NATIONAL BANK OF CANADA

Writer's Direct Line
(403) 294-4988

February 3, 2011

AltaCanada Energy Corp.
140 - 4th Avenue SW, Suite 1300
Calgary, AB T2P 3N3

ATTENTION: **Mr. Donald Foulkes**
President & CEO

Mr. Brian Page
Controller

Dear Sirs:

RE: CREDIT FACILITIES – NATIONAL BANK OF CANADA / ALTACANADA ENERGY CORP.

We are pleased to advise that National Bank of Canada has approved the following revised and renewed Credit Facilities for AltaCanada Energy Corp., subject to the terms and conditions set out herein. This Offering Letter contains all the terms and conditions pertaining to the availability of Credit Facilities from National Bank of Canada and as a result it amends, incorporates, and restates the terms and conditions of all existing and new commitments.

BORROWER: ALTACANADA ENERGY CORP. (the "**Borrower**").

GUARANTORS: ALBERTA SELECTA CORPORATION,
ANG HOLDING CORP.,
ANG HOLDING (US) CORP.,
MONTANA LAND AND EXPLORATION, INC., and
ALTACANADA ENERGY PARTNERSHIP (the "**Guarantors**").

(the Borrower and the Guarantors are collectively referred to as "**Loan Parties**", and each, a "**Loan Party**").

LENDER: NATIONAL BANK OF CANADA (the "**Bank**").

CREDIT FACILITY A: REVOLVING REDUCING OPERATING DEMAND LOAN (the "**Credit Facility A**").

MAXIMUM AMOUNT: **$6,975,000.00** reducing to **$5,700,000.00** effective February 4, 2011 (the "**Maximum Amount**" as may be further reduced or reset as specified herein) concurrent with the closing of a minimum $4,500,000.00 new equity commitment as outlined in the November 25, 2010 letter agreement between One Earth Oil and Gas Inc. ("**One Earth**") and the Borrower (the "**Letter Agreement**"). In addition, the Maximum Amount shall be reset as at May 31, 2011, August 31, 2011 and November 30, 2011 to the lesser of:

i) $5,700,000.00 or such lower amount if the Maximum Amount has been reduced to an amount lower than $5,700,000.00; or,

ii) the Lending Value established by the Bank as at these dates (as defined below) plus the approved lending value shortfall ("**Approved Lending Value Shortfall**") as follows:

2700, 530 - 8 Avenue SW
Calgary, Alberta T2P 3S8
Telephone: (403) 294-4954
Fax: (403) 294-4993

$2,000,000.00 effective May 31, 2011;
$1,000,000.00 effective August 31, 2011; and,
$0 effective November 30, 2011

The Bank shall establish the lending value of the Borrower's proved producing oil and gas assets using its standard lending parameters consistent with its normal practices in respect of other oil and gas production companies and the Borrower's most updated technical information as provided to the Bank within two (2) weeks prior to establishing the Lending Value (the "**Lending Value**").

At any time, the Borrower may elect to permanently reduce the Maximum Amount to an amount less than the amounts specified above.

Once the Maximum Amount has been permanently reduced, it shall not increase above such reduced level unless approved by the Bank.

PURPOSE: Credit Facility A shall only be used for the Borrower's general corporate purposes including capital expenditures.

AVAILABILITY: Prime Rate loans ("**Prime Rate Loans**"). Revolving in whole multiples of Cdn$25,000.00.

U.S. Base Rate loans ("**Base Rate Loans**") in U.S. dollars. Revolving in whole multiples of U.S.$25,000.00.

Letters of credit and/or letters of guarantee ("**L/C/Gs**") (maximum term one year). The aggregate face amount of L/C/Gs issued and outstanding at any time is limited to Cdn$1,000,000.00.

In the event the outstanding principal amount is in excess of the Maximum Amount as may be reduced or reset from time to time, at any time, the Borrower shall repay the outstanding principal of the Credit Facility A by the amount of the excess. There is no obligation for further advances to be made during this period and failure to effect a remedy satisfactory to the Bank during the period shall entitle the Bank to demand repayment of all amounts outstanding under the Credit Facility A. Nothing in the above shall detract from the demand nature of the Credit Facility A.

REPAYMENT: Interest only but always subject to the Maximum Amount, Availability, Loan Renewal Expiry and the Bank's right of demand.

INTEREST RATE: At the option of the Borrower:

Prime Rate Loans
The Borrower shall pay interest calculated daily and payable monthly, not in advance, on the outstanding principal amount of Prime Rate Loans under the Credit Facility A at a rate per annum equal to the Prime Rate as designated from time to time by the Bank plus four percent (Prime + 4.00% p.a.). Interest at the aforesaid rate shall be due and payable on the 26th day of each and every month until all amounts owing to the Bank are paid in full. Interest shall be paid via automatic debit to the Borrower's account at the Calgary Branch of the Bank.

As of this date, the Bank's Prime Rate is 3.00% per annum.

Base Rate Loans
The Borrower shall pay interest calculated daily and payable monthly, not in advance, on the outstanding principal amount of Base Rate Loans drawn under the Credit Facility A at

a rate per annum equal to the U.S. Base Rate as designated from time to time by the Bank plus four percent (U.S. Base Rate + 4.00% p.a.). Interest at the aforesaid rate shall be due and payable on the 26th day of each and every month until all amounts owing to the Bank are paid in full. Interest shall be paid via automatic debit to the Borrower's account at the Calgary Branch of the Bank.

As of this date, the Bank's U.S. Base Rate is 3.75% per annum.

STANDBY FEE: One-quarter percent per annum (0.25% p.a.) based on a 365 or 366 day period, as the case may be, on the undrawn portion of the Credit Facility A (the "Standby Fee"), payable monthly on the first Business Day of each month.

L/C/Gs FEE: Two percent per annum (2.00% p.a.) based on a 365 or 366 day period, as the case may be, of the issue amount, payable at issue (the "L/C/G Fee"). This non-refundable, upfront fee is to be based on the number of months the L/C/G is to be outstanding with any portion of 31 days to be considered a complete month.

DRAWDOWN, NOTIFICATION, AND CONVERSION: All Advances under Credit Facility A may only be drawn on a day that is a Business Day.

Prime Rate Loans
As required.

Base Rate Loans
As required.

EVIDENCE OF DEBT: Revolving Demand Credit Agreement and/or the records of the Bank. Such records maintained by the Bank shall constitute in the absence of manifest error prima facie evidence of the obligations of the Borrower to the Bank in respect of Advances made. The failure by the Bank to correctly record any such amount or date shall not adversely affect the obligations of the Borrower to pay amounts due hereunder to the Bank in accordance with this Offering Letter.

CREDIT FACILITY B: MASTERCARD BUSINESS CARD (the "Credit Facility B").

MAXIMUM AMOUNT: Cancelled.

RISK MANAGEMENT FACILITY (the "Risk Management Facility").

PURPOSE: Risk Management Facility shall be used by the Borrower for Financial Instruments.

AVAILABILITY: Various Financial Instruments. Maximum term 12 months. Subject to Bank availability and including a cross default limit of $100,000.00.

SETTLEMENT: Settlement as per contract maturities.

EVIDENCE OF USAGE: Executed treasury contracts, executed ISDA Master Agreement with appropriate annexes, other documentation acceptable to the Bank, and the records of the Bank. Such records maintained by the Bank shall constitute in the absence of manifest error prima facie evidence of the obligations of the Borrower to the Bank in respect of Advances made. The failure by the Bank to correctly record any such amount or date shall not adversely affect the obligations of the Borrower to pay amounts due hereunder to the Bank in accordance with this Offering Letter.

FOR ALL CREDIT FACILITIES

DEFINITIONS: In this Offering Letter, including the Appendices hereto and in all notices given pursuant to this Offering Letter, capitalized words and phrases shall have the meanings given to them in this Offering Letter in their proper context, and words and phrases not otherwise defined in this Offering Letter but defined in Appendix C to this Offering Letter shall have the meanings given to them in Appendix C to this Offering Letter.

INTERPRETATION: In this Offering Letter, unless otherwise specifically provided, words importing the singular will include the plural and vice versa, words importing gender shall include the masculine, the feminine and the neuter, and "in writing" or "written" includes printing, typewriting or any electronic means of communication capable of being visibly reproduced at the point of reception, including by facsimile.

FEES: $100,000.00 shall be earned by the Bank upon provision of this Offering Letter, payable on or before November 30, 2011 by way of an automatic debit to the Borrower's account with the Bank. This fee shall be reduced to $50,000.00 in the event the Maximum Amount of Credit Facility A is permanently reduced by the Borrower to $3,000,000.00 on or before March 31, 2011.

Issuance of 5 million 2-year warrants of the Borrower at an exercise price of $0.08 per common share by no later than February 4, 2011. The Bank shall be paid an additional fee of $0.03 for each warrant exercised by the Bank which fee shall be paid by way of an automatic debit to the Borrower's account with the Bank within two (2) Business Days of the Bank providing written notice to the Borrower of the number of warrants exercised by the Bank. In the event the Bank does not agree to renew the Credit Facilities as at the Loan Renewal Expiry of November 30, 2011, the Bank will be required to exercise the warrants or to return them to the Borrower for cancellation by December 31, 2011.

The forbearance extension fee of $250,000.00 payable to the Bank on or before October 29, 2010 as outlined in the Third Amended and Extended Forbearance Agreement dated August 1, 2010 shall be paid on or before February 4, 2011 via automatic debit to the Borrower's account with the Bank.

SECURITY: The following security shall be completed, duly executed, delivered, and registered, where necessary, to the entire satisfaction of the Bank and its counsel. All present and future security (the "Security") and the terms thereof shall be held by the Bank as continuing security for all present and future debts, obligations and liabilities (whether direct or indirect, absolute or contingent) of the Loan Parties to the Bank including without limitation for the repayment of all loans and advances made hereunder and for other loans and advances that may be made from time to time in the future whether hereunder or otherwise. For greater certainly, all Financial Instruments, including without limitation swaps and forwards, entered into at any time with the Bank (or any of its subsidiaries or affiliates from time to time) are deemed to be debts, obligations and liabilities of the Borrower and are secured by the Security on a pari-passu basis and shall rank pari-passu with all other indebtedness under the Credit Facilities. Where applicable, the Security will be in the Bank's standard form.

Held:

1. Accepted Offering Letter dated June 10, 2008.
2. Accepted Amending Offering Letters dated October 21, 2008 and February 23, 2009.
3. General Assignment of Book Debts.

4. $30,000,000.00 Debenture from each of AltaCanada Energy Corp., Alberta Selecta Corporation, ANG Holding Corp. and AltaCanada Energy Partnership with a negative pledge and undertaking to provide fixed charges on producing petroleum and natural gas properties at the request of the Bank, and pledge of such Debenture.

5. Unlimited Guarantee of the Borrower from each of Alberta Selecta Corporation, ANG Holding Corp., ANG Holding (US) Corp., Montana Land and Exploration, Inc. and AltaCanada Energy Partnership.

6. Mortgage from Montana Land and Exploration Ltd. covering all P&NG production, security agreement and financing statement.

7. Evidence of insurance coverage in accordance with industry standards designating the Bank as first loss payee in respect of the proceeds of the insurance.

8. Appropriate title representation (Officer's Certificate as to Title) including a schedule of major producing petroleum and natural gas reserves described by lease (type, date, term, parties), legal description (wells and spacing units), interest (Working Interest or other APO/BPO interests), overrides (APO/BPO), gross overrides, and other liens, encumbrances, and overrides.

9. Assignment of revenues and monies under material contracts, as applicable.

10. Legal Opinion of the Bank's counsel.

11. Such other security, documents, and agreements that the Bank or its legal counsel may reasonably request.

The Security has been registered in the Province of Alberta and the State of Montana.

To Be Obtained:

1. Accepted Offering Letter dated February 3, 2011.

2. Subordination Agreement between the Bank and debentureholders with respect to the security agreement as outlined in the Borrower's preferred share equity financing on terms and conditions satisfactory to the Bank.

3. Such other security, documents and agreements that the Bank or its legal counsel may reasonably request.

REPRESENTATIONS AND WARRANTIES:

Each Loan Party represents and warrants to the Bank (all of which representations and warranties each Loan Party hereby acknowledges are being relied upon by the Bank in entering into this Offering Letter) that:

1. Each Loan Party has been duly incorporated or formed, as applicable, and is in good standing under the legislation governing it, and it has the powers, permits, and licenses required to operate its business or enterprise and to own, manage, and administer its property.

2. This Offering Letter constitutes, and the Security and related agreements shall constitute, legal, valid, and binding obligations of each Loan Party thereto, enforceable in accordance with their terms, subject to applicable bankruptcy, insolvency, or similar laws affecting creditors' rights generally and to the availability of equitable remedies.

3. Each Loan Party has the right to pledge, charge, mortgage, or lien its assets in accordance with the Security contemplated by this Agreement.

4. Each Loan Party is presently in good standing under, and shall duly perform and observe, all material terms of all documents, agreements, and instruments affecting or relating to the petroleum assets of such Loan Party.

5. There has been no adverse material change in the financial position of any Loan Party since the date of its most recent financial statements dated September 30, 2010 which were furnished to the Bank. Such financial statements fairly present the financial position of each Loan Party at the date that they were drawn up. No Loan Party foresees incurring any major liability which it has not already disclosed to the Bank.

6. No Loan Party is involved in any dispute or legal proceedings likely to materially affect its financial position or its capacity to operate its business.

7. No Loan Party is in default under the contracts to which it is a party or under the applicable legislation and regulations governing the operation of its business or its property, including, without limitation, all Environmental Requirements subsequently stated in Environmental Obligations.

8. The chief executive office (for the purposes of the PPSA) of each Loan Party is located in Alberta.

9. Each Loan Party has all the requisite power, authority and capacity to execute and deliver this Offering Letter and the Security (to which it is a party) and to perform its obligations hereunder and thereunder.

10. The execution and delivery of this Offering Letter and the Security (to which it is a party) and the performance of the terms of this Offering Letter and such Security do not violate the provisions of any Loan Party's constating documents or its by-laws or any law, order, rule or regulation applicable to it and have been validly authorized by it.

11. The execution, delivery and performance of the terms of this Offering Letter and the Security (to which it is a party) will not constitute a breach of any agreement to which any Loan Party or its property, assets or undertaking are bound or affected.

12. No Loan Party has incurred any indebtedness or obligations for borrowed money (other than as contemplated hereby or payables incurred in the ordinary course of business or as previously disclosed in writing to the Bank) and has not granted any security ranking equal with or in priority to the Security.

Unless expressly stated to be made as of a specific date, the representations and warranties made in this Offering Letter shall survive the execution of this Offering Letter and all Security, and shall be deemed to be repeated as of the date of each Advance and as of the date of delivery of each Compliance Certificate, subject to modifications made by the Borrower to the Bank in writing and accepted by the Bank. The Bank shall be deemed to have relied upon such representations and warranties at each such time as a condition of making an Advance hereunder or continuing to extend the Credit Facilities hereunder.

CONDITIONS PRECEDENT:

The Borrower shall provide, execute, or satisfy the following, to the Bank's satisfaction (collectively with all other conditions precedent set out in this Offering Letter, the "Conditions Precedent"):

1. Execution of the definitive agreement between the Borrower and One Earth consistent with the terms outlined in the Letter Agreement on or before February 4, 2011, on terms and conditions satisfactory to the Bank.

2. Conversion of the subordinated debt payable to ANG Partners, Ltd. in the amount of $1,625,000.00 into secured subordinated convertible debenture ("**Subordinated Convertible Debenture**") on or before February 4, 2011 on terms and conditions satisfactory to the Bank. Specifically, no interest shall be paid under the Subordinated Convertible Debenture until the Maximum Amount of Credit Facility A is less than the Lending Value.

3. Completion of an arrangement between Brookfield Bridge Lending Fund Inc. ("**Brookfield**") and the Borrower with respect to the secured subordinated debt owing to Brookfield in the amount of $1,625,000.00 on or before February 4, 2011 on terms and conditions satisfactory to the Bank.

4. Closing of the minimum new equity commitments of $4,500,000.00 as outlined in the Letter Agreement on or before February 4, 2011 on terms and conditions satisfactory to the Bank.

5. No Material Adverse Effect has occurred with respect to any Loan Party or the Security.

6. All Security, denoted in the Security To Be Obtained section, shall be duly completed, authorized, executed, and delivered by each Loan Party which is a party thereto, and registered, all to the satisfaction of the Bank and its counsel.

7. Any other document that may be reasonably requested by the Bank.

CONDITIONS SUBSEQUENT:

As a continuing condition to any drawdown under the Credit Facilities, the Borrower shall satisfy the following, to the Bank's satisfaction:

1. The Borrower shall continue to work with its joint venture partners, and in particular, One Earth, to continue with the capital expenditures program ("**Capital Expenditures Program**") in order to prove up reserves and increase the Lending Value to the satisfaction of the Bank in its sole discretion.

2. At the Bank's option, the Borrower shall continue to engage Alger and Associates Inc. (the "**Consultant**") to review the Borrower's operations, including receipts and disbursements and compliance with the terms of the Offering Letter, and report to the Bank, all costs of which shall be for the account of the Borrower.

3. On or before March 15, 2011, the Borrower shall provide a fully executed Subordination Agreement between the Bank and debentureholders with respect to the security agreement as outlined in the Borrower's preferred share equity financing on terms and conditions satisfactory to the Bank based on terms and conditions satisfactory to the Bank.

4. The Borrower shall raise the following additional equity to fund its proportionate share of the Capital Expenditures Program and for working capital purposes such that the Lending Value of Credit Facility A shall be greater than the authorization of Credit Facility A on November 30, 2011:

   - Minimum of $2,000,000.00 on or before May 31, 2011; and,
   - Minimum of $2,000,000.00 on or before August 31, 2011.

4. There shall be no material decline in existing oil and gas production from the existing level of 265 BOE/d. Specifically, at no time shall existing production decline below 200 BOE/d until April 30, 2011 increasing to 225 BOE/d thereafter.

5. Net sale proceeds from oil and gas asset sales shall be used to permanently reduce Credit Facility A until such time as the Maximum Amount of Credit Facility A is less than the Lending Value.

6. There shall be no further Defaults under this Offering Letter or any Security documents.

7. There shall be no deterioration of existing Defaults under this Offering Letter or any Security documents.

REPORTING REQUIREMENTS:

The Borrower shall submit to the Bank:

1. Monthly production and operating revenue reports in form and substance satisfactory to the Bank within 60 calendar days of each month end;

2. Monthly detailed report providing an update on the Borrower's Capital Expenditures Program commencing February 28, 2011;

3. At minimum, updated engineering data acceptable to the Bank and its engineering consultant on or about February 28, 2011, May 15, 2011, August 15, 2011 and November 15, 2011;

4. Quarterly unaudited consolidated financial statements (including balance sheet, income statement, and cash flow statement) and Compliance Certificate within 60 calendar days of each fiscal quarter end for the first three fiscal quarters of each fiscal year. (Note: The Bank has agreed to extend the timeframe for its receipt of the March 31, 2011 quarterly financial statements from 60 calendar days to 90 calendar days);

5. Annual audited consolidated financial statements and Compliance Certificate within 120 calendar days of each fiscal year end;

6. Annual independent engineering report in form and substance satisfactory to the Bank on the petroleum and natural gas reserves of the Borrower within 120 calendar days of each fiscal year end, prepared by a firm acceptable to the Bank;

7. Annual consolidated budget for the following fiscal year, including production, cash flow and capital expenditures forecast, within 120 days of each fiscal year end; and,

8. Any other information the Bank may reasonably require from time to time.

AFFIRMATIVE COVENANTS:

Each Loan Party shall (each of the below being an "Affirmative Covenant"):

1. Carry on business and operate its petroleum and natural gas reserves in accordance with good practices consistent with accepted industry standards and pursuant to applicable agreements, regulations, and laws.

2. Maintain its corporate existence and comply with all applicable laws.

3. Pay, when due, all taxes, assessments, deductions at source, crown royalties, income tax or levies for which the payment is guaranteed by legal privilege, prior claim, or

legal hypothec, without subrogation or consolidations.

4. Comply with all regulatory bodies and provisions regarding environmental procedures and controls.

5. Upon reasonable notice, allow the Bank access to its books and records, and take excerpts therefrom or make copies thereof, and to visit and inspect its assets and place(s) of business.

6. Maintain adequate and appropriate insurance on its assets including protection against public liability, blow-outs, and "all-risk" perils.

7. Inform the Bank of any event or action which would have a Material Adverse Effect on its operational or financial affairs, including but not limited to the sale of assets, guarantees, funded debt from other lenders, or alteration of type of business.

8. Keep and maintain books of account and other accounting records in accordance with GAAP.

9. Maintain an Adjusted Working Capital Ratio of not less than 1.00:1.00 at all times. The Bank acknowledges a default in the Borrower's Working Capital Ratio. In particular, the Borrower reported an actual ratio of 0.63:1 based on its interim financial statements as at September 30, 2010.

10. Pay all amounts due and payable hereunder and pursuant to the Security in accordance with the respective terms hereof and thereof.

11. As soon as practicable following receipt by such Loan Party of a request by the Bank to provide fixed charge security over the producing petroleum and natural gas properties of such Loan Party (and in any event not more than 3 Business Days following such request), furnish or cause to be furnished to the Bank, at the sole cost and expense of such Loan Party, fixed charge security over such producing and natural gas properties of such Loan Party as are specified by the Bank, in the form of a supplemental instrument to the Security.

12. Observe the terms of and perform its obligations under this Offering Letter and the Security, and under any other agreements now or hereafter made with the Bank.

13. Utilize the Advances only for the applicable purposes stipulated herein.

14. Notify the Bank, without delay, of (a) any litigation or proceeding in which it is a party (whether or not the claim is considered to be covered by insurance), and (ii) the institution of any other suit or proceeding involving it that might materially and adversely affect its property, assets or undertaking, or its operations, financial conditions or business.

15. Notify the Bank, without delay, of any Default or Event of Default or any deterioration in existing Defaults.

16. Obtain and maintain the licenses and permits required to operate its business unless failure to obtain such licenses and permits could not reasonably be expected to result in a Material Adverse Effect.

17. Provide the Bank with any information or document that it may reasonably require from time to time.

NEGATIVE COVENANTS:

No Loan Party shall, without the prior approval of the Bank (each of the below being a "**Negative Covenant**"):

1. Allow a Change of Control.

2. Merge, amalgamate, consolidate, or wind up its assets, unless (i) such merger, amalgamation, consolidation or winding up is with another Loan Party and (ii) it has notified the Bank, without delay, of such merger, amalgamation, consolidation or winding up.

3. Reduce or distribute capital or pay dividends or redeem or repurchase common or preferred shares, unless such distribution, dividends, redemptions, and repurchases do not impair the capacity of such Loan Party to fulfill its obligations with respect to the Credit Facilities, including the repayment of all Credit Facilities: notwithstanding the foregoing, no Loan Party shall reduce or distribute capital or pay dividends or redeem or repurchase common or preferred shares when a Default or an Event of Default has occurred and is continuing or shall reasonably expected to occur as a result of reducing or distributing capital or paying dividends or redeeming or repurchasing common or preferred shares, as the case may be.

4. Incur further secured indebtedness, pledge or encumber assets, or guarantee the obligations of others.

5. Make loans or investments, except to or in another Loan Party.

6. Sell or dispose of any assets subject to the Bank's Security. This shall include sale/leaseback transactions on facilities.

7. Hedge or contract crude oil, natural gas liquids, or natural gas, on a fixed price basis, without the Bank's prior consent. Should the Bank provide its consent, the Borrower shall not hedge more than 50% of its actual production volumes.

8. Monetize or settle any fixed price financial hedge or contract.

9. Make any material change in the nature of its business as carried on at the date hereof.

10. Utilize Advances to finance a hostile takeover.

11. Move its property, assets or undertaking outside the jurisdictions in which the Security is registered.

12. Move its chief executive office from Alberta.

13. Create, acquire or suffer to exist any subsidiary unless such subsidiary provides a guarantee and such other Security required by the Bank, in its sole discretion.

14. Experience a change in its executive management which, in the opinion of the Bank, acting in its sole discretion, has or may have a Material Adverse Effect.

ENVIRONMENTAL OBLIGATIONS:

1. Each Loan Party shall comply with the requirements of all legislative and regulatory environmental provisions (the "**Environmental Requirements**") and shall at all times maintain the authorizations, permits, and certificates required under these provisions.

2. Each Loan Party shall immediately notify the Bank in the event a contaminant spill or emission occurs or is discovered with respect to its property, operations, or those of any neighbouring property. In addition, it shall report to the Bank forthwith any notice, order, decree, or fine that it may receive or be ordered to pay with respect to the Environmental Requirements relating to its business or property.

3. At the request of and in accordance with the conditions set forth by the Bank, each Loan Party shall, at its own cost, provide any information or document which the Bank may require with respect to its environmental situation, including any study or report prepared by a firm acceptable to the Bank. In the event that such studies or reports reveal that any Environmental Requirements are not being respected, the applicable Loan Party shall effect the necessary work to ensure that its business and property comply with the Environmental Requirements within a period acceptable to the Bank.

4. Each Loan Party undertakes to indemnify the Bank for any damage which the Bank may suffer or any liability which it may incur as a result of any non-compliance with the Environmental Requirements.

5. The provisions, undertakings, and indemnification set out in this section shall survive the satisfaction and release of the Security and payment and satisfaction of the indebtedness and liability of the Borrower to the Bank pursuant to the terms hereof.

EVENTS OF DEFAULT:

Notwithstanding that the Credit Facilities are on a demand basis, and without prejudice to the Bank's rights thereby, the following shall be considered events of default ("**Events of Default**"), upon the occurrence of which, or of a Default, the Bank may choose, in its sole discretion, to cancel all credit availability and to demand repayment of the Credit Facilities in full, together with outstanding accrued interest, fees and any other obligations of the Borrower to the Bank, and, without prejudice to the Bank's other rights and remedies, the Bank's Security shall become enforceable:

1. Immediately upon failure by any Loan Party to pay any installment of principal, interest, fees, costs, incidental charges or any other amount payable hereunder or under any of the Security when due.

2. Any material representation or warranty contained in this Offering Letter, the Security, any certificate or any opinion delivered hereunder proves to be untrue.

3. Failure by any Loan Party to observe or comply with any Affirmative Covenant, Negative Covenant, Environmental Obligation, condition, or term as outlined herein, or in any Security document or underlying agreements delivered pursuant hereto (not otherwise specifically dealt with in this Events of Default Section).

4. In the opinion of the Bank, acting reasonably, a Material Adverse Effect in the financial condition of any Loan Party or to the operation of any Loan Party's assets has occurred.

5. If a petition is filed, an order is made or a resolution passed, or any other proceeding is taken for the winding up, dissolution, or liquidation of any Loan Party.

6. If proceedings are taken to enforce any encumbrance on the assets of any Loan Party having a value in the aggregate greater than $50,000.00, excepting as long as such proceedings are being contested in good faith by such Loan Party and security satisfactory to the Bank has been provided to the Bank.

7. If any Loan Party ceases or threatens to cease to carry on its business, or if proceedings are commenced for the suspension of the business of any Loan Party, or if any proceedings are commenced under the Companies Creditors Arrangements Act (Canada) or under the Bankruptcy and Insolvency Act (Canada) (including filing a proposal or notice of intention) with respect to any Loan Party, or if any Loan Party commits or threatens to commit an act of bankruptcy, or if any Loan Party becomes insolvent or bankrupt or makes an authorized assignment pursuant to the Bankruptcy and Insolvency Act (Canada), or a bankruptcy petition is filed by or presented against any Loan Party.

8. If proceedings are commenced to appoint a receiver, receiver/manager, or trustee in respect of the assets of any Loan Party by a court or pursuant to any other agreement.

9. If similar proceedings to 7 and 8 above under United States laws are commenced regarding any Loan Party.

10. If any Loan Party is in default under the terms of any other contracts, agreements or writings with any other creditor having liens on the property of such Loan Party and such default could reasonably be expected to result in a Material Adverse Effect.

11. If the validity, enforceability or, where applicable, priority of this Offering Letter or any of the Security is prejudiced or endangered.

12. If an event of default under any of the Security occurs and is continuing, or any other event which constitutes or which with the giving of notice or lapse of time or otherwise would constitute an event of default under any of the Security occurs.

13. If any event of default under any material agreement to which a Loan Party is a party occurs and is continuing, or any other event which constitutes or which with the giving of notice or lapse of time or otherwise would constitute an event of default under any material agreement to which a Loan Party is a party occurs.

14. If the Bank in good faith believes and has commercially reasonable grounds to believe that the prospect of repayment of any Advance is or is about to be impaired or that the collateral secured by the Security is or is about to be placed in jeopardy.

15. Failure by the Borrower to reduce the outstanding advances to within the Maximum Amount of Credit Facility A which shall provide the Bank with the right to immediately terminate this Offering Letter and to pursue its remedies as it sees fit.

16. If any Material Adverse Effect occurs.

INTEREST ON OVERDUE AMOUNTS:

Notwithstanding any other provision of this Offering Letter, in the event that any amount due hereunder (including, without limitation, any interest payment) is not paid when due (whether by acceleration or otherwise), the Borrower shall and hereby agrees to pay to the Bank interest on such unpaid amount (including, without limitation, interest on interest), if and to the fullest extent permitted by applicable law, from the date that such amount is due until the date that such amount is paid in full (but excluding the date of such payment if the payment is made before 10:00 a.m. at the place of payment on the date of such payment), and such interest shall accrue daily, be calculated and compounded on the last Business Day of each calendar month and be payable in the currency of the relevant Advance on demand, as well after as before maturity, default and judgment, at a rate per annum that is equal to: (i) the rate of interest then being charged on Prime Rate Loans under the applicable Credit Facility plus 2.00% per annum, for overdue amounts in Canadian Dollars under such Credit Facility; and (ii) the rate of interest then being charged on Base Rate Loans under the applicable Credit Facility plus 2.00% per annum, for overdue amounts in U.S. Dollars under such Credit Facility. The Borrower hereby waives, to the fullest extent it may do so under applicable law, any provisions of applicable law, including specifically the Interest Act (Canada) or the Judgment Interest Act (Alberta), which may be inconsistent with this Offering Letter.

COSTS:

All reasonable third party expenses incurred by the Bank in connection with the Credit Facilities or this Offering Letter are for the account of the Borrower including, but not limited to, legal fees (on a solicitor and own client basis), the Consultant's fees, and future engineering fees.

CHANGE OF LAWS:

Notwithstanding anything contained in this Offering Letter to the contrary, in the event that:

1. changes to any existing law or regulation or the introduction of any new law or regulation, or taxes other than income taxes, including, without limitation, a sales tax on loan transactions, or in the interpretation or administration thereof; or

2. compliance by the Bank with any request from or requirement of any central bank or other fiscal or monetary authority having jurisdiction over Canadian banks general (whether or not such request has the force of law);

cause the Bank to:

a. incur any cost as a result of having entered into and/or performed its obligations hereunder and/or as a result of obligations or options remaining outstanding hereunder including, without limitation, any reserve or special deposit requirement or any payment on or calculated by reference to the amount of the Credit Facilities hereunder; or

b. suffer a reduction in the rate of return on that part of its overall capital (not due to the rates of tax payable on their overall profits or net income) as a result of a requirement to attribute or allocate capital to the Credit Facilities or a Credit Facility provided hereunder in respect of that part of such Credit Facilities or Credit Facility which is for the time being undrawn as a result of a change in the manner in which the Bank is required to allocate resources to its obligations hereunder,

then the Bank reserves the right to increase the charges for the Credit Facilities or such Credit Facility provided hereunder by the amount of such additional cost of liability as determined by the Bank and the Borrower agrees that it will forthwith on demand pay to the Bank amounts sufficient to reimburse the Bank against such costs or liabilities.

CURRENT ACCOUNTS:

Each Loan Party shall maintain its current accounts at the Calgary Branch of the Bank through which it shall conduct all of its banking activities, with the exception of the Borrower's existing account at First Bank of Montana.

Regular Bank service charges shall apply in the day-to-day operations of each Loan Party's accounts.

FOREIGN EXCHANGE FLUCTUATIONS:

If the amount of outstanding Advances under any Credit Facility is on any day, due to exchange rate fluctuations, in excess of the maximum amount with respect to such Credit Facility (including without limitation, in excess of the Maximum Amount of Credit Facility A), the Borrower shall within 24 hours after receiving notice thereof repay such excess or otherwise reduce a portion of such Advances under the particular Credit Facility to the extent of the amount of the excess.

GENERAL:

Time is of the essence.

The terms and conditions of this Offering Letter between the Bank and each Loan Party are confidential and shall be treated accordingly.

Each Loan Party shall do all things and execute all documents deemed necessary or appropriate by the Bank for the purposes of giving full force and effect to the terms, conditions, undertakings, and security granted or to be granted hereunder.

When a conflict or inconsistency exists between the Security and this Offering Letter, this Offering Letter shall govern to the extent necessary to remove such conflict or inconsistency. Notwithstanding the foregoing, if there is any right or remedy of the Bank set out in any of the Security or any part of which is not set out or provided for in this Offering Letter, such additional right shall not constitute a conflict or inconsistency.

ACCOUNT DEBITS:

Each Loan Party hereby irrevocably authorizes the Bank to debit periodically or from time to time, any bank account it may maintain at the Bank in order to pay all or part of the amounts any Loan Party may owe to the Bank hereunder.

PERSONAL PROPERTY SECURITY ACT ("PPSA") REQUIREMENTS:

Each Loan Party hereby waives the requirement for the Bank to provide copies of Personal Property Security Act (Alberta) (collectively with the equivalent legislation in other jurisdictions, the "PPSA") registrations, verification statements, or financing statements undertaken by the Bank.

Each Loan Party hereby agrees to provide to the Bank written notice of a change in its name or address immediately.

ASSIGNMENT:

No rights or obligations of any Loan Party hereunder and no amount of the Credit Facilities may be transferred or assigned by the Borrower, any such transfer or assignment being null and void insofar as the Bank is concerned and rendering any balance then outstanding of the loan immediately due and payable at the option of the Bank and releasing the Bank from any and all obligations of making any further Advances hereunder.

DEMAND:

Notwithstanding any of the terms of this Offering Letter, all obligations of any Loan Party hereunder are repayable to the Bank at any time upon its demand.

ADJUSTMENTS:

Notwithstanding any maximum amount, Availability, reduction amount, interest rate, margin calculation, Standby Fee, L/C/G Fee or other fee quoted herein, the Bank shall have the right to adjust such maximum amount (including without limitation, in excess of the Maximum Amount of Credit Facility A), Availability, reduction amount, interest rate, margin calculation, Standby Fee, Stamping Fee, L/C/G Fee or other fee, at the Bank's sole discretion.

NO OBLIGATION:

Upon the Bank's demand for repayment or upon the occurrence of a Default or an Event of Default, the Bank shall have no obligation or liability to make further Advances under the Credit Facilities.

JOINT AND SEVERAL LIABILITY/ SOLIDARITY:

If more than one person or entity is designated as the Borrower or the Guarantor, each such person or entity shall be jointly and severally and solitarily liable for the obligations set out herein and in the Security.

ACCESS TO INFORMATION:

Each Loan Party hereby authorizes the Bank to use the necessary information pertaining to it which the Bank has or may have for the purpose of granting credit and insurance products (where permitted by law) and further authorize(s) the Bank to disclose such information to its affiliates and subsidiaries for this same purpose. Moreover, it hereby authorizes the Bank to obtain personal information pertaining to it from any party likely to have such information (credit or information bureau, financial institution, creditor, employer, tax authority, public entity, Persons with whom they might have business relations, and affiliates or Bank subsidiaries) in order to verify the accuracy of all information provided to the Bank and to ensure the solvency of each Loan Party at all times.

ANTI-MONEY LAUNDERING LEGISLATION:

Each Loan Party acknowledges that, pursuant to the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) and other applicable anti money laundering, anti terrorist financing, government sanction and "know your client" laws, whether within Canada or elsewhere (collectively, including any guidelines or orders thereunder, "**AML Legislation**"), the Bank may be required to obtain, verify and record information regarding any Loan Party, its directors, authorized signing officers, direct or indirect shareholders or other Persons in control of such Loan Party, and the transactions contemplated hereby. Each Loan Party shall promptly provide all such information, including supporting documentation and other evidence, as may be reasonably requested by the Bank, or any prospective assign or participant of the Bank, in order to comply with any applicable AML Legislation, whether now or hereafter in existence.

NOTICE:

Notices to be given under this Offering Letter, the Security or any other document in respect thereto to any of Loan Party or the Bank shall, except as otherwise specifically provided, be in writing addressed to the party for whom it is intended. Notices shall be given by personal delivery or transmitted by facsimile and shall be deemed to be received on the Business Day of receipt. The address for each Loan Party shall be the addresses currently recorded on the records of the Bank for such Loan Party, or such other mailing or facsimile addresses as such Loan Party may from to time notify the Bank of as aforesaid. The address for the Bank shall be the Calgary Branch of the Bank or such other mailing or facsimile addresses as the Bank may from to time notify the Borrower of as aforesaid.

AUTHORIZATION REGARDING INSTRUCTIONS SENT ELECTRONICALLY:

Each Loan Party authorizes the Bank to do all things as authorized by such Loan Party even if such authorization is sent by fax or by e-mail and the Bank may deem such authorization valid and sufficient and the aforementioned presumption of accuracy shall apply to the authorization, whether it is required for transmitting information, a debit, issuing drafts or certified cheques or for any other purpose. Moreover, the Bank will not be held liable for any fees or delays which may be caused when an instruction is sent whether due to a technical problem attributable to the systems in use at the Bank or otherwise.

PAYMENTS:

Unless otherwise indicated herein, the obligation of each Loan Party to make all payments under this Offering Letter and the Security shall be absolute and unconditional and shall not be limited or affected by any circumstance, including, without limitation:

1. Any set-off, compensation, counterclaim, recoupment, defence or other right which such Loan Party may have against the Bank or anyone else for any reason whatsoever; or

2. Any insolvency, bankruptcy, reorganization or similar proceedings by or against such Loan Party.

All payments to be made under this Offering Letter shall be made in Canadian Dollars unless such payment is in respect to a Base Rate Loan, in which case such payment shall be made in U.S. Dollars.

All payments made under this Offering Letter shall be made on or prior to 1:00 p.m. Mountain Time on the day such payment is due. Any payment received after 1:00 p.m. Mountain Time shall be deemed to have been received on the following day. Whenever a payment is due on a day which is not a Business Day, such due day shall be extended to the next Business Day and such extension of time shall be included in the computation of any interest payable.

SET-OFF: The Bank shall have the right to set-off and apply any funds of any Loan Party deposited with or held by the Bank from time to time, and any other indebtedness owing to any Loan Party by the Bank, against any of the amounts outstanding under this Offering Letter from time to time.

JUDGMENT CURRENCY: If for the purpose of obtaining judgment in any court in any jurisdiction with respect to this Offering Letter it is necessary to convert into the currency of such jurisdiction (the "**Judgment Currency**") any amount due hereunder in any currency other than the Judgment Currency, then such conversion shall be made at the rate of exchange prevailing on the Business Day before the day on which judgment is given. For this purpose, rate of exchange means the rate at which the Bank would, on the relevant day, be prepared to sell a similar amount of such currency against the Judgment Currency.

RIGHTS AND REMEDIES CUMULATIVE: The rights, remedies and powers of the Bank under this Offering Letter, the Security, at law and in equity are cumulative and not alternative and are not in substitution for any other remedies, rights or powers of the Bank, and no delay or omission in exercise of any such right, remedy or power shall exhaust such rights, remedies and powers to be construed as a waiver of any of them.

WAIVERS AND AMENDMENTS: No term, provision or condition of this Offering Letter or any of the Security, may be waived, varied or amended unless in writing and signed by a duly authorized officer of the Bank.

INTEREST ACT (CANADA): Any interest rate set forth in this Offering Letter based on a period less than a year expressed as an annual rate for the purposes of the Interest Act (Canada) is equivalent to such interest rate 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 in the period upon which it was based. The Borrower hereby waives, to the fullest extent it may do so under law, any provisions of law, including specifically the Interest Act (Canada) or the Judgment Interest Act (Alberta), which may be inconsistent with this Offering Letter.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES: All financial statements required to be furnished by the Borrower to the Lender hereunder shall be prepared in accordance with GAAP. Each accounting term used in this Offering Letter, unless otherwise defined herein, has the meaning assigned to it under GAAP and, except as otherwise provided herein, reference to any balance sheet item, statement of income item or statement of cash flows item means such item as computed from the applicable financial statement prepared in accordance with GAAP.

GOVERNING LAW: This Offering Letter shall be construed and governed in accordance with the laws of the Province of Alberta. Each Loan Party irrevocably and unconditionally attorns to the non-exclusive jurisdiction of the courts of the Province of Alberta and all courts competent to hear appeals therefrom.

OFFERING LETTER LAPSING DATE: Unless all Conditions Precedent have been met as outlined herein, the Bank's commitment to fund shall, at the Bank's option, expire. Notwithstanding any such expiration, all fees paid to the Bank hereunder shall be considered earned by the Bank.

REVIEW: Without detracting from the demand nature of the Credit Facilities, the Credit Facilities are subject to periodic review by the Bank in its sole discretion (each such review is referred to in this Offering Letter as a "Review"). Subject to the Bank establishing the Lending Value as outlined herein, the next Review is scheduled on or before November 30, 2011, but may be set at an earlier or later date at the sole discretion of the Bank.

EXPIRY DATE: This Offering Letter is open for acceptance until February 4, 2011 (the "Expiry Date") at which time it shall expire. We reserve the right to cancel our offer at any time prior to acceptance.

If the foregoing terms and conditions are acceptable, please sign two copies of this Offering Letter and return one copy to the Bank by the Expiry Date. This Offering Letter may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, and such counterparts together shall constitute one and the same agreement. The delivery of a facsimile or other electronic copy of an executed counterpart of this Offering Letter shall be deemed to be valid execution and delivery of this Offering Letter, but the party delivering a facsimile or other electronic copy shall deliver an original copy of this Offering Letter as soon as possible after delivering the facsimile or other electronic copy.

Yours truly,

NATIONAL BANK OF CANADA

[redacted]

[redacted]

Enclosure

AGREED AND ACCEPTED this _____ day of ________________, 2011.

ALTACANADA ENERGY CORP.

[redacted]

ALBERTA SELECTA CORPORATION, as Guarantor

[redacted]

ALTACANADA ENERGY PARTNERSHIP, as Guarantor

[redacted]

ANG HOLDINGS CORP., as Guarantor

[redacted]

MONTANA LAND AND EXPLORATION, INC., as Guarantor

[redacted]

ANG HOLDINGS (US) CORP., as Guarantor

[redacted]

APPENDIX A

CREDIT:	National Bank of Canada [redacted]	Senior Manager: Telephone: Facsimile: E-mail:	[redacted]
		Account Manager: Telephone: Facsimile: E-mail:	[redacted]
ADMINISTRATION:	Current Account Documents; L/C/Gs; MasterCard; Loan / Account Balances; Canadian Money Orders; / Bank Drafts; Bank Confirmations; General	Senior Clerk: Telephone: Facsimile: E-mail:	[redacted]
BRANCH:	Calgary Branch National Bank of Canada [redacted]	Telephone: Facsimile:	[redacted]
INTERNET/ TELEPHONE BANKING	Order Cheques, Loan/Account Balances; Traces; Stop Payments, List of Current Account Transactions; Pay Bills; Transfer Between Accounts; Foreign Currency Money Orders/Bank Drafts; Obtain Exchange Rates; Investment Information	Website: Telephone:	[redacted]
OTHER:	Global Cash Management [redacted]	Manager: Telephone: Facsimile: E-mail:	[redacted]
	Treasury & Financial Markets National Bank of Canada [redacted]	Telephone: Facsimile:	[redacted]
	Treasury & Financial Markets National Bank of Canada [redacted]	Director – Foreign Exchange Telephone: Facsimile: E-mail:	[redacted]
	Global Risk Management Energy Client Coverage [redacted]	Telephone: Facsimile: E-mail:	[redacted]

APPENDIX B

COMPLIANCE CERTIFICATE

To: National Bank of Canada
530 – 8th Ave SW, Suite 2700
Calgary, AB

I ______________________________, of the City of _______________, in the Province of ____________, hereby certify as at the date of this Certificate as follows:

1. I am the _______________________ of ______________________________ (the "Borrower") and I am authorized to provide this Certificate to you for and on behalf of the Borrower;
2. This Certificate applies to the fiscal quarter ended __________________, _______;
3. I am familiar with and have examined the provisions of the Offering Letter dated __________________, _______ between the Borrower and National Bank of Canada and I have made such investigations of corporate records and inquiries of other officers and senior personnel of each Loan Party as I have deemed reasonably necessary for purposes of the Certificate;
4. As of the date hereof, the Borrower confirms that all of its subsidiaries (if any) are Loan Parties;
5. The representations and warranties set forth in the Offering Letter are in all material respects true and correct on the date hereof;
6. No Default or Event of Default has occurred and is continuing of which we are aware;
7. As required, I have calculated the Adjusted Working Capital Ratio for the fiscal quarter ended as follows:

   _______________ : 1.00;

8. All relevant calculations and financial statements are attached.

Except where the context otherwise requires, all capitalized terms used herein have the same meanings as given thereto in the Offering Letter.

This Certificate is given by the undersigned officer in their capacity as an officer of the Borrower without any personal liability on the part of such officer.

Executed at the City of _____________, in the Province of ____________ this _______ day of ________________, 20___.

Yours truly,

ALTACANADA ENERGY CORP.

Per: ___________________________

Name: ___________________________

Title: ___________________________

ALTACANADA ENERGY CORP.
COMPLIANCE CERTIFICATE

Calculation of Adjusted Working Capital Ratio

Current Assets

Current assets	$
Less: Unrealized Hedging Gains	( )
Add: Undrawn Availability under Credit Facility A	______
	$______(A)

Current Liabilities

Current liabilities	$
Less: Unrealized Hedging Losses	( )
Less: Current Portion of Bank Debt	(______)
	$______(B)

Adjusted Working Capital Ratio calculated as follows:

$\frac{A}{B} =$

APPENDIX C

DEFINITIONS

In the Offering Letter, including all Appendices to the Offering Letter, and in all notices given pursuant to the Offering Letter, unless something in the subject matter or context is inconsistent therewith, capitalized words and phrases shall have the meanings given to them in the Offering Letter in their proper context, and capitalized words and phrases not otherwise defined in the Offering Letter shall have the following meanings:

"**Adjusted Working Capital Ratio**" means the ratio of (i) Current Assets plus undrawn Availability under Credit Facility A to (ii) Current Liabilities.

"**Advance**" means an advance of funds made by the Bank under a Credit Facility to the Borrower, or if the context so requires, an advance of funds under one or more of the Credit Facilities or under one or more of the availability options of one or more of the Credit Facilities, and any reference relating to the amount of Advances shall mean the sum of the principal amount of all outstanding Prime Rate Loans and Base Rate Loans, and the stated amount of all L/C/Gs as applicable.

"**Appendix**" means an appendix to the Offering Letter.

"**Availability**" has the meaning ascribed to such term under the section heading "Availability", with respect to the applicable Credit Facility.

"**Business Day**" means a day on which banks are open for business in Calgary, Alberta, Montreal, Quebec and Toronto, Ontario; but does not, in any event, include a Saturday or Sunday.

"**Calgary Branch of the Bank**" means the branch of the Bank at 301 – 6 Avenue SW, Calgary, AB T2P 4M9, fax (403) 294-4965, or such other address as the Bank may notify the Borrower from time to time.

"**Canadian Dollars**", "**Cdn Dollars**", "**Cdn$**" , "**CA$**" and "**$**" mean the lawful money of Canada.

"**Change of Control**" means the occurrence of any of the following events, with respect to any Loan Party:

(a) any Person or Persons acting jointly or in concert (within the meaning of the Securities Act (Alberta)), shall beneficially, directly or indirectly, hold or exercise control or direction over and/or has the right to acquire or control or exercise direction over (whether such right is exercisable immediately or only after the passage of time) more than 20% of the issued and outstanding Voting Shares of such Loan Party; or

(b) during any period of two consecutive years, individuals who at the beginning of such period constitute the board of directors of such Loan Party cease, for any reason, to constitute at least a majority of the board of directors of such Loan Party unless the election or nomination for election of each new director was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of the period (the "Incumbent Directors") and in particular, any new director who assumes office in connection with or as a result of any actual or threatened proxy or other election contest of the board of directors of the Borrower shall never be an Incumbent Director; or

(c) such Loan Party ceases to own, control or direct 100% of the Voting Shares of a subsidiary.

"**Compliance Certificate**" means a certificate of an officer of the Borrower signed on its behalf by the president, chief executive officer, chief operating officer, chief financial officer or any vice president of the Borrower, substantially in the form annexed hereto as Appendix B, to be given to the Bank by the Borrower from time to time pursuant to the Offering Letter.

"**Credit Facilities**" means the credit facility(ies) (and the risk management facility) to be made available to the Borrower by the Bank in accordance with the provisions of the Offering Letter.

"**Current Assets**" means, as at any date of determination, the current assets of the Borrower on a consolidated basis for such date as determined in accordance with generally accepted accounting principles but excluding the impact of any Unrealized Hedging Gains.

"**Current Liabilities**" means, as at any date of determination, the current liabilities of the Borrower on a consolidated basis for such date as determined in accordance with generally accepted accounting principles but excluding: (i) Current Portion of Bank Debt; and (ii) the impact of any Unrealized Hedging Losses.

"**Current Portion of Bank Debt**" means any current liabilities under the Credit Facilities other than those that arise due to total advances under a Credit Facility exceeding the maximum amount of such Credit Facility, whether by reduction of maximum amount, fluctuations in exchange rates, or due to mandatory repayments, or due to the occurrence of a Default or an Event of Default, or due to the Bank's demand for repayment.

"**Default**" means any event or condition which, with the giving of notice, lapse of time or both, or upon a declaration or determination being made (or any combination thereof), would constitute an Event of Default.

"**Financial Instrument**" means any currency swap agreement, cross-currency agreement, interest swap agreement, agreement for the making or taking of delivery of any commodity, commodity swap agreement, forward agreement, floor, cap or collar agreement, futures or options, insurance or other similar risk management agreement or arrangement, or any combination thereof, to be entered into by the Borrower where (i) the subject matter of the same is interest rates or the price, value or amount payable thereunder is dependent or based upon the interest rates or fluctuations in interest rates in effect from time to time (but, for certainty, shall exclude conventional floating rate debt) (ii) the subject matter of the same is currency exchange rates or the price, value or amount payable thereunder is dependent or based upon currency exchange rates or fluctuations in currency exchange rates as in effect from time to time, or (iii) the subject matter of the same is any commodity or the price, value or amount payable thereunder is dependent or based upon the price of any commodity or fluctuations in the price of any commodity.

"**Generally Accepted Accounting Principles**" or "**GAAP**" means generally accepted accounting principles consistently applied which are in effect from time to time in Canada, as published in the Handbook of the Canadian Institute of Chartered Accountants.

"**ISDA Master Agreement**" means an International Swap and Derivatives Association, Inc. Master Agreement (Multi Currency - Cross-Border) as from time to time amended, restated or replaced by the International Swap and Derivatives Association, Inc., including the schedule thereto and any confirmation thereunder as entered into by the Borrower with any counterparty thereto.

"**Material Adverse Effect**" means a material adverse effect on:

(a) the business, financial condition, operations, assets or capitalization of the Borrower on a consolidated basis and taken as a whole;

(b) the ability of any Loan Party to pay or perform the obligations under this Offering Letter or the ability of any Loan Party to pay or perform any of its obligations or contingent obligations under any Security or any underlying agreements or document delivered pursuant to this Offering Letter or the Security;

(c) the ability of any Loan Party to perform it obligations under any material contract, if it would also have a material adverse effect on the ability of such Loan Party to pay or perform its obligations under this Offering Letter, the Security, or any underlying agreements or documents delivered pursuant to this Offering Letter or the Security;

(d) the validity or enforceability of this Offering Letter, the Security, or any underlying agreements or documents delivered pursuant to this Offering Letter or the Security; and

(e) the priority ranking of any security interests granted by this Offering Letter, the Security, or any underlying agreements or documents delivered pursuant to this Offering Letter or the Security, or the rights or remedies intended or purported to be granted to the Bank under or pursuant to this Offering Letter, the Security, or any underlying agreements or documents delivered pursuant to this Offering Letter or the Security.

"**Offering Letter**" means the offering letter to which this appendix is appended, and any appendices thereto, as amended, supplemented, modified, restated or replaced from time to time.

"**Person**" or "**person**" means and includes an individual, a partnership, a corporation, a joint stock company, a trust, an unincorporated association, a joint venture or other entity or a government or any agency or political subdivision thereof.

"**Prime Rate**" means the rate of interest per annum, based on a 365 or 366 day period, as the case may be, in effect from time to time that is equal to the greater of:

(a) the rate of interest publicly announced by the Bank from time to time as being its reference rate then in effect for determining interest rates for commercial loans in Canadian Dollars made by the Bank in Canada; and

(b) the average annual rate (rounded upwards, if necessary, to 0.01%) as determined by the Bank as being the average of the "BA 1 month" CDOR Rate applicable to bankers' acceptances in Canadian Dollars displayed and identified as such on the "Reuters Screen CDOR Page" (as defined in the International Swap and Derivatives Association, Inc. definitions, as modified and amended from time to time) plus 1.00%; provided that if such rates do not appear on the Reuters Screen CDOR Page as contemplated, then the CDOR Rate on any day shall be calculated as the arithmetic average of the 30-day discount rates applicable to bankers' acceptances in Canadian Dollars quoted by three major Canadian Schedule I chartered banks chosen by the Bank as of approximately 10:00 a.m. on such day, or if such day is not a Business Day, then on the immediately preceding Business Day.

"**Unrealized Hedging Gains**" means mark to market unrealized gains in respect of Financial Instruments or other risk management products recorded in accordance with generally accepted accounting principles.

"**Unrealized Hedging Losses**" means mark to market unrealized losses in respect of Financial Instruments or other risk management products recorded in accordance with generally accepted accounting principles.

"**U.S. Base Rate**" means the rate of interest per annum, based on a 365 or 366 day period, as the case may be, in effect from time to time that is equal to the greater of:

(a) the rate of interest publicly announced by the Bank from time to time as being its reference rate then in effect for determining interest rates for commercial loans in U.S.$ made by the Bank in Canada; and

(b) the Federal Funds Effective Rate in effect from time to time multiplied by 365/366, plus a margin on one half (1/2) of one (1) percent (0.50%).

"**U.S. Dollar**" and the symbol "**U.S.$**" each means lawful money of the United States of America in same day immediately available funds and, if such funds are not available, the form of money of the United States of America that is customarily used in the settlement of international banking transactions on the day payment is due.

"**Voting Shares**" means:

(a) in respect of a corporation or limited liability company, shares of any class or equity ownership interests of such entity:

(i) carrying voting rights in all circumstances; or

(ii) which carry the right to vote conditional on the happening of an event if such event shall have occurred and be continuing;

provided that subparagraph (ii) above shall not include voting rights created solely by statute, such as those rights created pursuant to section 183(4) of the Business Corporations Act (Alberta) as in effect on the date of the Offering Letter;

(b) in respect of a trust, trust units of the trust:

(i) carrying voting rights in all circumstances; or

(ii) which carry the right to vote conditional on the happening of an event if such event shall have occurred and be continuing;

(c) in respect of a partnership, the partnership interests or partnership units:

(i) carrying voting rights in all circumstances; or

(ii) which carry the right to vote conditional on the happening of an event if such event shall have occurred and is continuing.