this covenant.

(g) Limitation on Liens. The Issuer will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create, Incur or suffer to exist any Lien on any property, assets, income or profits of the Issuer or any Restricted Subsidiary without effectively providing that the Notes (together with, if the Issuer so determines, any other Indebtedness or obligation then existing or thereafter created ranking equally with the Notes) shall be secured equally and ratably with (or prior to) the Indebtedness secured by such Lien so long as such Indebtedness shall be so secured, except that the foregoing provisions shall not apply to:

- (1) Liens in existence on the Closing Date;

- (2) Liens that secure Indebtedness owing by a Restricted Subsidiary to the Issuer and/or one or more other Restricted Subsidiaries or by the Issuer to one or more Restricted Subsidiaries;
- (3) Liens on any property or assets acquired from a Person that is merged with or into the Issuer or any Restricted Subsidiary, or any Liens on the property, Capital Stock, assets, income or profits of any Person, existing at the time such Person becomes a Restricted Subsidiary and, in either such case, is not created as a result of or in connection with or in anticipation of any such transaction (unless such Lien was created to secure or provide for the payment of any part of the purchase price of such Person); *provided, however*, that such Liens may not extend to any other property, assets, income or profits of the Issuer or any Restricted Subsidiary;
- (4) any Lien on any property or assets existing at the time of acquisition thereof, including any acquisition by means of a merger or consolidation, and that is not created as a result of or in connection with or in anticipation of such acquisition (unless such Lien was created to secure or provide for the payment of any part of the purchase price of such property or assets); *provided, however*, that such Liens may not extend to any other property, assets, income or profits of the Issuer or any Restricted Subsidiary;
- (5) any Lien on the Capital Stock of an Unrestricted Subsidiary;
- (6) Liens (including extensions and renewals) with respect to Indebtedness Incurred to finance the acquisition of real or personal property including Capital Stock acquired after the Closing Date; *provided, however*, that (a) such Lien is created solely for the purpose of securing the payment of Indebtedness Incurred pursuant to the covenant described under Section 4.1(f) hereof to finance the cost (including the cost, other than internal costs of the Issuer or any of its Subsidiaries, of design, development, acquisition, construction, installation, improvement, transportation or integration) of acquiring the item of property subject thereto and such Lien is created prior to, at the time of or within 180 days after the later of the acquisition, the completion of construction or the commencement of the full operation of such property, (b) the principal amount of the Indebtedness secured by such Lien does not exceed 100% of the cost (including the cost, other than internal costs of the Issuer or any of its Restricted Subsidiaries, of design, development, acquisition, construction, installation, improvement, transportation or integration) of such property or assets; and (c) such Lien shall not extend to cover any property, assets, income or profits other than such items of property and any improvements on such items;
- (7) Liens imposed by law, including carriers', warehousemen's and mechanics' Liens and other similar Liens, on the property or assets of the Issuer or any Restricted Subsidiary arising in the ordinary course of

business and securing payment of obligations that are not more than 60 days past-due or are being contested in good faith by appropriate proceedings;

- (8) Liens on the property or assets of the Issuer or any Restricted Subsidiary Incurred in the ordinary course of business to secure the performance of tenders, bids, statutory obligations, abandonment obligations, surety and appeal bonds and deposits (including, without limitation, as security for contested taxes or import or customs duties or for the payment of rent), government concessions or licenses (including under contracts with governmental entities or agencies for technical evaluation or exploration, development rights and in connection with oil and gas transportation, energy generation and transmission and related activities), workers compensation, unemployment insurance and social security claims, performance and return-of-money bonds, or other obligation of a like nature and Incurred in a manner consistent with industry practice (including Liens required by issuers of letters of credit issued to secure the aforementioned obligations), in each case which are not Incurred in connection with the borrowing of money, the obtaining of advances or credit or the payment of the deferred purchase price of property or assets in the operation of the business of the Issuer and its Restricted Subsidiaries;
- (9) any interest or title of a lessor under any Capitalized Lease Obligation; *provided, however*, that the Indebtedness is related to a Capitalized Lease Obligation that is permitted under Section 4.1(f) hereof;
- (10) easements, rights of way, restrictions, or defects or irregularities in title and other similar charges or encumbrances which do not interfere in any material respect with the business of the Issuer or any Restricted Subsidiary;
- (11) Liens on Indebtedness Incurred to defease all of the Outstanding Notes as permitted under Section 6.4 hereof to the extent the proceeds therefrom are applied concurrently to defease all of the Notes;
- (12) Liens arising solely by virtue of any statutory or common law provision relating to banker's liens, rights of set-off or similar rights or remedies as to deposit accounts or other funds maintained with a creditor depository institution; *provided, however*, that (A) such deposit account is not a dedicated cash collateral account and is not subject to restrictions against access by the Issuer or any Restricted Subsidiary in excess of those set forth by regulations promulgated by the Board of Governors of the Federal Reserve System of the United States or analogous governmental authorities in the jurisdiction of incorporation of any Restricted Subsidiary or any other country where the Issuer or any Subsidiary of the Issuer has oil and gas operations or investments and (B) such deposit account is not

intended by the Issuer or any Subsidiary of the Issuer to provide collateral to such depository institution;

- (13) Liens arising out of judgments or awards against the Issuer or a Restricted Subsidiary which do not give rise to an Event of Default;
- (14) Liens imposed by law for taxes, assessments or governmental charges that are not yet due and payable or, if due and payable and delinquent, that are being contested in good faith by appropriate proceedings, *provided*, that any reserve or other appropriate provision as is required in conformity with IFRS has been made therefor;
- (15) Liens to secure the Notes or the Subsidiary Guarantees;
- (16) Liens securing Hedging Obligations permitted to be Incurred under clause (2)(g) of Section 4.1(f);
- (17) leases and subleases of real property by the Issuer or any Restricted Subsidiary as lessor which do not materially interfere with the ordinary conduct of the business of the Issuer or any of its Restricted Subsidiaries;
- (18) pledge of shares of capital stock of Pacific Midstream Ltd. to secure the deferred portion of the purchase price of such shares under the PML Share Sale Agreement; or
- (19) any extension, renewal or replacement (or successive extensions, renewals or replacements), in whole or in part, of any Lien referred to in the foregoing clauses (1) through (18) or of any Indebtedness secured thereby; *provided*, that the principal amount of Indebtedness so secured thereby shall not exceed the principal amount of Indebtedness so secured at the time of such extension, renewal or replacement (plus accrued and unpaid interest and reasonable fees and expenses Incurred in connection therewith), and that such extension, renewal or replacement Lien shall be limited to all or part of the property that secured the Lien extended, renewed or replaced (plus improvements on or additions to such property). For the avoidance of doubt, any Liens securing Indebtedness under the New Letter of Credit Facility shall not be deemed in existence on the Closing Date for purposes of this clause (19).

For the avoidance of doubt, any obligations relating to earnouts, overriding royalties or similar payouts payable in connection with the acquisition of oil and gas properties, interests or assets shall not constitute Liens.

(h) Limitation on Restricted Payments. (1) The Issuer will not, and will not permit any Restricted Subsidiary to, directly or indirectly, (the actions described in subclauses (a) through (d) below being herein referred to as “*Restricted Payments*”):

- (a) declare or pay any dividend or make any distribution, return of capital or other payment on or in respect of their Capital Stock (including any such payment in connection with any merger, consolidation, amalgamation, combination or other similar transaction involving the Issuer or any Restricted Subsidiary) or similar payment to the direct or indirect holders of their Capital Stock, except for dividends, distributions returns of capital or other payments payable solely in the form of issuance of additional Capital Stock (other than Disqualified Stock of the Issuer or a Restricted Subsidiary or Preferred Stock of a Restricted Subsidiary) and except dividends, distributions, returns of capital or other payments payable to the Issuer or a Restricted Subsidiary (and, if such Restricted Subsidiary has shareholders other than the Issuer or other Restricted Subsidiaries, to its other shareholders on a *pro rata* basis);
- (b) purchase, redeem, retire or otherwise acquire for value any Capital Stock of the Issuer held by Persons other than the Issuer or a Restricted Subsidiary;
- (c) purchase, repurchase, redeem, defease or otherwise acquire or retire for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment, any Subordinated Obligations (other than the purchase, repurchase, redemption, defeasance or other acquisition of Subordinated Obligations (x) purchased, repurchased, redeemed, defeased or otherwise acquired in anticipation of satisfying a sinking fund obligation, principal installment or a final maturity, in each case, due within one year of the date of such purchase, repurchase, redemption, defeasance or other acquisition or (y) owing to or held by the Issuer or a Restricted Subsidiary); or
- (d) make any Investment (other than a Permitted Investment) in any other Person.

The restrictions above will apply if at the time the Issuer or such Restricted Subsidiary makes such Restricted Payment:

- (i) a Default or an Event of Default has occurred and is continuing or would occur as a result thereof;
- (ii) the Issuer could not Incur at least U.S.\$1.00 of additional Indebtedness under clause (1) of Section 4.1(f) hereof after giving effect to the Restricted Payment; or

(iii) the aggregate amount of such Restricted Payment and all other Restricted Payments declared or made since the Closing Date would exceed the sum of, without duplication:

(A) 50% of Consolidated Net Income accrued during the period (treated as one accounting period) from January 1, 2019 to the end of the most recent fiscal quarter for which financial statements have been delivered to the Trustee under Section 4.1(n) of this Indenture prior to the date of such Restricted Payment (or, in case such Consolidated Net Income will be a deficit for any such period, minus 100% of such deficit); *plus*

(B) the aggregate Net Cash Proceeds and Fair Market Value of any property received by the Issuer from the issue or sale of its Capital Stock (other than Disqualified Stock) or other capital contributions subsequent to the Closing Date (other than Net Cash Proceeds (i) received from an issuance or sale of such Capital Stock to a Restricted Subsidiary of the Issuer and (ii) used to make Permitted Investments); *plus*

(C) (1) the amount of a Guarantee of the Issuer or any Restricted Subsidiary upon the unconditional release in full of the Issuer or such Restricted Subsidiary from such Guarantee if such Guarantee was previously treated as a Restricted Payment; and

(2) in the event that the Issuer or any Restricted Subsidiary makes an Investment in a Person that, as a result of or in connection with such Investment, becomes a Restricted Subsidiary, an amount equal to the Issuer's or such Restricted Subsidiary's existing Investment in such Person; *provided*, that any amount added pursuant to clauses (1) and (2) of this clause (C) shall not exceed the amount of such Guarantee or Investment previously made and treated as a Restricted Payment and not previously added pursuant to this clause (iii); *provided, however*, that no amount will be included under this clause (C) to the extent it is already included under clause (A) above; *plus*

(D) the amount by which Indebtedness of the Issuer or any Restricted Subsidiary is reduced on the balance

sheet of the Issuer or any Restricted Subsidiary upon the conversion or exchange subsequent to the Closing Date of any such Indebtedness for Capital Stock (other than Disqualified Stock) of the Issuer (less the amount of any cash or the Fair Market Value of other property distributed by the Issuer or any Restricted Subsidiary upon such conversion or exchange); *plus*

- (E) the amount equal to the net reduction of Investments (other than Permitted Investments) made by the Issuer or any Restricted Subsidiary in any Person resulting from repurchases or redemptions of such Investment by such Person, proceeds realized upon the sale of such Investment, repayments of loans or advances or other transfers of assets (including by way of dividend or distribution) by such Person to the Issuer or any Restricted Subsidiary or the redesignation of an Unrestricted Subsidiary as a Restricted Subsidiary or the consolidation, merger, amalgamation or combination of an Unrestricted Subsidiary into any of the Issuer or a Restricted Subsidiary; *provided*, that any amount added pursuant to this clause (E) shall not exceed the amount of such Investment previously made and treated as a Restricted Payment; *provided, however*, that no amount will be included under this clause (E) to the extent it is already included under clause (A) above;

(2) The provisions of the foregoing clause (1) shall not prohibit:

- (a) any purchase, repurchase, retirement, defeasance or other acquisition or retirement for value of Capital Stock of the Issuer or Subordinated Obligations made by exchange for, or out of the proceeds of the substantially concurrent sale of, Capital Stock of the Issuer (other than Disqualified Stock or other than Capital Stock issued or sold to a Subsidiary of the Issuer);
- (b) (1) any purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of Subordinated Obligations made by exchange for, or out of the proceeds of the substantially concurrent sale of Subordinated Obligations; and (2) any purchase, repurchase, redemption or other acquisition or retirement for value of Disqualified Stock made by exchange for, or out of the proceeds of the substantially concurrent sale of Disqualified Stock;

- (c) dividends paid in accordance with Applicable Law after the date of declaration thereof if at such date of declaration such dividend would have complied with this covenant; *provided, however*, that the payment or declaration, but not both the payment and the declaration, of such dividend will be included in the calculation of the amount of Restricted Payments pursuant to clause (1)(iii) above;
- (d) the payment of Minimum Legally Required Dividends;
- (e) repurchases of Capital Stock deemed to occur upon the exercise of stock options, warrants or other convertible or exchangeable securities to the extent such Capital Stock represents a portion of the exercise price thereof;
- (f) any cash discount with respect to the contractual exercise price made to holders of the Issuer's warrants in connection with the exercise of such warrants by the holders thereof;
- (g) loans or advances to employees or directors of the Issuer or any Restricted Subsidiary consistent with the Issuer's policy and past practice, in an aggregate amount not to exceed U.S.\$7 million at any one time outstanding; *provided, however*, that the amount of such loans and advances will be included in the calculation of the amount of Restricted Payments pursuant to clause (1)(iii) above; and
- (h) Restricted Payments in an amount which, when taken together with all Restricted Payments made pursuant to this clause (h) shall not exceed U.S.\$40 million; *provided, however*, that (i) the Issuer could Incur at least U.S.\$1.00 of additional Indebtedness under clause (1) of the covenant described under Section 4.1(f) after giving effect to any such payment, and (ii) no Default or Event of Default shall have occurred and be continuing or would occur as a result thereof.

The amount of all Restricted Payments (other than cash) shall be the Fair Market Value (provided, no Officers' Certificate shall be required) on the date of such Restricted Payment of the asset(s) or securities proposed to be paid, transferred, issued, purchased, repurchased, redeemed, retired, defeased or otherwise acquired by the Issuer or such Restricted Subsidiary, as the case may be, pursuant to such Restricted Payment. The Fair Market Value of any cash Restricted Payment shall be its face amount.

(i) Limitation on Sale of Assets.

(1) The Issuer will not, and will not permit any Restricted Subsidiary to, make any Asset Disposition unless:

- (A) the Issuer or such Restricted Subsidiary receives consideration at the time of such Asset Disposition at least equal to the Fair Market Value of the shares and/or assets subject to such Asset Disposition (for purposes of this clause (A), all determinations of Fair Market Value shall be made in good faith by the Board of Directors of the Issuer or the relevant Restricted Subsidiary as certified by an Officers' Certificate delivered to the Trustee);
- (B) at least 75% of the consideration thereof received by the Issuer or such Restricted Subsidiary is in the form of cash or Temporary Cash Investments; *provided, however*, that the following shall be deemed to be cash for the purposes of this clause (B): (i) the amount (without duplication) of any Consolidated liabilities (as shown on the Issuer's, or such Restricted Subsidiary's, most recent consolidated balance sheet or in the notes thereto) of the Issuer or such Restricted Subsidiary (other than Subordinated Obligations) that is expressly assumed by a party other than the Issuer or a Restricted Subsidiary in connection with such Asset Disposition, or any firm commitments under governmental concessions or licenses (including under contracts with governmental entities or agencies for technical evaluation or exploration and development rights of oil and natural gas fields) of the Issuer or such Restricted Subsidiary that are expressly assumed by a party other than the Issuer or a Restricted Subsidiary in connection with such Asset Disposition; (ii) the amount of any securities received by the Issuer or such Restricted Subsidiary from such transferee that is converted by the Issuer or such Restricted Subsidiary into cash (to the extent of the cash received) within 180 days following the closing of such Asset Disposition; and (iii) assets of comparable Fair Market Value received in exchange for any Disposed asset; *provided, however*, that any such assets are normally used or useful in a Related Business; and
- (C) Within 360 days of the later of the date of such Asset Disposition and the receipt of such Net Available Cash, the Issuer or a Restricted Subsidiary apply an amount equal to 100% of the Net Available Cash from such Asset Disposition:
- (i) to repay and permanently reduce any Indebtedness which is secured by a Lien or any Senior Indebtedness;
 - (ii) to reinvest in Additional Assets; or
 - (iii) to make an Offer to purchase Notes pursuant to and subject to the conditions set forth in clause (2) below.

Following the application of such Net Available Cash pursuant to subclauses 1(C)(i), (ii) or (iii) above, the amount of Net Available Cash shall be reset at zero and the Issuer and/or the Restricted Subsidiary shall be entitled to use any remaining proceeds for any corporate purposes to the extent permitted under this Indenture.

Notwithstanding the foregoing provisions of this covenant, the Issuer and the Restricted Subsidiaries will not be required to apply any Net Available Cash in accordance with this covenant unless the aggregate Net Available Cash from all Asset Dispositions that is not applied in accordance with this covenant exceeds U.S.\$30 million (in which case the Issuer and/or the Restricted Subsidiary shall be required to apply in accordance with this covenant all Net Available Cash that has not previously been applied in accordance with this covenant).

(2) In the event of an Asset Disposition that requires an Offer to purchase the Notes pursuant to subclause 1(C)(iii) above, the Issuer will be required to offer to purchase Notes tendered pursuant to an offer by the Issuer for the Notes (an “Offer”) at a purchase price of 100% of their principal amount plus accrued and unpaid interest (including premium and Additional Amounts, if any) thereon, to the date of purchase.

(3) The Issuer will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other applicable securities laws or regulations in connection with the repurchase of Notes pursuant to this covenant. To the extent that the provisions of any applicable securities laws or regulations conflict with provisions of this covenant, the Issuer will comply with the applicable securities laws and regulations and will be deemed not to have breached its obligations under this covenant by virtue thereof.

(j) Limitation on Sale and Lease Back Transactions. The Issuer will not, and will not permit any Restricted Subsidiary to, enter into any Sale and Lease Back Transaction unless:

- (1) the Issuer and the Restricted Subsidiaries would be entitled pursuant to the provisions of the covenant described in Section 4.1(f) to Incur Indebtedness in a principal amount equal to or exceeding the Value of such Capitalized Lease Obligation;
- (2) the net proceeds received by the Issuer or any Restricted Subsidiary in connection with such Sale and Lease Back Transaction are at least equal to the Fair Market Value of such property; and
- (3) the Sale and Lease Back Transaction is treated as an Asset Disposition and all of the conditions of this Indenture described in Section 4.1(i) (including the provisions concerning the application of Net Available Cash) are satisfied with respect to such Sale and Lease Back Transaction, treating all of the consideration received in such Sale and Lease Back Transaction as Net Available Cash for purposes of such covenant.

(k) Limitation on Transactions with Affiliates. The Issuer will not, and will not permit any Restricted Subsidiary to, make any payment to, or sell, lease, transfer or otherwise Dispose of any of their properties, assets or undertaking to, or purchase any property, assets or undertaking from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or Guarantee, with, or for the benefit of, any Affiliate (each, an “Affiliate Transaction”), unless

- (1) the Affiliate Transaction is on terms that are no less favorable to the Issuer or the relevant Restricted Subsidiary than those that would have been obtained in a comparable arm’s length transaction by the Issuer or such Restricted Subsidiary with a Person that is not an Affiliate;
- (2) the Issuer delivers to the Trustee with respect to any Affiliate Transaction or series of related Affiliate Transactions involving an aggregate consideration in excess of U.S.\$10 million, and up to U.S.\$20 million, an Officers’ Certificate stating that such Affiliate Transaction complies with this covenant;
- (3) the Issuer delivers to the Trustee with respect to any Affiliate Transaction or series of related Affiliate Transactions involving an aggregate consideration in excess of U.S.\$20 million and up to U.S.\$60 million, a resolution of the Board of Directors of the Issuer, set forth in an Officers’ Certificate, stating that such Affiliate Transaction complies with this covenant and that such Affiliate Transaction has been approved by a majority of the disinterested members of the Board of Directors; and
- (4) the Issuer delivers to the Trustee with respect to any Affiliate Transaction or series of related Affiliate Transactions involving an aggregate consideration in excess of U.S.\$60 million, an opinion as to the fairness to the Issuer or relevant Restricted Subsidiary of such Affiliate Transaction from a financial point of view issued by an accounting, appraisal or investment banking firm of international standing, *provided*, that such fairness opinion will not be required if the transaction is entered into in the ordinary course of business between or among the Issuer and/or any of its Restricted Subsidiaries and an Affiliate that is an Affiliate solely by reason of the Issuer’s direct or indirect minority equity or similar ownership interest in such Affiliate.

The foregoing provisions will not apply to the following:

- (1) transactions between or among the Issuer and/or any of its Restricted Subsidiaries or between or among two or more Restricted Subsidiaries;
- (2) Restricted Payments made at a time when the restrictions described above under clauses (1)(a), (b), (c) and (d) of Section 4.1(h) are not applicable or in respect of transactions deemed not to be prohibited by the provisions of this Indenture described above under clause 2 of Section 4.1(h) hereof;

- (3) the payment of compensation (including amounts paid pursuant to employee benefit plans), indemnification, reimbursement or advancement of out-of-pocket expenses and provisions of liability insurance to officers, directors and employees of the Issuer or any Restricted Subsidiary of the Issuer, so long as the Board of Directors of the Issuer or such Restricted Subsidiary, as the case may be, in good faith shall have approved the terms thereof;
- (4) payments or other actions taken under any agreement or guarantee in effect as of the Closing Date or any amendment, supplement, restatement, replacement, renewal, extension, Refinancing thereof or thereto (so long as the renewed or replaced agreement, when taken as a whole, is not more disadvantageous to the Issuer or such Restricted Subsidiary than the original agreement in effect on the Closing Date) or any transaction contemplated thereby;
- (5) the issuance or sale of Capital Stock (other than Disqualified Stock) of the Issuer;
- (6) any transaction of the Issuer or any Restricted Subsidiary with a Person that is not an Affiliate and that is merged with or into the Issuer, any Restricted Subsidiary or any Affiliate of the Issuer or any Restricted Subsidiary, and, in any such case, such transaction is not entered into as a result of or in connection with or in anticipation of such merger or such Person becoming a Subsidiary of the Issuer, any Restricted Subsidiary or any Affiliate of the Issuer or any Restricted Subsidiary;
- (7) any employment, consulting, service or termination agreement, or reasonable and customary indemnification arrangements, entered into by the Issuer or any of its Restricted Subsidiaries with officers and employees of the Issuer or any of its Restricted Subsidiaries and the payment of compensation to officers and employees of the Issuer or any of its Restricted Subsidiaries including amounts paid pursuant to employee benefit plans, employee stock option or similar plans, in each case in the ordinary course of business;
- (8) transactions with customers, clients, suppliers, distributors, generators, transporters or purchasers or sellers of goods or services, in each case in the ordinary course of business, on an arm's length basis and consistent with past practice; and
- (9) loans or advances to employees or directors of the Issuer or any Restricted Subsidiary consistent with the Issuer's policy and past practice; *provided, however,* that in any such case, the Issuer or any such Restricted Subsidiary shall comply with the provisions in (2), (3) and (4) above delivering an Officers' Certificate or a fairness opinion, as applicable.

(1) Limitation on Dividends and Other Payment Restrictions Affecting Restricted Subsidiaries. The Issuer will not, and will not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any consensual encumbrance or restriction of any kind on the ability of any Restricted Subsidiary to:

- (1) pay dividends or make any other distributions permitted by Applicable Law on any Capital Stock of such Restricted Subsidiary owned by the Issuer or any other Restricted Subsidiary;
- (2) pay any Indebtedness owed to the Issuer or any other Restricted Subsidiary;
- (3) make loans or advances to the Issuer or any other Restricted Subsidiary; or
- (4) transfer any of its property or assets to the Issuer or any other Restricted Subsidiary, *provided, however*, that this prohibition shall not apply to any encumbrances or restrictions:
 - (a) imposed by this Indenture and the Notes;
 - (b) existing under or by reason of Applicable Law or governmental rule, regulation or order applicable other than solely on account of the action or inaction of the Issuer or Restricted Subsidiary;
 - (c) with respect to any property or assets acquired from a Person which is merged, consolidated, amalgamated or combined with or into the Issuer or any Restricted Subsidiary, or by reason of any Liens on any property or assets, or relating to or arising under the Indebtedness, of any Person or other entity existing at the time such Person or other entity becomes a Restricted Subsidiary, or any restriction or encumbrance relating to Indebtedness of any such Person and, in any such case, that is not created as a result of or in connection with or in anticipation of any such transaction, and any extension, renewal or replacement (or successive extensions, renewals or replacements), in whole or in part, of any such encumbrance or restriction, so long as the terms are substantially identical to such encumbrance or restriction (other than with respect to the duration thereof); *provided, however*, that any such Lien created to secure or provide for the payment of any part of the purchase price of such Person shall not be permitted by this covenant; *provided further*, that such Liens may not extend to any other property owned by the Issuer or any Restricted Subsidiary;
 - (d) with respect to any property or assets existing at the time of acquisition thereof and which are not created as a result of or in connection with or in anticipation of such acquisition and any extension, renewal or replacement (or successive extensions,

renewals or replacements), in whole or in part, of any such encumbrance or restriction, so long as the terms are substantially identical to such encumbrance or restriction (other than with respect to the duration thereof); *provided, however*, that any such encumbrance or restriction created to secure or provide for the payment of any part of the purchase price of such Person shall not be permitted by this covenant; provided further, that such encumbrance or restriction may not extend to any other property owned by the Issuer or any Restricted Subsidiary;

- (e) in the case of encumbrances or restrictions addressed under clauses (3) or (4) above:
 - (i) that exist by virtue of any transfer of, agreement to transfer, option or right with respect to, or Lien on, any property or assets of the Issuer or any Restricted Subsidiary not otherwise prohibited by this Indenture;
 - (ii) that restricts in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease, license or similar contract, or the assignment or transfer of any such lease, license or other contract or contractual right;
 - (iii) contained in mortgages, pledges or other security agreements permitted under this Indenture securing Indebtedness of the Issuer or a Restricted Subsidiary to the extent such encumbrances or restrictions restrict the transfer of the property subject to such mortgages, pledges or other security agreements; or
- (f) arising or agreed to in the ordinary course of business, not relating to Indebtedness, and that do not, individually or in the aggregate, detract from the value of the property or assets of the Issuer or any Restricted Subsidiary in any manner material to the Issuer and its Restricted Subsidiaries;
- (g) imposed by Purchase Money Obligations for property acquired in the ordinary course of business or by Capitalized Lease Obligations permitted under this Indenture on the property so acquired, but only to the extent that such encumbrances or restrictions restrict the transfer of the property;
- (h) by reason of Liens that secure Indebtedness otherwise permitted to be Incurred under the provisions of the covenant described under Section 4.1(g) above and that limit the right of the debtor to Dispose of the assets subject to such Liens;

- (i) existing on the Closing Date and any extension, renewal or replacement (or successive extensions, renewals or replacements), in whole or in part, of any such encumbrance or restriction, so long as the terms and conditions of such encumbrance or restriction are not materially more restrictive, taken as a whole, to such encumbrance or restriction (other than with respect to the duration thereof);
- (j) imposed pursuant to an agreement entered into for the sale or Disposition of all or substantially all the Capital Stock or assets of the Issuer or such Restricted Subsidiary pending the closing of such sale or Disposition; *provided*, that the sale or Disposition is permitted under this Indenture; and
- (k) resulting from restrictions on cash or other deposits or other customary requirements imposed by customers or suppliers under contracts entered into in the ordinary course of business.

(m) Use of Proceeds; Release of Liens Relating to Existing Senior Secured Notes and Existing Hedging Facilities. The Issuer will use the net proceeds from the offering and sale of the Notes as described under “Use of Proceeds” in the Offering Memorandum. Any direct or indirect on-lending to the Swiss Guarantor (or a direct or indirect subsidiary of the Swiss Guarantor incorporated in Switzerland or, if different, resident in Switzerland for tax purposes) may not exceed the equity of the Issuer unless it has been confirmed by the Swiss Federal Tax Administration that such use of proceeds in Switzerland does not result in interest payments being subject to Swiss Federal Withholding Tax.

The Issuer will (i) as soon as practicable but not later than 45 days following the Closing Date, take all necessary actions on its part to be taken and/or cause its Restricted Subsidiaries to take all necessary actions on their part to be taken (including, but not limited to, submitting all relevant documentation to and making any required filings with governmental agencies, registries or authorities under Applicable Law) to terminate and release in full all Liens over assets or property of the Issuer or any of its Restricted Subsidiaries to the extent they secure the Existing Senior Secured Notes and the New Letter of Credit Facility and (ii) use its commercially reasonable efforts to terminate and release in full all Liens over assets or property of the Issuer or any of its Restricted Subsidiaries to the extent they secure the Existing Senior Secured Notes and the New Letter of Credit Facility promptly after the Closing Date.

The Issuer will (i) as soon as practicable but not later than 45 days following the closing out of the hedges outstanding on the Closing Date under the Existing Hedging Facilities, take all necessary actions on its part to be taken and/or cause its Restricted Subsidiaries to take all necessary actions on their part to be taken (including, but not limited to, submitting all relevant documentation to and making any required filings with governmental agencies, registries or authorities under Applicable Law) to terminate and release in full all Liens over assets or property of the Issuer or any of its Restricted Subsidiaries to the extent they secure obligations

under hedges outstanding on the Closing Date under the Existing Hedging Facilities and (ii) use its commercially reasonable efforts to terminate and release in full all Liens over assets or property of the Issuer or any of its Restricted Subsidiaries to the extent they secure obligations under hedges outstanding on the Closing Date under the Existing Hedging Facilities promptly after the closing out of such hedges.

(n) Limitation on Designation of Non-Guarantor Restricted Subsidiaries. The Issuer may designate at any time after the Closing Date any Restricted Subsidiary that is a Note Guarantor as a “Non-Guarantor Restricted Subsidiary” under this Indenture (a “*Non-Guarantor Designation*”) only if:

(i) no Default or Event of Default has occurred and is continuing at the time of or after giving effect to such Non-Guarantor Designation;

(ii) the Issuer determines in good faith, at the time of such Non-Guarantor Designation, that such Restricted Subsidiary is not a Significant Subsidiary based on the most recent consolidated financial statements of the Issuer provided or required to be provided to the Trustee pursuant to Section 4.1(p); and

(iii) after giving effect to the relevant Restricted Subsidiary’s Non-Guarantor Designation, (x) the total assets of the Issuer and all Restricted Subsidiaries that are Note Guarantors (measured on a Combined basis) as of the last day of the relevant fiscal quarter are 85.0% or more of the Issuer’s Consolidated Net Tangible Assets, and (y) the Consolidated Adjusted EBITDA of the Issuer and the Note Guarantors (calculated only in respect of the Issuer and all Restricted Subsidiaries that are Note Guarantors by including and excluding the same line items as are included or excluded in the definition of Consolidated Adjusted EBITDA but measured and determined on a Combined basis from the unconsolidated accounts for the Issuer and the Note Guarantors for such line items) for the relevant fiscal quarter is 85.0% or more of the Issuer’s Consolidated Adjusted EBITDA, in each of (iii)(x) and (iii)(y) on a pro forma basis to give effect to any acquisition or Disposition of companies, divisions, lines of businesses, assets or operations by the Issuer and its Restricted Subsidiaries subsequent to the last day of such fiscal quarter and on or prior to the date of such Non-Guarantor Designation.

When a Restricted Subsidiary that is a Note Guarantor becomes a Non-Guarantor Restricted Subsidiary, any Subsidiary Guarantee previously provided by such Note Guarantor will be automatically and unconditionally released (and thereupon shall terminate and be discharged and be of no further force and effect).

The designation of a Restricted Subsidiary that is a Note Guarantor as a Non-Guarantor Restricted Subsidiary will be deemed to include the designation of all of the Restricted Subsidiaries of such Note Guarantor as Non-Guarantor Restricted Subsidiaries. All designations

of Note Guarantors as Non-Guarantor Restricted Subsidiaries must be evidenced by resolutions of the Board of Directors of the Issuer's Board of Directors and an Officers' Certificate, delivered to the Trustee certifying compliance with the preceding provisions; provided, however that all Subsidiaries of the Issuer that are not Note Guarantors as of the Closing Date will automatically be designated as Non-Guarantor Restricted Subsidiaries on the Closing Date. Any designation of a Note Guarantor as a Non-Guarantor Restricted Subsidiary will automatically be revoked if the relevant Subsidiary provides a Subsidiary Guarantee.

(o) Disposition of Assets or Shares of Pacinfra Holding Ltd., Pacific Infrastructure Ventures, Inc. or Sociedad Portuaria Puerto Bahía S.A. The Issuer covenants and agrees that, notwithstanding the status of Pacinfra Holding Ltd. as an Unrestricted Subsidiary under this Indenture, in the event of a disposition of assets or shares of Capital Stock of Pacific Infrastructure Ventures, Inc. or Sociedad Portuaria Puerto Bahía S.A. (or of any shares of Capital Stock of a Person received in exchange for assets or shares of Capital Stock of Pacific Infrastructure Ventures, Inc. or Sociedad Portuaria Puerto Bahía S.A.), (i) the Issuer will cause Pacinfra Holding Ltd. to (a) use its commercially reasonable efforts to receive its portion of the cash consideration resulting from any such disposition, and (b) transfer any cash consideration actually received by Pacinfra Holding Ltd. resulting from any such disposition to the Issuer or any Restricted Subsidiary (which transfer shall be subject to, and made in compliance with, Applicable Laws), and (ii) the Issuer will, or will cause any Restricted Subsidiary to, apply any cash consideration received by the Issuer or any such Restricted Subsidiary resulting from any such transfer as if it were Net Available Cash arising from an Asset Disposition in compliance with clauses (1)(C) and (2) of Section 4.1(i) including the reset and minimum dollar threshold provisions set forth in the two paragraphs following clause (1)(C).

(p) Financial Reporting. The Issuer shall provide to the Trustee, and to all Holders, the following information (collectively, the "*Financial Reports*"):

(i) within 90 days after the end of each fiscal year, annual audited financial statements for such fiscal year (along with customary comparative results); and

(ii) within 45 days after the end of each of the first three fiscal quarters of each fiscal year, unaudited financial statements for the interim period as at, and for the period ending on, the end of such fiscal quarter (along with comparative results for the corresponding interim period in the prior year);

in the case of subclause (i), including a "Management's Discussion and Analysis of Financial Condition and Results of Operations" and a report on the annual financial statements by the Issuer's certified independent accountants (all of the foregoing information to be prepared on a basis substantially consistent with the requirements for a "reporting issuer" under the securities laws of Canada); provided, however, that Financial Reports shall be deemed to have been provided to the Trustee and the Holders once filed on the SEDAR website at www.sedar.com, *provided*, that the Trustee shall have no responsibility to determine whether such filings have occurred.

Unless the Financial Reports are available on SEDAR or any successor system thereto, the Issuer will also maintain a website to which the Holders of the Notes or bona fide prospective purchasers of the Notes are given free access and on which, not later than the date by which the Financial Reports are required to be provided to the Trustee pursuant to the immediately preceding paragraph, such Financial Reports are made available, provided, however, that the Trustee shall have no responsibility to determine whether such filings have occurred. Making such Financial Reports so available shall be deemed to satisfy the requirements of the immediately preceding paragraph that such Financial Reports be provided to the Trustee and delivered to the Holders.

For so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and the rules of such exchange so require, the Financial Reports will also be made available in Luxembourg through the offices of the Luxembourg listing agent.

If the total assets of the Unrestricted Subsidiaries (aggregated together on a Combined basis) represent more than 15.0% of the Issuer's consolidated total assets, then the Issuer shall provide the Trustee, and to all holders, the additional following quarterly and annual financial information of the Issuer and its Restricted Subsidiaries on a Combined basis: (i) as of the end of the relevant period, Consolidated Total Indebtedness and Consolidated Net Tangible Assets, and (ii) for the relevant period, Consolidated Adjusted EBITDA.

Delivery of these reports, information and documents to the Trustee is for informational purposes only, and the Trustee's receipt of them will not constitute actual or constructive notice of any information contained therein or determinable from information contained therein, including the Issuer's compliance with any of its covenants under this Indenture (as to which the Trustee is entitled to rely exclusively on an Officers' Certificate).

(q) Maintenance of Existence and Properties. The Issuer will, and will cause each of its Restricted Subsidiaries to (i) maintain in effect its corporate existence and all registrations necessary therefor; (ii) take all reasonable actions to maintain all rights, privileges, titles to Property, franchises and the like necessary or desirable in the normal conduct of its business, activities or operations; and (iii) keep all its material Property used or useful for the operation of its business in good working order or condition (subject to ordinary wear and tear); *provided*, that the foregoing paragraphs (i), (ii) and (iii) shall not require the Issuer to preserve the corporate existence of any Restricted Subsidiary or maintain any such right, privilege, title to Property, license or franchise or Property if the Board of Directors of the Issuer shall determine in good faith that (i) the maintenance or preservation thereof is no longer necessary or desirable in the conduct of the business of the Issuer and (ii) the non-maintenance or non-preservation thereof would not be reasonably expected to have a Material Adverse Effect.

(r) Insurance. Except to the extent failure to do so would not be reasonably expected to have a Material Adverse Effect, the Issuer will, and will cause each of its Subsidiaries to, maintain insurance with financially sound, responsible and reputable insurance companies, in accordance with its past practices and covering such risks as the Issuer reasonably believes to be consistent with the practices of other companies of substantially similar size and scope of operations in the same or substantially similar businesses.

(s) Payment of Taxes and Claims. Except to the extent failure to do so would not be reasonably expected to have a Material Adverse Effect, the Issuer will, and will cause each of its Subsidiaries to, pay all material taxes, assessments and other governmental charges imposed upon it or any of its Property in respect of any of its franchises, businesses, income or profits before any penalty or interest accrues thereon, and pay all claims (including claims for labor, services, materials and supplies) for amounts which have become due and payable and which by law have or might become a Lien upon its Property, except if such charge or claim is being contested in good faith by appropriate provision promptly initiated and diligently conducted and if such reserves or other appropriate provision, if any, as shall be required by IFRS shall have been made therefore.

(t) Compliance with Laws. Except to the extent failure to do so would not be reasonably expected to have a Material Adverse Effect, the Issuer will, and will cause each of its Subsidiaries to, comply in all material respects with all Applicable Laws except where the necessity of compliance therewith is contested in good faith by appropriate proceedings promptly initiated and diligently conducted and if such reserves or other appropriate provision, if any, as shall be required by IFRS shall have been made therefore.

(u) Maintenance of Ratings. The Issuer shall, for so long as any Notes are Outstanding, use commercially reasonable efforts to maintain ratings on the Notes from at least two of the Rating Agencies *provided, however*, that the Issuer shall not be required to maintain any minimum credit rating.

(v) Limitation on Line of Business. The Issuer will not, and will not permit any Restricted Subsidiary, to engage in any business other than a Related Business.

Section 4.2 *Covenant Suspension.* During any period of time that: (a) the Notes have an Investment Grade Rating from at least two Rating Agencies and (b) no Default or Event of Default has occurred and is continuing under this Indenture (the occurrence of the events described in the foregoing clauses (a) and (b) being collectively referred to as a “*Covenant Suspension Event*”), the Issuer and its Restricted Subsidiaries will not be subject to the provisions of Section 4.1(f), Section 4.1(h), Section 4.1(i) (except in respect of Asset Sales in connection with Sale and Lease Back Transactions), Section 4.1(k), Section 4.1(l) and clauses (1)(d) and (2)(d) of Section 4.3 (collectively, the “*Suspended Covenants*”).

Upon the occurrence of a Covenant Suspension Event, the amount of Net Available Cash Proceeds that has not been invested or applied as provided under Section 4.1(i) hereof shall be set at zero as of such date (the “*Suspension Date*”). In the event that, on any date subsequent to any Suspension Date (the “*Reversion Date*”), the Rating Agencies withdraw their Investment Grade Rating or downgrade such rating to below an Investment Grade Rating, or a Default or Event of Default occurs and is continuing, then the Issuer and its Restricted Subsidiaries shall thereafter again be subject to the Suspended Covenants with respect to future events. The period of time between the Suspension Date and the Reversion Date is referred to in this description as the “*Suspension Period*.” Notwithstanding the reinstatement of the Suspended Covenants, no Default or Event of Default will be deemed to have occurred as a result of a failure to comply with the Suspended Covenants during the Suspension Period (or upon termination of the

Suspension Period or after that time based solely on events that occurred and were completed during the Suspension Period).

On the Reversion Date all Indebtedness incurred during the Suspension Period and outstanding on the Reversion Date will be classified as having been incurred or issued pursuant to Section 4.1(f) hereof (to the extent such Indebtedness would be permitted to be incurred or issued thereunder as of the Reversion Date and after giving effect to Indebtedness incurred or issued prior to the Suspension Period and outstanding on the Reversion Date). To the extent such Indebtedness would not be so permitted to be incurred or issued pursuant to Section 4.1(f) hereof such Indebtedness will be deemed to have been outstanding on the Closing Date, so that it is classified as permitted under clause (2)(b) of Section 4.1(f) hereof. Calculations made after the Reversion Date of the amount available to be made as Restricted Payments under Section 4.1(h) will be made as though the covenant described under Section 4.1(h) hereof had been in effect since the Closing Date and throughout the Suspension Period. Accordingly, Restricted Payments made during the Suspension Period will reduce the amount available to be made as Restricted Payments under the first paragraph of Section 4.1(h) hereof.

The Issuer shall give the Trustee written notice of any Covenant Suspension Event and in any event not later than five (5) Business Days after the Suspension Date. In the absence of such notice, the Trustee shall assume the Suspended Covenants apply and are in full force and effect. The Issuer shall give the Trustee written notice of any occurrence of a Reversion Date not later than five (5) Business Days after such Reversion Date. Absent such notice, the Trustee shall assume that the Suspended Covenants are suspended and not in full force and effect. After any such notice of the occurrence of a Reversion Date, the Trustee shall assume the Suspended Covenants apply and are in full force and effect.

Section 4.3 *Merger, Consolidation, Amalgamation, Combination, Sale or Lease.*

- (1) The Issuer shall not merge, consolidate, amalgamate or combine with or into another person or convey, transfer or lease its properties and assets substantially as an entirety to any Person, unless:
 - (a) the resulting, surviving or transferee Person (if not the Issuer) shall be a Person organized and existing under the laws of Canada and of any member country of the Organization for Economic Cooperation and Development (OECD), or any state, province or territory thereof;
 - (b) the Issuer causes the Person formed by such merger, consolidation, amalgamation, combination or other similar transaction, or into which the Issuer is merged, consolidated, amalgamated or combined or the Person which acquires by conveyance or transfer, or which leases, the Issuer's properties and assets substantially as an entirety to (determined on a consolidated basis, with its Restricted Subsidiaries) (the "Successor"), and the Successor expressly assumes, pursuant to a supplemental indenture and

documentation, executed and delivered to the Trustee in form reasonably satisfactory to the Trustee, all of the obligations of the Issuer under the Notes and this Indenture;

- (c) immediately after giving effect to such transaction on a *pro forma* basis (and treating any Indebtedness which becomes an obligation of the resulting, surviving or transferee Person as a result of such transaction as having been issued by such Person at the time of such transaction) no Default or Event of Default would occur;
- (d) immediately after giving effect to such transaction, either (x) the Successor would be able to Incur U.S.\$1.00 of Indebtedness pursuant to clause (1) of the covenant described under Section 4.1(f) hereof or (y) the Consolidated Fixed Charge Ratio would be no less than the Consolidated Fixed Charge Ratio immediately prior to such transaction, and the Consolidated Debt to Consolidated Adjusted EBITDA Ratio would be no greater than the Consolidated Debt to Consolidated Adjusted EBITDA Ratio immediately prior to the transaction;
- (e) all requisite governmental approvals therefor shall have been obtained;
- (f) the Issuer has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such merger, consolidation, amalgamation, combination or other similar transaction, conveyance, transfer or lease complies with this Indenture and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture complies with this Indenture and that all conditions precedent provided for in this Indenture relating to such transaction have been complied with;
- (g) each Note Guarantor (unless it is the other party to the transactions above, in which case clause (b) shall apply) shall have by supplemental indenture confirmed that its Guarantee shall apply to such Person's obligations in respect of this Indenture and the Notes; and
- (h) the Issuer has delivered to the Trustee one or more Opinions of Counsel to the effect that the Holders and beneficial owners will not recognize income, gain or loss for Canadian income tax or

United States federal income tax purposes as a result of such transaction and will be subject to Canadian Income tax or United States federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such transaction had not occurred.

Upon any merger, consolidation, amalgamation, combination or other similar transaction or any transfer of all or substantially all of the properties and assets of the Issuer's properties and assets substantially as an entirety (determined on a Consolidated basis with its Restricted Subsidiaries) in accordance with this covenant, in which the Issuer is not the continuing corporation, the Successor formed by such merger, consolidation, amalgamation, combination or other similar transaction or into which the Issuer is merged, consolidated, amalgamated or combined or to which such conveyance, lease or transfer is made shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under this Indenture and the Notes with the same effect as if such Successor had been named as such, except in the case of a lease, and the Issuer shall be discharged from all covenants and obligations under this Indenture and the Notes.

- (2) No Note Guarantor shall merge, consolidate, amalgamate or combine with or into another Person (other than another Note Guarantor) or convey, transfer or lease its properties and assets substantially as an entirety to any Person, unless:
 - (a) the resulting, surviving or transferee Person (if not the Note Guarantor) shall be a Person organized and existing under the laws of Canada or any province thereof, the Bahamas, Bermuda, the British Virgin Islands, Colombia, Panama, Peru, any member country of the Organization for Economic Co-operation and Development (OECD) or the jurisdiction of organization of the Note Guarantor that is being merged, consolidated, amalgamated or combined, or whose properties and assets are being conveyed, transferred or leased;
 - (b) the Note Guarantor causes the Person formed by such merger, consolidation, amalgamation, combination or other similar transaction, or into which the Note Guarantor is being merged, consolidated, amalgamated or combined or the Person which acquires by conveyance or transfer, or which leases, the Note Guarantor's properties and assets substantially as an entirety (determined on a consolidated basis with its Subsidiaries) (the "*Note Guarantor Successor*"), to expressly assume, pursuant to a supplemental indenture and documentation, executed and delivered to the Trustee in form reasonably satisfactory to the Trustee, all of

the obligations of a Note Guarantor under the Notes and this Indenture;

- (c) immediately after giving effect to such transaction on a pro forma basis (and treating any Indebtedness which becomes an obligation of the resulting, surviving or transferee Person as a result of such transaction as having been issued by such Person at the time of such transaction) no Default or Event of Default would occur;
- (d) immediately after giving effect to such transaction, either (x) the Issuer would be able to Incur U.S.\$1.00 of Indebtedness pursuant to Section 4.1(f) or (y) the Consolidated Fixed Charge Ratio would be no less than the Consolidated Fixed Charge Ratio immediately prior to such transaction, and the Consolidated Debt to Consolidated Adjusted EBITDA Ratio would be no greater than the Consolidated Debt to Consolidated Adjusted EBITDA Ratio immediately prior to the transaction;
- (e) all requisite governmental approvals therefor have been obtained;
- (f) the Issuer has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such merger, consolidation, amalgamation, combination, conveyance, transfer or lease complies with this Indenture and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture complies with this Indenture and that all conditions precedent provided for in this Indenture relating to such transaction have been complied with;
- (g) each other Note Guarantor has by supplemental indenture confirmed that its Guarantee shall continue to apply to the Issuer's obligations in respect of this Indenture and the Notes; and
- (h) the Issuer has delivered to the Trustee an Opinion of Counsel to the effect that the Holders and beneficial owners will not recognize income, gain or loss for United States federal income tax purposes as a result of such transaction and will be subject to United States federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such transaction had not occurred.

Upon any merger, consolidation, amalgamation, combination or other similar transaction or any transfer of all or substantially all of the properties and assets of the Note Guarantor substantially as an entirety (determined on a consolidated basis with its Subsidiaries) in accordance with this covenant, in which the Note Guarantor is not the continuing corporation, the Note Guarantor Successor formed by such merger, consolidation, amalgamation, combination or other similar transaction, or into which the Note Guarantor is merged, consolidated, amalgamated or combined or to which such conveyance, lease or transfer is made shall succeed to, and be substituted for, and may exercise every right and power of, the Note Guarantor under this Indenture and the Notes with the same effect as if such Note Guarantor Successor had been named as such, except in the case of a lease, and the Note Guarantor shall be discharged from all covenants and obligations under this Indenture and the Notes.

Section 4.4 Repurchases at the Option of the Holders Upon a Change of Control Triggering Event. If a Change of Control Triggering Event occurs, each Holder will have the right to require the Issuer to repurchase all or any part (equal to an integral multiple of U.S.\$1,000) of that Holder's Notes pursuant to a Change of Control Offer (as defined below) on the terms set forth in this Indenture. No such purchase in part shall reduce the outstanding principal amount at maturity of the Notes held by any Holder to below U.S.\$200,000. In the Change of Control Offer, the Issuer will offer a "*Change of Control Payment*" in cash equal to 101% of the aggregate principal amount of Notes repurchased plus accrued and unpaid interest and Additional Amounts, if any, on the Notes repurchased, to the date of purchase (subject to the right of the Holders of record on the relevant Record Date to receive interest and Additional Amounts, if any, on the relevant interest Payment Date).

Within 30 days following any Change of Control Triggering Event, the Issuer will make a "*Change of Control Offer*" by giving notice to the Trustee and each Holder of Notes by sending and publishing such notice in accordance with Section 10.6 below, describing the transaction or transactions that constitute the Change of Control, the Change of Control Triggering Event and offering to repurchase Notes on the date specified in the notice (the "*Change of Control Payment Date*"), which date will be no earlier than 30 days and no later than 60 days from the date such notice is sent, pursuant to the procedure required by this Indenture and described in such notice.

The Issuer will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other applicable securities laws or regulations in connection with the repurchase of Notes pursuant to this covenant. To the extent that the provisions of any applicable securities laws or regulations conflict with provisions of this covenant, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this covenant by virtue of its compliance with such securities laws or regulations.

On the Change of Control Payment Date, the Issuer will, to the extent lawful:

- (1) accept for payment all Notes or portions of Notes properly tendered pursuant to the Change of Control Offer;

- (2) deposit, at least one Business Day prior, with the Paying Agent an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes properly tendered; and
- (3) deliver or cause to be delivered to the Trustee the Notes properly accepted, together with an Officers' Certificate stating the aggregate principal amount of Notes or portions of Notes being purchased by the Issuer.

The Issuer will promptly notify each Holder of Notes properly tendered of the Change of Control Payment for such Notes, and, upon receipt of a written order, the Trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each Holder a new Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any; *provided, however*, that each new Note will be in a principal amount of U.S.\$200,000 or an integral multiple of U.S.\$1,000 in excess thereof. The Issuer will publicly announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date.

The provisions described above that require the Issuer to make a Change of Control Offer following a Change of Control Triggering Event shall apply whether or not any other provisions of this Indenture are applicable. Except as described above with respect to a Change of Control Triggering Event, this Indenture does not contain provisions that permit the Holders to require that the Issuer repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction.

The Issuer will not be required to make a Change of Control Offer upon a Change of Control Triggering Event if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements, set forth in this Indenture, that are applicable to a Change of Control Offer made by the Issuer and such third party purchases all Notes properly tendered and not withdrawn under the Change of Control Offer.

ARTICLE V DEFAULTS AND REMEDIES

Section 5.1 *Events of Default and Remedies.* (a) Events of Default. “*Event of Default*”, wherever used herein with respect to the Notes, means any one of the following events (which will constitute Events of Default whatever the reason for any such Event of Default and whether it is voluntary or involuntary or is effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

- (i) default in the payment of any interest (or Additional Amounts, if any) on any Note when it becomes due and payable and such default shall continue unremedied for a period of 30 days;
- (ii) default in the payment of any principal (or premium, if any) on any Note when it becomes due and payable, whether on any amortization date, the Maturity Date, upon optional redemption, required repurchase or otherwise;

(iii) default in the performance, or breach, of any covenant, agreement or obligation of the Issuer, any Note Guarantor or any Restricted Subsidiary contained in this Indenture (including any default under or breach in the performance of the covenant described in Section 4.1(h)), irrespective of whether the Issuer, any Note Guarantor or any Restricted Subsidiary has the power (corporate or otherwise) to cause compliance with such covenant), the Notes, any Subsidiary Guaranty or any of the other Transaction Documents, and continuance of such default or breach for a period of 30 consecutive days after there has been given, by first class mail, to the Issuer by the Trustee or to the Issuer and the Trustee by the Holders of at least 25% in aggregate principal amount of the Outstanding Notes a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a “*Notice of Default*” hereunder; or

(iv) with respect to any of the Issuer, any Note Guarantor or any Restricted Subsidiary, any final and non-appealable judgment or order for the payment of money in excess of U.S.\$25 million or its equivalent in other currencies (to the extent not covered by insurance as acknowledged in writing by the insurer) is rendered against the Issuer, any Note Guarantor or any Restricted Subsidiary and (i) such judgment or order remains undischarged as a result of a failure to make a payment required by such judgment or order under the terms of such judgment or order for a period of 60 days, or (ii) such judgment or order remains unstayed for a period of 60 days after such judgment becomes final and non-appealable; or

(v) either:

(A) the Issuer, any Note Guarantor or any Restricted Subsidiary shall default (as principal or guarantor or other surety) in the payment of principal of any Indebtedness in the principal amount of at least U.S.\$25 million in the aggregate (or its equivalent in any other currency) and such default shall have continued for more than any applicable period of grace and any time for payment of such amounts has not been expressly extended, or

(B) Indebtedness of the Issuer, any Note Guarantor or any Restricted Subsidiary is accelerated by the holders thereof because of a default, and the total amount of such accelerated Indebtedness exceeds U.S.\$25 million;

(vi) the Subsidiary Guaranty of any of the Note Guarantors under this Indenture shall fail to be in full force and effect or is declared null and void or any of the obligors thereunder denies in writing that it has any further liability under this Indenture and the Subsidiary Guaranty, or gives written notice to such effect to the Issuer (with a copy to the Trustee) (other than by reason of the termination of this Indenture or the release of the Subsidiary Guaranty in accordance with the terms of this Indenture);

(vii) to the extent permitted by Applicable Law, the entry of a decree or order by a court having jurisdiction in the premises adjudging the Issuer or any Note

Guarantor that is a Significant Subsidiary bankrupt or insolvent, or approving as properly filed a petition seeking winding up, arrangement, adjustment or composition of or in respect of the Issuer or any Note Guarantor that is a Significant Subsidiary under applicable Bankruptcy Law, or appointing a receiver, interim receiver, receiver and manager, liquidator, assignee, trustee, sequestrator (or other similar official) of the Issuer or any Note Guarantor that is a Significant Subsidiary or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of 90 consecutive days; or

(viii) to the extent permitted by Applicable Law, the institution by the Issuer or any Note Guarantor that is a Significant Subsidiary of proceedings to be adjudicated bankrupt or insolvent, or the consent by it to the institution of bankruptcy or insolvency proceedings against it, or the filing by it of a petition or answer or consent seeking dissolution, winding up, an arrangement of debt or relief under applicable Bankruptcy Law, including for the avoidance of doubt, the filing of a notice of intention under the *Bankruptcy and Insolvency Act* (Canada), an application under the *Companies' Creditors Arrangement Act* (Canada) or any proposal to compromise, arrange or reorganize any of its debts or obligations under Section 288 of the *Business Corporations Act* (British Columbia) or any similar provision of Canadian federal or provincial corporate law), or the consent by it to the filing of any such petition or to the appointment of a receiver, interim receiver, receiver and manager liquidator, assignee, trustee, sequestrator (or other similar official) of the Issuer or any Note Guarantor that is a Significant Subsidiary or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due.

(b) Acceleration of Maturity; Rescission and Annulment. If an Event of Default (other than an Event of Default specified in Section 5.1(a)(vii) and (viii) with respect to the Issuer) occurs and is continuing, then in every such case either the Trustee or the Holders of not less than 25% in aggregate principal amount of the Outstanding Notes may declare the principal amount of the Outstanding Notes to be due and payable immediately (including all Additional Amounts thereon), by a notice in writing to the Issuer (and to the Trustee if given by Holders), and upon any such declaration such principal amount shall become immediately due and payable.

If an Event of Default described in Section 5.1(a)(vii) and (viii) with respect to the Issuer occurs and is continuing, then and in every such case, the principal amount of all the Notes, together with all accrued interest thereon, shall, without any notice to the Issuer or any other act on the part of the Trustee or any Holder, become and be immediately due and payable.

At any time after such a declaration of acceleration with respect to the Notes has been made and before a judgment or decree for payment of the money due has been obtained by the Trustee as provided in this Article, the Required Holders, by written notice delivered to the Issuer and the Trustee, may rescind and annul such declaration and its consequences if:

(i) the Issuer has paid or deposited with the Trustee and/or any Paying Agents a sum sufficient to pay (A) all overdue interest, if any, on all Notes, (B) the

principal of (and premium, if any, on) any Notes which have become due otherwise than by such declaration of acceleration and interest thereon at the rate or rates prescribed therefor in such Notes, (C) to the extent that payment of such interest is lawful, interest upon any overdue interest at the rate or rates prescribed therefor in such Notes, and (D) all sums paid or advanced by the Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel; and

(ii) all Events of Default with respect to the Notes, other than the non-payment of the principal of and accrued interest on the Notes which have become due solely by such declaration of acceleration, have been cured or waived as provided in clause (m) below.

No such rescission shall affect any subsequent Default or impair any right consequent thereon.

(c) Collection of Indebtedness and Suits for Enforcement by Trustee. The Issuer covenants that if: (i) Default is made in the payment of any interest on any Note when such interest becomes due and payable and such Default continues for a period of 30 days, or (ii) Default is made in the payment of the principal of (or premium, if any, on) any Note at the maturity thereof, the Issuer will pay to the Trustee, for the benefit of the Holders, the whole amount then due and payable on such Notes for principal (and premium, if any) and interest, if any, and, to the extent that payment of such interest shall be legally enforceable, interest on any overdue principal (and premium, if any) and on any overdue interest, at the rate or rates prescribed therefor in such Notes, and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel. If the Issuer fails to pay such amount forthwith upon such demand, the Trustee, in its own name and as trustee of an express trust, may institute a judicial proceeding for the collection of the sums so due and unpaid and may prosecute such proceeding to judgment or final decree, and may enforce the same against the Issuer or any other obligor upon the Notes and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the Property of the Issuer or any other obligor upon such Notes, wherever situated.

If an Event of Default occurs and is continuing, the Trustee may in its discretion proceed to protect and enforce its rights and the rights of the Holders by such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy.

(d) Trustee May File Proofs of Claim. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, administrative take-over, arrangement, adjustment, composition or other judicial proceeding relative to the Issuer or the material Property of the Issuer or its creditors, the Trustee (irrespective of whether the principal of the Notes shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand on the Issuer for the payment of overdue principal or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(i) to file and prove a claim for the whole amount of principal (and premium, if any) and interest owing and unpaid in respect of the Notes and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agent and counsel and any other amounts due to the Trustee under Section 7.5) and of the Holders allowed in such judicial proceedings; and

(ii) to collect and receive any moneys or other Property payable or deliverable on any such claims and to distribute the same in accordance with the terms hereof; and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee.

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

(e) Trustee May Enforce Claims Without Possession of Notes. To the extent permitted under Applicable Law, all rights of action (including without limitation the right to file proofs of claim) under this Indenture may be enforced by the Trustee without the possession of any of the Notes or the production thereof in any trial or other proceeding relating thereto. Any suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining any Holders as plaintiffs or defendants. Any recovery of judgment shall be for the benefit of the Holders, subject to the provisions of this Indenture.

(f) Application of Money Collected. Any monies collected by the Trustee pursuant to this Section 5.1 or otherwise received by the Trustee, and after an Event of Default any money or other properties distributable in respect of the Issuer's obligations under this Indenture, shall be applied (i) *first*, to the Trustee and the Authorized Agents, including their agents and counsel, in payment of all amounts due pursuant to Section 8.5 hereof, (ii) *second*, to the payment of interest accrued on the Notes and any premium and Additional Amounts thereon, (iii) *third*, to the payment of the outstanding principal amount of the Notes and (iv) *fourth*, to the Issuer. The Trustee may fix a record date and payment date for any payment by it to Holders pursuant to this Section.

(g) Rights and Remedies of Holders. A Holder shall not have any right to institute any suit, action or proceeding for the enforcement of this Indenture, or for the exercise of any other remedy hereunder unless (i) such Holder has previously given written notice to the Trustee of a continuing Event of Default with respect to the Notes, (ii) Holders of more than twenty-five percent (25%) in aggregate principal amount of Outstanding Notes shall have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee thereunder, (iii) such Holder or Holders have offered to the Trustee indemnity satisfactory to it against the costs, expenses and liabilities to be Incurred in compliance with such request, (iv) the Trustee during the 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding, and (v) no direction

inconsistent with such written request has been given to the Trustee during such 60-day period by the Required Holders; *provided, however*, that no one or more Holders shall have any right to affect, disturb or prejudice in any manner whatsoever the benefit of this Indenture afforded the Notes by its or their action, or to enforce, except in the manner provided herein, any remedy, right or power hereunder. Any suit, action or proceeding shall be instituted and maintained in the manner provided herein for the benefit of the Holders of all Outstanding Notes.

(h) Unconditional Right of Holders to Receive Principal, Premium and Interest. Notwithstanding any other provision in this Indenture, any Holder shall have the right which is absolute and unconditional, to receive payment of the principal of (and premium and Additional Amounts, if any) and interest, if any, on such Note on the dates specified in the Notes as the fixed date on which the principal of such Note or any installment of interest on such Note is due and payable (or, in the case of redemption, on the Redemption Date) and to institute suit for the enforcement of any such payment, and such rights shall not be impaired without the consent of such Holder.

(i) Restoration of Rights and Remedies. If the Trustee or any Holder has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Holder, then and in every such case, subject to any determination in such proceeding, and to the extent permitted under Applicable Law, the Issuer, the Trustee and the Holders shall be restored severally and respectively to their former positions hereunder, and thereafter all rights and remedies of the Trustee and the Holders shall continue as though no such proceeding had been instituted.

(j) Rights and Remedies Cumulative. Except as otherwise provided with the respect to the replacement or payment of mutilated, destroyed, lost or stolen Notes, no right or remedy herein conferred upon or reserved to the Trustee or to the Holders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by Applicable Law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

(k) Delay or Omission Not Waiver. No delay or omission of the Trustee or of any Holder to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Trustee or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders, as the case may be.

(l) Control by Holders. The Required Holders shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee, with respect to the Notes; *provided, however*, that (i) such direction shall not be in conflict with any rule of law or with this Indenture or subject the Trustee to personal liability, (ii) the Trustee may take any other action deemed proper by the Trustee that is not inconsistent with such direction, and (iii) the Trustee shall have

received indemnity or security satisfactory to it against the costs, expenses and liability incurred in connection therewith.

(m) Waiver of Past Defaults. Subject to Section 5.1(b), the Required Holders may, on behalf of all Holders, waive any past Default hereunder and its consequences, except a Default (i) in the payment of the principal of (or premium, if any) or interest, if any, on any Note, or (ii) in respect of a covenant or provision hereof that cannot be modified or amended without the consent of the Holder of each Outstanding Note affected. Upon any such waiver, such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose under this Indenture; but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereon.

(n) Undertaking for Costs. All parties to this Indenture agree, and each Holder by its acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this clause shall not apply to any suit instituted by the Trustee, or to any suit instituted by any Holder for the enforcement of the payment of the principal of (or premium, if any) or interest, if any, on any Note on or after the dates specified in the Notes as the fixed date on which the principal of such Note or any installment of interest on such Note is due and payable (or, in the case of redemption, on or after the Redemption Date).

ARTICLE VI

DISCHARGE OF THE INDENTURE; DEFEASANCE

Section 6.1 *Satisfaction and Discharge of Indenture.* This Indenture will be discharged and will cease to be of further effect (except as to surviving rights of registration of transfer or exchange of the Notes as expressly provided for herein) when:

(a) the Issuer has irrevocably deposited or caused to be deposited with the Trustee as funds in trust for such purpose an amount in Dollars or United States Government Obligations sufficient to pay and discharge the entire Indebtedness on the Notes that have not, prior to such time, been delivered to the Trustee for cancellation, for principal of, premium, if any, and any Additional Amounts and accrued and unpaid interest on the Notes to the date of such deposit (in the case of Notes which have become due and payable) or to the Stated Maturity or Redemption Date, as the case may be, and the Issuer has delivered irrevocable instructions to the Trustee under this Indenture to apply the deposited money toward the payment of the Notes at the applicable installment date or on the Redemption Date, as the case may be, and either:

(i) all Notes that have been authenticated and delivered (other than destroyed, lost or stolen Notes that have been replaced or paid and Notes for whose payment money has been deposited in trust or segregated and held in trust by the Issuer

and thereafter repaid to the Issuer or discharged from such trust as provided for in this Indenture) have been delivered to the Trustee for cancellation; or

(ii) all Notes that have not been delivered to the Trustee for cancellation (x) have become due and payable (by reason of the sending of a notice of redemption or otherwise), (y) will become due and payable at Stated Maturity within one year or (z) are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the Issuer's name, and at the Issuer's expense;

(b) the Issuer has paid or caused to be paid all sums payable by the Issuer under this Indenture; and

(c) the Issuer has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that:

(i) all conditions precedent provided in this Indenture relating to the satisfaction and discharge of this Indenture have been satisfied; and

(ii) such satisfaction and discharge will not result in a breach or violation of, or constitute a Default under, this Indenture or any other agreement or instrument to which the Issuer or any Subsidiary is a party or by which the Issuer or any Subsidiary is bound.

Section 6.2 *Repayment of Monies.* Following the satisfaction and discharge of this Indenture as described in Section 6.1, all investments and monies then held by the Trustee under this Indenture shall, upon written demand of the Issuer, be repaid or, as the case may be, released, assigned or transferred to the Issuer, and thereupon the Trustee shall be released from all further liability with respect to such investments and monies.

Section 6.3 *Return of Monies Held by the Trustee.* Any monies deposited with or paid to the Trustee for the payment of the principal, premium or Additional Amounts (if any), interest or any other amount due with respect to any Note and not applied but remaining unclaimed for three years after the date upon which such principal, premium or Additional Amounts (if any), interest or other amount shall have become due and payable, shall (to the extent not required to escheat to any governmental authority), upon written demand of the Issuer, be repaid by the Trustee to or for the account of the Issuer, the receipt of such repayment to be confirmed promptly in writing by or on behalf of the Issuer, and, to the extent permitted by Applicable Law, the Person claiming such payment of principal, premium or Additional Amounts (if any), interest or any other amount shall thereafter look only to the Issuer for any related payment that it may be entitled to receive, and all liability of the Trustee with respect to such monies shall thereupon cease.

Section 6.4 *Defeasance.* The Issuer may, at its option, at any time elect to have either clause (a) or clause (b) of this Section 6.4 applied to all Outstanding Notes upon compliance with the conditions set forth in this Section 6.4.

(a) Upon the Issuer's election of the "*Legal Defeasance*" option applicable to this Section 6.4(a), and subject to the satisfaction of the conditions set forth in Section 6.5, the Issuer shall be deemed to have paid and discharged the entire Indebtedness represented by the Outstanding Notes, except for:

(i) the rights of the Holders to receive payments in respect of the principal of, premium, if any, interest and Additional Amounts, if any, on the Notes when such payments are due;

(ii) the Issuer's obligations with respect to the Notes concerning issuing temporary Notes, registration of Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payments;

(iii) the rights, powers, trust, duties and immunities of the Trustee, as set forth in this Indenture, and the Issuer's obligations in connection therewith; and

(iv) this Section 6.4(a).

Subject to compliance with this Section 6.4, the Issuer may exercise its option under this Section 6.4(a) notwithstanding the prior exercise of its option under this Section 6.4(a).

(b) Upon the Issuer's election of the "*Covenant Defeasance*" option applicable to this clause (b), and subject to the satisfaction of the conditions set forth in Section 6.5 hereof, the Issuer and/or any Restricted Subsidiary, need not comply with the covenants set forth in Sections 4.1(a), 4.1(d), 4.1(e), 4.1(f), 4.1(g), 4.1(h), 4.1(i), 4.1(j), 4.1(k), 4.1(l), 4.1(m), 4.1(n), 4.1(p), 4.1(q), 4.1(r), 4.1(s), 4.1(t), 4.1(u), 4.1(v), 4.3(1)(d) and 4.3(2)(d) (for the avoidance of doubt, the Issuer and/or any Restricted Subsidiary must continue to comply with the covenants set forth in Sections 4.1(b), 4.1(c) and 4.1(r) upon the Issuer's election of the "*Covenant Defeasance*" option applicable to this clause (b) and satisfaction of the conditions set forth in Section 6.5). In addition, upon the Issuer's exercise of the option under this clause (b), subject to the satisfaction of the conditions set forth in Section 6.5, Section 5.1(a)(iii) and 5.1(a)(iv) hereof will no longer constitute Events of Default.

Section 6.5 *Conditions to Defeasance.* In order to exercise the options set forth in clause (a) or clause (b) of Section 6.4 above with respect to the Notes:

(a) the Issuer shall irrevocably deposit, or cause to be deposited, with the Trustee, in trust, for the benefit of the Holders, cash in Dollars, non-callable United States Government Obligations, or a combination thereof, in each case in such amounts as will be sufficient, in the opinion of a nationally recognized firm of independent public accountants, to pay the principal of, premium, if any, interest and Additional Amounts, if any, on the Notes on the stated dates for payment thereof or on the applicable Redemption Date, as the case may be;

(b) in the case of Section 6.4(a), the Issuer shall have delivered to the Trustee (i) an Opinion of Counsel, from counsel who is reasonably acceptable to the Trustee, confirming that, subject to customary assumptions and exclusions,

(i) the Issuer has received from, or there have been published by, the United States Internal Revenue Service a ruling, or

(ii) since the issuance of the Notes, there has been a change in the applicable United States federal income tax law,

in either case to the effect that, and based thereon such Opinion of Counsel shall confirm that, subject to customary assumptions and exclusions, the Holders and the beneficial owners of Notes will not recognize income, gain or loss for United States federal income tax purposes, as applicable, as a result of such Legal Defeasance and will be subject to United States federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(c) in the case of Section 6.4(b), the Issuer shall have delivered to the Trustee (i) an Opinion of Counsel, from counsel who is reasonably acceptable to the Trustee, confirming that, subject to customary assumptions and exclusions, the Holders and the beneficial owners of Notes will not recognize income, gain or loss for United States federal income tax purposes as a result of such Covenant Defeasance and will be subject to United States federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(d) in the case of Section 6.4(a) or Section 6.4(b), the Issuer shall have delivered to the Trustee (i) an Opinion of Counsel from legal counsel qualified to practice in Canada (such counsel acceptable to the Trustee acting reasonably) to the effect that, based upon Canadian law then in effect, and having regard to any proposed amendments thereto, the Holders and beneficial owners of Notes will not recognize income, gain or loss for Canadian federal, provincial or territorial or other income tax purposes and the amounts to be payable shall not be subject to any deposit or temporary freezing of funds, as a result of Legal Defeasance or Covenant Defeasance, as the case may be, and will be subject to Canadian federal, provincial or territorial or other income taxes on the same amounts and in the same manner and at the same time as would have been the case if such Legal Defeasance or Covenant Defeasance, as the case may be, had not occurred or (ii) a ruling directed to the Trustee received from tax authorities of Canada the same effect as the Opinion of Counsel described in clause (i) above;

(e) no Default or Event of Default shall have occurred and be continuing on the date of such deposit pursuant to clause (a) of this Section 6.5 (except such Default or Event of Default resulting from the failure to comply with Section 4.1(f) of this Indenture as a result of the borrowing of funds required to effect such deposit);

(f) such Legal Defeasance or Covenant Defeasance shall not result in a breach or violation of, or constitute a default under any material agreement or instrument to which, the Issuer or any of its Subsidiaries is a party or by which the Issuer or any of its Subsidiaries is bound (other than a Default or Event of Default pursuant to clause (e) above);

(g) the Trustee shall have received an Officers' Certificate of the Issuer stating that the deposit was not made by the Issuer with the intent of preferring the Holders over

any other creditors of the Issuer or with the intent of defeating, hindering, delaying or defrauding any other creditors of the Issuer or others;

(h) the Trustee shall have received an Officers' Certificate of the Issuer and an Opinion of Counsel (which Opinion of Counsel may be subject to customary assumptions and exclusions) each stating that all conditions precedent provided for or relating to the Legal Defeasance or the Covenant Defeasance, as the case may be, have been complied with; and

(i) the Trustee shall have received an Opinion of Counsel (subject to customary qualifications and exclusions), from counsel who is reasonably acceptable to the Trustee, to the effect that the trust resulting from the deposit does not constitute a regulated investment company under the Investment Company Act of 1940.

Section 6.6 *Reinstatement.* If the Trustee is unable to apply any money or United States Government Obligations in accordance with Section 6.4 by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Issuer's obligations under this Indenture and the Notes shall be revived and reinstated as though no deposit had occurred pursuant to Section 6.4, until such time as the Trustee or Paying Agent is permitted to apply all such money or United States Government Obligations in accordance with Section 6.4; *provided, however,* that, if the Issuer has made any payment of principal of or interest on the Outstanding Notes of any series because of the reinstatement of its obligations, the Issuer shall be subrogated to the rights of the Holders of such Notes to receive such payment from the money or United States Government Obligations held by the Trustee or Paying Agent.

ARTICLE VII SUBSIDIARY GUARANTY

Section 7.1 *Subsidiary Guaranty.* Subject to the provisions of this Article, the Note Guarantors hereby absolutely, irrevocably and unconditionally Guarantee, jointly and severally, to each Holder and to the Trustee the full and punctual payment (whether at an installment date or the Maturity Date, upon redemption, purchase pursuant to an offer to purchase or acceleration or otherwise) of the principal, premium, interest and all other amounts that may come due and payable under each Note and the full and punctual payment of all other amounts payable by the Issuer under this Indenture as they come due. Upon failure by the Issuer to pay punctually any such amount, each of the Note Guarantors shall, without duplication, forthwith pay the amount not so paid at the place and time and in the manner specified in this Indenture. This Subsidiary Guaranty constitutes a direct, joint and several, general and unconditional primary obligation of each Note Guarantor which will at all times rank at least *pari passu* with all other present and future senior unsecured obligations of such Note Guarantor, except for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

Section 7.2 *Subsidiary Guaranty Unconditional.* To the extent permitted by Applicable Law, the obligations of the Note Guarantors hereunder are unconditional and absolute and, without limiting the generality of the foregoing, will not be released, discharged or otherwise affected by:

(a) any extension, renewal, settlement, compromise, waiver or release in respect of any obligation of the Issuer under this Indenture or any Note, by operation of law or otherwise;

(b) any modification or amendment of or supplement to this Indenture or any Note;

(c) any change in the corporate existence, structure or ownership of the Issuer, or any insolvency, bankruptcy, reorganization, plan of arrangement or other similar proceeding affecting the Issuer or its assets or any resulting release or discharge of any obligation of the Issuer contained in this Indenture or any Note;

(d) the existence of any claim, set-off or other rights which any of the Note Guarantors may have at any time against the Issuer, the Trustee or any other Person, whether in connection with this Indenture or any unrelated transactions, *provided*, that nothing herein prevents the assertion of any such claim by separate suit or compulsory counterclaim;

(e) any invalidity or unenforceability relating to or against the Issuer for any reason of this Indenture or any Note, or any provision of Applicable Law or regulation purporting to prohibit the payment by the Issuer of the principal of or interest on any Note or any other amount payable by the Issuer under this Indenture;

(f) any other act or omission to act or delay of any kind by the Issuer, the Trustee or any other Person or any other circumstance whatsoever which might, but for the provisions of this paragraph, constitute a legal or equitable discharge of or defense to any of the Note Guarantors' obligations hereunder; or

(g) any defenses (other than full and unconditional payment) or benefits that may be derived from or afforded by law which limit the liability of or exonerate guarantors or sureties, or which may conflict with the terms of the Subsidiary Guaranty or this Indenture.

Section 7.3 *Discharge Reinstatement.* The Note Guarantors' obligations hereunder will remain in full force and effect until the principal of, premium (if any), and interest on the Notes and all other amounts payable by the Issuer under this Indenture have been indefeasibly paid in full. If at any time any payment of the principal of, premium, if any, or interest on any Note or any other amount payable by the Issuer under this Indenture is rescinded or must be otherwise restored or returned upon the insolvency, bankruptcy, arrangement or reorganization of the Issuer or otherwise, the Note Guarantors' obligations hereunder with respect to such payment will be reinstated as though such payment had been due but not made at such time.

Section 7.4 *Waiver by the Note Guarantors.* (a) To the extent permitted by Applicable Law, each of the Note Guarantors unconditionally and irrevocably waives acceptance hereof, presentment, demand, protest and any notice not provided for herein, as well as any requirement that at any time any action be taken by any Person against the Issuer or any other Person. The Subsidiary Guaranty constitutes a Guarantee of payment and not of collection.

(b) To the extent permitted by Applicable Law, each of the Note Guarantors expressly waives irrevocably and unconditionally:

(i) Any right it may have to first require any Holder of the Notes to proceed against, initiate any actions before a court of law or any other judge or authority, or enforce any other rights or security or claim payment from the Issuer or any other Person (including any Guarantor or any other guarantor) before claiming it under this Indenture;

(ii) Any right to which it may be entitled to have the assets of the Issuer or any other Person (including any Guarantor or any other guarantor) first be used, applied or depleted as payment of the Issuer's or the Note Guarantors' obligations hereunder, prior to any amount being claimed from or paid by any of the Note Guarantors hereunder; and

(iii) Any right to which it may be entitled to have claims hereunder divided between the Note Guarantors.

Section 7.5 *Subrogation and Contribution.* Upon making any payment with respect to any obligation of the Issuer under this Article, each paying Note Guarantor will be subrogated to the rights of the payee against the Issuer with respect to such obligation; *provided, however*, that such Note Guarantor shall not be entitled to enforce, or to receive any payments arising out of or based upon, such right of subrogation until the principal of (and premium, if any) interest, Additional Amounts on all Notes and any other amounts due under this Indenture shall have been paid in full.

Section 7.6 *Stay of Acceleration.* If acceleration of the time for payment of any amount payable by the Issuer under this Indenture or the Notes is stayed upon the insolvency, bankruptcy or reorganization of the Issuer, all such amounts otherwise subject to acceleration under the terms of this Indenture are nonetheless payable by the Note Guarantors forthwith on demand by the Trustee.

Section 7.7 *Execution and Delivery of Subsidiary Guaranty.* The execution by each of the Note Guarantors of this Indenture and a notation of Guarantee evidences the Subsidiary Guaranty of such Note Guarantor, whether or not the person signing as an officer of such Note Guarantor still holds that office at the time of authentication of any Note. The delivery of any Note by the Trustee after authentication constitutes due delivery of the Subsidiary Guaranty set forth in this Indenture on behalf of each Note Guarantor.

Section 7.8 *Purpose of Subsidiary Guaranty.* The Issuer and the Trustee hereby acknowledge that the purpose and intent of each of the Note Guarantors in executing this Indenture and a notation of Guarantee and providing the Subsidiary Guaranty is to give effect to the agreement of such Note Guarantor to Guarantee the payment of any such amounts due by the Issuer under the Notes and this Indenture, whether such amounts are in respect of principal, interest or any other amounts (including Additional Amounts). Therefore, each of the Note Guarantors agrees that if the Issuer shall fail to pay in full when due (whether at stated maturity, by acceleration or otherwise) any principal, interest or any other amounts (including Additional Amounts) with respect to this Indenture and the Notes, such Note Guarantor shall promptly pay the same, without any demand or notice whatsoever. The Trustee shall promptly deposit in the account designated by the Trustee to receive payments from the Issuer with respect to the Notes

any funds it receives from any of the Note Guarantors under or pursuant to this Subsidiary Guaranty in respect of the Notes.

Section 7.9 *Future Note Guarantors.* (a) If, on or after the Closing Date, (i) the Issuer or any Restricted Subsidiary acquires or creates a Significant Subsidiary, or (ii) the Issuer determines in good faith (after making an assessment on June 30 and December 31 of each fiscal year) that any Non-Guarantor Restricted Subsidiary has become a Significant Subsidiary based on the most recent Consolidated financial statements of the Issuer provided or required to be provided to the Trustee pursuant to Section 4.1(p), then that newly acquired or created Significant Subsidiary, or the Non-Guarantor Restricted Subsidiary that the Issuer has determined in good faith that it has become a Significant Subsidiary, as applicable, must become a Note Guarantor and execute a supplemental indenture and notation of Guarantee providing for its Subsidiary Guarantee and deliver an opinion of counsel and Officers' Certificate to the Trustee within thirty (30) days from such acquisition, creation or determination; *provided*, that (i) such Significant Subsidiary's Subsidiary Guarantee will be limited to the maximum amount that would not result in a breach or violation by such Significant Subsidiary of any Applicable Law, or any provision of any agreement to which it is a party existing at the time of such acquisition or creation or becoming a Significant Subsidiary, as applicable; *provided, further*, that such provision was not adopted in connection with, or in contemplation of, such acquisition or creation or such Non-Guarantor Restricted Subsidiary becoming a Significant Subsidiary or to avoid guaranteeing the Notes or this Indenture, and (ii) such Significant Subsidiary shall not be required to execute any such supplemental indenture if the execution or enforcement of such supplemental indenture and the resultant Subsidiary Guarantee thereunder is prohibited by, or in violation of, any Applicable Law to which such Significant Subsidiary is subject and the Issuer has delivered to the Trustee an opinion of counsel to that effect. Notwithstanding the foregoing, if at the time of such acquisition, creation or determination, as applicable, such Significant Subsidiary has no Indebtedness, such Significant Subsidiary shall not be required to become a Note Guarantor or provide a Subsidiary Guarantee; *provided*, that if at any time thereafter, such Significant Subsidiary Incurs any Indebtedness, at the time of such Incurrence such Significant Subsidiary must become a Note Guarantor and execute a supplemental indenture and notation of Guarantee providing for its Subsidiary Guarantee and deliver an opinion of counsel and Officers' Certificate to the Trustee in accordance with the preceding sentence, subject to the provisos (i) and (ii) therein.

(b) If after the Closing Date, the Issuer determines in good faith (after making an assessment on June 30 and December 31 of each fiscal year) that, based on the most recent Consolidated financial statements of the Issuer provided or required to be provided to the Trustee pursuant to Section 4.1(p) (a) the net tangible assets of the Issuer and the Note Guarantors (measured on a Combined basis) do not represent at least 85.0% of the Consolidated Net Tangible Assets of the Issuer or (b) the Consolidated Adjusted EBITDA of the Issuer and the Note Guarantors (calculated only in respect of the Issuer and all Restricted Subsidiaries that are Note Guarantors by including and excluding the same line items as are included or excluded in the definition of Consolidated Adjusted EBITDA but measured and determined on a Combined basis from the unconsolidated accounts for the Issuer and the Note Guarantors for such line items) do not represent at least 85.0% of the Consolidated Adjusted EBITDA of the Issuer, then the Issuer will cause one or more of its Restricted Subsidiaries to become a Note Guarantor and

execute a supplemental indenture and a notation of Guarantee providing for a Subsidiary Guarantee within thirty (30) days from such determination so that, on a pro forma basis after any such Restricted Subsidiary becoming a Note Guarantor, (a) the net tangible assets of the Issuer and the Note Guarantors (measured on a Combined basis) would represent at least 85% of the Consolidated Net Tangible Assets of the Issuer and (b) the Consolidated Adjusted EBITDA of the Issuer and the Note Guarantors (calculated only in respect of the Issuer and all Restricted Subsidiaries that are Note Guarantors by including and excluding the same line items as are included or excluded in the definition of Consolidated Adjusted EBITDA but measured and determined on a Combined basis from the unconsolidated accounts for the Issuer and the Note Guarantors for such line items) would represent at least 85.0% of the Consolidated Adjusted EBITDA of the Issuer. In connection with the execution of such supplemental indenture and notation of Guarantee, the Issuer shall provide the Trustee an Opinion of Counsel and Officers' Certificate.

(c) The Issuer covenants and agrees that, upon closing of the purchase by Pacific Midstream Holding Corp. of certain capital stock of Pacific Midstream Ltd. pursuant to the PML Share Sale Agreement, the Issuer will (i) designate Pacific Midstream Ltd. as a Restricted Subsidiary, and (ii) cause Pacific Midstream Ltd. to become a Note Guarantor and execute a supplemental indenture and notation of Guarantee providing for its Subsidiary Guarantee within thirty (30) days from such closing. For the avoidance of doubt, the Issuer may later redesignate Pacific Midstream Ltd. as an Unrestricted Subsidiary or as a Non-Guarantor Restricted Subsidiary, in each case in compliance with this Indenture.

Section 7.10 *Information.* Each Note Guarantor assumes all responsibility for being and keeping itself informed of the Issuer's and each other Note Guarantor's financial condition and assets, and of all other circumstances bearing upon the risk of nonpayment of the obligations incurred under this Indenture and the nature, scope and extent of the risks that such Note Guarantor assumes and incurs hereunder, and agrees that neither the Trustee nor any Holder will have any duty to advise such Note Guarantor of information known to it or any of them regarding such circumstances or risks.

Section 7.11 *Limitation of Subsidiary Guaranty – Swiss Guarantors.* Notwithstanding anything contrary elsewhere in this Indenture, the liability of each Note Guarantor, including any future Note Guarantor, that is incorporated, organized or formed, as the case may be, in Switzerland (a "Swiss Guarantor") shall be limited, and by their acceptance hereof, each Holder and the Trustee, hereby confirm that the liability of a Swiss Guarantor shall be limited as follows:

(a) if and to the extent a guarantee granted or indemnity assumed by a Swiss Guarantor under this Indenture or the Notes guarantees obligations of or indemnifies for obligations breached or not satisfied by one of its (direct or indirect) parent companies (upstream obligation) or its sister companies (cross-stream obligations) (the "*Upstream or Cross-Stream Obligations*") and if and to the extent using payments under such guarantee or indemnity to discharge the Upstream or Cross-Stream Obligations would constitute a repayment of capital (*Einlagerückgewähr/Kapitalrückzahlung*), a violation of the legally protected reserves (*gesetzlich geschützte Reserven*) or the payment of a (constructive) dividend (*Gewinnausschüttung*) under Swiss corporate law or would otherwise be restricted under Swiss

law and practice then applicable, the proceeds from the enforcement of such guarantee or indemnity to be used to discharge the Upstream or Cross-Stream Obligations shall be limited to the maximum amount of the respective Swiss Guarantor's freely disposable shareholder or quotaholder equity, as the case may be, at the time of enforcement (the "*Maximum Amount*"); *provided*, that such limitation is required under the applicable law at that time; *provided*, further, that such limitation shall not free the respective Swiss Guarantor from its obligations in excess of the Maximum Amount, but merely postpone the performance date of those obligations until such time or times as performance is again permitted under then applicable law. This Maximum Amount of freely disposable shareholder or quotaholder equity, as the case may be, shall be determined in accordance with Swiss law and applicable Swiss accounting principles, and, if and to the extent required by applicable Swiss law, shall be confirmed by the auditors of the respective Swiss Guarantor on the basis of an interim audited balance sheet as of that time;

(b) if and to the extent required under Swiss mandatory law applicable at the relevant time, in order to allow the Holders to obtain a maximum benefit under this Indenture and the Notes, such Swiss Guarantor will promptly take and promptly cause to be taken any action, including the following:

(i) the passing of any shareholders' resolutions or quotaholders' resolutions, as the case may be, to approve the use of the enforcement proceeds, which may be required as a matter of Swiss mandatory law in force at the time of the enforcement of the Swiss Guarantors obligations under this Indenture and the Notes in order to allow a prompt use of the enforcement proceeds;

(ii) preparation of up-to-date audited balance sheet of the Swiss Guarantor;

(iii) confirmation of the auditors of the Swiss Guarantor that the relevant amount represents the Maximum Amount;

(iv) conversion of restricted reserves into profits and reserves freely available for the distribution as dividends (to the extent permitted by mandatory Swiss law);

(v) revaluation of hidden reserves (to the extent permitted by mandatory Swiss law);

(vi) to the extent permitted by applicable law, Swiss accounting standards, write-up or realize any of its assets that are shown in its balance sheet with a book value that is significantly lower than the market value of the assets, in case of

realization, however, only if such assets are not necessary for the Swiss Guarantor's business (*nicht betriebsnotwendig*); and

(vii) all such other measures necessary to allow the Swiss Guarantor to use enforcement proceeds as agreed hereunder with a minimum of limitations; and

(c) if and to the extent required by Applicable Law in force at the relevant time, a Swiss Guarantor that is required to make a payment under the Subsidiary Guarantee may (x) deduct Swiss withholding tax at the rate of 35 percent, or such rate as is in force at that time, from any payment under the Subsidiary Guarantee; (y) pay any such deduction mentioned in (x) to the Swiss Federal Tax Administration; and (z) notify (or procure that the parent company notifies) the Trustee that such a deduction has been made and provide the Trustee with the required evidence. To the extent such a deduction is made, a Swiss Guarantor shall not be obliged to either gross-up or indemnify (or otherwise hold harmless) the Holders in relation to any such deduction or payment. Any beneficiary of a payment by a Swiss Guarantor under the Subsidiary Guarantee shall, and any Swiss Guarantor and the Issuer shall use commercially reasonable efforts to ensure that such beneficiary shall, (x) as soon as possible request a refund of the Swiss withholding tax paid by such Swiss Guarantor under the applicable Swiss tax law (including double tax treaties); and (y) pay to the Holders upon receipt any amount refunded pursuant to (x) above. Any Swiss Guarantor and the Issuer undertake that they will take and/or cause to be taken any and all actions which may be required in order to allow prompt payment by such Swiss Guarantor under the Subsidiary Guarantee, including but not limited to the measures enumerated in this Section 7.11.

Section 7.12 Release of the Subsidiary Guarantees. The Subsidiary Guarantee of a Note Guarantor will be automatically and unconditionally released (and thereupon shall terminate and be discharged and be of no further force and effect) upon:

(a) a sale or other disposition (including by way of merger, consolidation, amalgamation, combination or other similar transaction) of the Note Guarantor or the sale or disposition of all or substantially all the assets of the Note Guarantor (other than to the Issuer or a Restricted Subsidiary) permitted by this Indenture;

(b) the designation in accordance with this Indenture of the Note Guarantor as an Unrestricted Subsidiary or the Note Guarantor otherwise ceases to be a Restricted Subsidiary in accordance with this Indenture;

(c) the designation in accordance with this Indenture of the Note Guarantor as a Non-Guarantor Restricted Subsidiary;

(d) defeasance or discharge of the Notes, as provided in Section 6.1 and Section 6.4;

(e) upon the final liquidation or dissolution of such Note Guarantor; *provided*, that no Default or Event of Default occurs as a result thereof or has occurred or is continuing; or

(f) payment in full of the aggregate principal amount of all Notes then Outstanding and all other obligations under this Indenture and the Notes then due and owing.

Upon any occurrence giving rise to a release of a Subsidiary Guarantee as specified above, the Trustee, upon receipt of an Officers' Certificate from the Issuer and an Opinion of Counsel each stating that all conditions precedent to such release have been satisfied, will execute any documents reasonably required by the Issuer in order to evidence or effect such release, discharge and termination in respect of such Subsidiary Guarantee. None of the Issuer, any Note Guarantor or the Trustee will be required to make a notation on the Notes to reflect any Subsidiary Guarantee or any such release, termination or discharge.

ARTICLE VIII THE TRUSTEE

Section 8.1 *Duties of the Trustee; Certain Rights of the Trustee.* (a) The Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. If an Event of Default exists, then the Trustee shall exercise the rights and powers vested in it by this Indenture and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) None of the Trustee, any agent of the Trustee or any Affiliate of the Trustee shall be liable for any act or omission made in connection with this Indenture or the Notes except in the case of its own gross negligence or willful misconduct. In furtherance, and not in limitation, of the Trustee's rights and protections hereunder, and unless otherwise specifically provided in this Indenture, the Trustee shall (subject to the terms hereof) grant such consents, make such requests and determinations and take or refrain from taking such actions as are permitted (but not expressly required) to be granted, made or taken by the Trustee, as the Required Holders shall direct in writing (in each case, subject to clause (c)). No provision of this Indenture shall be construed to relieve the Trustee from liability for its gross negligence or willful misconduct; *provided, however*, that:

(i) the duties and obligations of the Trustee shall be determined solely by the express provisions of this Indenture and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee,

(ii) in the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely as to (a) the truth of the statements and the correctness of the opinions expressed in and upon any statements, certificates or opinions furnished to the

Trustee pursuant to this Indenture and conforming to the requirements of this Indenture, and the Trustee need not confirm or investigate the accuracy of mathematical calculations or other facts stated therein; and as to (b) any standing orders of any certificate that has been provided to it and not replaced by a new certificate; and

(iii) the Trustee shall not be liable for any error of judgment made in good faith by any of its Responsible Officers unless it shall be conclusively determined in a court of competent jurisdiction that the Trustee was grossly negligent in ascertaining the pertinent facts, nor shall the Trustee be liable with respect to any action taken, suffered or omitted to be taken by it in good faith in accordance with the written direction of the Required Holders under, or believed by it to be authorized or permitted by, this Indenture, and shall not be liable for accepting, or acting upon, any decision made by the Holders in accordance herewith.

(c) (i) The Trustee may conclusively rely upon, and shall be protected in acting or refraining from acting upon, and shall not be bound to make any investigation into the facts or matters stated in, any resolution, certificate, statement, instrument, instruction, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness, guaranty or other paper or document (whether in original and/or facsimile form) reasonably believed by it to be genuine and to have been signed or presented by the proper Person(s). The Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Issuer, personally or by agent or attorney at the sole cost of the Issuer and shall incur no liability or additional liability of any kind by reason of such inquiry or investigation.

(ii) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request, order or direction of the Required Holders unless the Required Holders shall have furnished to (or caused to be furnished to) the Trustee security or indemnity reasonably satisfactory to it against the costs, expenses and liabilities, including attorneys' fees and expenses, that might be incurred by the Trustee therein or thereby. Subject to such provision for indemnification, the Required Holders will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee.

(iii) Nothing in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(iv) As a condition to the taking of or omitting to take any action by it hereunder, the Trustee may consult with counsel of its selection and the advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action reasonably taken or omitted by it hereunder in good faith and in reliance thereon.

(v) For all purposes under this Indenture, the Trustee shall be deemed not to have notice or knowledge of any Default or Event of Default unless written notice thereof is actually received by a Responsible Officer of the Trustee at its Corporate Trust Office. The Trustee may withhold notice to the Holders of any Default except on payment or principal of, or interest, if any, on the Notes if and so long as a committee of the Trustee's Responsible Officers in good faith determines that it is in the interest of the Holders to do so.

(vi) Any request or direction of a Holder, the Issuer or any other Person to the Trustee shall be sufficiently evidenced by a written request or order signed in the name of such Person by an Authorized Officer of such Person. Any resolution adopted by any such Person in connection with such a request or direction shall be sufficiently evidenced by a copy of such resolution certified by the secretary, assistant secretary or similar officer in the United States or, outside the United States, the official or person who performs the functions that are normally performed by a secretary or assistant secretary in the United States (including, in the case of the Issuer, the Secretary General or similar officer) of such Person to have been duly adopted and to be in full force and effect.

(vii) Whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, conclusively rely upon an Officers' Certificate.

(viii) Whether or not expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to this Article VII.

Section 8.2 *Performance of Trustee's Duties.* (a) The Trustee shall not be responsible for and makes no representation as to the validity or adequacy of this Indenture or the Notes, it shall not be accountable for the Issuer's use of the proceeds from the Notes, and it shall not be responsible for any statement of the Issuer in this Indenture or in any document issued in connection with the sale of the Notes or in the Notes other than the Trustee's certificate of authentication.

(b) The Trustee may, in the execution and exercise of all or any of the powers, authorities and discretions vested in it by this Indenture, act by Responsible Officer(s) of the Trustee (or duly-authorized officers of its Affiliates), and the Trustee may also execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, accountants, custodians or nominees and the Trustee shall not be responsible for any misconduct or negligence on the part of any such agents, attorneys, accountants, custodians or nominees appointed with due care by the Trustee.

(c) The Trustee, any Paying Agent, Security Registrar or any other agent of the Issuer, in its individual or any other capacity, may become the owner or pledgee of Notes and

may otherwise deal with the Issuer with the same rights it would have if it were not the Trustee, Paying Agent, Security Registrar or such other agent.

(d) The Trustee shall not be required to provide, on its own behalf, any surety, bond or other kind of security in connection with the execution of any of its trusts or powers under this Indenture or the performance of its duties hereunder.

(e) The recitals contained herein, in the Notes or any offering materials, except for the Trustee's certificate of authentication, shall not be taken as the statements of the Trustee, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Indenture, the Notes or any offering materials.

(f) The Trustee shall not be accountable for the use or application by any Person of any funds deposited in or withdrawn from any account, or required to be so deposited or withdrawn, other than any funds held by or on behalf of the Trustee and over which the Trustee has exclusive dominion and control. Furthermore, the Trustee shall not be accountable for the use or application of any securities or other Property or the proceeds thereof that shall be used by the Issuer or any other Person (except itself) other than in accordance with this Indenture.

(g) The Trustee shall (i) not be responsible for the payment of any interest with respect to amounts held by it and (ii) have no obligation to invest or reinvest any amounts held by it.

(h) No provision of this Indenture shall be deemed to impose any duty or obligation on the Trustee to take or omit to take any action, or suffer anything to exist, in the performance of its duties or obligations under this Indenture, or to exercise any right or power hereunder, to the extent that taking or omitting to take such action, suffering such thing to exist, or exercising such right or power, would violate Applicable Law binding upon it. No provision of this Indenture shall be deemed to impose any duty or obligation on the Trustee to perform any act or acts or exercise any right, power, duty or obligation conferred or imposed on it in any jurisdiction in which it shall be illegal, or in which the Trustee shall be unqualified or incompetent in accordance with Applicable Law, to perform any such act or acts or to exercise any such right, power, duty or obligation, or which would render the Trustee liable to any Person in any such jurisdiction or the State of New York.

(i) The rights, privileges, protections, immunities and benefits provided to the Trustee hereunder (including its right to be indemnified) are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder as Paying Agent, Security Registrar and Transfer Agent and in its capacities under the Transaction Documents and to each of its agents, custodians and other Persons duly employed by the Trustee hereunder or thereunder and to the Luxembourg Paying Agent and to each other Authorized Agent appointed hereunder.

(j) The permissive rights of the Trustee enumerated herein shall not be construed as duties.

(k) Notwithstanding any provision herein to the contrary, in no event shall the Trustee be liable for any failure or delay in the performance of its obligations hereunder because

of circumstances beyond its control, including, but not limited to, acts of God, flood, war (whether declared or undeclared), terrorism, fire, riot, strikes or work stoppages for any reason, embargo, government action, including any laws, ordinances, regulations or the like which restrict or prohibit the providing of the services contemplated by this Indenture or the Notes, inability to obtain material, equipment, or communications or computer facilities, or the failure of equipment or interruption of communications or computer facilities, and other causes beyond its control whether or not of the same class or kind as specifically named above.

(l) In no event shall the Trustee be responsible or liable for special, indirect, consequential or punitive loss or damage of any kind whatsoever (including, but not limited to, loss of profit), even if the Trustee has been advised as to the likelihood of such loss or damage and regardless of the form of action.

(m) The Trustee may request that the Issuer deliver an Officers' Certificate setting forth the names of individuals and/or titles of officers authorized at such time to take specified actions pursuant to this Indenture, which Officers' Certificate may be signed by any person authorized to sign an Officers' Certificate, including any person specified as so authorized in any such certificate previously delivered and not superseded.

(n) The Trustee shall have no duty to ascertain or inquire as to the performance or observance of any of the terms of this Indenture or any other Transaction Document or any other documents or agreements entered into in connection with the transactions contemplated hereby or thereby, by the Issuer or any other party thereto or bound thereby or to perform or observe or cause the performance or observance of any thereof. The Trustee shall not be responsible for the calculation or other determination of any amounts referred to in or contemplated by this Indenture or any other Transaction Document or any other documents or agreements entered into in connection with the transactions contemplated hereby or thereby.

Section 8.3 *Resignation and Removal; Appointment of Successor Trustee; Eligibility.*

(a) The Trustee may resign and be discharged of the trust created by this Indenture by giving at least 90 days' written notice to the Issuer and the Holders, and such resignation shall take effect upon receipt by the Trustee of an instrument of acceptance of appointment executed by a successor trustee as provided in Section 8.4.

(b) The Trustee may be removed as trustee at any time, with or without cause, upon 90 days prior written notice by the Required Holders delivered to the Trustee and the Issuer, and (unless such notice provides otherwise) such removal shall take effect upon receipt by the Trustee of an instrument of acceptance of appointment executed by a successor trustee as provided in Section 8.4.

(c) If at any time any of the following occurs:

(i) the Trustee ceases to be eligible to act as the Trustee in accordance with clause (d) and fails to resign after written request for such resignation by the Issuer or the Required Holders, or

(ii) the Trustee becomes incapable of acting, or (in its individual capacity) shall be adjudged a bankrupt or insolvent or a receiver or liquidator of the

Trustee (in its individual capacity) or of its Property shall be appointed, or any public officer takes charge or control of the Trustee (in its individual capacity) or of its Property or affairs for the purpose of rehabilitation, conservation or liquidation,

then the Issuer (so long as no Default or Event of Default with respect to any Notes exists) may remove the Trustee.

If the Trustee resigns or is removed or if a vacancy exists in the office of Trustee for any reason, the Issuer will promptly appoint or request the Trustee in writing to appoint a successor Trustee meeting the eligibility requirements in clause (d) by notifying the Trustee in writing. Within one year after the successor Trustee takes office, Required Holders may appoint a successor Trustee reasonably acceptable to the Issuer to replace the successor Trustee appointed by the Issuer.

(d) If at any time the Trustee shall resign, be removed or become incapable of acting as trustee hereunder, or if at any time a vacancy shall occur in the office of the Trustee for any other cause, then the Issuer may appoint a qualified successor trustee. If no such successor trustee is appointed by the Issuer within 30 days after: (i) the Trustee's delivery of notice of resignation, (ii) the Trustee's receipt of notice of removal or (iii) the occurrence of such vacancy, then the Issuer, the Trustee or the Required Holders may request, at the expense of the Issuer, a court of competent jurisdiction to make such appointment.

Any Trustee, however appointed, shall (i) be a licensed bank or trust company having a corporate trust department (or a branch, Subsidiary or other Affiliate thereof) organized and doing business under the laws of the United States or any State thereof or a Western European country and authorized under such laws to exercise corporate trust powers in the United States, (ii) have a combined capital and surplus of at least U.S.\$50,000,000 (or its equivalent in any other currency), and (iii) not be affiliated (as that term is defined in Rule 405 under the Securities Act) with the Issuer. If at any time the Trustee ceases to be eligible to act as trustee in accordance with this paragraph, then the Trustee shall resign immediately as Trustee as specified in clause (a) or may be removed as specified in clause (c).

Section 8.4 Acceptance of Appointment by Successor Trustee. (a) Any successor Trustee appointed as provided in Section 8.3 shall execute, acknowledge and deliver to the Holders, the Issuer and to its predecessor Trustee an instrument accepting such appointment hereunder, and, subject to Section 8.3, upon the resignation or removal of the predecessor Trustee, such appointment shall become effective and such successor trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, duties and obligations of its predecessor hereunder, with like effect as if originally named as Trustee herein; *provided, however,* that the Trustee ceasing to act shall, on request of the Issuer or the successor Trustee, upon payment of its charges, execute and deliver an instrument transferring to such successor Trustee all the rights, powers and trusts of the retiring Trustee, and shall duly assign, transfer and deliver to such successor Trustee all Property and money held by such retiring Trustee hereunder, subject nevertheless to its lien, if any, provided for in Section 8.5. Upon written request of any such successor Trustee, the Holders and the Issuer shall execute any and all instruments in writing for fully and certainly vesting in and confirming to such successor Trustee all such rights and powers.

(b) No successor Trustee shall accept appointment as provided in this Section unless at the time of such acceptance such successor Trustee shall be eligible to act as the Trustee under Section 8.3(d).

(c) Upon acceptance of appointment by a successor trustee as provided in this Section, the successor trustee shall notify each Holder of such appointment by first-class mail (or overnight courier) at its last address as shall appear in the Register, and shall mail (or overnight courier) a copy of such notice to the Issuer. If the acceptance of appointment is substantially contemporaneous with the resignation of the previous Trustee, then the notice required by the preceding sentence may be combined with the notice required by Section 8.3.

Section 8.5 *Trustee Fees and Expenses; Indemnity.* (a) The Issuer covenants and agrees to pay to each of the Trustee and each Authorized Agent from time to time, and the Trustee shall be entitled to, compensation as agreed in writing between the Issuer and the Trustee and the Issuer and such Authorized Agent from time to time (which compensation shall not be limited by any provision of Applicable Law in regard to the compensation of a trustee of an express trust).

(b) The Issuer covenants and agrees to pay or reimburse, or cause the payment or reimbursement of, the Trustee and each predecessor Trustee and each Authorized Agent, upon its request, for all duly documented expenses, disbursements and advances reasonably incurred or made by or on behalf of it in accordance with this Indenture (including the compensation of, reasonable documented expenses and disbursements of its counsel and of all agents and other Persons not regularly in its employ), except any such expense, disbursement or advance as may arise from its own gross negligence or willful misconduct.

(c) The Issuer shall indemnify each of the Trustee and any predecessor Trustee, each Authorized Agent and their officers, employees, directors and agents for, and shall hold them harmless against, any and all loss, damage, claim, liability or expense, including Taxes (other than Taxes based upon, measured by or determined by the income of such Person), arising out of or in connection with this Indenture or the Notes, and the transactions contemplated thereby, including the acceptance or administration of the trust hereunder, including the costs and expenses of defending itself against any claim (whether asserted by the Issuer, or any Holder or any other Person) or liability in connection with the exercise or performance of any of its powers, rights or duties hereunder or thereunder, except to the extent that such loss, damage, claim, liability or expense is due to its own gross negligence or willful misconduct.

(d) In addition to and without prejudice to its other rights hereunder, when the Trustee incurs expenses or renders services in connection with any Event of Default, the expenses (including the compensation of, duly documented reasonable expenses of and disbursements by its counsel) and the compensation for its services are intended to constitute expenses of administration under any applicable United States federal or state or non-U.S. bankruptcy, insolvency or other similar law.

(e) To secure the Issuer's obligations under this Section, the Trustee may withhold or set-off any amounts due and owing to it under this Section 8.5 from any money or

Property held or collected by the Trustee in its capacity as Trustee, except for such money and Property which is held in trust to pay the principal of (and premium, if any), or interest, on particular Notes.

(f) “Trustee” for purposes of this Section shall include any predecessor Trustee; *provided, however*, that the negligence, willful misconduct or bad faith of any Trustee hereunder shall not affect the rights of any other Trustee hereunder.

(g) The provisions of this Section shall survive the satisfaction, discharge and termination of this Indenture or payment of the Notes and the resignation or removal of the Trustee and/or any Authorized Agent.

Section 8.6 *Documents Furnished to the Holders.* (a) Promptly following its receipt thereof, the Trustee shall, at the cost of the Issuer, in the manner provided for in Section 10.6, furnish to each applicable Holder who so requests in writing in accordance with this paragraph a copy of any material certificate, statement, instrument, opinion, report, notice, request, consent, order, approval, appraisal or other paper or document it receives from the Issuer pursuant to this Indenture or the Notes to be furnished to the Trustee. Upon the Trustee’s receipt from any Holder of a written request containing: (i) a certificate that such Person is a Holder (together with documentary evidence of same) and (ii) an address for delivery, the Trustee shall deliver to such Holder a copy of any such certificate, statement, instrument, opinion, report, notice, request, consent, order, approval, appraisal or other paper or document promptly after its receipt thereof.

(b) As promptly as practicable after, and in any event within 90 days after the receipt by the Trustee of written notice of any Event of Default with respect to any Note (or an event that would be a Default with respect to any Note with the expiration of any applicable grace period, giving of notice or both), the Trustee shall, subject to Section 8.1(c)(v), deliver notice of such Event of Default to all Holders of Outstanding Notes as their names and addresses appear on the Register. The Trustee may withhold notice to the Holders of any Default except on payment or principal of, or interest, if any, on the Notes if and so long as a committee of the Trustee’s Responsible Officers in good faith determines that it is in the interest of the Holders to do so.

Section 8.7 *Merger, Conversion, Consolidation and Succession.* Any Person or other entity into which the Trustee may be merged or converted or with which it may be consolidated, or any Person or other entity resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any Person or other entity succeeding to all or substantially all of the corporate trust business of the Trustee (including this transaction), shall be the successor of the Trustee hereunder (*provided*, that such corporation or other entity shall be otherwise qualified and eligible hereunder) without the execution or filing of any paper or any further action on the part of any of the parties hereto. If any Notes shall have been authenticated but not delivered by the Trustee then in office, any successor by merger, conversion or consolidation to such authenticating Trustee may adopt such authentication and deliver the Notes so authenticated with the same effect as if such successor Trustee had itself authenticated such Notes.

Section 8.8 *Money Held in Trust.* Money held by the Trustee hereunder shall be held by it in trust for the Holders but need not be segregated from other funds, except as provided in

Sections 6.1 and 6.4. The Trustee shall not have any personal liability for interest upon or investment of any such monies unless agreed to in writing.

Section 8.9 *No Action Except under Specified Documents or Instructions.* The Trustee shall not manage, control, use, sell, dispose of or otherwise deal with any part of the Issuer's Property (excluding any Notes) except (a) in accordance with the powers granted to and the authority conferred upon the Trustee pursuant to this Indenture and the Notes and (b) in accordance with any document or instruction delivered to the Trustee pursuant hereto.

Section 8.10 *Not Acting in its Individual Capacity.* Except as provided in this Article VIII, in accepting the trusts hereby created, the entity acting as Trustee acts solely as Trustee hereunder and not in its individual capacity and, except as provided in this Article VIII, all Persons having any claim against the Trustee by reason of the transactions contemplated by this Indenture or any Note shall look only to the Issuer for payment or satisfaction thereof.

Section 8.11 *Maintenance of Agencies.* (a) The Issuer shall at all times maintain an office or agency where Notes may be presented or surrendered for registration of transfer or for exchange and for payment thereof and where notices and demands to or upon the Trustee in respect of the Notes and/or this Indenture may be served. Such offices or agencies shall be initially at the Corporate Trust Office. Written notice of any change of location thereof shall be given by the Trustee to the Issuer and the Holders. In the event that no such notice of location or of change of location shall be given, presentations and demands may be made and notices may be served at the Corporate Trust Office.

(b) The Issuer hereby initially appoints The Bank of New York Mellon, at its Corporate Trust Office, as the Trustee hereunder and The Bank of New York Mellon hereby accepts such appointment. The Trustee will have the powers and authority granted to and conferred upon it in the Notes and hereby and such further powers and authority to act on behalf of the Issuer as may be mutually agreed upon by the Issuer and the Trustee, and the Trustee will keep a copy of this Indenture available for inspection during normal business hours at its Corporate Trust Office.

(c) The Issuer hereby initially appoints The Depository Trust Company to act as depository with respect to the Global Notes.

(d) The Issuer and the Note Guarantors shall at all times maintain a paying agent in the United States or an EU member state that will not be obliged to withhold or deduct tax pursuant to (i) the EU Savings Tax Directive or any law implementing or complying with, or introduced to conform to, the EU Savings Tax Directive, (ii) any agreements between the European Community and other countries or territories providing for measures equivalent to those laid down in the EU Savings Tax Directive, including, but not limited to, the agreement between the European Community and the Confederation of Switzerland dated as of October 26, 2004, and any law or other governmental regulation implementing or complying with, or introduced in order to conform to, such agreements, or (iii) pursuant to laws enacted in Switzerland providing for the taxation of payments according to principles similar to those laid down in the EU Savings Tax Directive or in the draft legislation proposed by the Swiss Federal Council on August 24, 2011, in particular the principle to have a person other than the Issuer or

relevant Note Guarantor withhold or deduct the tax, including, without limitation, any paying agent.

(e) The Issuer hereby initially appoints the Trustee as Security Registrar and Paying Agent for the Notes.

(f) Any Person or other entity into which any Authorized Agent (other than the Trustee, matters with respect to which are specified in Section 8.3) may be merged or converted or with which it may be consolidated, or any corporation or other entity resulting from any merger, consolidation or conversion to which any Authorized Agent shall be a party, or any corporation or other entity succeeding to all or substantially all of the corporate trust business of any Authorized Agent, shall be the successor of such Authorized Agent hereunder, if such successor corporation is otherwise eligible under this Section, without the execution or filing of any document or any further act on the part of the parties hereto or such Authorized Agent or such successor corporation or other entity.

(g) Any Authorized Agent (other than the Trustee, matters with respect to which are specified in Section 8.3(a)) may at any time resign by giving 30 days' written notice of resignation to the Trustee and the Issuer. The Issuer may, and at the request of the Required Holders shall, at any time terminate the agency of any Authorized Agent (other than the Trustee, matters with respect to which are specified in Section 8.3) by giving written notice of termination to such Authorized Agent and to the Trustee. Upon the resignation or termination of an Authorized Agent or in case at any time any such Authorized Agent shall cease to be eligible under this Section (when, in either case, no other Authorized Agent performing the functions of such Authorized Agent shall have been appointed by the Issuer), the Issuer shall promptly appoint one or more qualified successor Authorized Agents to perform the functions of the Authorized Agent that has resigned or whose agency has been terminated or who shall have ceased to be eligible under this Section. The Issuer shall give written notice of any such appointment made by it to the Trustee; and in each case the Trustee shall mail notice of such appointment to all applicable Holders as their names and addresses appear on the Register.

Section 8.12 Withholding Taxes; Information Reporting. The Trustee shall comply with all backup withholding tax and information reporting requirements that it is required to comply with under United States law (including the Code and the Treasury regulations issued thereunder) in respect of any payment on, or in respect of, the Notes. The Trustee agrees that it shall act as such withholding agent and, in connection therewith, whenever any present or future amount is required to be withheld pursuant to the Code and the United States Treasury regulations issued thereunder with respect to any amounts payable in respect of the Notes, that it shall withhold such amounts from funds it has received to make payments in respect of the Notes and timely pay the same to the United States Internal Revenue Service in the name of and on behalf of the Holders, that it shall file any necessary U.S. withholding tax returns or statements when due. The Trustee agrees to file any other information reports as it may be required to file by the United States with respect to such withholding. In order to comply with certification, identification, information, documentation or other reporting requirements, the Holders shall be required to provide the Trustee with all reasonably requested forms (including Internal Revenue Service Forms W-8BEN, W-8IMY, W-8ECI, W-8EXP, W-9 and other applicable forms).

Section 8.13 *Co-Trustees and Separate Trustees* (a) Notwithstanding any other provisions of this Indenture, at any time for the purpose of meeting any legal requirement of any jurisdiction, the Trustee shall have the power and may execute and deliver all instruments necessary to appoint one or more Persons to act as a co-trustee or co-trustees, or separate trustee or separate trustees, and to vest in such Person or Persons, in such capacity and for the benefit of the Holders, subject to the other provisions of this Section, such powers, duties, obligations, rights and trusts as the Trustee may consider necessary or desirable; *provided, however*, that, prior to an Event of Default, no co-trustee, co-trustees, separate trustee or separate trustees shall be appointed without the prior written consent of the Issuer, which consent shall not be unreasonably withheld. Each co-trustee or separate trustee hereunder shall be required to have a combined capital and surplus (computed in accordance with Section 310(a)(2) of the Trust Indenture Act) of at least US\$50,000,000 and the Trustee shall, at the expense of the Issuer, provide prompt notice to holders of the appointment of any co-trustee or separate trustee.

(b) Every separate trustee and co-trustee shall, to the extent permitted by law, be appointed and act subject to the following provisions and conditions:

(i) all rights, powers, duties and obligations conferred or imposed upon the Trustee shall be conferred or imposed upon and exercised or performed by the Trustee and such separate trustee or co-trustee jointly (it being understood that such separate trustee or co-trustee is not authorized to act separately without the Trustee joining in such act), except to the extent that under any law of any jurisdiction in which any particular act or acts are to be performed the Trustee shall be incompetent or unqualified to perform such act or acts, in which event such rights, powers, duties and obligations (including the holding of the Collateral or any portion thereof in any such jurisdiction) shall be exercised and performed singly by such separate trustee or co-trustee, but solely at the direction of the Trustee;

(ii) neither the Trustee nor any co-trustee or separate trustee hereunder shall be personally liable by reason of any act or omission of any other trustee, co-trustee or separate trustee hereunder; and

(iii) the Trustee may at any time accept the resignation of or remove any separate trustee or co-trustee.

(c) Any notice, request or other writing given to the Trustee shall be deemed to have been given to each of the then separate trustees and co-trustees, as effectively as if given to each of them. Every instrument appointing any separate trustee or co-trustee shall refer to this indenture and the conditions of this Article VIII. Each separate trustee and co-trustee, upon its acceptance of the trusts conferred, shall be vested with the estates or property specified in its instrument of appointment, either jointly with the Trustee or separately, as may be provided therein, subject to all the provisions of this Indenture, specifically including every provision of this Indenture relating to the conduct of, affecting the liability of, or affording protection or rights (including the right to compensation, reimbursement and indemnification hereunder) to, the Trustee. Every such instrument shall be filed with the Trustee.

ARTICLE IX AMENDMENTS, SUPPLEMENTS AND WAIVERS

Section 9.1 *Without Consent of the Holders.* The Issuer, the Note Guarantors and the Trustee may from time to time and at any time without the consent of the Holders modify, amend or supplement this Indenture or enter into a written Indenture Supplement for one or more of the following purposes:

(a) to evidence the succession by another Person to the Issuer and the assumption by any such successor of the covenants in this Indenture and in the Notes of such series as permitted hereunder in accordance with Section 4.3;

(b) to add to the Issuer's covenants and those of any other obligor of the Notes for the benefit of the Holders or to surrender any right or power conferred upon the Issuer or any other obligor of the Notes, as applicable, in this Indenture or in the Notes for the benefit of the Holders;

(c) to cure any ambiguity, or to correct or supplement any provision in this Indenture or the Notes that may be defective or inconsistent with any other provision in this Indenture, the Notes or the other Transaction Documents;

(d) to make any other changes with respect to matters or questions arising under this Indenture or the Notes; *provided*, that such changes shall not materially adversely affect the interests of the Holders;

(e) to evidence and provide the acceptance of the appointment of a successor trustee under the relevant Indenture and pursuant to the terms hereof;

(f) to comply with the rules of the Depository or with any requirement of the SEC or any Canadian securities regulator with respect to the Notes or this Indenture;

(g) to mortgage, pledge, hypothecate or grant a security interest in favor of the Trustee for the benefit of the Holders as additional security for the payment and performance of the Issuer's obligations under this Indenture, in any property, or assets, including any of which are required to be mortgaged, pledged or hypothecated, or in which a security interest is required to be granted to the Trustee pursuant to this Indenture or otherwise;

(h) to provide for the issuance of Additional Notes in accordance with and if permitted by the terms and limitations set forth in this Indenture; and

(i) to provide for additional Note Guarantors.

The Trustee is hereby authorized but shall not be obligated to join in the execution of any such amendment or supplement or Indenture Supplement, to make any further appropriate agreements and stipulations that may be therein contained and to accept the conveyance, transfer, assignment, mortgage or pledge of any Property thereunder.

Section 9.2 *With Consent of the Holders.* (a) Subject to Sections 9.6 and 9.7, and only with the written consent of the Required Holders, the Issuer, the Note Guarantors and the Trustee may, from time to time and at any time, amend or supplement this Indenture or enter into a written Indenture Supplement for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or any Note or of modifying in any manner the rights of the Holders in respect thereof.

(b) Notwithstanding anything to the contrary in Section 9.2(a), no amendment or waiver to this Indenture or the Notes shall, without the consent of every Holder adversely affected directly thereby:

(1) reduce in any manner the amount of or alter the priority of, any payments that are required to be made herein on any Note or reduce any premium and Additional Amounts in respect of any Note, or change any date of payment on any Note or change the place of payment where, or the coin or currency in which, any Note is payable, or impair any Holder's right to institute suit for the enforcement of any payment on or after the due dates therefor;

(2) reduce the percentage of the Outstanding Notes the consent of which is required for any such amendment, or reduce such percentage required for any waiver or instruction provided for in this Indenture;

(3) make any change or modify the rankings of the Notes in a manner that would adversely affect the Holders;

(4) reduce the premium payable upon the redemption or repurchase of any Note or change the time at which any Note may or shall be redeemed or repurchased in accordance with this Indenture;

(5) Reserved.

(6) modify or amend in any manner adverse to the Holders the terms and conditions of the obligation of the Issuer for the due and punctual payment of the principal of or interest on the Notes.

(c) Notwithstanding anything to the contrary in Section 9.2(a) or (b), no amendment or waiver to this Indenture or the Notes shall, without the consent of the Holders representing at least 75% of the aggregate principal amount of the Outstanding Notes, modify the Subsidiary Guarantees provided by the Note Guarantors (including the provisions requiring future Note Guarantors) in any manner adverse to the Holders.

Section 9.3 *Effect of Indenture Supplements.* (a) Upon the effectiveness of any amendment, supplement or waiver in accordance with this Article IX, this Indenture, previous Indenture Supplements and the Note(s) affected thereby shall be and be deemed to be modified and amended in accordance therewith and the respective rights, limitations of rights, obligations, duties and immunities under this Indenture of the Trustee, the Holders affected thereby and the Issuer shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications, amendments and waivers.

(b) After an amendment, supplement or waiver becomes effective, it shall bind every Holder unless it is of the type described in clauses (b) of Section 9.2. In case of an amendment or waiver of the type described in clauses (b) of Section 9.2, the amendment or waiver shall bind each Holder who has consented to it and every subsequent Holder that evidences the same indebtedness as the Note(s) of the consenting Holder.

Section 9.4 *Documents to be Given to the Trustee.* Before the execution thereof, the Trustee shall receive, in addition to the documents required by Section 10.11, one or more Officers' Certificates of the Issuer and one or more Opinion(s) of Counsel each stating and as conclusive evidence that any amendment, supplement or waiver is authorized or permitted by this Indenture and complies with the applicable provisions of this Indenture.

Section 9.5 *Notation on or Exchange of Notes.* If an amendment, supplement or waiver changes the terms of a Note, the Trustee may require the Holder to deliver such Note to the Trustee. At the Issuer's expense the Trustee may place an appropriate notation on the Note about the changed terms and return it to the Holder and the Trustee may place an appropriate notation on any Note thereafter authenticated. Alternatively, if the Issuer or the Trustee so determines, the Issuer in exchange for the Note shall issue and the Trustee shall authenticate a new Note that reflects the changed terms. Any failure to make the appropriate notation or to issue a new Note shall not affect the validity of such amendment, supplement or waiver.

Section 9.6 *Meetings of Holders.* (a) The Trustee or the Issuer shall, upon the request of Holders holding not less than 10% in aggregate principal amount of the Outstanding Notes, or the Issuer or the Trustee may, at its respective discretion, call a meeting of Holders at any time and from time to time to make, give or take any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be made, given or taken by such Holders to be held at such time and at such place as the Trustee shall reasonably determine. Notice of every meeting of the Holders, setting forth the time and the place of such meeting and in general terms the action proposed to be taken at such meeting, shall be given, at the expense of the Issuer, by the Issuer or the Trustee to each applicable Holder not less than 10 nor more than 60 days before the date fixed for the meeting. In case at any time the Issuer or Holders holding at least 10% of the Outstanding Notes shall have requested the Trustee to call a meeting of the Holders for any purpose, by written request setting forth in reasonable detail the action proposed to be taken at such meeting, the Trustee shall call such a meeting for such purposes by giving notice thereof.

(b) To be entitled to vote at any meeting of Holders, a Person shall be a Holder or a Person duly appointed by an instrument in writing as proxy for a Holder. The quorum at any meeting of Holders called to adopt a resolution shall be Holders holding not less than 50% in aggregate principal amount of the Outstanding Notes. Any instrument given by or on behalf of any Holder in connection with any consent to any modification, amendment or waiver shall be irrevocable once given and shall be conclusive and binding on all subsequent holders of such Note. Any action taken at a duly called and held meeting of any Holders shall be conclusive and binding on all Holders, whether or not they gave consent or were present at the meeting. The Trustee may make such reasonable and customary regulations as it shall deem advisable for any meeting of Holders with respect to proof of the appointment of proxies, the record date for determining the registered Holders entitled to vote (which date shall be specified

in the notice of meeting), the adjournment and chairmanship of such meeting, the appointment and duties of inspectors of such meeting, the conduct of votes, the submission and examination of proxies, certificates and other evidence of the right to vote and such other matters concerning the conduct of the meeting as it shall deem appropriate. A record of the proceedings of each meeting of Holders shall be prepared by the party calling the meeting and a copy thereof shall be delivered to the Issuer and the Trustee.

Section 9.7 *Voting by the Issuer and Any Affiliates Thereof.* Notwithstanding anything herein to the contrary, should any Notes (or beneficial interests therein) be owned by the Issuer or any Affiliate thereof, any vote to be taken by Holders (including any vote resulting from the occurrence of an Event of Default) shall exclude from such voting the vote relating to (and principal amount of) the Notes (or beneficial interests therein) of any such Person, all as set forth in the definition of “*Outstanding*” in Section 1.1 of this Indenture.

ARTICLE X

MISCELLANEOUS

Section 10.1 *Payments; Currency Indemnity.* (a) Except to the extent otherwise stated herein, each payment to be made hereunder or on any Note shall be made on the required payment date in Dollars and in immediately available funds at the office of the Trustee specified in Section 10.6 or to such other office or account as may be specified by any party in a notice to the applicable sender of such payment.

(b) Except to the extent otherwise stated, Dollars are the sole currency of payment for all sums payable under or in connection with this Indenture or any Note, including with respect to indemnities. Any amount received or recovered in a currency other than Dollars (whether as a result of, or of the enforcement of, a judgment, decree or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer or otherwise) in respect of any sum expressed to be due on the Notes and under this Indenture shall only constitute a discharge of such obligation to the extent of the amount of Dollars that the payee of such amounts due is able to purchase in accordance with normal banking or other normal currency exchange procedures with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If such amount of Dollars is more than the amount expressed to be due on the Notes or under this Indenture, if applicable, then the payee shall reimburse such excess to the payor. If such amount of Dollars is less than the amount expressed to be due on the Notes or under this Indenture, if applicable, then the payor shall indemnify the payee of such amounts against any loss sustained by it as a result. In any event, the payor shall indemnify the payee of such amounts against the cost of making any such purchase. For the purposes of this Section 10.1(b), in the event the payee finds it impracticable to make a purchase on the date it receives the payment in a currency other than in Dollars, it will be sufficient for the payee of such amounts to certify in a reasonable manner (indicating the sources of information used) that it would have suffered a loss had an actual purchase of Dollars been made with the amount so received in such other currency on the date of receipt or recovery. These indemnities constitute a separate and independent obligation from the other obligations hereunder, shall give rise to a

separate and independent cause of action, shall apply irrespective of any indulgence granted by such payee and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any amount due hereunder or under any Note.

Section 10.2 *[Reserved]*.

Section 10.3 *Governing Law*. **THIS INDENTURE HAS BEEN DELIVERED IN NEW YORK, NEW YORK AND SHALL BE DEEMED TO BE A CONTRACT MADE UNDER AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF NEW YORK (INCLUDING FOR SUCH PURPOSE SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK).**

Section 10.4 *No Waiver; Cumulative Remedies*. No failure to exercise and no delay in exercising, on the part of any Person, any right, remedy, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exhaustive of any rights, remedies, powers and privileges provided by Applicable Law.

Section 10.5 *Severability*. Any provision of this Indenture or any Note that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or thereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 10.6 *Notices*. (a) All notices, instructions, directions, requests and demands delivered in connection herewith shall be in English and shall be in writing (including by fax) and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when received (including by courier), addressed as follows in the case of the Trustee and the Issuer:

If to the Trustee: **THE BANK OF NEW YORK MELLON**
101 Barclay Street, 7E
New York, New York 10286

Fax: (212) 815-5875
Attention: Global Trust Services – Global Finance Americas

If to The Bank of
New York Mellon
SA/NV, Luxembourg
Branch: **THE BANK OF NEW YORK MELLON SA/NV, LUXEMBOURG
BRANCH**
Vertigo Building-Polaris
2-4 rue Eugène Ruppert
L-2453 Luxembourg

Fax: 352-24-52-4209

If to the Issuer: **FRONTERA ENERGY CORPORATION**
333 Bay Street, Suite 1100
Toronto, Ontario M5H 2R2
Canada

Fax: (416) 360-7783
Attention: Anne Walters and Alejandra Bonilla - Office of General Counsel

(b) The Issuer and the Trustee, by notice, may designate additional or different addresses for subsequent notices or communications.

(c) Any notice or communication to a Holder shall be deemed to have been duly given (i) upon the mailing of such notice by first class mail to such Holder at its registered address as recorded in the Register not later than the latest date, and not earlier than the earliest date, prescribed in this Indenture for the giving of such notice and (ii) for so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, upon publication in a daily newspaper of general circulation in Luxembourg, which the Issuer expects to be the *Luxemburger Wort*, or alternatively, via the website of the Luxembourg Stock Exchange at www.bourse.lu, such notices being deemed given on the date of such publication. Subject to publication on the website of the Luxembourg Stock Exchange, if publication in Luxembourg is impracticable, the Issuer will make the publication elsewhere in Western Europe. By “*daily newspaper*” the Issuer means a newspaper that is published on each day, other than Sunday or holiday, in Luxembourg or, when applicable, elsewhere in Western Europe. In the case of Global Notes, notices shall be sent to DTC or its nominees (or any successors), as the Holders thereof, and DTC will communicate such notices to the DTC Participants in accordance with its standard procedures. Any requirement of notice hereunder may be waived by the Person entitled to such notice before or after such notice is required to be given, and such waivers shall be filed with the Trustee.

(d) If the Issuer gives a notice or communication to any Holder, it shall give a copy to the Trustee in advance of sending the notice to the Holder.

(e) The Trustee shall promptly furnish the Issuer with a copy of any demand, notice or written communication received by the Trustee hereunder from any Holder.

(f) The Trustee shall have the right, but shall not be required, to rely upon and comply with instructions and directions sent by e-mail, facsimile and other similar unsecured electronic methods by persons believed by the Trustee to be authorized to give instructions and directions on behalf of the Issuer. The Trustee shall have no duty or obligation to verify or confirm that the person who sent such instructions or directions is, in fact, a person authorized to give instructions or directions on behalf of the Issuer; and the Trustee shall have no liability for any losses, liabilities, costs or expenses incurred or sustained by the Issuer as a result of such reliance upon or compliance with such instructions or directions. The Issuer agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties. Notwithstanding any other provision of this Indenture or any Note, where this Indenture or any Note provides for notice of any event or any other communication (including any notice of redemption or repurchase) to a holder of a Global Note (whether by mail or otherwise), such notice shall be sufficiently given if given to DTC (or its designee) pursuant to the standing instructions from DTC or its designee, including by electronic mail in accordance with accepted practices at DTC.

Section 10.7 *Counterparts*. This Indenture may be executed on any number of separate counterparts (including by fax or electronic delivery), and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

Section 10.8 *Entire Agreement*. This Indenture, including the documents referred to herein, contains the entire understanding of the parties hereto with respect to the subject matter contained herein, and there are no promises, undertakings, representations or warranties by the parties hereto relative to the subject matter hereof not expressly specified or referred to herein.

Section 10.9 *Waiver of Jury Trial*. THE PARTIES HERETO (AND EACH HOLDER, BY ITS ACCEPTANCE OF A NOTE) HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS INDENTURE OR THE NOTES AND FOR ANY COUNTERCLAIM RELATING THERETO. EACH PARTY (AND EACH HOLDER, BY ITS ACCEPTANCE OF A NOTE) ACKNOWLEDGES THAT THE OTHER PARTIES HERETO ARE ENTERING INTO THIS INDENTURE IN RELIANCE UPON SUCH WAIVER.

Section 10.10 *Submission to Jurisdiction; Waivers; Prescription*. (a) Each party to this Indenture or the Notes hereby irrevocably and unconditionally submits to the jurisdiction of (i) the United States District Court for the Southern District of New York or of any New York State court (in either case sitting in Manhattan, New York City) and (ii) the courts of its own corporate domicile, in each case with all applicable courts of appeal therefrom, with respect to actions brought against it as a defendant, for purposes of all legal proceedings arising out of or relating to this Indenture or the Notes or the transactions contemplated hereby or thereby;

provided, that nothing herein shall be deemed to limit the ability of any party to this Indenture or the Notes to bring suit in any other permissible jurisdiction. The Issuer and each of the Note Guarantors hereby irrevocably waives, to the fullest extent permitted by Applicable Law, any objection that it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court, any claim that any such proceeding brought in such a court has been brought in an inconvenient forum and any objection based on place of residence or domicile.

(b) The Issuer and each of the Note Guarantors irrevocably appoints CT Corporation System, with address at 111 Eighth Avenue New York, NY 10011, United States, as its authorized agent on which any and all legal process may be served in any such action, suit or proceeding brought in the United States District Court for the Southern District of New York or in any New York State court (in either case sitting in Manhattan, New York City) in connection with this Indenture or the Notes. The Issuer and each of the Note Guarantors agrees that service of process in respect of it upon such agent, together with written notice of such service sent to it in the manner provided for in Section 10.6, shall be deemed to be effective service of process upon it in any such action, suit or proceeding. The Issuer and each of the Note Guarantors agrees that the failure of such agent to give notice to it of any such service of process shall not impair or affect the validity of such service or any judgment rendered in any action, suit or proceeding based thereon. If for any reason such agent shall cease to be available to act as such (including by reason of the failure of such agent to maintain an office in New York City), the Issuer and each of the Note Guarantors agrees promptly to designate a new agent in New York City, on the terms and for the purposes of this Section. Nothing herein shall in any way be deemed to limit the ability of the Trustee to serve any such legal process in any other manner permitted by Applicable Law or to obtain jurisdiction over the Issuer or bring actions, suits or proceedings against it in such other jurisdictions, and in such manner, as may be permitted by Applicable Law.

(c) The Issuer and each of the Note Guarantors will waive any immunity (including sovereign immunity), to the fullest extent permitted by applicable law, from suit, action, proceeding or jurisdiction to which it might otherwise be entitled in any such suit, action or proceeding in any United States federal or New York State court in the Borough of Manhattan, the City of New York or in any competent court in Canada, Colombia, the Bahamas, Peru and Switzerland.

(d) Claims against the Issuer or any Note Guarantor for the payment of principal or interest and Additional Amounts in respect of the Notes or the Guarantee, as the case may be, will be prescribed unless made within six years of the due date for payment of such principal or interest and Additional Amounts.

Section 10.11 Certificate and Opinion as to Conditions Precedent. Upon any request or application by the Issuer to the Trustee to take any action under this Indenture, the Issuer will furnish to the Trustee upon request:

(a) an Officers' Certificate (which will include the statements set forth in Section 10.12 hereof) stating that, in the opinion of the signers, all conditions precedent and covenants, if any, provided for in this Indenture relating to the proposed action have been satisfied; and

(b) an Opinion of Counsel (which will include the statements set forth in Section 10.12 hereof) stating that, in the opinion of such counsel, all such conditions precedent and covenants have been satisfied; *provided, however*, that no such Opinion of Counsel shall be delivered with respect to the authentication and delivery of any Notes on the Closing Date.

Section 10.12 *Statements Required in Certificate or Opinion.* Each certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture will include (other than the certificate set forth in Section 4.1(b)):

(a) a statement that the Person making such certificate or opinion has read such covenant or condition and the definitions in this Indenture relating thereto;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(c) a statement that, in the opinion of such Person, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with;

(d) a statement as to whether or not, in the opinion of such Person, such condition or covenant has been complied with; and

(e) a statement that, in the opinion of such Person, such Officers' Certificate or Opinion of Counsel complies with the provisions of this Section 10.12 and that the Trustee may rely on such certificate or opinion.

Section 10.13 *Headings and Table of Contents.* Section headings and the table of contents in this Indenture have been inserted for convenience of reference only and shall in no way restrict or otherwise modify any of the terms or provisions hereof.

Section 10.14 *Use of English Language.* All certificates, reports, notices, instructions, and other documents and communications given or delivered pursuant to this Indenture shall be in the English language or accompanied by a certified English translation thereof.

Section 10.15 *No Recourse Against Others.* An incorporator, stockholder, officer, director, employee or controlling person, as such, of the Issuer shall not have any liability for any obligations of the Issuer under the Notes, this Indenture, or for any claim based on, in respect of or by reason of such obligations or their creation. By accepting interests in a Note, each Holder waives and releases all such liability. The waiver and release shall be deemed a part of the consideration for the issue of the Notes.

Section 10.16 *Patriot Act.* The parties hereto acknowledge that in accordance with Section 326 of the USA Patriot Act, The Bank of New York Mellon, like all financial institutions and in order to help fight the funding of terrorism and money laundering, are required to obtain, verify, and record information that identifies each person or legal entity that establishes a relationship or opens an account. Each party to this agreement agrees that it will provide The Bank of New York Mellon with such information with respect to such party as The Bank of New

York Mellon may request in order for The Bank of New York Mellon to satisfy the requirements of the USA Patriot Act.

Section 10.17 *Foreign Account Tax Compliance Act (FATCA)*. In order to comply with Applicable Law, the Issuer agrees (i) to provide to The Bank of New York Mellon sufficient information about holders or other applicable parties and/or transactions (including any modification to the terms of such transactions) so The Bank of New York Mellon can determine whether it has tax related obligations under Applicable Law, (ii) that The Bank of New York Mellon shall be entitled to make any withholding or deduction from payments under the Indenture to the extent necessary to comply with Applicable Law for which The Bank of New York Mellon shall not have any liability, and (iii) to hold harmless The Bank of New York Mellon for any losses it may suffer due to the actions it takes to comply with such Applicable Law. The terms of this section shall survive the termination of this Indenture.

Section 10.18 *Bail-In*. Notwithstanding any other term of this Indenture or any other agreements, arrangements, or understanding between the parties, each counterparty to a BRRD Party under this Indenture acknowledges, accepts, and agrees to be bound by:

(a) the effect of the exercise of Bail-in Powers by the Relevant Resolution Authority in relation to any BRRD Liability of any BRRD Party to it under this Indenture, that (without limitation) may include and result in any of the following, or some combination thereof:

(i) the reduction of all, or a portion, of the BRRD Liability or outstanding amounts due thereon;

(ii) the conversion of all, or a portion, of the BRRD Liability into shares, other securities or other obligations of the relevant BRRD Party or another person (and the issue to or conferral on it of such shares, securities or obligations);

(iii) the cancellation of the BRRD Liability;

(iv) the amendment or alteration of the amounts due in relation to the BRRD Liability, including any interest, if applicable, thereon, the maturity or the dates on which any payments are due, including by suspending payment for a temporary period; and

(b) the variation of the terms of this Indenture, as deemed necessary by the Relevant Resolution Authority, to give effect to the exercise of Bail-in Powers by the Relevant Resolution Authority.

[Signature pages follow]

IN WITNESS WHEREOF, the undersigned have caused this Indenture to be duly executed as of the date first above written by their respective officers hereunto duly authorized.

FRONTERA ENERGY CORPORATION
as Issuer

By: *(signed) "David A. Dyck"* _____

Name: David A. Dyck

Title: Chief Financial Officer

FRONTERA ENERGY COLOMBIA AG
(GUARANTOR)

By: *(signed) "Anne Walters"*

Name: Anne Walters

Title: Authorized Signatory

PACIFIC STRATUS ENERGY DEL PERU S.A.
(GUARANTOR)

By: *(signed) "Anne Walters"*

Name: Anne Walters

Title: Authorized Signatory

PACIFIC MIDSTREAM HOLDING CORP.
(GUARANTOR)

By: *(signed) “Anne Walters”*

Name: Anne Walters

Title: Director

THE BANK OF NEW YORK MELLON,
as Trustee, Security Registrar and Paying Agent

By: (signed) “Arsala Kidwai”

Name: Arsala Kidwai

Title: Vice President

**THE BANK OF NEW YORK MELLON SA/NV,
LUXEMBOURG BRANCH,**
as Luxembourg Paying Agent

By: (signed) “Arsala Kidwai

Name: Arsala Kidwai

Title: Attorney In Fact

LIST OF GUARANTORS

Frontera Energy Colombia AG
Pacific Stratus Energy de Peru S.A.
Pacific Midstream Holding Corp.

[FORM OF] FACE OF NOTE
FRONTERA ENERGY CORPORATION

[RESTRICTED GLOBAL NOTE]
[REGULATION S GLOBAL NOTE]
[DEFINITIVE NOTE]

representing

U.S.\$350,000,000

9.700% Senior Notes due 2023

[Global Notes Legend]¹

UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION (“DTC”), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY NOTE ISSUED UPON REGISTRATION OF TRANSFER OF, OR IN EXCHANGE FOR, OR IN LIEU OF, THIS NOTE OR ANY PORTION HEREOF IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO. (OR SUCH OTHER ENTITY), HAS AN INTEREST HEREIN.

THIS NOTE IS A GLOBAL NOTE WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITORY OR A NOMINEE THEREOF. THIS NOTE MAY NOT BE EXCHANGED IN WHOLE OR IN PART FOR A SECURITY REGISTERED, AND NO TRANSFER OF THIS NOTE IN WHOLE OR IN PART MAY BE REGISTERED, IN THE NAME OF ANY

¹ This Global Notes Legend should be included only if the Note is to be held by DTC in global form.

PERSON OTHER THAN SUCH DEPOSITORY OR A NOMINEE THEREOF EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE.

[Restricted Securities Legend]

“THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”) OR SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING THIS SECURITY, AGREES FOR THE BENEFIT OF THE ISSUER THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE ISSUER, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, (C) INSIDE THE UNITED STATES TO A “QUALIFIED INSTITUTIONAL BUYER” AS DEFINED IN, AND IN ACCORDANCE WITH, RULE 144A UNDER THE U.S. SECURITIES ACT, (D) PURSUANT TO THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER OR (E) PURSUANT TO ANOTHER EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AFTER PROVIDING A LEGAL OPINION SATISFACTORY TO THE ISSUER.

THIS LEGEND WILL BE REMOVED ONLY AT THE OPTION OF THE ISSUER.”

FRONTERA ENERGY CORPORATION
9.700% Senior Note due 2023

No. [____]
Principal Amount U.S.\$[____]

[Registered Holder: CEDE & CO.]²

CUSIP No. [____] and ISIN No. [____]

FRONTERA ENERGY CORPORATION (the “*Issuer*”), a company formed and existing under the laws of British Columbia, Canada.

The Issuer promises to pay to CEDE & CO or registered assigns, the principal amount of Notes payable on June 25, 2023.

INTEREST PAYMENT DATES: June 25 and December 25 of each year, commencing on December 25, 2018.

RECORD DATES: 15 days prior to each Interest Payment Date (which for the avoidance of doubt will be June 10 and December 10 of each year.)

Additional provisions of this Note are set forth on the reverse hereof.

[Signature Page Follows]

² Include only if the Note is to be held by DTC.

IN WITNESS WHEREOF, the Issuer has caused this Note to be duly executed.

FRONTERA ENERGY CORPORATION

By: _____
Name:
Title:

**TRUSTEE'S CERTIFICATE OF
AUTHENTICATION**

This is one of the Notes referred to in the within-mentioned
Indenture

Dated: _____, _____

The Bank of New York Mellon, as Trustee

By: _____
Authorized Officer

[FORM OF] REVERSE OF NOTE

9.700% Senior Notes due 2023

Interest

FRONTERA ENERGY CORPORATION, a company formed and existing under the laws of British Columbia, Canada (the “*Issuer*”) promises to pay interest on the principal amount of this Note at the rate per annum shown above.

Each Note and Additional Note shall bear interest at a rate of 9.700% per annum from the issue date of such Note or Additional Note or from the most recent interest Payment Date to which interest has been paid, as the case may be, payable semi-annually in arrears on each Payment Date commencing on December 25, 2018 until the principal thereof is paid or duly provided for. Interest on the Notes will accrue and be payable in U.S. Dollars and will be computed on the basis of a 360-day year of twelve 30-day months, and will be payable to the Holders of record on the 15th calendar day immediately preceding the related interest Payment Date. The Issuer will pay interest (including post-petition interest in any proceeding under any Bankruptcy Law to the extent that such interest is an allowed claim enforceable against the debtor under any Bankruptcy Law) on overdue principal and premium, if any, at a rate equal to 1% per annum in excess of the interest rate on the Notes or Additional Notes, and to the extent lawful, it will pay interest (including post-petition interest in any proceeding under any Bankruptcy Law to the extent that such interest is an allowed claim against the debtor under such Bankruptcy Law) on overdue installments of interest (without regard to any applicable grace period) from time to time on demand at the same rate.

For the purposes of this Note and any Additional Note, whenever any interest is calculated on the basis of a period of time other than a calendar year, the annual rate of interest to which each rate of interest determined pursuant to such calculation is equivalent for the purposes of the *Interest Act* (Canada) is such rate as so determined multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by the number of days used in the basis for such determination.

Method of Payment

On the Business Day prior to any Payment Date and/or Maturity Date the Issuer will deposit or cause to be deposited with the Paying Agent in the Borough of Manhattan, the City of New York, in immediately available funds, a sum in Dollars sufficient to pay the principal of, and interest (and premium and Additional Amounts, if any) due on each Note or Additional Notes on such Payment Date and/or Maturity Date. The Issuer will pay the Holders defaulted interest in any lawful manner on a special record date. The Issuer will notify the Trustee in writing of the amount of defaulted interest proposed to be paid on each Note and the date of the proposed payment. The Trustee will fix or cause to be fixed each such special record date and payment date, *provided*, that no such special record date will be less than 10 days prior to the related payment date for such defaulted interest. At least 10 days before the special record date,

the Issuer will mail or cause to be mailed to Holders a notice that states the special record date, the related payment date and the amount of such defaulted interest to be paid. In addition, the Issuer will pay to the Holder of this Note such premium and Additional Amounts as may become payable under Section 2.12, Section 3.3 and Section 3.4 of the Indenture.

Trustee, Security Registrar and Paying Agent and Paying Agent in Luxembourg

Initially, The Bank of New York Mellon (the “*Trustee*”), will act as Trustee, security registrar and paying agent. The Issuer will also maintain an additional paying agent in Luxembourg. Initially, The Bank of New York Mellon SA/NV, Luxembourg Branch will act as paying agent in Luxembourg.

Indenture

The Issuer issued the Notes under an Indenture, dated as of [], 2018 (as it may be amended or supplemented from time to time in accordance with the terms thereof, the “*Indenture*”), among the Issuer, the Note Guarantors listed on Schedule I thereto (the “*Note Guarantors*”, The Bank of New York Mellon, as trustee, security registrar and paying agent and The Bank of New York Mellon SA/NV, Luxembourg Branch, as paying agent in Luxembourg. The Indenture imposes certain limitations on the Issuer, its Restricted Subsidiaries and the Note Guarantors. The terms of the Notes include those stated in the Indenture. The Notes are subject to all such terms, and Holders are referred to the Indenture for a statement of those terms. The Notes are senior obligations of the Issuer. The aggregate principal amount of the Notes that may be authenticated and delivered under the Indenture is unlimited. Each Holder, by accepting a Note, agrees to be bound by all of the terms and provisions of the Indenture, as amended from time to time. Capitalized terms used herein and not defined herein have the meanings ascribed thereto in the Indenture. This Note is one of the Notes referred to in the Indenture.

Optional Redemption

Prior to June 25, 2021, the Issuer will have the right, at its option, to redeem any of the Notes, in whole or in part, at any time and from time to time, at a redemption price equal to the greater of (1) 101% of the then outstanding principal amount of such Notes and (2) the present value to be calculated by an Independent Investment Banker at such Redemption Date of (i) the redemption price of such Notes at June 25, 2021 (such redemption price being set forth in the table below) plus (ii) all required interest payments thereon through June 25, 2021 on such Notes (excluding accrued but unpaid interest to the Redemption Date), in each case, discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 50 basis points, plus in each case any accrued and unpaid interest on the principal amount of such Notes to, but excluding, the date of redemption, and Additional Amounts, if any; provided, however, that if the Notes are redeemed in part only, Notes in an amount of at least U.S.\$100 million shall remain Outstanding after any such partial redemption. Notice of such redemption to each Holder of Notes must be sent and published in accordance with the provisions set out under Section 3.7 of the Indenture not less than 30 days and not more than 60 days prior to the Redemption Date.

The Notes will be subject to redemption at the option of the Issuer, in whole or in part, during the 12-month periods beginning on June 25 of the years indicated below upon not less than 30 and not more than 60 days' notice prior to the Redemption Date given as provided under Section 3.7 of the Indenture for a redemption price (expressed as percentages of principal amount) set forth below plus accrued but unpaid interest, if any, to the applicable Redemption Date and any Additional Amounts in respect thereto; *provided, however*, that if the Notes are redeemed in part only, Notes in an amount of at least U.S.\$100 million shall remain Outstanding after any such partial redemption.

<u>Year</u>	<u>Percentage</u>
2021	104.850%
2022	102.425%
At Maturity (June 25, 2023)	100.0000%

If the Issuer redeems the Notes in part, the Notes for redemption shall be selected by lot or otherwise in accordance with the procedures of DTC. No Note of U.S.\$200,000 in principal amount or less shall be redeemed in part. If any Note is to be redeemed in part only, the notice of redemption will state the portion of the principal amount to be redeemed. A Note in principal amount equal to the unredeemed portion of the original Note will be issued upon the cancellation of the original Note. On and after the Redemption Date, interest will cease to accrue on the Notes or portions thereof called for redemption.

Optional Redemption Upon Equity Offerings

At any time, or from time to time, prior to June 25, 2021, the Issuer may, at its option, use an amount not to exceed the Net Cash Proceeds of one or more Equity Offerings to redeem up to 35% of the aggregate principal amount of the Outstanding Notes at a redemption price of 109.700% of the aggregate principal amount thereof, plus accrued and unpaid interest and Additional Amounts, thereon, if any, to the date of redemption (subject to the right of Holders on the relevant Record Date to receive interest due on the relevant interest Payment Date); *provided*, that:

- (1) at least 65% of the aggregate principal amount of Notes issued under the Indenture remains Outstanding immediately after any such redemption; and
- (2) the Issuer makes such redemption not more than 90 days after the consummation of any such Equity Offering.

Selection of the Notes or portions thereof for redemption will be made by lot or otherwise in accordance with applicable procedures of DTC. No Note of U.S.\$200,000 in principal amount or less shall be redeemed in part.

Optional Tax Redemption

The Notes may be redeemed at the Issuer's election in whole but not in part on any date prior to the Maturity Date, by the giving of notice as provided under Section 3.7 of the Indenture at a price equal to the outstanding principal amount thereof, together with any Additional Amounts and accrued and unpaid interest to the Redemption Date, if, as a result of:

(a) any change in, or amendment to, laws or treaties (or any regulation or rulings promulgated thereunder) of Canada, the Bahamas, Peru, Switzerland, or any other jurisdiction of the Issuer or a Note Guarantor imposing Taxes giving rise to the obligation to pay Additional Amounts, or any political subdivision or taxing authority thereof or therein affecting taxation (each such jurisdiction being a "Subject Jurisdiction"); or

(b) any change in the official application, administration or interpretation of such laws, treaties, regulations or rulings affecting taxation in such jurisdictions,

which amendment, change, application, administration or interpretation is announced and becomes effective on or after the later of the date of the Offering Memorandum and with respect to jurisdictions other than Canada, the Bahamas, Peru or Switzerland, the date on which the Subject Jurisdiction first became a jurisdiction with which a Note Guarantor or the Issuer has a connection, the Issuer or a Note Guarantor, as the case may be, has become or would become obligated to pay any Additional Amounts (*provided*, that, as to the Issuer or any Note Guarantor, any such Additional Amounts are in excess of those attributable to Taxes that are imposed, deducted or withheld at the applicable rate that Taxes are imposed, deducted or withheld in the jurisdiction imposing such Taxes on the date the Issuer or the Note Guarantor becomes connected with such jurisdiction or, if later, the date a Note Guarantor becomes a Note Guarantor, on or from any payments of interest under the Notes) on the next date on which any amount would be payable in respect of such Notes and the Issuer or a Note Guarantor, as the case may be, determines in good faith that such obligation cannot be avoided by taking commercially reasonable measures available to the Issuer or such Note Guarantor; *provided, however*, that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or a Note Guarantor, as the case may be, would be obligated to pay such Additional Amounts.

Notice of any redemption will be sent at least 30 days but not more than 60 days before the Redemption Date to each Holder of the Notes to be redeemed. Prior to the giving of notice of redemption of such Notes pursuant to the Indenture, the Issuer or a Note Guarantor, as the case may be, will deliver to the Trustee an Officers' Certificate and a written opinion of such taxing jurisdiction counsel of recognized standing independent of the Issuer or a Note Guarantor, as the case may be, and its Affiliates to the effect that all governmental approvals necessary for it to effect such redemption have been or at the time of redemption will be obtained and in full force and effect, and that the Issuer or a Note Guarantor, as the case may be, has or will become obligated to pay such Additional Amounts as a result of such change, amendment, application, administration or interpretation. This Notice, once delivered to the Trustee, will be irrevocable. On the Redemption Date, interest will cease to accrue on the Notes that have been redeemed and such Notes will be cancelled.

If the Issuer requests that the Trustee send a notice of redemption to the Holders, the Issuer shall provide the Trustee with written notice of such redemption 45 days prior to the Redemption Date.

Denominations; Transfer; Exchange

Restricted notes initially will be represented by one or more notes in registered, global form without interest coupons (collectively, the “Restricted Global Notes”). Regulation S notes initially will be represented by one or more notes in registered, global form without interest coupons (collectively, the “Regulation S Global Notes” and, together with the Restricted Global Notes, the “Global Notes”). No service charge will be made for any registration of transfer or exchange of Notes, but the Trustee may require payment of a sum sufficient to cover any Tax or other government charge payable in connection therewith. The Notes (or beneficial interests therein) may not be transferred unless the principal amount so transferred is in an authorized denomination.

Persons Deemed Owners

The registered Holder of this Note may be treated as the owner of this Note for all purposes.

Unclaimed Money

Any monies deposited with or paid to the Trustee for the payment of the principal, premium or Additional Amounts (if any), interest or any other amount due with respect to any Note and not applied but remaining unclaimed for three years after the date upon which such principal, premium or Additional Amounts (if any), interest or other amount shall have become due and payable, shall (to the extent not required to escheat to any governmental authority), upon written demand of the Issuer, be repaid by the Trustee to or for the account of the Issuer, the receipt of such repayment to be confirmed promptly in writing by or on behalf of the Issuer, and, to the extent permitted by Applicable Law, the Person claiming such payment of principal, premium or Additional Amounts (if any), interest or any other amount shall thereafter look only to the Issuer for any related payment that it may be entitled to receive, and all liability of the Trustee with respect to such monies shall thereupon cease.

Prescription

Claims against the Issuer or any Note Guarantor for the payment of principal or interest and Additional Amounts in respect of the Notes or the Guarantee, as the case may be, will be prescribed unless made within six years of the due date for payment of such principal or interest and Additional Amounts.

Defeasance

Subject to certain conditions set forth in the Indenture, the Issuer at any time may terminate certain of its obligations under the Notes and the Indenture if the Issuer deposits with

the Trustee money or United States Government Obligations for the payment of principal and interest on the Notes to redemption or maturity, as the case may be.

Amendment, Waiver

Subject to certain exceptions set forth in the Indenture, (i) the Indenture or the Notes may be amended with the written consent of the Holders of a majority of the aggregate principal amount of the Outstanding Notes or at least 75% of the aggregate principal amount of the Outstanding Notes in the case of modification of the Subsidiary Guarantees provided by the Note Guarantors (including the provisions requiring future Note Guarantors) in any manner adverse to the Holders and (ii) any default or noncompliance with any provision may be waived with the written consent of the Holders of a majority in principal amount of the Outstanding Notes. Subject to certain exceptions set forth in the Indenture, without the consent of any Holder, the Issuer and the Trustee may, among other amendments set forth in the Indenture, amend the Indenture to cure any ambiguity, omission, defect or inconsistency or to provide for uncertificated Notes in addition to or in place of certificated Notes, or to add guarantees with respect to the Notes or to provide additional rights or benefits to the Holders or to make any change that does not adversely affect the rights of any Holder.

Defaults and Remedies

If an Event of Default occurs and is continuing, the Trustee acting at the written direction of Holders of at least 25% in principal amount of the Outstanding Notes or the Holders of at least 25% in principal amount of the Outstanding Notes may declare all the Notes to be due and payable immediately (including all Additional Amounts thereon). Certain events of bankruptcy or insolvency are Events of Default which will result in the Notes being due and payable immediately upon the occurrence of such Events of Default.

Holders may not enforce the Indenture or the Notes except as provided in the Indenture. The Trustee may refuse to enforce the Indenture or the Notes unless it receives reasonable indemnity or security. Subject to certain limitations, Holders of a majority in principal amount of the Notes may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from Holders notice of any continuing Default or Event of Default (except a Default or Event of Default in payment of principal or interest) if it determines that withholding notice is in their interest.

Authentication

This Note shall not be valid until an authorized signatory of the Trustee (or an authenticating agent acting on its behalf) manually signs the certificate of authentication on the other side of this Note.

Abbreviations

Customary abbreviations may be used in the name of a Holder or an assignee, such as TEN COM (=tenants in common), TEN ENT (=tenants by the entirety), JT TEN (=joint tenants

with rights of survivorship and not as tenants in common), CUST (=custodian) and U/G/M/A (=Uniform Gift to Minors Act).

CUSIP and ISIN Numbers

Pursuant to a recommendation promulgated by the Committee on Uniform Note Identification Procedures the Issuer has caused CUSIP, ISIN and/or other similar numbers to be printed on the Notes and has directed the Trustee to use such numbers in notices of redemption as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

Governing Law

This note shall be governed by the internal laws of the state of New York (including for such purpose sections 5-1401 and 5-1402 of the General Obligations Law of the State of New York).

Additional Amounts

The Issuer will pay to the Holders such Additional Amounts as may become payable under Section 2.12 of the Indenture.

Conversion of Currency

Dollars are the sole currency of payment for all sums payable by the Issuer under or in connection with the Notes or the Indenture, including damages. The Issuer has agreed that the provisions of Section 10.1 of the Indenture shall apply to conversion of currency in the case of the Notes and the Indenture. Among other things, Section 10.1 of the Indenture specifies that any amount received or recovered in a currency other than Dollars (whether as a result of, or of the enforcement of, a judgment, decree or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer or otherwise) in respect of any sum expressed to be due on the Notes and under the Indenture shall only constitute a discharge of such obligation to the extent of the amount of Dollars that the payee of such amounts due is able to purchase, in accordance with normal banking or other normal currency exchange procedures, with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If such amount of Dollars is more than the amount expressed to be due on the Notes or under the Indenture, if applicable, then the payee shall reimburse such excess to the payor. If such amount of Dollars is less than the amount expressed to be due on the Notes or under the Indenture, then the payor shall indemnify the payee of such amounts against any loss sustained by it as a result.

Agent for Service; Submission to Jurisdiction; Waiver of Immunities

The Issuer has irrevocably appointed CT Corporation System, with address at 111 Eighth Avenue New York, NY 10011, United States, as its authorized agent on which any and all legal

process may be served in any such action, suit or proceeding brought in the United States District Court for the Southern District of New York or in any New York State court (in either case sitting in Manhattan, New York City).

The Issuer and each of the Note Guarantors will waive any immunity (including sovereign immunity), to the fullest extent permitted by applicable law, from suit, action, proceeding or jurisdiction to which it might otherwise be entitled in any such suit, action or proceeding in any United States federal or New York State court in the Borough of Manhattan, the City of New York or in any competent court in Canada, Colombia, the Bahamas, Peru or Switzerland.

The Issuer will furnish to any Holder upon written request and without charge to the Holder a copy of the Indenture which has in it the text of this Note in larger type.

Requests may be made to:

FRONTERA ENERGY CORPORATION

333 Bay Street, Suite 1100
Toronto, Ontario M5H 2R2
Canada
Telephone: +416 362-7735
Fax: +416 360- 7783

NOTATION OF GUARANTEE

For value received, the undersigned hereby unconditionally guarantee as principal obligors and not merely as a surety, to the Holder of this Note, the cash payments in United States Dollars of principal, premium, if any, and interest on this Note (and including premium and Additional Amounts payable thereon, if any) in the amounts and at the times when due, together with interest on the overdue principal, premium, if any, and interest, if any, on this Note, if lawful, and the payment or performance of all other obligations of the Issuer under the Indenture or the Notes, to the Holder of this Note and the Trustee, all in accordance with and subject to the terms and conditions of this Note and the Indenture (as defined below). Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Indenture, dated as of [], 2018, among the Issuer, the Note Guarantors, The Bank of New York Mellon as trustee, security registrar and paying agent, and The Bank of New York Mellon SA/NV, Luxembourg Branch, as paying agent in Luxembourg.

The obligations of the undersigned to the Holders and to the Trustee are expressly set forth in the Indenture and reference is hereby made to the Indenture for the precise terms thereof.

IN WITNESS WHEREOF, each of the Note Guarantors has caused this endorsement with respect to the 9.700% Senior Notes Due 2023 of Frontera Energy Corporation to be duly executed.

Dated: _____, _____

FRONTERA ENERGY COLOMBIA AG
(GUARANTOR)

By: _____

Name:

Title:

PACIFIC STRATUS ENERGY DEL PERU S.A.
(GUARANTOR)

By: _____
Name:
Title:

PACIFIC MIDSTREAM HOLDING CORP.
(GUARANTOR)

By: _____
Name:
Title:

[FORM OF] ASSIGNMENT FORM

To assign this Note, fill in the form below and have your signature guaranteed: (I) or (we) assign and transfer this Note to:

(Insert assignee's soc. sec. or tax I.D. no.)

(Print or type assignee's name, address and zip code)

and irrevocably appoint _____
to transfer this Note on the books of the Issuer. The agent may substitute another to act for him.

Dated: _____

Your Name: _____
(Print your name exactly as it appears on the face of this Note)

Your Signature: _____
(Sign exactly as your name appears on the face of this Note)

Signature Guarantee*: _____

[The Transferee Certificates (Exhibits B and C to the Indenture) will be attached to the Note]

* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee)

[FORM OF] OPTION OF HOLDERS TO ELECT PURCHASE

If you elect to have this Note purchased by the Issuer pursuant to Section 4.4 of the Indenture, check the box below:

☐

If you elect to have only part of this Note purchased by the Issuer pursuant to Section 4.4 of the Indenture, state the amount (in minimum denominations of U.S.\$200,000 or integral multiples of U.S.\$1,000 in excess thereof) you elect to have purchased; *provided*, that no purchase in part shall reduce the outstanding principal amount of maturity of the Notes held by you to below U.S.\$200,000: U.S.\$_____

Dated: _____
Note)

Your Name: _____
(Print your name exactly as it appears on the face of this

Your Signature: _____
(Sign exactly as your name appears on this Note)

Social Security or Tax Identification No.: _____

Signature Guarantee*: _____

* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee)

**[FORM OF] CERTIFICATE FOR
EXCHANGE OR TRANSFER OF RESTRICTED GLOBAL NOTE³**

The Bank of New York Mellon, as Trustee
101 Barclay Street, 7E
New York, New York 10286

Attention: Global Trust Services – Global Finance Americas

Re: **FRONTERA ENERGY CORPORATION**
9.700% Senior Notes Due 2023 (the “Notes”)

Reference is hereby made to the Indenture dated as of [], 2018 (as amended, supplemented or otherwise modified from time to time, the “*Indenture*”) among **FRONTERA ENERGY CORPORATION**, a company formed and existing under the laws of British Columbia, Canada (the “*Issuer*”), the Note Guarantors listed on Schedule 1 thereto, The Bank of New York Mellon, a corporation organized under the laws of the State of New York authorized to conduct a banking business, as trustee (the “*Trustee*”), security registrar, paying agent and transfer agent and The Bank of New York Mellon SA/NV, Luxembourg Branch, as paying agent in Luxembourg. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

This letter relates to U.S.\$[] of the Notes that are held as a beneficial interest in the Restricted Global Note (CUSIP No. 35905BAA5) with DTC in the name of [NAME OF TRANSFEROR] (the “*Transferor*”). The Transferor has requested an exchange or transfer of such beneficial interest for an interest in the Regulation S Global Note (ISIN No.: US35905BAA52) to be held with [NAME OF PARTICIPANT] through DTC. If this is a partial transfer, a minimum amount of U.S.\$200,000 or any integral multiple of U.S.\$1,000 in excess thereof of the Restricted Global Note (or beneficial interests therein) will remain outstanding in the name of the Transferor.

In connection with such request, the Transferor does hereby certify that such exchange or transfer has been effected in accordance with the transfer restrictions set forth in the Indenture and (a) with respect to transfers made in reliance upon Regulation S under the Securities Act, the Transferor does hereby certify that:

(i) the offer of the Notes (or beneficial interests therein) to be exchanged or transferred was not made to a person in the United States,

³ This certification is to be made upon transfers or exchanges under Regulation S of interests in the Restricted Note pursuant to Section 2.6(b) of the Indenture.

(ii) either: (A) at the time the buy order was originated the transferee was outside the United States or the Transferor and any person acting on the Transferor's behalf reasonably believed that the transferee was outside the United States or (B) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither the Transferor nor any Person acting on behalf of the Transferor knows that the transaction was pre arranged with a buyer in the United States,

(iii) no directed selling efforts have been made in contravention of the requirements of Rule 903 or Rule 904 of Regulation S, as applicable,

(iv) the transaction meets any other applicable requirements of Rule 903 or Rule 904 of Regulation S and

(v) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act,

and (b) with respect to transfers made in reliance upon Rule 144A under the Securities Act, the Transferor hereby certifies that the Notes are being transferred in a transaction permitted by Rule 144A under the Securities Act.

This certificate and the statements contained herein are made for your benefit and for the benefit of the Issuer and the Trustee.

[Insert name of Transferor]

By: _____

Name:

Title:

Dated: _____

cc:

FRONTERA ENERGY CORPORATION

**[FORM OF] CERTIFICATE FOR
EXCHANGE OR TRANSFER OF REGULATION S GLOBAL NOTE⁴**

The Bank of New York Mellon, as Trustee
101 Barclay Street, 7E
New York, New York 10286

Attention: Global Trust Services – Global Finance Americas

Re: **FRONTERA ENERGY CORPORATION**
9.700% Senior Notes Due 2023 (the “Notes”)

Reference is hereby made to the Indenture dated as of [], 2018 (as amended, supplemented or otherwise modified from time to time, the “*Indenture*”) among **FRONTERA ENERGY CORPORATION**, a company formed and existing under the laws of British Columbia, Canada (the “*Issuer*”), the Note Guarantors listed on Schedule 1 thereto, The Bank of New York Mellon, a corporation organized under the laws of the State of New York authorized to conduct a banking business, as trustee (the “*Trustee*”), security registrar, paying agent and transfer agent and The Bank of New York Mellon SA/NV, Luxembourg Branch, as paying agent in Luxembourg. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

This letter relates to U.S.\$[] of the Notes that are held as a beneficial interest in the Regulation S Global Note (ISIN No.: USC35898AA00) with [Euroclear] [Clearstream] through DTC in the name of [NAME OF TRANSFEROR] (the “*Transferor*”). The Transferor has requested an exchange or transfer of such beneficial interest in the Notes for an interest in the Restricted Global Note (CUSIP No. C35898AA0) to be held with [NAME OF PARTICIPANT] through DTC. If this is a partial transfer, a minimum amount of U.S.\$200,000 or any integral multiple of U.S.\$1,000 in excess thereof of the Regulation S Global Note (or beneficial interests therein) will remain outstanding in the name of the Transferor.

In connection with such request, the Transferor does hereby certify that such Notes (or beneficial interests therein) are being transferred in accordance with Rule 144A under the Securities Act to a transferee that the Transferor reasonably believes is a “qualified institutional buyer” within the meaning of Rule 144A (a “*QIB*”) who is purchasing such Notes (or beneficial interests therein) for its own account or for the account of a QIB with respect to which the

⁴ This certification is to be made upon transfers or exchanges under Rule 144A of interests in the Regulation S Note pursuant to Section 2.6(c) of the Indenture.

transferee exercises sole investment discretion, in each case in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

This certificate and the statements contained herein are made for your benefit and for the benefit of the Issuer and the Trustee.

[Insert name of Transferor]

By: _____

Name:

Title:

Dated: _____

cc:

FRONTERA ENERGY CORPORATION