
**SECURED CONVERTIBLE
DEBENTURE**

Granted by

PERISSON PETROLEUM CORPORATION

in favour of

●
("Holder")

Holder's Address ●
for Notices:
(Clause 8.4(b))

Effective Date: ●, 2016

PERISSON PETROLEUM CORPORATION

SECURED CONVERTIBLE DEBENTURE

DUE DATE: ●, 2017

In consideration of ● (the "**Holder**") advancing the sum of \$● to **PERISSON PETROLEUM CORPORATION** (the "**Corporation**"), under the terms and conditions of this Debenture the Corporation hereby promises to pay to Holder on ●, 2017 or such earlier date as the Principal Amount hereof may become due subject to and in accordance with the terms, conditions and provisions of Schedule "A" attached hereto, on presentation and surrender of this Debenture, the sum of ● DOLLARS (**\$●.00 DOLLARS**) (the "**Principal Amount**") in lawful money of Canada, and to pay interest on the outstanding Principal Amount at the rate of **one and one-half per cent (1.5%) per month** commencing on ●, 2016, until full and final payment or conversion and discharge hereof. Interest accruing due hereunder shall be calculated and compounded monthly and shall be due and payable monthly on the fifteenth day of each month during the term hereof.

This Debenture is issued upon the terms and conditions, including redemption, as are set out in Schedule "A", and the terms, conditions and provisions contained in Schedule "A" are incorporated herein and constitute a part hereof. Unless the context otherwise requires, capitalized expressions used herein shall have the meaning ascribed to them in Schedule "A".

IN WITNESS WHEREOF PERISSON PETROLEUM CORPORATION has caused this Debenture to be executed effective as of ●, 2016.

PERISSON PETROLEUM CORPORATION

Per: _____
Wayne Rousch, President

The terms and conditions of this Debenture are acknowledged and agreed to by the Holder.

Per: _____
Name: ●
Title: ●

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**SCHEDULE "A" TO THE
SECURED CONVERTIBLE DEBENTURE OF PERISSON PETROLEUM
CORPORATION**

The following conditions are applicable to the Secured Convertible Debenture of
PERISSON PETROLEUM CORPORATION due ●, 2017:

**ARTICLE 1
INTERPRETATION**

1.1 Definitions

In this Debenture, unless there is something in the subject matter or context inconsistent therewith, the expressions following shall have the following meanings, namely:

"**Assets**" means the petroleum and natural gas rights, miscellaneous interests and tangibles as set forth and described in Schedule "B".

"**Business Day**" means a day which is not Saturday or Sunday or a legal holiday in the city of Calgary, Alberta.

"**Charged Property**" has the meaning attributed to it in Section 2.1.

"**Close of Business**" means 4:00 p.m. (Calgary time) on the relevant day.

"**Corporation**" means **PERISSON PETROLEUM CORPORATION** and includes any successor corporation to or of the Corporation.

"**Corporation's PNG Rights**" means:

- (a) the Scheduled Interests and all other interests in the Scheduled Lands not included in the Scheduled Interests;
- (b) all Hydrocarbon Rights in or in respect of the Scheduled Lands and all lands pooled, unitized, grouped or otherwise combined with the Scheduled Lands for drilling, production or other purposes;
- (c) all Wells;
- (d) all servitudes, leases, licenses, privileges, easements, rights-of-way, right of entry orders, rights of ingress and egress and other surface rights under which the Corporation derives, holds or maintains rights to enter, occupy and use the surface of the Scheduled Lands or other lands wheresoever located in respect of operations or activities pertaining to drilling for, producing, injecting, storing, gathering, treating, processing, compressing or transporting Hydrocarbons and associated substances and waste products located within, upon or under or produced from the Scheduled Lands or any lands pooled, unitized, grouped or

otherwise combined with the Scheduled Lands for drilling, production or other purposes;

- (e) buildings, structures, erections, works, pipelines, gathering systems, plants and fixtures situated on the Scheduled Lands or other lands wheresoever located and which are used or useful in the operations or activities pertaining to drilling for, producing, injecting, storing, gathering, treating, processing, compressing or transporting Hydrocarbons and associated substances and waste products located within, upon or under or produced from the Scheduled Lands or any lands pooled, unitized, grouped or otherwise combined with the Scheduled Lands for drilling, production or other purposes; and
- (f) all leases, licenses, permits, reservations, agreements, authorizations and other instruments under which the Corporation derives, holds or maintains Hydrocarbon Rights in the Scheduled Lands or any lands pooled, unitized, grouped or otherwise combined with the Scheduled Lands for drilling, production or other purposes and all rights, benefits, privileges and advantages of the Corporation thereunder or derived therefrom.

"Corporation's Counsel" means a barrister or solicitor or firm of barristers or solicitors or other legal counsel retained or employed by the Corporation.

"Date of Conversion" has the meaning attributed to it in Section 4.3(c).

"Event of Default" means any event specified in Section 7.1, which has not been waived, cured or remedied.

"Holder" means the Person from time to time registered as the holder of this Debenture.

"Holder's Counsel" means a barrister or solicitor or firm of barristers or solicitors or other legal counsel retained or employed by the Holder.

"Hydrocarbon Rights" means any leasehold, permit, licence, working, royalty, overriding royalty, net profits, fee, mineral or other right, title, estate or interest in or in respect of any Hydrocarbons or winning, taking or removing any Hydrocarbons from any lands.

"Hydrocarbons" means solid, liquid and gaseous hydrocarbons and any natural gas whether consisting of a single element or of two or more elements in chemical combination or uncombined and any other substances, whether a hydrocarbon or not, produced in association therewith and, without restricting the generality of the foregoing, includes oil-bearing shale, tar sands, crude oil, petroleum, helium, sulphur and hydrogen sulphide.

"including" and **"includes"** means "including, without limitation" and "includes, without limitation" respectively.

"Liens" means, with respect to any property, any mortgage, lien, pledge, assignment by way of security, charge, security interest, trust arrangement in the nature of a security interest, conditional sale or other title retention agreement, equipment trusts, lease financings including

by way of sale and lease-back, hypothec, levy, execution, seizure, attachment, garnishment, any option, preferential right or adverse claim constituting an interest in such property, or any other encumbrance in respect of such property.

"**Maturity Date**" means ●, 2017 or such earlier date as the Principal Amount hereof may become due subject to and in accordance with the terms, conditions and provisions of this Debenture.

"**Person**" means an individual, partnership, corporation, trust, a joint venture, an unincorporated organization, a union, a government or any department or agency thereof and the heirs, executors, administrators or other legal representatives of an individual.

"**Scheduled Interests**" means the rights, titles, estates and interests of the Corporation in the Scheduled Lands, specifically including the Corporation's PNG Rights.

"**Scheduled Lands**" means the interests of the Corporation as set forth and described in Schedule "B", together with any and all lands with which such lands are pooled, unitized or otherwise combined, and including all Hydrocarbons within, upon or under such lands.

"**Security**" has the meaning attributed to it in Section 2.1.

"**Wells**" means the wells now or hereafter located on and/or producing Hydrocarbons found within, upon or under the Scheduled Lands.

1.2 [Interpretation](#)

Words importing the singular number only shall include the plural and vice versa and words importing the masculine gender shall include the neuter or the feminine gender and vice versa.

1.3 [Headings, Etc.](#)

The division of this Debenture into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Debenture.

1.4 [Day Not a Business Day](#)

In the event that any day on or before which any action is required to be taken hereunder is not a Business Day, then such action shall be required to be taken on or before the requisite time on the next succeeding day that is a Business Day.

1.5 [Extended Meanings](#)

In this Debenture, unless otherwise expressly provided herein or unless the context otherwise requires; words importing the singular number include the plural and vice versa; words importing gender include the masculine, feminine and neuter genders; references to "**Debenture**", "**this Debenture**", "**hereto**", "**herein**", "**hereof**", "**hereby**", "**hereunder**" and similar expressions refer to the secured convertible debenture represented hereby, and not to any

particular Article, Section, clause or other portion hereof, and include all Schedules and amendments hereto, modifications or restatements hereof, and any and every debenture issued in replacement hereof or supplemental hereto; and the expressions "**Article**", "**Section**" and "**clause**" followed by a number, letter or combination of numbers and letters refer to the specified Article, Section or clause of to this Debenture.

1.6 **Currency**

All references to currency herein shall be to lawful money of Canada.

1.7 **Schedules**

Schedule "B" lists the lands, leases, Wells and all property, assets, interests and rights related thereto, and, Schedule "C" Notice of Conversion, are hereby incorporated into this Debenture and made a part hereof.

1.8 **Sections**

Unless otherwise stated, reference herein to an Article, Section, paragraph or other subdivision is a reference to such Article, Section, paragraph or other subdivision of the Agreement.

1.9 **Multiple Holders**

The Holder hereby acknowledges that this Debenture may be one of a series of Debentures that the Corporation may issue, on the exact same terms and conditions, to another Person or Persons; provided, however, that the total aggregate Principal Amount of all such Debentures shall not exceed \$2,200,000.00. Each Holder agrees that, in the event that there are multiple holders, their rights under the Debenture shall rank *pari passu* with respect to each other.

ARTICLE 2 **SECURITY**

2.1 **Security**

As security for the due payment of all amounts payable hereunder, the Corporation hereby charges to, and in favour of, the Holder, its successors and assigns:

- (a) As and by way of a first specific fixed charge, mortgage and security interest, its entire right, title, estate and interest in and to the Assets as set forth and described in Schedule "B", specifically including the Corporation's PNG Rights; and,
- (b) As and by way of a first floating charge, all of the Corporation's other property, excluding Schedule "B", specifically including present and after acquired undertaking, property and assets, real and personal, of every nature and kind whatsoever and wherever situate (including the Corporation's PNG Rights).

In this Debenture, the mortgages and charges hereby constituted are called the "**Security**" and the subject matter of the Security is called the "**Charged Property**".

For certainty, the Holder shall, with respect to the first specific fixed charge created by Section 2.1(a), have the right to register this Debenture, or a caveat, security notice, financing statement or other instrument in respect thereof, at any public registry or other office maintained for the purposes of registering such mortgages and charges, security interests and other like interests, including the Corporation's PNG Rights.

The Corporation specifically agrees that it shall not dispose of or otherwise deal with the Assets as set forth and described in Schedule "B" without the consent of the Holder.

2.2 Option to Crystallize

Without limiting its rights hereunder to crystallize the Security in any other manner, the Holder may, at its option, crystallize the Security in respect of all or a portion of the Charged Property by giving notice of the crystallization to the Corporation. The Holder shall, whether or not it has crystallized the said charge, have the right to register this Debenture, or a caveat, security notice, financing statement or other instrument in respect of this Debenture, at any public registry or other office maintained for the purposes of registering such mortgages and charges, security interests and other like interests, including the Corporation's PNG Rights. After such registration, the Security in respect of such Charged Property that is the subject of the registration shall constitute a fixed and specific mortgage and charge and security interest to and in favour of the Holder, its successors and assigns, in respect of such Charged Property, and the Corporation shall not thereafter dispose of or otherwise deal with such Charged Property, including the Corporation's PNG Rights, without the consent of the Holder. The Corporation shall execute such further documents and do all acts reasonably requested by the Holder to give effect to the foregoing.

2.3 Covenants

Subject to Section 2.2 and any agreement, from time to time, between the Corporation and the Holder:

- (a) the Corporation may dispose of or deal with the subject matter of the floating charge (specifically excluding the Assets in Schedule "B") in the ordinary course of its business;
- (b) the Corporation shall not create, assume or have outstanding, except to the Holder, any mortgage, charge, lien or other encumbrance on any part of the Charged Property ranking or purporting to rank or capable of being enforced in priority to or *pari passu* with the Security, except as permitted by the Holder in writing, or the series of Debentures described in Section 1.9 or pursuant to any agreement, from time to time, between the Corporation and the Holder, other than:

- (i) any inchoate liens for taxes or assessments by public authorities, or
- (ii) any operator's lien incurred or created in the ordinary course of the Corporation's business on oil and gas properties and associated assets included in the Charged Property for costs and expenses of the development or operation of such oil and gas properties and associated assets payable by the Corporation, provided that nothing in this Debenture or such other agreement shall in and of itself cause the Security to be subordinated in priority to any other mortgage, charge, lien or encumbrance;
- (c) the Corporation shall not, other than for the planned merger with Forent Energy Ltd., merge, amalgamate, or consolidate with another Person;
- (d) the Corporation shall not make any material change in the nature of its business as now carried on;
- (e) the Corporation shall not make material investments or enter into ventures of a material nature which are outside the scope of its normal course of business; and
- (f) the Corporation confirms that the Directors of the Corporation have approved this agreement.

2.4 Attachment

The Security created by this Debenture is intended to attach:

- (a) to the existing Charged Property when the Corporation signs this Debenture; and
- (b) to Charged Property subsequently acquired by the Corporation, immediately upon the Corporation acquiring any rights in such Charged Property.

The parties to this Debenture do not intend to postpone the attachment of any security created by this Debenture.

2.5 Liability of Corporation

Notwithstanding the provisions of this Debenture, (i) the Corporation shall remain liable to perform all of its duties and obligations in regard to the Charged Property (including all of its duties and obligations arising under any leases, licenses, permits, reservations, contracts, agreements, instruments, contractual rights and governmental orders, authorizations, licenses and permits now or hereafter pertaining thereto) to the same extent as if this Debenture had not been executed, (ii) the exercise by the Holder of any of its rights and remedies under or in regard to this Debenture shall not release the Corporation from such duties and obligations, and (iii) the Holder shall have no liability for such duties and obligations by reason only of the execution and delivery of this Debenture.

2.6 Charged Property

The Corporation and its successors and assigns shall have and hold the Charged Property, together with all tenements, hereditaments and appurtenances thereto, in accordance with the terms of this Debenture.

2.7 Discharge of Security Interest

The Security granted by the Corporation pursuant to this Debenture shall be released upon the earlier of (i) payment in full of the Principal Amount, interest and all other monies owing hereunder, and (ii) redemption or conversion in full of this Debenture in accordance with Article 3 or Article 4, respectively.

ARTICLE 3

REDEMPTION AND PURCHASE FOR CANCELLATION OF DEBENTURE

3.1 Redemption of Debenture

Subject to Article 4, this Debenture shall, at any time after ●, 2016, be redeemable by the Corporation in whole, but not in part, at a price equal to the Principal Amount thereof, together with accrued and unpaid interest thereon to the date specified for redemption.

3.2 Notice of Redemption

Every notice of redemption shall be given by the Corporation to the Holder not less than 10 days before the date fixed for redemption. Further, such notice of redemption shall be in writing and specify the redemption date and the redemption price, shall state that all interest shall cease from and after such redemption date, and shall state that the right to convert the Principal Amount of this Debenture will terminate and expire at the close of business on the business day next preceding the date fixed for redemption.

3.3 Debenture Due on Redemption Date

Upon notice having been given as aforesaid, this Debenture shall thereupon be and become due and payable at the redemption price, on the redemption date specified in such notice, in the same manner and with the same effect as if it were the Maturity Date specified in this Debenture, anything therein or herein to the contrary notwithstanding, and from and after such redemption date, if the monies necessary to redeem this Debenture shall have been deposited as hereinafter provided, this Debenture shall not be considered as outstanding and interest upon such portion of the principal of this Debenture shall cease.

In case any question shall arise as to whether any notice has been given as above provided and any such deposit made, such question shall be decided by the Holder's Counsel, acting reasonably, whose decision shall be final and binding upon all parties in interest.

3.4 Deposit of Redemption Monies

Upon this Debenture having been called for redemption as hereinbefore provided, the Corporation shall deposit with the Corporation's Counsel in trust on or before the redemption date fixed in the notice of the redemption thereof, such sums as may be sufficient to pay the redemption price of this Debenture so to be redeemed. From the sums so deposited, the Corporation's Counsel shall pay, or cause to be paid, to the Holder, upon surrender of this Debenture, the principal and interest to which it is entitled on redemption.

3.5 Surrender of Debenture for Cancellation

If the principal monies due upon this Debenture shall become payable by redemption or otherwise before the Maturity Date, the Holder must surrender the same for cancellation. The Corporation shall nevertheless pay or cause to be paid the interest accrued and unpaid thereon. This Debenture so surrendered for cancellation shall forthwith be delivered to the Corporation and shall be cancelled by it and, subject to Section 4.2, no debenture shall be issued in substitution therefor.

ARTICLE 4 CONVERSION OF DEBENTURES

4.1 Conversion Privilege

Upon and subject to the terms and conditions set out in this Article 4, the Holder shall have the right at its sole option, exercisable at any time, and from time to time, prior to the Maturity Date, to convert, at the Conversion Rate, some or all of the Principal Amount, together with accrued and unpaid interest thereon to the date specified for conversion (if all of the remaining Principal Amount is being converted) into fully paid and non-assessable common shares of the Corporation. If there has been an Event of Default, the right to convert shall continue and be in full force and effect until the Principal Amount and all interest thereon have been paid in full.

The "**Conversion Rate**" shall be one (1) common share for each forty cents (\$0.40) of the Principal Amount and accrued and unpaid interest thereon (if all of the remaining Principal Amount is being converted).

Partial conversion of the Principal Amount of this Debenture may only be completed in minimum increments of \$1,000.00.

4.2 Revival of Right to Convert

If the Corporation has served a notice of redemption pursuant to Section 3.1, but, payment of the redemption price in full has not been made pursuant to Section 3.1, the right to convert this Debenture shall revive and continue as if this Debenture had not been called for redemption.

4.3 Manner of Exercise of Right to Convert

- (a) If the Holder desires to convert this Debenture into common shares of the Corporation, the Holder shall deposit this Debenture in trust with the Corporation's Counsel, together with written notice, substantially in the form of Schedule "C", duly executed by the Holder or its executors or administrators or other legal representatives or its or their attorney duly appointed by an instrument in writing, exercising its right to convert this Debenture in accordance with the provisions of this Article 4.
- (b) Upon the said deposit of this Debenture, the Corporation's Counsel shall immediately proceed to take all of the steps necessary: (i) to issue the specific number of common shares to the Holder; (ii) to have the Holder recorded as the owner of the said shares on the books of the Corporation; (iii) to obtain from the exchange on which the shares of the Corporation have been listed all of the consents and approvals necessary to validate and confirm that the common shares issued to the Holder have been issued in compliance with the rules of the said exchange; (iv) to obtain from any other regulatory authority having jurisdiction all of the approvals that may be required to confirm that the common shares issued to the Holder have been issued in compliance with any other securities laws, regulations, policies, etc. that may be applicable; and, (v) to deliver share certificates for the said shares to the Holder. Any issues or differences with respect to the form, substance or content of the documentation shall be decided by the Holder's Counsel, acting reasonably, whose decision shall be final and binding on all of the parties.
- (c) For the purposes of this Article 4, this Debenture shall be deemed to be surrendered for conversion on the date (herein called the "**Date of Conversion**") on which the conversion has been finalized, the Corporation's Counsel has delivered the share certificates to the Holder, and has released the Debenture to the Corporation.
- (d) If the Holder has elected to convert some of the Principal Amount only, then, upon the surrender to the Corporation of this Debenture, the Holder shall be entitled to receive, without any expense to the Holder, a new Debenture for the unconverted portion of the Principal Amount.
- (e) Upon the surrender of this Debenture for conversion in accordance with this Article 4, the Holder shall be entitled to receive accrued and unpaid interest in respect thereof up to the Date of Conversion.

4.4 No Requirement to Issue Fractional Shares

The Corporation shall not be required to issue fractional shares upon the conversion of the Principal Amount and accrued and unpaid interest thereon (if all of the remaining Principal Amount is being converted) into common shares pursuant to the provisions of this Article 4. If an fractional interest in a common share would otherwise be deliverable on the said conversion,

then the number of common shares to be issued shall be rounded down to the next whole number.

4.5 Basis of Conversion Rate

The "Conversion Rate" of one (1) common share for each forty cents (\$0.40) of the Principal Amount and accrued and unpaid interest thereon (if all of the remaining Principal Amount is being converted) is based on the total number of all of the shares of the Corporation that have been issued as of the Effective Date of this Debenture. The Corporation hereby covenants and agrees that it will not increase, decrease or otherwise howsoever change the total number of its issued shares without the written consent of the Holder.

4.6 Cancellation of Converted Debentures

Upon conclusion of the conversion transaction under the provisions of this Article 4, this Debenture shall be forthwith delivered to and cancelled by the Corporation.

ARTICLE 5 COVENANTS OF THE CORPORATION

The Corporation hereby covenants and agrees with the Holder as follows:

5.1 Use of Funds

The Corporation will use the amounts loaned to it by the Holder pursuant to this Debenture only for the purpose of financing the acquisition of the Assets as set forth and described in Schedule "B" and for no other purpose.

5.2 To Pay Principal and Interest

The Corporation will duly and punctually pay or cause to be paid to the Holder, on the fifteenth day of each month during the term hereof, interest at the rate of **one and one-half per cent (1.5%) per month**, calculated and compounded monthly. The Principal Amount and all accrued interest thereon shall be paid to the Holder on Maturity Date.

5.3 Working Capital

The Corporation will maintain positive working capital.

5.4 Subsequent Security/Debt

The Corporation will not grant any new security or acquire any new debt (other than reasonable trade payables incurred in the normal course of business and the series of Debentures contemplated in Section 1.9) without the prior written consent of the Holder, such consent shall not be unreasonably withheld unless the new security or new debt would have a material adverse effect on the Security.

5.5 Continuing Covenant

The Corporation will duly perform and observe each and all of its covenants and agreements herein set forth.

5.6 Acceleration of Maturity Date

Notwithstanding any other provision of this Debenture, the Holder shall be entitled, on not less than 30 days' notice to the Corporation given after the closing of at least \$10 million of new equity financing, to accelerate the Maturity Date to the date specified by the Holder in such notice.

5.7 Notice of Events of Default

The Corporation shall promptly notify the Holder if the Corporation acquires knowledge of the occurrence of any event which constitutes an Event of Default or which, with the lapse of time, would result in an Event of Default.

5.8 To List any Shares Issued on Conversion

The Corporation shall promptly obtain from the exchange on which the shares of the Corporation have been listed all of the consents and approvals necessary to validate and confirm that the common shares issued to the Holder on a conversion pursuant to Article 4 have been issued in compliance with the rules of the said exchange, and, shall promptly obtain from any other regulatory authority having jurisdiction all of the approvals that may be required to confirm that the common shares issued to the Holder on a conversion pursuant to Article 4 have been issued in compliance with any other securities laws, regulations, policies, etc. that may be applicable.

5.9 Expenses

The Corporation will pay to the Holder forthwith after notification thereof, all reasonable fees and disbursements of the Holder's Counsel, and all out-of-pocket expenses incurred by the Holder related to the negotiation and preparation of this Debenture, registration of the Security or in connection with recovering or enforcing payment of any indebtedness or liability of the Corporation to the Holder hereunder or in realizing upon the Security.

ARTICLE 6 CORPORATION'S REPRESENTATIONS AND WARRANTIES

The Corporation hereby represents, warrants, covenants and agrees with the Holder as follows:

6.1 Incorporation and Status

The Corporation is a body corporate, duly incorporated, properly organized and validly existing under the laws of its jurisdiction of incorporation and is duly registered and qualified to do business under the laws of each other jurisdiction in which the character of the properties owned by it or the nature of the activities conducted by it make such registration or qualification advisable or necessary.

6.2 Power, Authority, Execution and Delivery

The Corporation has full power and lawful authority to create, grant and enter into this Debenture and has duly authorized, executed and delivered this Debenture.

6.3 Enforceability

This Debenture constitutes a valid and legally binding obligation of the Corporation enforceable against the Corporation in accordance with its terms.

ARTICLE 7 DEFAULT

7.1 Event of Default

Upon the happening of any one or more of the following events (each an "**Event of Default**"), namely:

- (a) if the Corporation makes default in payment of any of the amounts payable under this Debenture on the Maturity Date;
- (b) if the Corporation makes default in payment of any interest due on this Debenture when the same becomes due and payable under this Debenture and any such default continues for a period of 2 Business Days;
- (c) if a decree or order of a court having jurisdiction in the premises is entered adjudging the Corporation a bankrupt or insolvent under the *Bankruptcy and Insolvency Act (Canada)* or any other bankruptcy, insolvency or analogous laws, or issuing sequestration or process of execution against the property of the Corporation or appointing a receiver of the property of the Corporation or ordering the winding-up or liquidation of its affairs;
- (d) if a resolution is passed for the winding-up or liquidation of the Corporation or if the Corporation institutes proceedings to be adjudicated a bankrupt or insolvent or consents to the institution of bankruptcy or insolvency proceedings against it under the *Bankruptcy and Insolvency Act (Canada)* or any other bankruptcy, insolvency or analogous laws, or consents to the filing of any such petition or to the appointment of a receiver of the property of the Corporation, or makes a general assignment for the benefit of creditors, or takes corporate action in furtherance of any of the aforesaid purposes;
- (e) if the Corporation is unable to pay its liabilities as they become due, or, the realizable value of the assets of the Corporation is less than the aggregate of its liabilities;
- (f) if the Corporation neglects to observe or perform any other covenant or condition herein contained on its part to be observed or performed and, after notice in writing has been given by the Holder to the Corporation specifying such default

and requiring the Corporation to put an end to the same (but only where such default would have a material adverse effect on the Security or on the ability of the Corporation to make the payments hereunder as they become due), the Corporation shall fail to remedy such default within a period of 30 days; or

- (g) the occurrence of an event of default, after the expiry of any applicable grace period and demand therefor, under any other indebtedness of the Corporation, where the outstanding principal amount of such indebtedness is more than \$50,000.00 or which would otherwise have a material adverse effect on the Corporation's ability to observe its covenants under this Debenture;

then during the occurrence and continuance of each and every such event the Security shall become enforceable and the Holder may, by notice in writing to the Corporation, declare the principal and interest on this Debenture then outstanding and all other moneys outstanding hereunder to be due and payable and the same shall forthwith become immediately due and payable to the Holder, anything therein or herein to the contrary notwithstanding, and the Corporation shall forthwith pay to the Holder the principal and accrued and unpaid interest, together with an additional Event of Default interest at a rate of two per cent (2%) per month or portion of month from the date of default on this Debenture on such principal, interest and such other moneys, from the date of the said declaration until payment is received by the Holder.

7.2 Enforcement

If an Event of Default should occur, the Security shall immediately become enforceable. Whenever the Security has become enforceable, the Holder may realize upon the Security and, to the extent permitted by law, enforce its rights by the following remedies:

- (a) entry into possession;
- (b) sale in accordance with Section 7.3 hereof;
- (c) proceedings in any court of competent jurisdiction for the appointment of a receiver (which term as used in this Debenture includes a receiver and manager) of all or any part of the Charged Property;
- (d) proceedings in any court of competent jurisdiction for sale (including sale by way of a deferred payment arrangement) or foreclosure or lease of all or any part of the Charged Property;
- (e) filing of proofs of claim and other documents to establish its claims in any proceeding relative to the Corporation;
- (f) appointment by instrument in writing of a receiver of all or any part of the Charged Property and removal or replacement from time to time of any such receiver; and
- (g) any other remedy or proceeding authorized or permitted hereby or by law or equity.

Such remedies may be exercised from time to time separately or in combination and are in addition to and not in substitution for any other rights of the Holder however created.

7.3 Sale of Property

If the Security hereby constituted shall become enforceable, the Holder may, either before or after any entry, and to the extent permitted by law, sell and dispose of the Charged Property, either as a whole or in separate parcels, at a public auction or by tender or by private sale at such time or times as the Holder may determine, with or without notice to the Corporation, and may make any such sale, either for cash or credit or part cash and part credit or any other arrangement providing for deferred payment, and with or without advertisement, and with or without a reserve bid as the Holder may see fit, and the Holder may also rescind or vary any contract of sale that may have been entered into and resell with or under any of the powers conferred hereunder and adjourn any such sale from time to time and may execute and deliver to the purchaser or purchasers of the Charged Property or any part thereof a good and sufficient deed or conveyance or deeds or conveyances for the same, and any such sale made as aforesaid shall be a perpetual bar both in law and in equity against the Corporation and all other persons claiming all or any part of the Charged Property by, from, through or under the Corporation.

7.4 Powers of Receiver

Any receiver appointed by instrument in writing shall, to the extent permitted by law, have power to:

- (a) take possession of, collect and get in all or any part of the Charged Property and, for that purpose, to take proceedings in the name of the Corporation or otherwise and to make any arrangement or compromise;
- (b) from time to time, and without any previous notice or demand and free of charge, enter upon or into and occupy and use all or any part of the premises, buildings, plant and undertaking of or occupied or used by the Corporation without being or being deemed to be a mortgagee in possession;
- (c) carry on or concur in carrying on all or any part of the business of the Corporation;
- (d) borrow or raise money on all or any part of the Charged Property in priority to this Debenture or otherwise for such purposes as may be approved by the Holder and
- (e) sell or lease or concur in selling or leasing all or any part of the Charged Property without notice and in such manner as may seem advisable to the receiver (including sale by way of deferred payment arrangement), and to effect such sale by conveying in the name and on behalf of the Corporation or otherwise.

The receiver shall be vested with such other discretions and powers as are granted in the instrument of appointment and any supplement thereto including any or all of the powers of the Holder.

7.5 Receiver as Agent

To the extent permitted by law, the receiver shall for all purposes be deemed to be the agent of the Corporation and not of the Holder, and the Corporation shall be solely responsible for the receiver's acts or defaults and remuneration. All amounts, from time to time, received by the Holder or the receiver may (but need not) be applied as follows: first, in discharge of all operating expenses and other outgoings affecting the Charged Property; secondly, in keeping in good standing all mortgages, charges and liens on the Charged Property having priority over the Security; thirdly, in payment of the remuneration and disbursements of the receiver (if any); fourthly, in payment to the Holder of the amounts payable hereunder; fifthly, to such reserves against potential claims that the Holder or the receiver in good faith believes should be maintained, until such potential claims are settled, and the balance, if any, shall be paid to the Corporation, but such balance shall be payable to the Corporation only in the event the Corporation approves the accounts of the receiver and gives the receiver a full and final release of all claims relating to the conduct of the receivership and the accounts as presented.

7.6 Limitation of Liability

None of the Holder, a receiver appointed in regard to this Debenture or any agent of the Holder (including any sheriff) is required to take, or will have any liability or be accountable for any failure to take or delay in taking, any steps necessary or advisable to preserve rights against other parties under any chattel paper, securities or instruments from time to time included in the Charged Property and whether or not in possession of the Holder, any such receiver or any agent of the Holder.

7.7 Possession of Charged Property

If the Holder or any receiver appointed in regard to this Debenture exercises its rights herein to take possession of the Charged Property, the Corporation shall upon request from the Holder or any such receiver to assemble and deliver possession of the Charged Property at such place or places as directed by the Holder or any such receiver.

7.8 Failure to Present

Any failure or omission by the Holder to present this Debenture for payment will not invalidate or adversely affect in any way any demand for payment or enforcement proceeding taken under this Debenture, provided that the Holder or its agent is, at the time of demand or enforcement, in possession of this Debenture and has not assigned its rights under it.

7.9 Waiver

The Holder may, by instrument in writing signed by the Holder, waive any breach by the Corporation of any of the provisions contained in this Debenture or any default by the Corporation in the observance or performance of any covenant, agreement or condition required to be kept, observed or performed by the Corporation under the terms of this Debenture; provided always that no act or omission of the Holder in the premises shall extend to or be taken in any manner whatsoever to affect any subsequent breach or default or to affect the rights of the Holder resulting therefrom.

ARTICLE 8
MISCELLANEOUS

8.1 **Execution**

This Debenture may be executed in several counterparts and by facsimile each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument.

8.2 **Severability**

If any covenant or provision herein or any portion thereof is determined to be void, unenforceable or prohibited by the law of any province or the local requirements of any provincial or federal governmental authority such shall not be deemed to affect or impair the validity of any other covenant or provision herein or portion thereof, as the case may be, nor the validity of such covenant or provision or portion thereof, as the case may be, in any other jurisdiction.

8.3 **Laws of Alberta**

This Debenture shall be deemed to have been made and shall be construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein and shall be treated in all respects as an Alberta contract. The Corporation hereby irrevocably submits to the jurisdiction of the courts of the Province of Alberta for any action, suit or any other proceeding arising out of or relating to this Debenture and any other agreement or instrument mentioned herein or any of the transactions contemplated hereby.

8.4 **Notices**

All notices, reports or other communication required or permitted by this Debenture must be in writing and either delivered by hand or by any form of electronic communication by means of which a written or typed copy is produced by the receiver thereof and is effective on actual receipt unless sent by electronic means in which case it is effective on the Day next following the date of transmission, addressed to the relevant party, as follows:

- (a) if to the Corporation:

PERISSON PETROLEUM CORPORATION
Suite 1400, 717 – 7th Avenue S.W.
CALGARY, Alberta
T2P 0Z3

(b) if to Holder:

To the Address shown on the front page of this Debenture.

or the last address or fax number of the party concerned, notice of which was given in accordance with this Section 8.4.

8.5 Enurement

This Debenture and all its provisions shall enure to the benefit of the Holder, its successors and permitted assigns and shall be binding upon the Corporation, its successors and assigns.

8.6 Negotiable Instrument

This Debenture is a negotiable instrument and is fully assignable by the Holder

**SCHEDULE "B" TO THE
SECURED CONVERTIBLE DEBENTURE OF PERISSON PETROLEUM
CORPORATION**

**LANDS, LEASES, WELLS AND ALL PROPERTY,
ASSETS, INTERESTS AND RIGHTS RELATED THERETO**

Forent Energy Ltd. ("Forent") made an Offer to Purchase dated April 29, 2016 ("Offer") to acquire certain petroleum and natural gas rights, miscellaneous interests and tangibles ("Assets") from Alvarez & Marsal Canada Inc. ("Vendor"), in its capacity as the court-appointed receiver and manager of Bumper Development Corporation Ltd. The Offer was accepted on April 29, 2016 and the nature, extent and description of the Assets purchased by Forent is set forth and described in Schedule "C" the Land Schedule; Schedule "E", the Well List; and, Schedule "F", Seismic List; to the said Offer.

On March 7, 2016, Forent and the Corporation entered into a definitive agreement pursuant to which they agreed to amalgamate under the *Business Corporations Act* (Alberta). The Corporation agreed with Forent that it would finance the acquisition of the Assets from the Vendor. The Corporation agreed with the Holder that it will use the amounts loaned to it pursuant to this Debenture only for the purpose of financing the acquisition of the said Assets.

By a Trust Agreement dated April 19, 2016, as amended, between Forent and the Corporation ("Trust Agreement"), Forent agreed that, upon the closing of the purchase of the Assets with the Vendor, Forent shall hold legal title to the Assets as a bare Trustee for the Corporation until such time as the amalgamation of Forent and the Corporation was final, or, until such time as Forent exercises its rights pursuant to Article 3 of the Trust Agreement.

The Corporation and the Holder covenant and agree that the Assets that Forent is holding in trust for the Corporation pursuant to the Trust Agreement shall conclusively be deemed to be the Scheduled Interests and the Scheduled Lands for all purposes of this Debenture. For certainty, Schedule "C", the Land Schedule; Schedule "E", the Well List; and, Schedule "F" Seismic List; to the above described Offer are hereby incorporated into this Schedule "B" by reference and made a part hereof.

If Forent elects, pursuant to Clause 3.1(a) of the Trust Agreement, to assign the registered interest in the Assets to the Corporation, the Corporation hereby specifically confirms and agrees that the Assets will continue to be subject to all of the provisions of this Debenture.

Notwithstanding anything anywhere contained, if Forent elects, pursuant to Clause 3.1(b) thereof, to terminate the Trust Agreement, the entire Principal Amount then outstanding, together with all accrued and unpaid interest thereon, shall, at the written option of the Holder, immediately become due and payable to the Holder as if the termination date of the Trust Agreement was the Maturity Date for all purposes of the Debenture. In such event, the Holder may elect to receive an assignment from the Corporation of an amount owing by Forent to the Corporation that is equal to the amount owing to the Holder under this Debenture and Forent shall assume the Corporation's obligations under this Debenture.

**SCHEDULE "C" TO THE
SECURED CONVERTIBLE DEBENTURE OF PERISSON PETROLEUM
CORPORATION**

NOTICE OF CONVERSION

TO: PERISSON PETROLEUM CORPORATION
Suite 1400, 717 – 7th Avenue S.W.
CALGARY, Alberta
T2P 0Z3

The undersigned registered Holder of the within Secured Convertible Debenture (the "**Debenture**") hereby irrevocably elects to convert:

- (i) All of the Principal Amount; or,
- (ii) A portion of the Principal Amount in the sum of \$ _____
(must be in increments of \$1,000.00),

together with accrued and unpaid interest thereon to the date specified for conversion (if the entire remaining Principal amount is being converted) into fully paid and non-assessable common shares of the Corporation in accordance with the provisions of Article 4 of the Debenture.

DATED this _____ day of _____, 200____.

Signature of Holder

Print full name

Print full address

