PIERIDAE ALBERTA PRODUCTION LTD.

U.S. $25,000,000 Senior Secured Revolving Notes due March 13, 2027

U.S. $85,000,000 Senior Secured First Draw Term Notes due March 13, 2027

U.S. $10,000,000 Senior Secured Delayed Draw Term Notes due March 13, 2027

Note Purchase Agreement

Dated June 13, 2023

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Pieridae Alberta Production Ltd.
Suite 3100, 308 - 4th Avenue SW
Calgary, Alberta
T2P 0H7

Senior Secured Revolving Notes due March 13, 2027
Senior Secured Term Notes due March 13, 2027

June 13, 2023

TO EACH OF THE PURCHASERS LISTED IN
THE PURCHASER SCHEDULE HERETO:

Ladies and Gentlemen:

Pieridae Alberta Production Ltd., an Alberta corporation (the "**Company**"), agrees with each of the Purchasers as follows:

SECTION 1 AUTHORIZATION OF NOTES.

Section 1.1 Authorization of Notes.

Subject to the terms and conditions of this Agreement:

(a) *Revolving Notes.* The Purchasers agree to establish in favour of the Company a revolving loan facility in the amount of the Aggregate Revolving Commitments. The Aggregate Revolving Commitments are available to the Company in U.S. Dollars by way of Revolving Note Advances. To evidence such Revolving Note Advances, the Company has authorized the issuance and sale to the Purchasers of up to U.S. $25,000,000 aggregate principal amount of the Company's Senior Secured Revolving Notes due March 13, 2027, substantially in the form attached hereto as Schedule 1.1(A) (as amended, restated or otherwise modified from time to time, the "**Revolving Notes**", such term to include any such notes issued in substitution or exchange therefor pursuant to Section 14).

(b) *First Draw Term Notes*. The Company has authorized the issuance and sale to the applicable Purchasers, at Closing on the date hereof, of up to U.S. $85,000,000 aggregate principal amount of the Company's Senior Secured Term Notes due March 13, 2027, substantially in the form attached hereto as Schedule 1.1(B) (as amended, restated or otherwise modified from time to time, the "**First Draw Term Notes**", such term to include any such notes issued in substitution or exchange therefor pursuant to Section 14.

(c) *Delayed Draw Term Notes.* The Company has authorized the issuance and sale to the applicable Purchasers, at the Delayed Draw Closing(s), of up to U.S. $10,000,000 aggregate principal amount of the Company's Senior Secured Term Notes due March 13, 2027, substantially in the form attached hereto as Schedule 1.1(C) (as amended, restated or otherwise modified from time to time, the "**Delayed Draw Term Notes**", such term to include any such notes issued in substitution or exchange therefor pursuant to Section 14; the First Draw Term Notes and the Delayed Draw Term Notes, the "**Term Notes**"; and the Term Notes and the Revolving Notes, the "**Notes**").

Certain capitalized and other terms used in this Agreement are defined in Schedule A and, for purposes of this Agreement, the rules of construction set forth in Section 23.5 shall govern.

SECTION 2 CLOSING; BORROWINGS UNDER REVOLVING NOTES; PURCHASE AND SALE OF TERM NOTES; FEES.

Section 2.1 Closing.

The Company shall deliver to each Purchaser at Closing on the date hereof, the Revolving Notes, the First Draw Term Notes and the Delayed Draw Term Notes to be purchased by such Purchaser at the offices of Norton Rose Fulbright Canada LLP, 3700 Devon Tower, 400-3rd Avenue S.W., Calgary, Alberta, in the form of a single Revolving Note, First Draw Term Note and Delayed Draw Term Note, as applicable (or such greater number of such Notes in denominations of at least U.S.$100,000 as such Purchaser may request) dated the date hereof, registered in such Purchaser's name (or in the name of its nominee). If at the Closing the Company shall fail to tender such Notes to any Purchaser as provided above, or any of the conditions specified in Section 4 shall not have been fulfilled to such Purchaser's satisfaction, such Purchaser shall, at its election, be relieved of all further obligations under this Agreement, without thereby waiving any rights such Purchaser may have by reason of such failure by the Company to tender such Notes or any of the conditions specified in Section 4 not having been fulfilled to such Purchaser's satisfaction.

Section 2.2 Revolving Note Advances; Sale and Purchase of First Draw Term Notes; Sale and Purchase of Delayed Draw Term Notes.

(a) *Revolving Note Advances.* Subject to the terms and conditions of this Agreement, each holder of a Revolving Note agrees to lend to the Company from time to time from the Closing to the date of termination of such holder's Revolving Commitment in accordance with this Agreement, sums (each a "**Revolving Note Advance**") that in the aggregate principal amount outstanding at any one time shall not exceed the lesser of (a) the amount set forth opposite such holder's name with respect to the Revolving Notes in the Purchaser Schedule attached hereto (as reduced from time to time pursuant to Section 2.4, such holder's "**Revolving Commitment**") and (b) such holder's Applicable Percentage of the Borrowing Base then in effect (minus the aggregate outstanding principal under the Term Notes). The aggregate amount of the Revolving Commitments of all holders of Revolving Notes shall not exceed the lesser of (i) U.S. $25,000,000 (as reduced from time to time pursuant to Section 2.4, the "**Aggregate Revolving Commitments**") and (ii) the Borrowing Base then in effect (minus the aggregate outstanding principal under the Term Notes). The Revolving Note Advances and the Aggregate Revolving Commitments shall be evidenced by the Revolving Notes, which shall be in the denominations specified in the Purchaser Schedule attached hereto. The principal amount of each Revolving Note Advance in respect of all Revolving Notes shall be equal to at least U.S. $500,000 and shall be an integral multiple of U.S.$100,000 or such lesser amount as shall be available to be drawn under the Revolving Notes. At the time of the making of each Revolving Note Advance and at the time of the making of each payment of principal on any Revolving Note, the applicable holder(s) of the Revolving Notes shall make a notation in the records of such holder(s), specifying the date and the amount of such Revolving Note Advance or such payment, and such notation shall, except for manifest error, be final, conclusive and binding on the Company; provided that the failure of such holder(s) to do so or any other inaccuracy in such records shall not affect the obligations of the Company otherwise under any Note Document. Within the limits of the Aggregate Revolving Commitments, the Company may borrow or reborrow from time to time in accordance with Section 2.3 and shall or may repay the Revolving Note Advances from time to time in accordance with

Section 8. In addition, at each holder's sole discretion, any sums advanced to pay any amount chargeable to or required to be paid by the Company pursuant to the terms of any Note Document, including payments of reimbursable expenses, expenditures for the protection or preservation of collateral and other sums payable under the Note Documents, shall be deemed to be a Revolving Note Advance, within the limits of such holder's Revolving Commitment. The sales of Revolving Notes to the Purchasers are to be several sales, and the obligations of the holders under this Agreement are several obligations. No failure by any Purchaser or holder to perform its obligations under this Agreement shall relieve any other holder or the Company of any of its obligations hereunder, and no Purchaser or holder shall be responsible for the obligations of, or any action taken or omitted by, any other Purchaser or holder hereunder.

(b) *Sale and Purchase of First Draw Term Notes.* Subject to the terms and conditions of this Agreement, the Company will issue and sell to each Purchaser, and each Purchaser will purchase from the Company, at the Closing provided for in Section 2.1, First Draw Term Notes in the principal amount specified opposite such Purchaser's name in Schedule A at the purchase price of 100% of the principal amount thereof. The Purchasers' obligations hereunder are several and not joint obligations and no Purchaser shall have any liability to any Person for the performance or non-performance of any obligation by any other Purchaser hereunder. At the Closing the Company will deliver to each Purchaser at the office of Norton Rose Fulbright Canada LLP, 3700 Devon Tower, 400 3rd Avenue S.W. Calgary, Alberta the Notes to be purchased by such Purchaser in the form of a single Note (or such greater number of Notes in denominations of at least U.S. $100,000 as such Purchaser may request) dated the date of the Closing, and registered in such Purchaser's name (or in the name of its nominee), against delivery by such Purchaser to the Company or its order of immediately available funds in the amount of the purchase price by wire transfer for the account of the Company specified in the funding instructions delivered by the Company to the Purchasers pursuant to Section 4.10(b).

(c) *Sale and Purchase of Delayed Draw Term Notes.*

(i) Subject to the terms and conditions of this Agreement, the Company will issue and sell to each Purchaser, and each Purchaser will purchase from the Company, at one or more Delayed Draw Closings provided for in clause (iii) of this Section 2.2(c), Delayed Draw Term Notes up to the amount set forth opposite such Purchaser's name with respect to the Delayed Draw Term Notes in the Purchaser Schedule attached hereto (the "**Delayed Draw Commitment**") at the purchase price of 100% of the principal amount thereof. The Purchasers' obligations hereunder are several and not joint obligations and no Purchaser shall have any liability to any Person for the performance or non-performance of any obligation by any other Purchaser hereunder.

(ii) At any time on or after July 1, 2023 to and including December 31, 2024 (the "**Delayed Draw Issuance Period**"), the Company may request the Purchasers of Delayed Draw Term Notes to purchase an amount of Delayed Draw Term Notes in aggregate not to exceed the <u>lesser</u> of (x) the Delayed Draw Commitment and (y) the Borrowing Base then in effect (minus the aggregate outstanding principal under the Revolving Notes and the First Draw Term Notes) (such request being a "**Request for Purchase**"). Each Request for Purchase shall:

(A) specify the aggregate principal amount of Delayed Draw Term Notes to be sold and purchased;

(B) specify the use of proceeds of such Delayed Draw Term Notes;

(C) append the Company's cash flow forecast for the period commencing on the first day of its first full fiscal quarter immediately following the Delayed Draw Closing and ending on the fourth Quarter End thereafter;

(D) specify the proposed day for the closing of the purchase and sale of such Delayed Draw Term Notes, which shall be a Business Day during the Delayed Draw Issuance Period not less than 10 Business Days and not more than 20 Business Days after the making of such Request for Purchase;

(E) specify the number of the account and the name and address of the depository institution to which the purchase prices of such Delayed Draw Term Notes are to be transferred on the closing for such purchase and sale;

(F) certify that the representations and warranties contained in Section 5 are true on and as of the date of such Request for Purchase;

(G) certify that since the Closing (x) there has been no change in the financial condition, operations, business, properties or prospects of the Note Parties, except changes that could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect and (y) there is no fact of which any Note Party has Knowledge that could reasonably be expected to have a Material Adverse Effect that has not been set forth herein or in the Disclosure Documents;

(H) certify that there exists on the date of such Request for Purchase no Event of Default or Default and no Default or Event of Default would arise as a consequence of the purchase of Delayed Draw Term Notes contemplated in such Request for Purchase; and

(I) request the Purchasers of Delayed Draw Term Notes to confirm (x) their acceptance of the Request for Purchase and (y) the day for the closing of such sale and purchase.

Each Request for Purchase shall be in writing signed by the Company and shall be deemed made when received by the Purchasers of Delayed Draw Term Notes.

(iii) As soon a practicable following their receipt of a Request for Purchase, and upon being satisfied, acting reasonably, with the form and content of the Request for Purchase, the Purchasers of the Delayed Draw Term Notes will execute and deliver to the Company a confirmation of their acceptance of the Request for Purchase, confirming the day for the closing of such sale and purchase (the "**Delayed Draw Closing**").

(iv) Purchases under the Delayed Draw Commitment shall be evidenced by a Delayed Draw Term Note. At the time of each purchase and at the time of the making of each payment of principal on any Delayed Draw Term Note, the applicable holder(s) of the Delayed Draw Term Notes shall make a notation in the records of such holder(s), specifying the date and the amount of such purchase or such payment, and such notation shall, except for manifest error, be final, conclusive and binding on the Company; provided that the failure of such holder(s) to do so or any other inaccuracy in such records shall not affect the obligations of the Company otherwise under any Note Document.

(v) No more than four Requests for Purchase may be delivered during the Delayed Draw Issuance Period. Each Request for Purchase will be in a minimum amount of U.S. $1,000,000 and multiples of U.S.$100,000 thereafter. Amounts repaid on account of Delayed Draw Term Notes may not be reborrowed. If any prepayments are made on account of Delayed Draw Term Notes during the Delayed Draw Issuance Period, no further Requests for Purchase may made, and the Delayed Draw Issuance Period will end on the date of any such prepayment.

Section 2.3 Manner of Borrowings-Revolving Note Advances

In each Request for Advance delivered pursuant to Section 2.5(a)(i), the Company shall establish the date, the amount and the length of the Interest Period applicable to such Revolving Note Advances. The aggregate amount of Revolving Note Advances requested shall not, after giving effect thereto, cause the aggregate principal amount of Revolving Note Advances for any holder of a Revolving Note to exceed the lesser of (i) the Revolving Commitment of such holder with respect to all Revolving Notes held by it and (ii) such holder's Applicable Percentage of the Borrowing Base then in effect (minus the aggregate outstanding principal under the Term Notes). Upon each holder's receipt of proper notice as provided in this Section 2.3, subject to the other terms and conditions of this Agreement, each holder severally agrees to make the proceeds of its Applicable Percentage of such Revolving Note Advance available to the Company or its order on the date specified in such notice (a "**Borrowing Date**") of immediately available funds in the amount of the purchase price by wire transfer for the account of the Company as directed in the applicable Request for Advance.

Section 2.4 Voluntary Reduction in Aggregate Revolving Commitments.

The Company shall have the right, upon not less than 10 Business Days' irrevocable written notice to each holder of Revolving Notes, to terminate or permanently reduce the Aggregate Revolving Commitments, in whole or in part; provided that after giving effect to such termination or reduction, the aggregate Revolving Note Advances then outstanding shall not exceed the Aggregate Revolving Commitments; and provided further that if such termination or reduction shall cause any Revolving Note Advance to be repaid prior to the last day of its Interest Period, then such termination or reduction will be subject to Section 2.5(c) and the Company shall pay any Breakage Cost Obligation with respect to any Revolving Note Advances repaid. Each partial voluntary permanent reduction in the Aggregate Revolving Commitments under this Section 2.4 shall (a) be in an aggregate amount which is at least U.S. $250,000 and that is an integral multiple of U.S.$100,000, and (b) permanently reduce each holder's Revolving Commitments based on such holder's Applicable Percentage.

Section 2.5 Additional Floating Rate Provisions.

(a) *Interest on the Revolving Notes; Revolving Note Advance Procedures.*

(i) In an irrevocable telephonic notice (confirmed by written notice substantially in the form of Schedule 2.5(a) (each, a "**Request for Advance**") received within one

Business Day after such telephonic notice) to each holder of Revolving Notes no later than 12:00 Noon New York City time on the third Business Day prior to the first day of an Interest Period, the Company shall elect the length of the Interest Period for each Revolving Advance, provided that:

(A) Interest Periods for Revolving Note Advances shall only be available for periods of either one month or three months; to give effect thereto, such advances will only be available for drawing on a Payment Date (for Interest Periods of one month or three months), or on a date that is one month or two months prior to the immediately succeeding Payment Date (for Interest Periods of one month), unless all holders of Revolving Notes otherwise agree; and

(B) no more than four Interest Periods may be in effect at any time for all outstanding Revolving Note Advances.

(ii) Subject to the terms and conditions hereof, the Company may elect from time to time to (A) convert the length of the Interest Period currently applicable to a Revolving Note Advance to a different length of Interest Period or (B) continue the same length of Interest Period currently applicable to a Revolving Note Advance, by giving (x) an irrevocable Request for Advance or (y) an irrevocable telephonic notice (confirmed by a Request for Advance received within one Business Day after such telephonic notice) to each holder no later than noon New York City time on the third Business Day prior to the effective date of such election, which effective date, shall be the last day of the applicable Interest Period for such Revolving Note Advance.

(iii) If the Company has failed to elect a new length of Interest Period for any Revolving Note Advance as set forth in the above clause (ii), the Company shall be deemed to have elected to use the same length of Interest Period as the immediately preceding Interest Period, with the new Interest Period beginning on the last day of the Interest Period immediately preceding such new Interest Period. All Interest Periods shall be deemed to end on the earlier of (I) the date the Revolving Note Advances become due and payable pursuant to Section 12.1 and (II) the Maturity Date.

(iv) Interest on the Revolving Notes shall be payable (A) on each Payment Date, (B) on the date of any repayment of any Revolving Note Advance (on the principal amount being repaid), (C) at maturity (whether by acceleration or otherwise), and (D) after such maturity, on demand. Interest on the Notes shall be computed on the basis of the actual number of days elapsed over a year of 360 days at Adjusted Term SOFR plus the Applicable Margin, and shall be payable in U.S. Dollars, provided that if the applicable interest rate is changed to the Prime Rate pursuant to the provisions hereof, interest on the Revolving Notes shall be computed on the basis on the number of days elapsed over a year of 365 or 366 days, as the case may be, at the Prime Rate plus the Applicable Margin.

(b) *Interest on Term Notes.*

(i) At Closing, the First Draw Term Notes will have a one month Interest Period. At the Delayed Draw Closing, the Delayed Draw Term Notes will have the same

Interest Period as that in effect for the First Draw Term Notes at the time the Delayed Draw Term Notes are issued and sold. Subject to the terms and conditions hereof, the Company may elect from time to time to (A) convert the length of the Interest Period currently applicable to Term Notes to a different length of Interest Period, or (B) continue the same length of Interest Period currently applicable to the Term Notes, by giving (x) an irrevocable Request for Conversion/Continuation or (y) an irrevocable telephonic notice (confirmed by a Request for Conversion/Continuation received within one Business Day after such telephonic notice) to each holder of Term Notes no later than noon New York City time on the third Business Day prior to the effective date of such election, which effective date shall be the last day of the Interest Period for the Term Notes.

(ii) All of the outstanding Term Notes at any time must have the same Interest Period. Interest Periods for Term Notes shall only be available for periods of either one month or three months; to give effect thereto (unless all holders otherwise agree), Term Notes will only be available for conversion on a Payment Date (for Interest Periods of one month or three months), or on a date that is one month or two months prior to the immediately succeeding Payment Date (for Interest Periods of one month). The Company acknowledges and agrees with the holders that Breakage Cost Obligations will be payable if an Interest Period does not end on any scheduled repayment date set out in Section 8.1(b) or Section 8.1(c).

(iii) If the Company has failed to elect a new length of Interest Period for the Term Notes as set forth in the above clause (ii), the Company shall be deemed to have elected (A) to continue Term Notes with the same length of Interest Period as the immediately preceding Interest Period beginning on the last day of the Interest Period immediately preceding such new Interest Period. All Interest Periods shall be deemed to end on the earlier of (I) the date the Term Notes become due and payable pursuant to Section 12.1 and (II) the Maturity Date.

(iv) Interest on the Term Notes shall be payable (A) on each Payment Date, (B) on the date of any repayment of any Term Note, (C) at maturity (whether by acceleration or otherwise), and (D) after such maturity, on demand. Interest on the Term Notes shall be computed on the basis of the actual number of days elapsed over a year of 360 days, at Adjusted Term SOFR plus the Applicable Margin and shall be payable in U.S. Dollars, provided that provided that if the applicable interest rate is changed to the Prime Rate pursuant to the provisions hereof, interest on the Term Notes shall be computed on the basis on the number of days elapsed over a year of 365 or 366 days, as the case may be, at the Prime Rate plus the Applicable Margin.

(c) *Breakage Cost Indemnity.*

(i) The Company agrees to indemnify each holder of Notes for, and to pay promptly to such holder upon written request, any amounts required to compensate such holder for any losses, costs or expenses sustained or incurred by such holder (including any loss, cost or expense sustained or incurred by reason of the liquidation or reemployment of deposits or other funds acquired to fund or maintain Revolving Note Advance or Term Notes) as a consequence of (A) any event (including any repayment or prepayment of any Revolving Note Advance or Term Notes pursuant to Section 8.1, Section 8.2, Section 8.3 or otherwise hereunder, a reduction or termination of the Aggregate Revolving Commitments, a reduction of the Borrowing Base, any change from the interest rate hereunder from Adjusted Term SOFR plus the Applicable Margin to the Prime Rate plus the Applicable Margin, or any acceleration of any Notes) that results in (I) such holder receiving any amount on account of the principal of any Revolving Note Advance or Term Notes prior to the end of the Interest Period in effect therefor, (II) in the case of any such Revolving Advance, the conversion of the interest rate applicable to such Revolving Note Advance from Adjusted Term SOFR to the Prime Rate other than on the last day of the Interest Period in effect therefor, or (III) in the case of any such Term Note, the conversion of the interest rate applicable to such Term Note from Adjusted Term SOFR to the Prime Rate other than on the last day of the Interest Period in effect therefor, or (B) any failure in the making of any payment or repayment required to be made in respect of any Revolving Note Advances or Term Notes (such amounts being the "**Breakage Cost Obligations**").

(ii) A certificate of any holder of a Note setting forth any amount or amounts which such holder is entitled to receive pursuant to this Section 2.5(c), together with calculations in reasonable detail reflecting the basis for such amount or amounts, shall be delivered to the Company and shall be conclusive absent manifest error. The Company agrees to pay such holder the amount shown as due on any such certificate within 10 days after its receipt of the same.

(iii) The provisions of this Section 2.5(c) shall remain operative and in full force and effect regardless of the termination of this Agreement, the consummation of the transactions contemplated hereby, the repayment of any Revolving Note Advances, the repayment of the Term Notes or any portion thereof, the invalidity or unenforceability of any term or provision of this Agreement or any Note, or any investigation made by or on behalf of any holder of a Note.

(iv) For purposes of calculating amounts payable by the Company to the holders of the Notes under this Section 2.5(c), each holder shall be deemed to have funded each Revolving Note Advance or Term Note, as applicable by a matching deposit or other borrowing in the applicable offshore dollar interbank market for a comparable amount and for a comparable period (determined by such holder in its sole discretion), whether or not such Revolving Note Advance or Term Note, as applicable, was in fact so funded.

(d) *Reserve Requirements; Change in Circumstance.*

(i) Notwithstanding any other provision of this Agreement, if after the date of this Agreement any change in applicable law or regulation or in the interpretation or administration thereof by any Governmental Authority charged with the interpretation or administration thereof (whether or not having the force of law) shall impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any holder of a Note or shall impose on such holder or any applicable bank market any other condition affecting this Agreement, Revolving Note Advances made by such holder, or Term Notes of such holder and the result of any of the foregoing shall be to increase the cost to such holder of making or maintaining any Revolving Note Advance or holding any Term Notes to reduce the amount of any payment received or receivable by such holder under any of the Notes (whether of principal, interest or otherwise), then the Company will pay to such holder such additional amount or amounts as will compensate such holder for such additional costs incurred or reduction suffered.

(ii) If any holder of a Note shall have reasonably determined that the adoption after the date of this Agreement of any law, rule, regulation, agreement or guideline regarding capital adequacy or liquidity, or any change after the date of this Agreement in any such law, rule, regulation, agreement or guideline (whether such law, rule, regulation, agreement or guideline has been adopted before or after the date of this Agreement) or in the interpretation or administration thereof by any Governmental Authority charged with the interpretation or administration thereof, or compliance by such holder with any request or directive regarding capital adequacy or liquidity (whether or not having the force of law) of any Governmental Authority has or would have the effect of reducing the rate of return on such holder's capital as a consequence of this Agreement, the Revolving Commitments of such holder hereunder and under the Term Notes, the Revolving Note Advances made by such holder or the Term Notes held by such holder to a level below that which such holder could have achieved but for such applicability, adoption, change or compliance (taking into consideration such holder's policies with respect to capital adequacy or liquidity, as applicable) by an amount reasonably deemed by such holder to be material, then from time to time the Company agrees to pay to such holder such additional amount or amounts as will compensate such holder for any such reduction actually suffered.

(iii) A certificate of any holder of a Note setting forth the amount or amounts necessary to compensate such holder as specified in the above clause (i) or (ii) and the basis upon which such amounts were determined shall be delivered to the Company and shall be conclusive absent manifest error. The Company agrees to pay such holder the amount shown as due on any such certificate within 10 Business Days after its receipt of the same.

(iv) Reasonable delay on the part of any holder of a Note to demand compensation for any increased costs or reduction in amounts received or receivable or reduction in return on capital shall not constitute a waiver of such holder's right to demand such compensation with respect to such period or any other period. The protection of this Section 2.5(d) shall be available to any such holder regardless of any possible contention of the invalidity or inapplicability of the law, rule, regulation, agreement, guideline or other change or condition that shall have occurred or been imposed.

(e) *Illegality.*

(i) Notwithstanding any other provision of this Agreement, if, after the date of this Agreement, any change in any law or regulation or in the interpretation thereof by any Governmental Authority charged with the administration or interpretation thereof shall make it unlawful for any holder of a Note to make or maintain any Revolving Note Advance or hold any Term Note or to give effect to its obligations as contemplated hereby with respect to any Revolving Note Advance or Term Note, then (x) such holder shall promptly notify the Company in writing of such circumstances (which notice shall be withdrawn when such holder determines that such circumstances no longer exist), (y) the obligation of such holder to make or maintain Revolving Note Advances or hold Term Notes shall forthwith be canceled until such time as it shall no longer be unlawful for such holder to make or maintain Revolving Note Advances or hold Term Notes and, until such time, such holder may require that the interest rate applicable to the Revolving Note Advances and the Term Notes be automatically be converted from Adjusted Term SOFR plus the Applicable Margin to the Prime Rate plus the Applicable Margin as provided in clause (ii) below.

(ii) For purposes of this Section 2.5(e), a notice to the Company by any holder of a Note shall be effective as to Revolving Advances made by such holder and Term Notes held by such holder if lawful, on the last day of the Interest Period or Interest Periods currently applicable to such Revolving Advances and Term Notes; in all other cases such notice shall be effective on the date of receipt by the Company. If any such conversion of the interest rate applicable to a Revolving Note Advance or a Term Note from Adjusted Term SOFR plus the Applicable Margin to the Prime Rate plus the Applicable Margin occurs on a day which is not the last day of the then current Interest Period with respect thereto, the Company shall pay to such holder such amounts, if any, as may be required pursuant to Section 2.5(c).

(f) *Inability to Determine Interest Rate.*

(i) If any holder determines (which determination shall be conclusive and binding on the Company absent manifest error) that:

(A) Adjusted Term SOFR cannot be determined pursuant to the definition thereof; or

(B) for any reason, Adjusted Term SOFR for any requested Interest Period does not adequately and fairly reflect the cost to such holder for making or maintaining a Revolving Note Advance or maintaining a Term Note,

such holder will promptly so notify the Company. Thereafter, the obligation of such holder to make or maintain Revolving Note Advances and Term Notes shall be suspended (to the extent of the affected Revolving Note Advances, Term Notes or Interest Periods) and the interest rate applicable to the affected Revolving Note Advances and Term Notes shall be deemed to be converted from Adjusted Term SOFR plus the Applicable Margin to the Prime Rate plus the Applicable Margin.

Section 2.6 Benchmark Replacement.

(a) *Benchmark Replacement*. Notwithstanding anything to the contrary herein or in any other Note Document, upon the occurrence of a Benchmark Transition Event, the Required Holders and the Company may amend this Agreement to replace the then-current Benchmark with a Benchmark Replacement. No replacement of a Benchmark with a Benchmark Replacement pursuant to this Section 2.6 will occur prior to the applicable Benchmark Transition Start Date.

(b) *Benchmark Replacement Conforming Changes*. In connection with the use, administration, adoption or implementation of a Benchmark Replacement, the Required Holders will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Note Document, any amendments implementing such

Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Note Document.

(c) *Notices; Standards for Decisions and Determinations.* The Required Holders will promptly notify the Company and the holders of (i) the implementation of any Benchmark Replacement and (ii) the effectiveness of any Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement. The Required Holders will notify the Company of (x) the removal or reinstatement of any tenor of a Benchmark pursuant to Section 2.6(d) and (y) the commencement of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Required Holders pursuant to this Section 2.6, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in their sole discretion and without consent from any other party to this Agreement or any other Note Document, except, in each case, as expressly required pursuant to this Section 2.6.

(d) *Unavailability of Tenor of Benchmark*. Notwithstanding anything to the contrary herein or in any other Note Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including the Term SOFR Reference Rate) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Required Holders in their reasonable discretion or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is not or will not be representative, then the Required Holders may modify the definition of "Interest Period" (or any similar or analogous definition) for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is not or will not be representative for a Benchmark (including a Benchmark Replacement), then the Required Holders may modify the definition of "Interest Period" (or any similar or analogous definition) for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(e) *Benchmark Unavailability Period*. Upon the Company's receipt of notice of the commencement of a Benchmark Unavailability Period, the interest rate applicable to the Revolving Notes and the Term Notes shall be deemed to have converted from Adjusted Term SOFR plus the Applicable Margin to the Prime Rate plus the Applicable Margin.

Section 2.7 Fees.

(a) *Structuring Fee*. In consideration for the time, effort and expense involved in the preparation, negotiation and execution of this Agreement, within two Business Days after Closing the Company will pay a non-refundable fee in U.S. Dollars equal to 2.50% of the Borrowing Base at Closing (the "**Structuring Fee**"), such fee being U.S. $3,000,000 in aggregate, to the Purchasers in immediately available funds, apportioned among them based on their Applicable Percentages of the Notes.

(b) *Administrative Fee*. Within two Business Days after Closing, and yearly in advance on each annual anniversary thereof, the Company shall pay a non-refundable fee of U.S.

$100,000 in aggregate, to the holders in immediately available funds, apportioned among them based on their Applicable Percentages of the Notes.

(c) *Unused Fee – Revolving Facility*. On each Payment Date, commencing with June 30, 2023 for the period from the Closing to such Payment Date, the Company shall pay to each holder, in immediately available funds credited to such holder's account, a non-refundable fee in U.S. Dollars (the "**Unused Fee**") based on the lesser of such holder's (i) Revolving Commitments and (ii) Applicable Percentage of the Borrowing Base, in either case for the applicable calendar quarter ending on such Payment Date (or portion thereof) computed at the Unused Fee Rate (computed on the basis of the actual number of days elapsed in a year of 360 days), on the amount, if any, by which the average daily balance of the Revolving Note Advances owed to such holder in such calendar quarter (or portion thereof) was less than 100% of the lesser of such holder's (A) Revolving Commitments and (B) Applicable Percentage of the Borrowing Base, in either case during such calendar quarter (or portion thereof). If any Unused Fee is not paid when due, interest thereon at the Default Rate shall be payable from and including the due date thereof until such fee is paid. For certainty, the Unused Fee shall begin accruing on Closing.

(d) *Undrawn Fee – Delayed Draw Term Notes*. On each Payment Date, commencing with June 30, 2023 for the period from the Closing to such Payment Date, the Company shall pay to each Purchaser of Delayed Draw Term Notes, in immediately available funds credited to such holder's account, a non-refundable fee in U.S. Dollars (the "**Undrawn Fee**") computed at the Undrawn Fee Rate (computed on the basis of the actual number of days elapsed in a year of 360 days), on the amount, if any, by which the average daily balance of the Delayed Draw Term Notes owed to such holder in such calendar quarter (or portion thereof) was less than 100% of the Delayed Draw Commitment. If any Undrawn Fee is not paid when due, interest thereon at the Default Rate shall be payable from and including the due date thereof until such fee is paid. For certainty, the Undrawn Fee shall begin accruing on the date of the Closing, and will cease to accrue on the date that is the earlier of (x) the date that the Delayed Draw Commitment is fully drawn and (y) the last day of the Delayed Draw Issuance Period.

SECTION 3 BORROWING BASE.

Section 3.1 Borrowing Base Standards.

(a) The determination of the Borrowing Base will be made in accordance with then current practices, economic and pricing parameters, methodology, assumptions, and customary procedures and standards established by each holder from time to time for its petroleum industry customers, including (i) an analysis of such reserve and production data with respect to all of the Proved Oil and Gas Properties of the Note Parties as is provided to the holders in accordance herewith, (ii) an analysis of the assets, liabilities, cash flow, business, properties, prospects, management and ownership of the Note Parties, (iii) the Note Parties' Hedging Transactions and the status (or lack thereof) of any provider of Hedging Transactions as an Approved Hedging Agreement Counterparty, and (iv) such other credit factors consistently applied as each holder customarily considers in evaluating similar oil and gas facilities.

(b) The Company and the holders acknowledge that, due to the uncertainties of the oil and gas extraction process, the Oil and Gas Properties of the Note Parties are not subject to evaluation with a high degree of accuracy and are subject to potential rapid deterioration in value, the determination of the amount of the Borrowing Base will be less than the total present value of the Proved Oil and Gas Properties of the Note Parties, which the Company acknowledges to be essential for the adequate protection of the holders. Without limiting the foregoing, the Required Holders may exclude from the Borrowing Base any oil and gas reserves or portion of production therefrom or any income from any other property, at any time, because title information is not satisfactory to the Required Holders, acting reasonably, or such oil and gas reserves are not in "pay" status.

(c) The Borrowing Base shall initially be U.S. $120,000,000 on the date hereof.

(d) The Borrowing Base shall be expressed in U.S. Dollars. To the extent any monetary values or other inputs in the determination of the Borrowing Base are expressed in Canadian Dollars, the U.S. Dollar Equivalent thereof on the Business Day prior to applicable date of determination of the Borrowing Base shall be used, which exchange rate shall, for these purposes, remain unchanged until the next determination of the Borrowing Base.

Section 3.2 Periodic Determinations of Borrowing Base.

(a) The Required Holders shall make a re-determination of the Borrowing Base within 45 days following receipt of (1) the Reserve Report required to be delivered on or before March 31 of each year pursuant to Section 7.1(h)(i), (2) the Reserve Report required to be delivered on or before September 30 of each year pursuant to Section 7.1(h)(ii), (3) within 45 days of any Reserve Report provided at the request of the Required Holders pursuant to Section 7.1(h)(iii) and (4) within 45 days after the provision of a Reserve Report pursuant to Section 7.1(h)(iv). Subject to the other provisions of this Agreement, the re-determined Borrowing Base shall be the Borrowing Base until the effective date of the next redetermination as provided in this Section 3.

(b) In the event that the Company does not furnish to the holders a Reserve Report in accordance with Section 7.1(h)(i) or Section 7.1(h)(ii), then the Required Holders may nonetheless redetermine the Borrowing Base and redesignate the Borrowing Base from time to time thereafter in their sole discretion until they receive the relevant Reserve Report, whereupon the Required Holders shall redetermine the Borrowing Base as otherwise specified in this Section 3.

(c) In addition to the determinations described in the above clauses (a) and (b), the Required Holders may, by notifying the Company thereof, elect to cause an interim redetermination of the Borrowing Base any time (i) the Company Disposes of, whether in one Disposition or a series of Dispositions, Oil and Gas Properties, the Borrowing Base value of which exceeds five percent of the Borrowing Base then in effect, or (ii) any Commodity Hedging Transaction that has been taken into account in connection with the then current Borrowing Base is terminated and the Hedge Termination Value thereof determined in accordance therewith exceeds five percent of the Borrowing Base then in effect. Any redetermination of the Borrowing Base pursuant to this clause (c) shall be made in accordance with the standards set forth in Section 3.1 and the procedures set forth in Section 3.3. If a Borrowing Base Deficiency exists solely because of the reduction of the Borrowing Base pursuant to this clause (c), the Company shall promptly (and in any event within five days) repay an amount equal to the resulting Borrowing Base Deficiency in accordance with the final paragraph of Section 8.1.

Section 3.3 Confirmation of Borrowing Base.

Upon such redetermination of the Borrowing Base, the Required Holders and the Company shall execute a Borrowing Base Adjustment Letter.

Section 3.4 Borrowing Base Deficiency.

(a) If a Borrowing Base Deficiency exists because of a redetermination made pursuant to clauses (a) or (b) of Section 3.2, then the Required Holders shall send a Borrowing Base Deficiency Notice to the Company, and the Company shall repay an amount that would, if repaid immediately, reduce the sum of the aggregate Revolving Note Advances of all holders and the outstanding principal under the Term Notes to the amount of the Borrowing Base (with such repayments applied first to Revolving Note Advances and second to the outstanding principal under the Term Notes). The Company may make such repayment in one installment within 90 days after the Company's receipt of the Borrowing Base Deficiency Notice or, provided no Default or Event of Default has occurred and is continuing, in six equal consecutive monthly installments beginning within 30 days after the Company's receipt of the Borrowing Base Deficiency Notice and continuing on the same day of each month thereafter until no Borrowing Base Deficiency exists.

(b) During any time in which a Borrowing Base Deficiency exists, the Applicable Margin with respect to the outstanding principal amount of all Notes will be automatically increased by a rate equal to 2.00% (200 bps) per annum (provided that during any time when both a Borrowing Base Deficiency exists and the Default Rate is payable, only the Default Rate shall apply). For certainty, so long as the Company is complying with its obligations under Section 3.4(a), the mere existence of a Borrowing Base Deficiency will not constitute a Default or Event of Default under this Agreement.

SECTION 4 CONDITIONS TO CLOSING AND REVOLVING NOTE ADVANCES.

Each Purchaser's obligation to make the Initial Revolving Note Advance and to purchase and pay for the First Draw Term Notes on the Closing, and to purchase and pay for the Delayed Draw Term Notes on any Delayed Draw Closing, is subject is subject to the fulfillment to such Purchaser's satisfaction of the conditions specified in Section 4.1 to Section 4.15, inclusive and, with respect to each subsequent Revolving Note Advance, the further conditions specified in Section 4.16, and, with respect to the Delayed Draw Term Notes, the further conditions specified in Section 4.17.

Section 4.1 Representations and Warranties

The representations and warranties of the Note Parties in this Agreement and the other Note Documents to which it is a party shall be correct when made on the date of Closing, each Borrowing Date, and the date of any Delayed Draw Closing, unless stated to be made as of a specific date.

Section 4.2 Performance; No Default; No Material Adverse Effect.

Each Note Party shall have performed and complied with all agreements and conditions contained in the Note Documents required to be performed or complied with by it prior to or at the date of the Closing, each Borrowing Date, and the date of any Delayed Draw Closing, as applicable. Before and after giving effect to the issue and sale of the Notes (and the application of the proceeds of the Term Notes and the Initial Revolving Note Advance as contemplated by Section 5.14), no Default or Event of Default shall have occurred and be continuing. No Note Party shall have entered into any transaction since December

31, 2022 that would have been prohibited by Section 10. No event, occurrence or condition that has had, or could reasonably be expected to have, a Material Adverse Effect shall have occurred and be continuing.

Section 4.3 Compliance Certificates.

(a) *Officer's Certificate*. The Company shall have delivered to such Purchaser an Officer's Certificate, dated the date of the Closing, certifying that the conditions specified in Section 4.1, Section 4.2 and Section 4.9 have been fulfilled.

(b) *Corporate Certificate*. The Company shall have delivered to such Purchaser an Officer's Certificate of each Note Party, dated the date of the Closing, (i) certifying as to (A) the resolutions of the Note Party attached thereto and other organizational proceedings relating to the authorization, execution and delivery of the Note Documents to which it is a party, (B) the organizational documents of the Note Party as then in effect and (C) the incumbency of the Note Party's officers authorized to execute the Note Documents to which it is a party and such officers' specimen signatures, and (ii) attaching a recent certificate of good standing and existence (or its equivalent) from the jurisdiction of organization of the Note Party.

Section 4.4 Opinions of Counsel.

Such Purchaser shall have received opinions, dated the date of the Closing and the Delayed Draw Closing, as applicable (a) from (i) Dorsey & Whitney LLP, U.S. special counsel for the Company, and (ii) Lawson Lundell LLP, Canadian counsel for the Company and the Parent, substantially in the respective forms set forth in Schedules 4.4(a)(i) and 4.4(a)(ii) and covering such other matters incident to the transactions contemplated hereby as such Purchaser or its counsel may reasonably request (and the Company hereby instructs its counsel to deliver such opinions to the Purchasers), and (b) from Norton Rose Fulbright Canada LLP, the Purchasers' special counsel in connection with such transactions, substantially in the form set forth in Schedule 4.4(b) and covering such other matters incident to such transactions as such Purchaser may reasonably request, including the validity and enforceability of the Security with respect to Collateral and the due registration thereof (other than with respect to any fixed charges the registration of which cannot be confirmed as at Closing).

Section 4.5 Purchase Permitted By Applicable Law, Etc.

On the date of the Closing and any Delayed Draw Closing, as applicable, such Purchaser's purchase of the Notes shall (a) be permitted by the laws and regulations of each jurisdiction to which such Purchaser is subject, without recourse to provisions (such as section 1405(a)(8) of the New York Insurance Law) permitting limited investments by insurance companies without restriction as to the character of the particular investment, (b) not violate any applicable law or regulation (including Regulation T, U or X of the Board of Governors of the Federal Reserve System) and (c) not subject such Purchaser to any tax, penalty or liability under or pursuant to any applicable law or regulation. If requested by such Purchaser, such Purchaser shall have received an Officer's Certificate certifying as to such matters of fact as such Purchaser may reasonably specify to enable such Purchaser to determine whether such purchase and acceptance is so permitted.

Section 4.6 Sale of Other Notes.

Contemporaneously with the Closing and any Delayed Draw Closing, as applicable, the Company shall sell to each other Purchaser and each other Purchaser shall purchase the Notes to be purchased by it at such closing as specified in the Purchaser Schedule attached hereto as Schedule A.

Section 4.7 Payment of Fees.

(a) The Company shall have paid to the Purchasers, within two Business Days after Closing, the Structuring Fee due pursuant to Section 2.7(a) and the first year's Administrative Fee due pursuant to Section 2.7(b).

(b) Without limiting Section 16.1, the Company shall have paid on or before the Closing (or made Arrangements satisfactory to the Purchasers for such payment of) the fees, charges and disbursements of the Purchasers' special counsel referred to in Section 4.4(b) to the extent reflected in a statement of such counsel rendered to the Company at least one Business Day prior to the Closing.

Section 4.8 Private Placement Number.

A Private Placement Number issued by Standard & Poor's CUSIP Service Bureau (in cooperation with the SVO) shall have been obtained for the Revolving Notes and the Term Notes.

Section 4.9 Changes in Corporate Structure.

No Note Party shall have changed its jurisdiction of organization, nor been a party to any amalgamation, merger or consolidation nor succeeded to all or any substantial part of the liabilities of any other entity, since March 31, 2023.

Section 4.10 Request for Initial Revolving Note Advance; Funding Instructions for Term Notes

(a) With respect to the Initial Revolving Note Advance, each Purchaser shall have received a Request for Advance within the applicable time frame set forth in Section 2.5.

(b) With respect to the Term Notes, at least three Business Days prior to the date of Closing or Delayed Draw Closing, as applicable, each Purchaser shall have received written instructions signed by a Responsible Officer on letterhead of the Company including (i) the name and address of the transferee bank, (ii) such transferee bank's ABA number, (iii) the account name and number into which the purchase price for the Term Notes is to be deposited, and (iv) an individual contact and phone number for a representative of the Company and a representative of the transferee bank.

Section 4.11 Proceedings and Documents.

All corporate proceedings necessary to authorize the respective Note Parties to enter into and perform their obligations under the transactions contemplated by this Agreement and the other Note Documents shall have been duly adopted, and such Purchaser and its special counsel shall have received all such counterpart originals or certified or other copies of documents evidencing the same as such Purchaser or such special counsel may reasonably request.

Section 4.12 Closing Transactions.

(a) The Subordinated Note Agreement shall have become effective and the Company shall have received, prior to or concurrently with Closing, U.S. $30,000,000 in gross proceeds from the issuance of notes pursuant to the Subordinated Note Agreement.

(b) The Company shall have unconditionally received, prior to Closing, the Parent Capital

Contribution, or arrangements satisfactory to the Purchasers shall be in place to ensure the Company will receive the Parent Capital Contribution concurrently with Closing.

(c) The Senior Swap Agreements shall have been executed and delivered by the parties thereto, implementing the Commodity Hedging Transactions required to be in place at Closing pursuant to Section 9.9, prior to or concurrently with Closing.

(d) The Existing Credit Facilities shall have been repaid in full, and the Existing Credit Agreement and all commitments to lend thereunder terminated, and all security granted in respect thereof shall have been released prior to Closing, or arrangements satisfactory to the Purchasers shall be in place to ensure the foregoing occurs concurrently with Closing.

Section 4.13 Environmental Reports.

Such Purchaser shall have received copies of all of the most recent environmental certificates and reports with respect to environmental audits available to the Note Parties with respect to their respective real properties now or formerly owned, leased or operated by any of them.

Section 4.14 Certain Documents.

Such Purchaser shall have received the following:

(a) the Notes to be purchased by such Purchaser dated the date of Closing, duly executed and delivered by the Company;

(b) the Limited Recourse Parent Guarantee;

(c) a debenture from each Note Party in the amount of U.S. $250,000,000 in favour of the Senior Collateral Agent providing for a charge over all of its present and after-acquired real and personal property, to be registered in all appropriate jurisdictions, and the Company covenants that upon request of the Required Holders given in accordance with Section 9.7(c), it will, and will cause each other Note Party to, forthwith execute and deliver to and in favour of the Senior Collateral Agent additional fixed security on its property, as selected by the Required Holders in their sole discretion;

(d) (i) the Share Pledge (accompanied by the original share certificates of the Company and stock powers of attorney to transfer shares in respect thereof) and (ii) the Assignment of Intercompany Debt;

(e) a blocked account agreement with respect to each bank account and securities account that any Note Party has with the Account Bank in favour of the Senior Collateral Agent, pursuant to which the Account Bank agrees to comply with instructions from the Senior Collateral Agent, without further consent from the Note Party;

(f) the Senior Intercreditor Agreement;

(g) an Oil and Gas Ownership Certificate;

(h) an Environmental Certificate;

(i) the Closing Title Report;

(j) the Initial Reserve Report, accompanied by a determination of Adjusted PV10 as of the date thereof, certified by a Responsible Officer, in form and substance reasonably satisfactory to such Purchaser;

(k) documentation concerning each Note Party's deposits (if any) required with the Alberta Energy Regulator regarding its licensee liability rating, a certified by a Responsible Officer;

(l) a copy of the Subordinated Note Agreement and the Notes (each as defined in the Subordinated Note Agreement), duly executed and delivered by the parties thereto, in form and substance reasonably satisfactory to such Purchaser, and all other material agreements or documents to be executed or delivered thereunder or in connection therewith;

(m) a copy of the documents effecting the Parent Capital Contribution;

(n) a copy of the Hedging Agreements implementing the Commodity Hedging Transactions required to be in place at Closing pursuant to Section 9.9, duly executed and delivered by the parties thereto, such Commodity Hedging Transactions and Hedging Agreements, and each other Hedging Transaction implemented by a Note Party and in effect at as Closing, shall be in form and substance satisfactory to such Purchaser;

(o) evidence satisfactory to such Purchaser that the Company has engaged an advisor acceptable to the Purchasers with respect to each Note Party's hedging activities;

(p) evidence of the completion of all such actions as such Purchaser shall require to perfect the Liens created pursuant to the Senior Security, including (A) the delivery to the Senior Collateral Agent of all property with respect to which possession is necessary or desirable for the purpose of perfecting such Liens, and (B) with respect to Collateral in Alberta covered by the Senior Security, (I) the recording of the Senior Security in the appropriate jurisdictions, or the making of arrangements satisfactory to such Purchaser for such recordings, and (II) the payment of all recording fees and all other costs related to such recordings, or the making of arrangements satisfactory to such Purchaser of such payments;

(q) [Reserved]

(r) Personal Property Registry, litigation and bankruptcy searches with respect to each Note Party in Alberta which (A) confirm that no Liens exist on the Collateral other than (x) Liens that will be released on or before the date of the Closing and (y) Permitted Encumbrances, and that no Note Party is subject to any litigation the existence of which is a Default hereunder, nor any bankruptcy proceeding, and (B) be otherwise in substance satisfactory to such Purchaser;

(s) a copy of each of the Material Contracts, in each case including all amendments or modifications thereto, to which any Note Party is a party or otherwise bound;

(t) the reports, documents and listings referred to in clauses (f) (*production and operating reports*), (g) (*annual budget/forecast*), (j) (*hedging reports*) and (p)(ii)(*property description*) of Section 7.1 current to a date acceptable to such Purchaser;

(u) the Initial Capital Plan;

(v) evidence satisfactory to the Purchasers relating to the acceptability of each Note Party's transport and marketing arrangements for its petroleum and natural gas/liquids production;

(w) evidence satisfactory to such Purchaser that the Note Parties have in place the insurance coverage required by Section 9.2;

(x) (A) the Sources and Uses, and (B) an Undertaking with Respect to Note Proceeds from the Account Bank, addressed to the Company, the Purchasers, the Subordinated Noteholders, and Third Eye Capital Corporation as agent for the lenders under the Existing Credit Agreement, specifying the currency conversions and funds movements to be transacted in implementing the Sources and Uses at Closing;

(y) a Payout, Release and Discharge of Third Eye Capital Corporation as agent for the lenders under the Existing Credit Facilities circulated to (among others) the Company and the Purchasers in escrow pending completion of the funding transactions specified in the undertaking letter referred to in clause (x) above);

(z) a copy of the documents creating or evidencing the Intercompany Debt in effect as at the Closing, including any amendments or modifications thereof;

(aa) the Subordination and Postponement Agreement;

(bb) the Parent TEC Subordination and Postponement Agreement; and

(cc) all other documents and agreements reasonably requested by such Purchaser prior to the Closing or any Delayed Draw Closing, as applicable, in connection with the transactions contemplated hereby.

Section 4.15 Due Diligence Matters

Such Purchaser shall have satisfactorily completed its due diligence and background checks on each Note Party and its management.

Section 4.16 Conditions to each other Revolving Note Advance.

Each holder's obligation to make each Revolving Note Advance (other than the Initial Revolving Note Advance) is subject to the fulfillment to the satisfaction of such holder, prior to the applicable Borrowing Date, of the following conditions:

(a) *Representations and Warranties*. The representations and warranties of each Note Party in this Agreement and the other Note Documents shall be correct when made and as of such Borrowing Date, unless stated to be made as of a specific date.

(b) *No Default.* Before and after giving effect to such Revolving Note Advance, no Default or Event of Default shall have occurred and be continuing.

(c) *Officer's Certificate*. The Company shall have delivered to such holder an Officer's Certificate, dated as of such Borrowing Date, certifying that (i) the conditions specified in Section 4.16(a), Section 4.16(b) and Section 4.16(d) have been fulfilled.

(d) *No Material Adverse Effect.* No event, occurrence or condition that has had, or could reasonably be expected to have, a Material Adverse Effect shall have occurred and be continuing.

(e) *Collateral*. The Note Obligations shall be secured by a perfected first priority Lien (other than Permitted Encumbrances) on the Collateral in favour of the Senior Collateral Agent for the benefit of the holders of Notes.

(f) *Request for Advance*. The holders shall have received a Request for Advance for such Revolving Note Advance in accordance with the requirements of Section 2.5, in an amount equal to or less than the Borrowing Base in effect (minus the aggregate outstanding principal under the Term Notes) at the time such Request for Advance is delivered to each Purchaser.

Section 4.17 Conditions to Purchase of Delayed Draw Term Notes.

The obligation of each Purchaser of a Delayed Draw Term Note to purchase Delayed Draw Notes is subject to the fulfillment to the satisfaction of such holder, prior to the date of the applicable Delayed Draw Closing, of the following conditions:

(a) *Representations and Warranties*. The representations and warranties of each Note Party in this Agreement and the other Note Documents shall be correct when made and as of such Delayed Draw Closing, unless stated to be made as of a specific date.

(b) *No Default.* Before and after giving effect to such purchase, no Default or Event of Default shall have occurred and be continuing.

(c) *Officer's Certificate*. The Company shall have delivered to such holder an Officer's Certificate, dated as of the Delayed Draw Closing, certifying that (i) the conditions specified in Section 4.17(a), Section 4.17(b) and Section 4.17(d) have been fulfilled.

(d) *No Material Adverse Effect.* No event, occurrence or condition that has had, or could reasonably be expected to have, a Material Adverse Effect shall have occurred and be continuing.

(e) *Collateral*. The Note Obligations shall be secured by a perfected first priority Lien (other than Permitted Encumbrances) on the Collateral in favour of the Senior Collateral Agent for the benefit of the holders of Notes.

(f) *Request for Purchase*. Such Purchasers shall have received a Request for Purchase for such Delayed Draw Term Notes in accordance with the requirements of Section 2.2(c), in an amount equal to or less than the Borrowing Base in effect (minus the aggregate outstanding principal under the Revolving Notes and the First Draw Term Notes) at the time such Request for Purchase is delivered to each Purchaser, and the Purchasers shall have accepted such request in accordance with the requirements of Section 2.2(c)(iii).

(g) *Use of Proceeds*. Such Purchasers shall be satisfied that the proceeds of the Delayed Draw Term Notes shall be utilized for the initiation and turnaround of the Company's sour gas plant at Waterton, Alberta as set out in the Request for Purchase therefor.

SECTION 5 REPRESENTATIONS AND WARRANTIES OF THE COMPANY.

The Company represents and warrants to each Purchaser, on the date of Closing, each Borrowing Date, and the date of the Delayed Draw Closing, that:

Section 5.1 Organization; Power and Authority.

Each Note Party is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of formation. Each Note Party has the corporate power and capacity to own or hold under lease the properties it purports to own or hold under lease, to transact the business it transacts and proposes to transact, and to execute and deliver this Agreement and the Notes and to perform its obligations thereunder.

Section 5.2 Authorization, Etc.

This Agreement, the Notes and each other Note Document to which it is a party have been duly authorized by all necessary corporate action on the part of the applicable Note Party, and each constitutes legal, valid and binding obligations of such Note Party, enforceable against such Note Party in accordance with its terms, except as such enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

Section 5.3 Disclosure.

This Agreement and the documents, certificates or other writings delivered to the Purchasers by or on behalf of any Note Party on or prior to the date of Closing, each Borrowing Date, and the date of the Delayed Draw Closing, as applicable, in connection with the transactions contemplated hereby and identified in Schedule 5.3 (this Agreement and such documents, certificates or other writings delivered to each Purchaser being referred to, collectively, as the "**Disclosure Documents**"), taken as a whole, do not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading in light of the circumstances under which they were made. With respect to any Borrowing Date after Closing, and with respect to the date of the Delayed Draw Closing, since the Closing there has been no change in the financial condition, operations, business, properties or prospects of the Note Parties, except changes that could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. No Note Party has Knowledge of any fact that could reasonably be expected to have a Material Adverse Effect that has not been set forth herein or in the Disclosure Documents.

Section 5.4 Organization and Ownership of Shares of Note Parties; Affiliates.

(a) Schedule 5.4 contains complete and correct lists of (i) the Company's Subsidiaries, showing, as to each Subsidiary, the name thereof, the jurisdiction of its organization, the percentage of shares of each class of its capital stock or similar Equity Interests outstanding owned by the Company (ii) the Company's Affiliates, other than Subsidiaries, (iii) the Company's directors and senior officers.

(b) All of the outstanding Equity Interests of the Company have been validly issued, are fully paid and non-assessable and are owned by the Parent free and clear of any Liens.

(c) Except for restrictions imposed under the Note Documents and the Subordinated Note Documents, no Note Party is subject to any legal, regulatory, contractual or other restriction restricting the ability of such Note Party to pay dividends out of profits or make any other similar distributions of profits to any Person that owns outstanding shares of capital stock or similar Equity Interests of such Note Party or restricting the ability of the Note Party to transfer any Equity Interests of any of its Subsidiaries.

Section 5.5 Material Liabilities; Material Contracts.

(a) No Note Party has any Material liabilities that are not disclosed in the Disclosure Documents.

(b) No Note Party is party to, or otherwise subject to or bound by, any Gas Balancing Agreements or any obligations constituting Production Payments or Prepaid Obligations.

(c) Schedule 5.5 contains a complete listing of all Material Contracts, including all amendments or modifications thereto, to which any Note Party is a party or otherwise bound.

Section 5.6 Compliance with Laws, Other Instruments, Etc.

The execution, delivery and performance by the Company of this Agreement, the Notes and the other Note Documents to which it is a party, and the execution, delivery and performance by each other Note Party of the Note Documents to which it is a party, will not (i) contravene, result in any breach of, or constitute a default under, or result in the creation of any Lien (excluding Liens created under the Note Documents) in respect of any property of any Note Party under, any indenture, mortgage, deed of trust, loan, purchase or credit agreement, lease, corporate charter, regulations or by-laws, shareholders agreement or any other agreement or instrument to which such Note Party is bound or by such Note Party or any of its respective properties may be bound or affected, (ii) conflict with or result in a breach of any of the terms, conditions or provisions of any order, judgment, decree or ruling of any court, arbitrator or Governmental Authority applicable to a Note Party or (iii) violate any provision of any statute or other rule or regulation of any Governmental Authority applicable to a Note Party.

Section 5.7 Governmental Authorizations, Etc.

No consent, approval or authorization of, or registration, filing or declaration with, any Governmental Authority is required in connection with the execution, delivery or performance by the Company of this Agreement, the Notes and the other Note Documents to which it is a party, or by each other Note Party of the Note Documents to which it is a party, except for the filing and registration of financing statements and any other instruments required to perfect the Liens created by the Senior Security.

Section 5.8 Litigation; Observance of Agreements, Statutes and Orders.

(a) There are no actions, suits, investigations or proceedings pending or, to the best knowledge of any Note Party, threatened against or affecting any Note Party or any property of any Note Party in any court or before any arbitrator of any kind or before or by any Governmental Authority which, if determined adversely to any Note Party, could reasonably be expected to result in a Material Adverse Effect.

(b) No Note Party is (i) in default under any agreement or instrument to which it is a party or by which it is bound, (ii) in violation of any order, judgment, decree or ruling of any court, any arbitrator of any kind or any Governmental Authority or (iii) in violation of any applicable law, ordinance, rule or regulation of any Governmental Authority (including Environmental Laws, the USA PATRIOT Act or any of the other laws and regulations that are referred to in Section 5.16), in the case of clause (i) where such default or violation could reasonably be expected to have a Material Adverse Effect.

Section 5.9 Taxes.

(a) Each Note Party has filed all Tax returns that are required to have been filed, and have paid, or made provisions in accordance with GAAP for, all Taxes shown to be due and payable on such returns and all other Taxes and assessments levied upon them or their properties, assets, income or franchises, to the extent such Taxes and assessments have become due and payable and before they have become delinquent, except for any Taxes and assessments (i) the amount of which, individually or in the aggregate, is not Material or (ii) the amount, applicability or validity of which is currently being contested in good faith by appropriate proceedings and with respect to which the applicable Note Party has established adequate reserves in accordance with GAAP. The Company has no Knowledge of any basis for any other Tax or assessment that could, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The charges, accruals and reserves on the books of the Note Parties in respect of federal, provincial, state or other Taxes for all fiscal periods are adequate.

(b) No liability for any Tax, directly or indirectly, imposed, assessed, levied or collected by or for the account of any Governmental Authority of Canada or any political subdivision thereof will be incurred by any Note Party or any holder of a Note solely as a result of the execution or delivery of this Agreement or any other Note Document. The Company is permitted to make all payments of interest on, or in respect of, the principal amount of the Notes and interest on such interest, Breakage Cost Obligations and interest thereon, and the principal amount of the Notes (in each case, a "**Payment**") to a holder free and clear of and without deduction for or on account of any Taxes imposed by Canada, Alberta or any other applicable Governmental Authority in any jurisdiction in which the Company carries on business or from which Payments are made, or by any taxing authority thereof (collectively, "**Imposed Taxes**"), and any such Payments as are owing or payable or which become owing or payable by and are paid to a holder will not presently be subject to any Imposed Taxes, <u>provided</u> that for the purposes of this Section 5.9(b):

(i) such holder and the beneficial owner of the Notes is a non-resident of Canada within the meaning of the *Income Tax Act* (Canada);

(ii) such holder does not use the Notes in, or hold the Notes in the course of, carrying on business in Canada, and is not deemed to use the Notes in connection with a business carried on in Canada for the purposes of the *Income Tax Act* (Canada), and if such holder carries on an insurance business in Canada and elsewhere, it establishes that the debt evidenced by the Note is neither "designated insurance property" (as defined in subsection 138(12) of the *Income Tax Act* (Canada) and Regulation 2401(1), as amended or substituted from time to time), nor effectively connected with the insurance business it carries on in Canada;

(iii) the holder deals at arm's length with the Company for the purposes of the *Income Tax Act* (Canada);

(iv) the holder is not a "specified non-resident shareholder" (as defined in subsection 18(5) of the *Income Tax Act* (Canada) and does not deal at non-arm's length with any person that is a specified non-resident shareholder of the Company; and

(v) Inposed Taxes shall not include any Tax imposed pursuant to FATCA.

Section 5.10 Title to Property; Leases.

(a) As of the date hereof, the Company has no Subsidiaries.

(b) The Note Parties have good and sufficient title to their respective properties that individually or in the aggregate are Material, free and clear of Liens other than Permitted Encumbrances, and free and clear of defects in title, other than Immaterial Title Deficiencies. After giving full effect to any Liens permitted pursuant to this Agreement on such property, (i) the Company owns the net interests in production attributable to Hydrocarbons on such property as reflected in the Initial Reserve Report, and the ownership of such Hydrocarbons do not in any material respect obligate it to bear the costs and expenses relating to the maintenance, development and operations of such Hydrocarbons in an amount in excess of the working interest of such property set forth in the Initial Reserve Report, (ii) the Company owns the Processing Facilities as to the undivided ownership interests specified in the definition thereof, and (iii) the Parent does not own or hold any interest in any of the Hydrocarbons or facilities referred to in the foregoing clauses (i) and (ii) .

(c) All leases and permits of the Note Parties that individually or in the aggregate are Material are valid and subsisting and are in full force and effect in all material respects, and there exists no default or event or circumstance that with the giving of notice or the passage of time or both would give rise to a default under any such lease or permit which could reasonably be expected to result in the termination or revocation of such lease or permit or otherwise deprive the applicable Note Party of any substantial part of the benefit of such lease or permit.

(d) All of the assets of the Note Parties that are Material and reasonably necessary for the operation of their businesses are in good working condition, ordinary wear and tear excepted, and are maintained in accordance with Prudent Business Practice.

(e) No Note Party carries on business in any jurisdiction other than Alberta, British Columbia and Saskatchewan.

(f) No Note Party is registered as an extra-provincial or extra-territorial entity in any jurisdiction other than Alberta, British Columbia and Saskatchewan.

(g) No Note Party owns any Material assets outside of Alberta, British Columbia and Saskatchewan.

(h) The chief executive office of each Note Party is located in Calgary, Alberta.

Section 5.11 Licenses, Permits, Etc.

(a) Each Note Party owns or possesses all licenses, permits, franchises, authorizations, patents, copyrights, proprietary software, service marks, trademarks and trade names, or rights thereto which are Material to the conduct of its business without known conflict with the rights of others, provided that the Purchasers acknowledge the circumstances of AER Proceeding 410 as disclosed and risk-assessed by the Company.

(b) To the Knowledge of each of the Note Parties, no product or service of the Note Parties which is Material to the conduct of its business infringes in any material respect any license, permit, franchise, authorization, patent, copyright, proprietary software, service mark, trademark, trade name or other right owned by any other Person.

(c) To the Knowledge of the Note Parties, there is no Material violation by any Person of any right of the Note Parties with respect to any license, permit, franchise, authorization, patent, copyright, proprietary software, service mark, trademark, trade name or other right owned or used by any of the Note Parties which is Material to the conduct of their business.

Section 5.12 No Employee Benefit Plans.

(a) No Note Party has established, maintains, contributes to or is obligated to establish, maintain or contribute to, or has at any time established, maintained, contributed to or been obligated to establish, maintain or contribute to, any employee benefit plan which is subject to Part 3 of Subtitle B of Title I of ERISA, or Title IV of ERISA, or section 4975 of the Code (a "**U.S. Plan**"). No Note Party is, or has ever been at any time, a "party in interest" (as defined in section 3(14) of ERISA) or a "disqualified person" (as defined in section 4975 of the Code) with respect to any U.S. Plan.

(b) No Note Party or Affiliate of any Note Party has established, maintained or contributed to any Non-U.S. Plan.

Section 5.13 Private Offering by the Company.

Neither the Company nor anyone acting on its behalf has offered any Notes or any similar Securities for sale to, or solicited any offer to buy any Notes or any similar Securities from, or otherwise approached or negotiated in respect thereof with, any Person other than the Purchasers and not more than five other Institutional Accredited Investors, each of which has been offered the Notes at a private sale for investment. Neither the Company nor anyone acting on its behalf has taken, or will take, any action that would subject the issuance or sale of the Notes to the registration requirements of the Securities Act or to the registration or qualification requirements. of any Securities or blue sky laws of any applicable jurisdiction.

Section 5.14 Use of Proceeds; Margin Regulations.

The Company will apply the proceeds of the sale of the Revolving Notes and the First Draw Term Notes to (a) repay (together with the proceeds of the Parent Capital Contribution and the Subordinated Notes) the Existing Credit Facilities, (b) fund drilling, development and other capital expenditures in accordance with the Capital Plan most recently approved by the Required Holders, (c) pay transaction fees and expenses and (d) for working capital and other general corporate purposes. The Company will apply the proceeds of the Delayed Draw Term Notes to pay costs and expenses associated with the initiation and turnaround of the Company's sour gas plant at Waterton, Alberta, as more particularly set out in the applicable Request for Purchase. No part of the proceeds from the sale of the Notes hereunder will be used to fund any deposits required by the Energy Regulator, or to amortize any of the Term Notes, or will be used, directly or indirectly, for the purpose of buying or carrying any margin stock within the meaning of Regulation U of the Board of Governors of the Federal Reserve System (12 CFR 221), or for the purpose of buying or carrying or trading in any Securities under such circumstances as to involve the Company in a violation of Regulation X of said Board (12 CFR 224) or to involve any broker or dealer in a violation of Regulation T of said Board (12 CFR 220). Margin stock does not constitute any of the value of the consolidated assets of the Note Parties and the Company does not have any present intention that margin stock will constitute any of the value of such assets. As used in this Section, the terms "**margin stock**" and "**purpose of buying or carrying**" shall have the meanings assigned to them in said Regulation U.

Section 5.15 Existing Indebtedness; Future Liens.

(a) Schedule 5.15 sets forth a complete and correct list of all outstanding Indebtedness of the Note Parties having a principal amount outstanding in excess of Cdn. $1,000,000 as of the date of Closing and the repayment of any Existing Indebtedness which is to be repaid concurrently with Closing as contemplated by Section 4.12(d) (including descriptions of the obligors and obligees, principal amounts outstanding, any collateral therefor and any Guarantee thereof). No Note Party is in default and no waiver of default is currently in effect, in the payment of any principal or interest on any such Indebtedness of such Note Party and no event or condition exists with respect to any such Indebtedness of any Note Party that would permit (or that with notice or the lapse of time, or both, would permit) one or more Persons to cause any such Indebtedness to become due and payable before its stated maturity or before its regularly scheduled dates of payment.

(b) Except for Permitted Encumbrances and Section 10.13 of the Subordinated Note Agreement, and except for any Liens securing Existing Indebtedness as in effect on the date of this Agreement and which will be released upon the payout thereof on Closing as contemplated by Section 4.12(d), no Note Party has agreed or consented to cause or permit any of its property, whether now owned or hereafter acquired, to be subject to a Lien that secures Indebtedness or to cause or permit in the future (upon the happening of a contingency or otherwise) any of its property, whether now owned or hereafter acquired, to be subject to a Lien that secures Indebtedness.

(c) Except for this Agreement, the Subordinated Note Agreement and the Intercreditor Agreement, no Note Party is a party to, or otherwise subject to any provision contained in, any instrument evidencing Indebtedness of such Note Party, any agreement relating thereto or any other agreement (including its charter or any other organizational document) which limits the amount of, or otherwise imposes restrictions on the incurring by the Note Parties of the Indebtedness to be incurred under this Agreement.

Section 5.16 Foreign Assets Control Regulations, Etc.

(a) Neither the Company nor any Controlled Entity (i) is a Blocked Person, (ii) has been notified that its name appears or may in the future appear on a State Sanctions List, (iii) is a target of sanctions that have been imposed by the United Nations or the European Union, (iv) has any investment in, or knowingly engages in any dealings or transactions with, any Blocked Person, or (v) is, to the Knowledge of the Company, in possession or control of any property or entity that is owned or controlled by a Blocked Person.

(b) Neither the Company nor any Controlled Entity (i) has violated, been found in violation of, or been charged or convicted under, any applicable Economic Sanctions Laws, Anti-Money Laundering Laws or Anti-Corruption Laws or (ii) to the Company's Knowledge, is under investigation by any Governmental Authority for possible violation of any Economic Sanctions Laws, Anti-Money Laundering Laws or Anti-Corruption Laws.

(c) No part of any Revolving Note Advance or the proceeds of the sale of the Term Notes:

(i) constitutes or will constitute funds obtained on behalf of any Blocked Person or will otherwise be used by the Company or any Controlled Entity, directly or indirectly, (A) in connection with any investment in, or any transactions or dealings with, any Blocked Person, (B) for any purpose that would cause any Purchaser to be in violation of any Economic Sanctions Laws or (C) otherwise in violation of any Economic Sanctions Laws;

(ii) will be used, directly or indirectly, in violation of, or cause any Purchaser to be in violation of, any applicable Anti-Money Laundering Laws; or

(iii) will be used, directly or indirectly, for the purpose of making any improper payments, including bribes, to any Governmental Official or commercial counterparty in order to obtain, retain or direct business or obtain any improper advantage, in each case which would be in violation of, or cause any Purchaser to be in violation of, any applicable Anti-Corruption Laws.

(d) Each Note Party has established procedures and controls which it reasonably believes are adequate (and otherwise comply with applicable law) to ensure that the Company and each Controlled Entity is and will continue to be in compliance with all applicable Economic Sanctions Laws, Anti-Money Laundering Laws and Anti-Corruption Laws.

Section 5.17 Status under Certain Statutes.

No Note Party is subject to regulation under the U.S. Investment Company Act of 1940, the U.S. Public Utility Holding Company Act of 2005, the U.S. ICC Termination Act of 1995, or the U.S. Federal Power Act.

Section 5.18 Environmental Matters

(a) No Note Party has Knowledge of any claim or has received any notice of any claim and no proceeding has been instituted asserting any claim against any Note Party or any of its real properties or other assets now or formerly owned, leased or operated by it, alleging any damage to the environment or violation of any Environmental Laws, except, in each case, such as could not reasonably be expected to result in a Material Adverse Effect.

(b) No Note Party has Knowledge of any facts which would give rise to any claim, public or private, of violation of Environmental Laws or damage to the environment emanating from, occurring on or in any way related to real properties now or formerly owned, leased or operated by any of them or to other assets or their use, except, in each case, such as could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

(c) No Note Party has stored any Hazardous Materials on real properties now or formerly owned, leased or operated by any of them in a manner which is contrary to any Environmental Law that could, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

(d) No Note Party has disposed of any Hazardous Materials in a manner which is contrary to any Environmental Law that could, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

(e) All buildings on all real properties now owned, leased or operated by the Note Parties are in compliance with applicable Environmental Laws, except where failure to comply could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

Section 5.19 Hedging Agreements and Hedging Transactions.

Schedule 5.19 sets forth a complete and correct list of all Hedging Agreements and Hedging Transactions (including the Commodity Hedging Transactions required by Section 9.9) entered into by the Company and in effect on the date of the Closing and on the date of each update thereof required pursuant to Section 7.1(j), the material terms thereof (including the type, term, effective date, termination date and notional amounts or volumes), the Hedge Termination Value thereof and the counterparty thereto.

Section 5.20 Rights in Properties.

(a) The Oil and Gas Ownership Certificate delivered pursuant to Section 4.14(g) and each Oil and Gas Ownership Certificate delivered pursuant to Section 7.1(i) sets forth a materially complete and accurate list of all Oil and Gas Properties owned by each Note Party on the date of Closing or as of the date of each update thereof required pursuant to Section 7.1(i), separately identified as to each Note Party.

(b) The Oil and Gas Properties which are subject to the Senior Security are described in and covered by the most recently delivered Reserve Report or Initial Reserve Report, as applicable, separately identified as to each Note Party. Each Note Party owns at least the net interest and production attributable to the wells and units evaluated in each Reserve Report or Initial Reserve Report, as applicable, delivered to the holders of Notes, except such as may result, after the delivery of such Reserve Report or Initial Reserve Report, as applicable, from customary provisions of operating agreements requiring or allowing for the acquisition of the interests of any non-consenting parties so long as the Company promptly notifies holders of Notes thereof. The ownership of such properties shall not in the aggregate obligate any Note Party to bear costs and expenses relating to the maintenance, development and operations of such properties in an amount in excess of the working interests of such properties as shown in each such Reserve Report or Initial Reserve Report, as applicable, except such as may result, after the delivery of such Reserve Report or Initial Reserve Report, as applicable, from customary provisions of operating agreements requiring or allowing the parties thereto to pay the share of costs of a non-consenting party so long as Company promptly notifies the holders of Notes of such changes. No Note Party has conveyed or transferred to any other Person a beneficial interest in the Oil and Gas Properties owned by it of record, whether pursuant to unrecorded assignments or transfers or accounting mechanisms, except to the extent disclosed or taken into account in the most recent Reserve Report or Initial Reserve Report, as applicable, and to the extent permitted by this Agreement. Each Note Party has paid all royalties payable under the oil and gas leases under which it is an operator, except for such royalties that are (i) being contested in accordance with the terms of the applicable joint operating agreement, (ii) held in suspense or (iii) otherwise contested in good faith and by appropriate proceedings, and in each case for which reserves for the payment of which are being maintained in accordance with GAAP.

Section 5.21 Senior Security

To the Knowledge of the Company, (a) the provisions of the Senior Security are effective to create in favor of the Senior Collateral Agent for the benefit of the holders of Notes legal, valid and enforceable Liens, subject only to Permitted Encumbrances, on all right, title and interest of the respective Note Parties party thereto in the Collateral, and (b) except for filings completed on the date of Closing in connection with the Closing, and as otherwise contemplated hereby and by the Senior Security, no filing or other action is necessary to perfect such Liens.

Section 5.22 Marketing of Production

(a) Except as disclosed in Schedule 5.22, no Note Party is party to material agreements that are not cancelable on 60 days' notice or less without penalty or detriment for the sale or purchase of production of Hydrocarbons (including calls on or other rights to purchase, production, whether or not the same are currently being exercised) that (i) pertain to the sale of production at a fixed price and (ii) have a maturity or expiry date of longer than six months from the date of this Agreement. No proceeds from the sale of any Note Party's interests in Hydrocarbons from its Oil and Gas Properties are currently being held in suspense by such purchaser or any other Person. None of the Oil and Gas Properties are subject to any contractual or other arrangement whereby payment for production is to be deferred for a substantial period of time after the month in which such production is delivered (i.e., in the case of oil, not in excess of 60 days, and in the case of gas, not in excess of 90 days).

(b) Except with respect to the Processing Facilities and the existing contracts as of the Closing listed in Schedule 5.22, the Note Parties shall not engage in gathering, treatment, processing, transportation, or marketing activities for any Hydrocarbons (other than Hydrocarbons belonging to third parties) or enter into any contracts related thereto unless the Required Holders consent to such activities.

(c) The Existing Physical Hedge Facilities are described in Schedule 5.22.

Section 5.23 Ranking of Obligations.

Each Note Party's payment obligations under the Note Documents to which it is a party rank at least *pari passu*, without preference or priority, with all other senior unsecured and unsubordinated Indebtedness of such Note Party, subject only to Permitted Encumbrances which under applicable law rank in priority thereto.

Section 5.24 Accuracy of Public Record.

(a) The Parent's public record, being all information filed by the Parent with the securities commissions or similar regulatory authorities in Canada (the "**Public Record**") was true and correct, and did not contain any misrepresentation (as defined in the *Securities Act* (Alberta) as of the date of such information or statement, and was prepared in accordance with, and complied in all material respects with, applicable Canadian securities laws.

(b) Since January 1, 2021 the Parent has not filed any confidential material change reports which continue to be confidential.

SECTION 6 REPRESENTATIONS OF THE PURCHASERS.

Section 6.1 Purchase for Investment.

Each Purchaser severally represents that

(a) it is purchasing the Notes for its own account or for one or more separate accounts maintained by such Purchaser or for the account of one or more pension or trust funds and not with a view to the distribution thereof, provided that the disposition of such Purchaser's or their property shall at all times be within such Purchaser's or their control;

(b) it is, and each pension fund, trust fund or other person on behalf of which it is purchasing Notes as fiduciary or agent is, an Institutional Accredited Investor; and

(c) it is, and each pension fund, trust fund or other person on behalf of which it is purchasing Notes as fiduciary or agent is, an "accredited investor" pursuant to paragraph (s) of the definition of "accredited investor" in National Instrument 45-106 of the Canadian Securities Administrators, and that it is, and each pension fund, trust fund or other person on behalf of which it is purchasing Notes as fiduciary or agent is, neither an insider of the Company nor a registrant under applicable Canadian securities laws; and

(d) it is, and each pension fund, trust fund or other person on behalf of which it is purchasing Notes as fiduciary or agent is a resident of either Canada or the United States.

Each Purchaser understands that the Notes have not been qualified for sale to the public under applicable Canadian securities laws, and that any resale of the Notes in Canada must be made in accordance with an exemption from the prospectus requirements of applicable Canadian securities laws, which vary depending on the province. Each Purchaser understands that the Notes have not been and will not be registered under the Securities Act or any state securities laws and may not be reoffered, resold or otherwise transferred, directly or indirectly, absent registration under the Securities Act or an available exemption from (or a transaction not subject to) the registration requirements of the Securities Act and applicable state securities laws.

Each Purchaser has been advised to consult its own legal advisors with respect to applicable resale restrictions and it will comply with all applicable securities legislation concerning any resale of the Notes. Each Purchaser severally represents that it is knowledgeable, sophisticated and experienced in business and financial matters; it has previously invested in Securities similar to the Notes (but issued by other Persons); and it (or, if it is purchasing for a managed account, such account on behalf of which such Purchaser is acting) is able to bear the economic risk of its investment in the Notes and is presently able to afford the complete loss of such investment; it acknowledges it has been afforded sufficient access to information about the Company and its Subsidiaries and their financial condition and business sufficient to enable it to evaluate its investment in the Notes.

Each Purchaser acknowledges that the Notes shall bear a legend substantially in the following form:

> THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**1933 ACT**"), OR THE SECURITIES LAWS OF ANY STATE, AND MAY NOT BE SOLD OR TRANSFERRED, DIRECTLY OR INDIRECTLY, ABSENT REGISTRATION UNDER THE 1933 ACT OR PURSUANT TO AVAILABLE EXEMPTIONS

THEREFROM AND FROM APPLICABLE STATE SECURITIES LAWS.

UNLESS PERMITTED UNDER CANADIAN SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THIS SECURITY BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE LATER OF (I) JUNE 13, 2023 AND (II) THE DATE THE COMPANY BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY.

Section 6.2 Source of Funds.

Each Purchaser severally represents that at least one of the following statements is an accurate representation as to each source of funds (a "**Source**") to be used by such Purchaser to pay the purchase price of the Notes to be purchased by such Purchaser hereunder:

(a) the Source is an "insurance company general account" (as the term is defined in the United States Department of Labor's Prohibited Transaction Exemption ("**PTE**") 95-60) in respect of which the reserves and liabilities (as defined by the annual statement for life insurance companies approved by the NAIC (the "**NAIC Annual Statement**")) for the general account contract(s) held by or on behalf of any employee benefit plan together with the amount of the reserves and liabilities for the general account contract(s) held by or on behalf of any other employee benefit plans maintained by the same employer (or affiliate thereof as defined in PTE 95-60) or by the same employee organization in the general account do not exceed 10% of the total reserves and liabilities of the general account (exclusive of separate account liabilities) plus surplus as set forth in the NAIC Annual Statement filed with such Purchaser's state of domicile; or

(b) the Source is a separate account that is maintained solely in connection with such Purchaser's fixed contractual obligations under which the amounts payable, or credited, to any employee benefit plan (or its related trust) that has any interest in such separate account (or to any participant or beneficiary of such plan (including any annuitant)) are not affected in any manner by the investment performance of the separate account; or

(c) the Source is either (i) an insurance company pooled separate account, within the meaning of PTE 90-1 or (ii) a bank collective investment fund, within the meaning of the PTE 91-38 and, except as disclosed by such Purchaser to the Company in writing pursuant to this clause (c), no employee benefit plan or group of plans maintained by the same employer or employee organization beneficially owns more than 10% of all assets allocated to such pooled separate account or collective investment fund; or

(d) the Source constitutes assets of an "investment fund" (within the meaning of Part VI of PTE 84-14 (the "**QPAM Exemption**")) managed by a "qualified professional asset manager" or "QPAM" (within the meaning of Part VI of the QPAM Exemption), no employee benefit plan's assets that are managed by the QPAM in such investment fund, when combined with the assets of all other employee benefit plans established or maintained by the same employer or by an affiliate (within the meaning of Part VI(c) of the QPAM Exemption) of such employer or by the same employee organization and managed by such QPAM, represent more than 20% of the total client assets managed by such QPAM, the conditions of Part I(c) and (g) of the QPAM Exemption are satisfied, neither the QPAM nor a person controlling or controlled by the QPAM maintains an ownership interest in the Company that would cause the QPAM and the Company to be "related" within the meaning of Part VI(h) of the QPAM Exemption and (i) the identity of such QPAM and (ii) the names of any employee benefit plans whose assets in the investment fund, when combined with the assets of all other employee benefit plans established or maintained by the same employer or by an affiliate (within the meaning of Part VI(c)(1) of the QPAM Exemption) of such employer or by the same employee organization, represent 10% or more of the assets of such investment fund, have been disclosed to the Company in writing pursuant to this clause (d);or

(e) the Source constitutes assets of a "plan(s)" (within the meaning of Part IV(h) of PTE 96-23 (the "**INHAM Exemption**")) managed by an "in-house asset manager" or "INHAM" (within the meaning of Part IV(a) of the INHAM Exemption), the conditions of Part I(a), (g) and (h) of the INHAM Exemption are satisfied, neither the INHAM nor a person controlling or controlled by the INHAM (applying the definition of "control" in Part IV(d)(3) of the INHAM Exemption) owns a 10% or more interest in the Company and (i) the identity of such INHAM and (ii) the name(s) of the employee benefit plan(s) whose assets constitute the Source have been disclosed to the Company in writing pursuant to this clause (e); or

(f) the Source is a governmental plan; or

(g) the Source is one or more employee benefit plans, or a separate account or trust fund comprised of one or more employee benefit plans, each of which has been identified to the Company in writing pursuant to this clause (g); or

(h) the Source does not include assets of any employee benefit plan, other than a plan exempt from the coverage of ERISA.

As used in this Section 6.2, the terms "**employee benefit plan**," "**governmental plan**," and "**separate account**" shall have the respective meanings assigned to such terms in section 3 of ERISA.

SECTION 7 INFORMATION AS TO THE NOTE PARTIES

Section 7.1 Financial and Business Information.

The Company shall deliver to each holder of a Note that is an Institutional Investor:

(a) *Quarterly Statements* — promptly after the same are available and in any event within 45 days (or, if earlier, the date on which such financial statements are delivered under the Subordinated Note Documents) after each Quarter End (other than the last Quarter End of each fiscal year), duplicate copies of,

(i) consolidated balance sheets of the Company and its Subsidiaries as at the end of such fiscal period;

(ii) consolidated statements of comprehensive income (or loss), consolidated changes in shareholders' equity and consolidated statements of cash flows of the Company and its Subsidiaries, for such fiscal period and (in the case of the second and third quarters) for the portion of the fiscal year ending with such quarter, setting forth in each case in comparative form the figures for the corresponding periods in the previous fiscal year, all in reasonable detail, prepared in accordance with GAAP applicable to interim financial statements generally, and certified by a Senior Financial Officer as fairly presenting, in all material respects, the financial position of the companies being reported on and their results of operations and cash flows, subject to changes resulting from quarter-end and year-end adjustments; and

(iii) quarterly budget updates presented to the board of directors of the Company with a comparison of actual expenditures to budget for the relevant period;

(b) *Annual Statements* — promptly after the same are available and in any event within 90 days (or, if earlier, the date on which such financial statements are delivered under the Subordinated Note Documents) after the end of each fiscal year of the Company, duplicate copies of

(i) consolidated balance sheets of the Company and its Subsidiaries as at the end of such year, and

(ii) consolidated statements of comprehensive income (or loss), consolidated changes in shareholders' equity and consolidated statements of cash flows of the Company and its Subsidiaries for such year,

setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail, prepared in accordance with GAAP, and accompanied by an opinion thereon (without a "going concern" or similar qualification or exception and without any qualification or exception as to the scope of the audit on which such opinion is based) of independent public accountants of recognized international standing which are acceptable to the Required Holders (Ernst & Young being acceptable to the Required Holders for this purpose), which opinion shall state that such financial statements present fairly, in all material respects the financial position of the companies being reported upon and their financial performance and cash flows and have been prepared in conformity with GAAP, and that the examination of such accountants in connection with such financial statements has been made in accordance with generally accepted auditing standards, and that the audit evidence obtained by such accountants was sufficient and appropriate to provide a basis for the audit opinion;

(c) *Securities Commission and Other Reports* — promptly upon their becoming available, one copy of (i) each financial statement, report, circular, notice, proxy statement or similar document sent by the Parent or any Note Party (x) to its creditors under the Subordinated Note Documents (excluding information sent to such creditors in the ordinary course of administration of a credit facility, such as information relating to pricing and borrowing availability) or (y) to its securities holders generally, and (ii) each regular or periodic report, each registration statement (without exhibits except as expressly requested by such holder), and each prospectus and all amendments thereto filed by the Parent or any Note Party with the Alberta Securities Commission or any similar Governmental Authority or securities exchange and of all press releases and other statements made available generally by the Parent or any Note Party to the public concerning developments that are Material;

(d) *Notice of Default or Event of Default* — promptly, and in any event within 5 days of the Company acquiring Knowledge of the existence of any Default, Event of Default or Borrowing Base Deficiency or that any Person has given any notice or taken any action with respect to a claimed default hereunder or that any Person has given any notice or taken any action with respect to a claimed default of the type referred to in Section 11(f), a written notice specifying the nature and period of existence thereof and what action the Company is taking or proposes to take with respect thereto;

(e) *Employee Benefits Matters* — promptly, and in any event within 5 days after a Responsible Officer becoming aware of any of the following, a written notice setting forth the nature thereof and the action, if any, that the Company or an ERISA Affiliate proposes to take with respect thereto:

(i) with respect to any Plan, any reportable event, as defined in section 4043(c) of ERISA and the regulations thereunder, for which notice thereof has not been waived pursuant to such regulations as in effect on the date hereof; or

(ii) the taking by the PBGC of steps to institute, or the threatening by the PBGC of the institution of, proceedings under section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan, or the receipt by the Company or any ERISA Affiliate of a notice from a Multiemployer Plan that such action has been taken by the PBGC with respect to such Multiemployer Plan; or

(iii) any event, transaction or condition that could result in the incurrence of any liability by the Company or any ERISA Affiliate pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans, or in the imposition of any Lien on any of the rights, properties or assets of the Company or any ERISA Affiliate pursuant to Title I or IV of ERISA or such penalty or excise tax provisions, if such liability or Lien, taken together with any other such liabilities or Liens then existing, could reasonably be expected to have a Material Adverse Effect; or

(iv) receipt of notice of the imposition of a Material financial penalty (which for this purpose shall mean any tax, penalty or other liability, whether by way of indemnity or otherwise) with respect to one or more Non-U.S. Plans;

(f) *Production and Operating Reports* — within 45 days after the end of each month, Production Reports and Lease Operating Statements (the same to include information as to volumes produced and sold and the amount received) in respect of the Oil and Gas Properties, and Processing Reports in respect of the Processing Facilities;

(g) *Annual Budget/Forecasts* — as soon as available and in any event no later than 90 days after the commencement of each fiscal year of the Company, a budget for such fiscal year detailing therein, *inter alia*, a monthly cash flow budget for the fiscal year prepared by a senior officer of the Company and including projected monthly production volumes and gross revenues therefrom, general and administrative costs, operating costs, royalties and other burdens, commodity price assumptions, taxes and Budgeted Capital Expenditures together with a forecasted operating budget of the Note Parties for the following two years with the first of such years detailed on a monthly basis;

(h) *Reserve Reports* —

(i) on or before April 1 of each year, a Reserve Report, dated effective December 31 of the previous year, from an Independent Engineer,

(ii) on or before October 1 of each year, a Reserve Report, dated effective June 30 of such year, from the Company's own engineer or the Independent Engineer, in the discretion of the Company,

(iii) within 60 days after any request of the Required Holders, a Reserve Report from the Independent Engineer, dated as promptly after such request as practicable, provided that, unless an Event of Default has occurred and is continuing, no more than two such reports shall be required to be delivered in any consecutive 12 month period;

(iv) at the Company's election (such election being limited to one time during any 12-month period), a Reserve Report from an Independent Engineer which shall be dated within 45 days prior to the date of delivery thereof to such holder;

each such Reserve Report described setting forth each Note Party's reserve information (identified separately for each Note Party) in form, substance and detail as requested by the Required Holders, and accompanied by a determination of Adjusted PV10 as of the date thereof, certified by a Responsible Officer;

(i) *Oil and Gas Ownership Certificate; Environmental Certificate; Title Reports* — at the time of delivery of any Reserve Report, (A) an Oil and Gas Ownership Certificate with respect to the Oil and Gas Properties evaluated in such Reserve Report, and the Processing Facilities, (B) an Environmental Certificate and (C) a title report prepared by Canada West Land Services Ltd. (or similar provider) acceptable to the Required Holders dated on or about the date of such Reserve Report affirming each Note Party's title (subject only to Immaterial Title Deficiencies) to any Oil and Gas Properties acquired or developed by it since the Closing Title Report, such that at all times at least 80% of the value of the Oil and Gas Properties of the Note Parties are the subject of such title reports;

(j) *Hedging Reports* —

(i) at Closing, a report on the status of outstanding Hedging Agreements demonstrating compliance at such time with Section 9.9, such report to be in a form and containing such information as may be required by the Required Holders, acting reasonably, and which shall in any event detail the material terms of the Hedging Agreements then in effect (in all cases, including the type, term, effective date, termination date and notional amounts or volumes), the Hedge Termination Value thereof and the counterparty thereto), and

(ii) thereafter, concurrently with delivering the financial statements referred to in Section 7.1(a) and Section 7.1(b), a report on the status of outstanding Hedging Agreements, such report to be in a form and containing such information as may be required by the Required Holders, acting reasonably, which shall in any event (i) detail all hedging activity occurring during such fiscal quarter (or, if delivered with the financial statements pursuant to Section 7.1(b), the Company's fourth fiscal quarter); (ii) detail the position and market value of all Hedging Agreements in effect as at the end of such fiscal quarter (or, if delivered with the financial statements pursuant to Section 7.1(b), the Company's fourth fiscal quarter); and (iii) demonstrate continued compliance with Section 9.9;

(k) *Updates to Capital Plan* — at the time of delivery of any Reserve Report, and at any other time within fifteen Business Days of a request therefor by the Required Holders, an updated Capital Plan;

(l) *Accounts Payable* - within 30 days after the end of each calendar month, a summary of all outstanding accounts payable of the Note Parties, broken down by Note Party and by age;

(m) *ESG Report* – prior to September 30 of each calendar year, the ESG report required by Section 9.14;

(n) *Notices from Governmental Authority* — promptly, and in any event within 30 days of receipt thereof, copies of any notice to any Note Party from any Governmental Authority relating to any order, ruling, statute or other law or regulation that could reasonably be expected to have a Material Adverse Effect;

(o) *Management Letters* — promptly upon receipt thereof, a copy of any management letter or written report (except standard or customary correspondence) submitted to the Parent or any Note Party by independent certified public accountants with respect to the business, financial condition, operations or properties of the Note Parties;

(p) *Quarterly Reports* — promptly after preparation, and in any event within 60 days after each of the first three Quarter Ends:

(i) a management discussion and analysis that includes a discussion and explanation of (A) the comparison of the Company's actual operating results to the budget for such fiscal quarter and for the year to date period then ended and (B) the comparison of the Company's operating results for such fiscal quarter and for the year to date period then ended to the corresponding periods in the immediately preceding fiscal year of the Company, if any;

(ii) a list and description showing the lessor, lessee, lease date, recording information and legal description for each Hydrocarbon lease (which leases shall be grouped by the applicable well or unit) and a sufficient description of any other Oil and Gas Property in which any Note Party (identified separately for each Note Party) has acquired an interest or disposed of since the delivery of such list to such holder for the prior quarter pursuant to this clause (ii); and

(iii) a report setting forth the capital expenditures of each Note Party for such fiscal quarter and for the year to date period then ended and setting forth a comparison of the capital expenditures of each Note Party for such fiscal quarter and for the year to date period then ended to (i) the corresponding periods in the immediately preceding fiscal year, if any, and (ii) the budget for such fiscal quarter and for the year to date period then ended;

(q) *Notice of Certain Events* — prompt written notice of:

(i) any actions, suits, litigation or other proceedings of which any Note Party has Knowledge which are commenced against or adversely affect any Note Party or any Note Party's assets or properties, and which, if adversely determined, would reasonably be expected to have a Material Adverse Effect;

(ii) any claim that has been made by any Person against any Note Party, any Oil and Gas Property or any Processing Facility which, if determined adversely, would reasonably be expected to have a Material Adverse Effect;

(iii) the discovery of any title defect in respect of any Oil and Gas Property or any Processing Facility, other than Immaterial Title Deficiencies;

(iv) the occurrence of any circumstance or event which would render any representation or warranty in Section 5 incorrect or untrue if then made hereunder;

(v) the unwinding or termination of any Commodity Hedging Transaction;

(vi) (A) any Default, Event of Default or Borrowing Base Deficiency under and as defined in this Agreement, and (B) any default by a Note Party under any term or provision of any other agreement between itself and any Person which provides for recourse against a Note Party of an amount in excess of the Threshold Amount and if as a result of such default (and assuming any requirement for notice or lapse of time or other condition precedent has been satisfied) such Person has the right to accelerate any Indebtedness in excess of the Threshold Amount or if such Person demands payment of any Indebtedness in excess of the Threshold Amount;

(vii) (i) copies of all written notices of the occurrence of any default, event of default or demand for payment under the Parent TEC Loan Documents and (ii) copies of all amendments, modifications and restatements of or to any of the Parent TEC Loan Documents entered into after the date hereof; and

(viii) any other matter, circumstance or event that has had or could reasonably be expected to have a Material Adverse Effect;

(r) *Compliance Orders* — the Company shall forthwith notify the holders, and shall, and shall cause each other Note Party to, make copies available for inspection and review on a confidential basis by representatives of the Required Holders, upon receipt of all written orders, control orders, directions, action requests, claims and complaints from a Governmental Authority:

(i) relating to the defective or unsatisfactory condition of the Oil and Gas Properties or any Processing Facility which could reasonably be expected to have a Material Adverse Effect; or

(ii) relating to non-compliance with any Environmental Law which could reasonably be expected to have a Material Adverse Effect;

and the Company shall, and shall cause each other Note Party to, proceed diligently to resolve (including commence and diligently pursue proceedings for judicial or quasi-judicial determination as to the merits of any thereof), any such claims, complaints, notices or inquiries relating to compliance with Environmental Law where the failure to resolve the same could reasonably be expected to have a Material Adverse Effect;

(s) *Resignation or Replacement of Auditors* — within 10 days following the date on which the Company's auditors resign or the Company elects to change auditors, as the case may be, notification thereof, together with such supporting information as the Required Holders may request;

(t) *Change in Insurance* — within 10 Business Days after any material change in insurance coverage by any Note Party from that previously disclosed to such holder, a report describing such change, and, within 30 days after each request by such holder, certificates of insurance from the insurance companies insuring the Note Parties describing such insurance coverage;

(u) *Requested Information* — with reasonable promptness, such other data and information relating to the business, operations, affairs, financial condition, assets or properties of the Note Parties or relating to the ability of any Note Party to perform its obligations under the Note Documents as from time to time may be reasonably requested by any such holder of a Note, including information readily available to the Company explaining the Company's financial statements if such information has been requested by the SVO in order to assign or maintain a designation of the Notes and information relating to the Contract Operating Agreement;

(v) *ARO Reporting* –

(i) within 90 calendar days of each fiscal year of the Company, an annual Abandonment and Reclamation Report, together with a summary of all letters of credit and other forms of security provided to any applicable Energy Regulator related to abandonment and reclamation obligations and liabilities of any Note Party (excluding any security which is mandatorily required to be provided by producers without regard to any Liability Management Rating deficiency or similar abandonment and reclamation obligation deficiency construct);

(ii) promptly following receipt thereof by it, copies of any Abandonment/Reclamation Orders (and any amendments, supplements or other modifications thereto) or other material notices or communications related to any directives, rules, regulations or other orders issued by any applicable Energy Regulator to any note Party or otherwise affecting any of its assets relating to any non-compliance by the Company with any applicable Environmental Laws, including liability assessments, potential or designated problem site notices, requirement to post security deposits and operator insolvency notices;

(iii) promptly following delivery of such letters of credit or security, notice if any letters of credit or other forms of security are issued on its behalf to any applicable Energy Regulator; and

(iv) promptly following request by a holder or, at all times when any Note Party has a Liability Management Rating, upon the Company becoming aware of such Liability Management Rating being below 1.0 at any time in any Material Jurisdiction, notice of such Note Party's Liability Management Rating; and

(w) *Meeting with Management and Board* - the Company will make the President of the Company available to confer with any holder as soon as reasonably practicable upon request by such holder and, upon request by the Required Holders, will make any member of the board of directors of the Company available to meet with one or more holders monthly for a consultation and management meeting.

Section 7.2 Officer's Certificate.

Each set of financial statements delivered to a holder of a Note pursuant to Section 7.1(a) or Section 7.1(b) shall be accompanied by a Compliance Certificate which shall contain the following:

(a) *Covenant Compliance* — the information from such financial statements that is required in order to establish whether the Note Parties were in compliance with those requirements of Section 10 at the end of the quarterly or annual period covered by the financial statements then being furnished (including with respect to each such provision that involves mathematical calculations, the information from such financial statements that is required to perform such calculations) and detailed calculations of the maximum or minimum amount, ratio or percentage, as the case may be, permissible under the terms of such Section, and the calculation of the amount, ratio or percentage then in existence. In the event that any Note Party has made an election to measure any financial liability using fair value (which election is being disregarded for purposes of determining compliance with this Agreement pursuant to Section 23.2) as to the period covered by any such financial statement, such Senior Financial Officer's certificate as to such period shall include a reconciliation from GAAP with respect to such election;

(b) *Event of Default* — a certification that such Senior Financial Officer has reviewed the relevant terms hereof and has made, or caused to be made, under his or her supervision, a review of the transactions and conditions of the Note Parties from the beginning of the quarterly or annual period covered by the statements then being furnished to the date of the certificate and that such review shall not have disclosed the existence during such period of any condition or event that constitutes a Default, Event of Default or Borrowing Base Deficiency or, if any such condition or event existed or exists (including any such event or condition resulting from the failure of any Note Party to comply with any Environmental Law), specifying the nature and period of existence thereof and what action the Company shall have taken or proposes to take with respect thereto; and

(c) *Liability Management Rating* — a certification of the Liability Management Rating (if applicable) of the Company in each Material Jurisdiction as of the date of such certification.

Section 7.3 Visitation

The Company shall permit the representatives of each holder of a Note that is an Institutional Investor:

(a) *No Default* — if no Default, Event of Default or Borrowing Base Deficiency then exists, at the expense of such holder and upon reasonable prior notice to the Company, to visit the principal executive office of the Note Parties, to discuss the affairs, finances and accounts of the Note Parties with the Note Parties' officers, and (with the consent of the Company, which consent will not be unreasonably withheld) its independent public accountants, and (with the consent of the Company, which consent will not be unreasonably withheld) to visit the other offices and properties of the Note Parties, all at such reasonable times and as often as may be reasonably requested in writing; and

(b) *Default* — if a Default, Event of Default or Borrowing Base Deficiency then exists, at the expense of the Company to visit and inspect any of the offices or properties of the Note Parties, to examine all their respective books of account, records, reports and other papers, to make copies and extracts therefrom, and to discuss their respective affairs, finances and accounts with their respective officers and independent public accountants (and by this provision the Company authorizes said accountants to discuss the affairs, finances and accounts of the Note Parties), all at such times during regular business hours and as often as may be requested.

Section 7.4 Electronic Delivery.

Financial statements, opinions of independent certified public accountants, other information and Officer's Certificates that are required to be delivered by the Company pursuant to Section 7.1(a), (b), (c) and (h), and Section 7.2 shall be deemed to have been delivered if the Company satisfies any of the following requirements with respect thereto:

(a) such financial statements satisfying the requirements of Section 7.1 (a) or (b), and related Officer's Certificate satisfying the requirements of Section 7.2 and any other information required under Section 7.1(c) or (h) are delivered to each holder of a Note by e-mail at the e-mail address set forth in such holder's Purchaser Schedule or as communicated from time to time in a separate writing delivered to the Company;

(b) such financial statements satisfying the requirements of Section 7.1 (a) or (b) and related Officer's Certificate(s) satisfying the requirements of Section 7.2 and any other information required under Section 7.1(c) or (h) are timely posted by or on behalf of the Company on IntraLinks or on any other similar website to which each holder of Notes has free access; or

(c) such financial statements satisfying the requirements of Section 7.1 (a) or (b) and related Officer's Certificate(s) satisfying the requirements of Section 7.2 and any other information required under Section 7.1(c) or (h) are posted on www.SEDAR.com or on another website as notified to and agreed to by each holder of Notes provided that each holder of Notes is aware of the address of and any relevant password specifications for such website,

provided that in no case shall access to such financial statements, other information and Officer's Certificates be conditioned upon any waiver or other agreement or consent (other than confidentiality provisions consistent with Section 21 of this Agreement); provided further, that in the case of clauses (b) and (c), the Company shall have given each holder of a Note prior written notice, which may be by e-mail or in accordance with Section 19, of such posting or filing in connection with each delivery, provided further, that upon request of any holder to receive paper copies of such forms, financial statements, other information and Officer's Certificates or to receive them by e-mail, the Company will promptly e-mail them or deliver such paper copies, as the case may be, to such holder.

SECTION 8 PAYMENT AND PREPAYMENT OF THE NOTES.

Section 8.1 Maturity; Scheduled Repayments of Term Notes; Mandatory Prepayments

(a) *Maturity.* The entire unpaid principal balance of each Note shall be due and payable on the Maturity Date.

(b) *Scheduled Repayments of First Draw Term Notes.* Until the First Draw Term Notes shall be paid in full, the Company shall apply to the prepayment of the First Draw Term Notes the following amounts on each of the following prepayment dates, and such principal amounts of the First Draw Term Notes, together with accrued interest thereon to the prepayment dates, shall become due on such prepayment dates:

Prepayment Date	Amount
September 30, 2023	U.S. $1,700,000
December 31, 2023	U.S. $1,700,000
March 31, 2024	U.S. $1,700,000
June 30, 2024	U.S. $1,700,000
September 30, 2024	U.S. $1,700,000
December 31, 2024	U.S. $1,700,000
March 31, 2025	U.S. $1,700,000
June 30, 2025	U.S. $1,700,000
September 30, 2025	U.S. $1,700,000
December 31, 2025	U.S. $1,700,000
March 31, 2026	U.S. $1,700,000
June 30, 2026	U.S. $1,700,000
September 30, 2026	U.S. $1,700,000
December 31, 2026	U.S. $1,700,000

(c) *Scheduled Repayments of Delayed Draw Term Notes.* Until the Delayed Draw Term Notes shall be paid in full, the Company shall, on each of the prepayment dates specified in clause (b) above (beginning with the prepayment date immediately following the date that is the earlier of (x) the date that the Delayed Draw Commitment is fully drawn and (y) the last day of the Delayed Draw Issuance Period), apply to the prepayment of the Delayed Draw Term Notes an amount equal to 2% of the principal amount of the Delayed Draw Term Notes outstanding on such date, and such principal amounts of the Delayed Draw Term Notes, together with accrued interest thereon to the prepayment dates, shall become due on such prepayment dates.

(d) *Mandatory Prepayments*. Except as otherwise provided in Section 3 with respect to Borrowing Base Deficiencies, Section 8.1(a), Section 8.1(b), Section 8.1(c) and this Section 8.1(d), the Notes are not subject to mandatory prepayments of principal.

(i) Loss - If any Note Party has received in any one fiscal year any net proceeds of insurance from a casualty or condemnation which, when added to all other such net proceeds of insurance received during such fiscal year would exceed $1,000,000, the Company will promptly (and in any event within five days) apply such proceeds (A) first, to the prepayment of the outstanding Revolving Note Advances on a ratable basis based on each holder’s Applicable Percentage, together with accrued and unpaid interest thereon to the prepayment date and any Breakage Cost Obligations, and (B) second, to the prepayment of the outstanding principal under the Term Notes (at the redemption price set out in Section 8.3) on a rateable basis based on each holder’s Applicable Percentage with respect to the Term Notes, together with accrued and unpaid interest thereon to the prepayment date and any Breakage Cost Obligations; all provided that, notwithstanding the foregoing, if the net insurance proceeds associated with any given casualty or loss event are in an amount not exceeding $5,000,000, and no Default or Event of Default exists, the Note Parties shall not be required to apply such proceeds against amounts outstanding under any of the Notes if and to the extent such proceeds are expended on or invested in assets or property intended to repair or replace the property which is the subject of such casualty or loss event at any time within the 270 day period from the date on which such proceeds are received. The Company shall provide the holders with evidence satisfactory to the Required Holders of such expenditures or investment.

(ii) Revolving Note Advances Exceed Aggregate Revolving Commitments - Without limiting the provisions of Section 2, if at any time the aggregate outstanding amount of Revolving Note Advances of any holder exceeds the Revolving Commitments of such holder, including as a result of a reduction in the Aggregate Revolving Commitments in accordance with this Agreement, the Company shall promptly (and in any event within five days) repay outstanding Revolving Note Advances in the amount of any such excess on a ratable basis based on each holder's Applicable Percentage with respect to the Revolving Notes , together with accrued and unpaid interest thereon to the prepayment date and any Breakage Cost Obligations.

(iii) Change of Control - If a Change of Control has occurred, the Aggregate Revolving Commitments and the Delayed Draw Commitment shall be immediately terminated and the Company shall promptly after receipt thereof (and in any event within one Business Day) repay (A) all outstanding Revolving Note Advances together with accrued and unpaid interest thereon to the prepayment date and any Breakage Cost Obligations with respect thereto and (B) all Term Notes (at the redemption price set out in the table in Section 8.3) together with accrued and unpaid interest thereon to the prepayment date and any Breakage Cost Obligations with respect thereto.

(iv) Excess Cash Sweep - The Company shall, on the last Business Day of each of its fiscal quarters, beginning on October 31, 2023 (in respect of the fiscal quarter ended September 30, 2023), prepay the Notes in an amount equal to its Excess Cash Flow for such quarter, and concurrently with such prepayment, provide to the holders its calculation of such Excess Cash Flow (with sufficient supporting materials) satisfactory to the Required Holders. The Required Holders shall retain the right, in their sole discretion, upon written request of the Company delivered to the holders at least 20 Business Days prior to the due date for an Excess Cash Flow prepayment under this Section 8.1(d)(iv), to forego all or any portion of the payment of any such amount in favour of the Company funding additional development capital expenditures with respect to its Oil and Gas Properties or the Processing Facilities or for any other reason to which all of the holders may agree.

For purposes of this Section 8.1(d)(iv), "**Excess Cash Flow**" means, for any fiscal quarter, EBITDAX for such period less, without duplication:

(A) Financing Charges paid in cash such period;

(B) Tax paid in cash in such period;

(C) reasonable abandonment and reclamation costs and reserves maintained in respect thereof consistent with industry standards paid in cash in such period;

(D) facility turnaround/maintenance and decommissioning capital expenditures paid in cash in such period;

(E) the amortization payments due and paid in such quarter pursuant to Section 8.1(b) and Section 8.1(c) of this Agreement; and

(F) capital expenditures made in cash during such period and subject to the limits and approval requirement set forth in this Agreement.

Prepayments of Excess Cash Flow made pursuant to this Section 8.1(d)(iv) for any quarter ending on or before June 30, 2025 shall be applied firstly to the Revolving Notes, and if the Revolving Facility is undrawn or reduced to zero by such prepayment, the remainder to the Term Notes. On and after June 30, 2025, prepayments of such Excess Cash Flow shall be applied firstly to the Term Notes, and if the Term Notes are reduced to zero by such prepayment, the remainder to the Revolving Notes.

If the Company is required to prepay the Notes pursuant to this Section 8.1(d), the Company shall give written notice thereof to each holder. Such notice shall (I) describe the facts and circumstances giving rise to such mandatory prepayment, (II) refer to this Section 8.1(d), (III) specify the date of prepayment, which date shall be on or before the date such prepayment is required above, and the Notes being prepaid and (IV) other than any prepayment in respect of Section 8.1(d)(iii), identify the *pro rata* portion of the Notes (if any) held by such holder to be prepaid, which *pro rata* portion shall be calculated by multiplying the aggregate amount required to be applied to the prepayment of the Notes by the Applicable Percentage of such holder, in each case calculated immediately prior to giving effect to such prepayment. On the date of any prepayment of the Notes pursuant to this Section 8.1(d), all, or the *pro rata* portion, as applicable, of the principal amount of the Notes to be prepaid pursuant to this Section 8.1(d) held by each holder of such Notes, together with interest accrued thereon to such prepayment date and any Breakage Cost Obligations determined in respect of such principal amount pursuant to this Agreement, shall become due and payable on such date.

Section 8.2 Optional Prepayments of Revolving Note Advances with Breakage Cost Obligations.

The Company may, at its option, upon notice as provided below, prepay at any time all, or from time to time any part of, Revolving Note Advances (with no corresponding reduction in the Aggregate Revolving Commitments) in an amount, in the case of a partial prepayment, not less than U.S $250,000 and in multiples of U.S. $100,000 in excess thereof with respect to the Revolving Notes, at 100% of the principal amount so prepaid plus interest thereon to the prepayment date and any Breakage Cost Obligations payable in respect thereof. The Company will give each holder of Revolving Notes written notice of each optional prepayment under this Section 8.2 not less than five Business Days and not more than 10 Business Days prior to the date fixed for such prepayment, unless the Company and the Required Holders agree to another time period pursuant to Section 18. Each such notice shall specify such date (which shall be a Business Day), the aggregate principal amount of Revolving Note Advances to be prepaid on such date, the principal amount of each Revolving Note held by such holder to be prepaid (determined in accordance with Section 8.4), and the interest to be paid on the prepayment date with respect to such principal amount being prepaid.

Section 8.3 Optional Prepayments of Term Notes with Breakage Costs and Premium.

The Company may, at its option, upon notice as provided below, prepay at any time all, or from time to time any part of, the Term Notes, in an amount, in the case of a partial prepayment, not less than U.S. $250,000 and in multiples of U.S. $100,000 in excess thereof, at the redemption price set forth in the table below expressed as percentages of principal amount plus interest thereon to the prepayment date and any Breakage Cost Obligations payable in respect thereof. The Company will give each holder of Term Notes written notice of each optional prepayment under this Section 8.3 not less than five Business Days and not more than 10 Business Days prior to the date fixed for such prepayment, unless the Company and the Required Holders agree to another time period pursuant to Section 18. Each such notice shall specify such date (which shall be a Business Day), the aggregate principal amount of Term Notes to be prepaid on such date, the principal amount of each Term Note held by such holder to be prepaid (determined in accordance with Section 8.4, and the interest to be paid on the prepayment date with respect to such principal amount being prepaid. All such optional prepayments shall be applied against the scheduled repayments set out in Section 8.1(b) and Section 8.1(c) in inverse order of maturity.

Months	Percentage
On or before December 5, 2025	103%
At any time after December 5, 2025	100%

Section 8.4 Allocation of Partial Prepayments.

In the case of each partial prepayment of the Notes pursuant to Section 8.1, Section 8.2 or Section 8.3 (other than a prepayment pursuant to clause (iv) of Section 8.1(d)), the principal amount of the Notes to be so prepaid shall be allocated among all of the holders of the Notes based on each holder's Applicable Percentage.

Section 8.5 Maturity; Surrender, Etc.

In the case of each prepayment of Notes pursuant to this Section 8, the principal amount of each Note to be prepaid shall mature and become due and payable on the date fixed for such prepayment (which shall be a Business Day), together with interest on such principal amount accrued to such date and any Breakage Cost Obligations, if any, and Premium, if any, payable in connection therewith. From and after such date, unless the Company shall fail to pay such principal amount when so due and payable, together with the interest, Breakage Cost Obligations, if any, and Premium, if any, as aforesaid, interest on such principal amount shall cease to accrue. If any Term Note has been paid or prepaid in full, or if any Revolving Note has been paid or prepaid in full, and if the Revolving Commitment thereunder has been cancelled in full in accordance with the terms of Section 2.4, this Section 8 or otherwise pursuant to the terms of this Agreement, then such Note shall be surrendered to the Company and cancelled and shall not be reissued, and no Note shall be issued in lieu of any prepaid principal amount of any Note.

Section 8.6 Purchase of Notes

The Company will not, and will not permit any other Note Party or any Affiliate of the Company to, purchase, redeem, prepay or otherwise acquire, directly or indirectly, any of the outstanding Notes except upon the payment or prepayment of the Notes in accordance with this Agreement and the Notes. The Company will promptly cancel all Notes acquired by it or any other Note Party or any Affiliate of the Company pursuant to any payment or prepayment of Notes pursuant to this Agreement, and no Notes may be issued in substitution or exchange for any such Notes.

Section 8.7 Payments Due on Non-Business Days.

Anything in the Note Documents to the contrary notwithstanding, (x) except as set forth in clause (y), any payment of interest on any Note that is due on a date that is not a Business Day shall be made on the next succeeding Business Day and shall include the additional days elapsed in the computation of the interest payable on such next succeeding Business Day, unless such succeeding Business Day would occur after the next scheduled Payment Date, in which case such payment of interest shall be made on the immediately preceding Business Day prior to such Payment Date and shall include in the computation of interest payable all days through such date on which such payment of interest would otherwise be due and payable; and (y) any payment of principal of or Breakage Cost Obligation on any Note (including principal due on the Maturity Date of such Note) that is due on a date that is not a Business Day shall be made on the next succeeding Business Day and shall include the additional days elapsed in the computation of interest payable on such next succeeding Business Day.

SECTION 9 AFFIRMATIVE COVENANTS.

The Company covenants that, for so long as any of the Notes are outstanding or there are any Revolving Commitments or Delayed Draw Commitments hereunder:

Section 9.1 Compliance with Laws

Without limiting Section 9.10, the Company will, and will cause each other Note Party to, comply with all laws, ordinances or governmental rules or regulations to which each of them is subject (including ERISA and similar laws governing Non-U.S. Plans, Environmental Laws, the USA PATRIOT Act and the other laws and regulations that are referred to in Section 5.16) and will obtain and maintain in effect all licenses, certificates, permits, franchises and other governmental authorizations necessary to the ownership of their respective properties or to the conduct of their respective businesses, in each case to the extent necessary to ensure that non-compliance with such laws, ordinances or governmental rules or regulations or failures to obtain or maintain in effect such licenses, certificates, permits, franchises and other governmental authorizations could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 9.2 Insurance.

The Company will, and will cause each other Note Party to, maintain, with financially sound and reputable insurers, insurance with respect to their respective properties and businesses against such casualties and contingencies, of such types, on such terms and in such amounts (including deductibles and co-insurance, if adequate reserves are maintained with respect thereto) as is customary in the case of entities of established reputations engaged in the same or a similar business and similarly situated.

The Company shall, upon request by a holder of Notes, deliver to the Purchasers a copy of a certificate of insurance from an insurance broker identifying insurers, types of insurance, insurance limits, policy terms, names of insureds, additional insureds and loss payees. Such insurance policies shall name the Senior Collateral Agent as co-insured and first loss payee as its interest may appear as the collateral agent under the Senior Intercreditor Agreement.

Section 9.3 Ownership, Operation and Maintenance of Properties.

The Company will, and will cause each other Note Party to:

(a) maintain and keep, or cause to be maintained and kept, their respective properties in good repair, working order and condition (other than ordinary wear and tear), so that the business carried on in connection therewith may be properly conducted at all times;

(b) warrant and defend its interest in and title to its properties against any claim or demand of any Person;

(c) maintain, develop and operate its Oil and Gas Properties in a good and workmanlike manner in accordance with Prudent Business Practice and will observe and comply in all material respects with all of the terms and provisions of all oil and gas leases relating to such Oil and Gas Properties so long as such oil and gas leases are capable of producing Hydrocarbons in commercial quantities;

(d) use commercially reasonable efforts to ensure that such Note Party remains as the named operator for each oil or gas well in which it now or hereafter owns an interest if it is the operator thereof on the date of Closing or becomes the operator thereof subsequent hereto;

(e) maintain, preserve and keep all operating equipment Material to the conduct of its business in proper repair, working order and condition, and make all necessary or appropriate repairs, renewals, replacements, additions and improvements in accordance with Prudent Business Practice;

(f) comply with all laws and agreements applicable to or relating to its Oil and Gas Properties or the production and sale of Hydrocarbons therefrom and all applicable proration and conservation laws of the jurisdictions in which such properties are located, including all Environmental Laws and all applicable laws, rules and regulations of every other Governmental Authority from time to time constituted to regulate the development and operation of its Oil and Gas Properties and the production and sale of Hydrocarbons therefrom, in each case except to the extent the failure to do so could not reasonably be expected to have a Material Adverse Effect;

(g) promptly pay and discharge, or make reasonable and customary efforts to cause to be paid and discharged, all rentals, royalties, expenses and indebtedness accruing under the leases or other agreements affecting or pertaining to its Oil and Gas Properties and will do all other things necessary to keep unimpaired their rights with respect thereto and prevent any forfeiture thereof or default thereunder, in each case except to the extent the failure to do so could not reasonably be expected to have a Material Adverse Effect;

(h) promptly perform or make reasonable and customary efforts to cause to be performed, in accordance with Prudent Business Practice, the obligations required by each and all of the assignments, deeds, leases, sub-leases, contracts and agreements affecting its interests in its Oil and Gas Properties, in each case except to the extent the failure to do so could not reasonably be expected to have a Material Adverse Effect;

(i) with respect to the Oil and Gas Properties referred to in this Section 9.3 that are operated by operators other than a Note Party, no Note Party shall be obligated itself to perform any undertakings contemplated by the covenants and agreements contained in this Section 9.3

which are performable only by such operators and are beyond its control, but the Company shall use commercially reasonable efforts to cause such operators to perform such undertakings, in each case except to the extent the failure to do so could not reasonably be expected to have a Material Adverse Effect;

(j) not amend, alter or change in any respect that would reasonably be expected to be materially adverse to its interests or that of the holders of Notes any agreements relating to the operations or business arrangements of any Note Party or the compression, gathering, sale or transportation of oil and gas from the Note Parties' Oil and Gas Properties;

(k) comply with each of clauses (a) through (j) of this Section 9.3 in respect of each of the Processing Facilities as well as Oil and Gas Properties (such clauses to be read with necessary changes in context).

Section 9.4 Payment of Taxes and Claims.

The Company will, and will cause each other Note Party to, file all tax returns required to be filed in any jurisdiction and to pay and discharge all taxes shown to be due and payable on such returns and all other taxes, assessments, governmental charges, or levies imposed on them or any of their properties, assets, income or franchises, to the extent the same have become due and payable and before they have become delinquent and all claims for which sums have become due and payable that have or might become a Lien on properties or assets of the Note Parties, provided that no Note Party need pay any such tax, assessment, charge, levy or claim if (i) the amount, applicability or validity thereof is contested by such Note Party on a timely basis in good faith and in appropriate proceedings, and the applicable Note Party has established adequate reserves therefor in accordance with GAAP on the books of the applicable Note Party or (ii) the nonpayment of all such taxes, assessments, charges, levies and claims could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 9.5 Corporate Existence, Etc.

The Company will at all times preserve and keep its organizational existence in full force and effect. The Company will at all times preserve and keep in full force and effect the organizational existence of each Note Party (unless otherwise permitted under Section 10.6) and all rights and franchises of the Note Parties.

Section 9.6 Books and Records.

The Company will, and will cause each other Note Party to, maintain proper books of record and account in conformity with GAAP and all applicable requirements of any Governmental Authority having legal or regulatory jurisdiction over the applicable Note Party, as the case may be. The Company will, and will cause each other Note Party to, keep books, records and accounts which, in reasonable detail, accurately reflect all transactions and dispositions of assets. The Note Parties have devised a system of internal accounting controls sufficient to provide reasonable assurances that their respective books, records, and accounts accurately reflect all transactions and dispositions of assets and the Company will, and will cause each other Note Party to, continue to maintain such system.

Section 9.7 Security.

(a) *Security*. As continuing collateral security for the benefit of the holders for the payment and performance by the Company of all Note Obligations, (i) each Note Party shall execute and deliver all such guarantees and all such other mortgages, debentures, pledge agreements, assignments and other security agreements as may be required by the Required Holders, acting reasonably (each in form and substance satisfactory to the Required Holders, acting reasonably) in order to, or to more effectively, charge or grant Liens in and against all of the present and future property of the Note Parties (including Equity Interests of a Note Party in any present and future direct or indirect Subsidiaries of a Note Party), and (ii) the Parent shall execute and deliver the Limited Recourse Parent Guarantee, the Share Pledge, the Assignment of Intercompany Debt and such other documents as may be required by the Required Holders, acting reasonably (each in form and substance satisfactory to the Required Holders, acting reasonably) in order to, or to more effectively, charge or grant Liens in and against all of the issued and outstanding Equity Interests in the Company owned by the Parent.

(b) *Form of Security.* All Security will be in such form or forms as required by the Required Holders, acting reasonably, and will be registered in such offices in the provinces of Canada or any other jurisdiction as the Required Holders may from time to time reasonably require to protect the Liens created thereby. Should the Required Holders determine at any time and from time to time that the form and nature of the then existing Security is deficient in any way or does not fully provide the holders with the Liens and priority to which each is entitled hereunder, the Company will forthwith execute and deliver or cause to be executed and delivered to the Senior Collateral Agent, at the Company's expense, such amendments to the Security or provide such new security as the Required Holders may reasonably request, in a form satisfactory to the Required Holders, acting reasonably.

(c) *Registration and Priority; Fixed Charges.* The Company shall and shall cause each other Note Party, at the Company's sole cost and expense, to do all such commercially reasonable acts, execute all such instruments and provide such further assurances as the Required Holders may reasonably request from time to time to ensure that (i) the Liens created by the Security include fixed charges on all Oil and Gas Properties designated by the Required Holders from time to time, (ii) the Liens created by the Security include the Processing Facilities, and (iii) the priority of the Liens created by all of the Security is duly protected and perfected by registration, filing or recordation of such Security or a caution, caveat, security notice or other appropriate instrument at all offices where necessary or of advantage to the protection or perfection thereof and to cooperate with the Required Holders in renewing or refiling any registration, filing or recordation required hereby in order to preserve, protect and maintain the priority of such Liens, from time to time, provided that registrations at a personal property registry in respect of serial numbered goods of the Note Parties will not be required unless requested in writing by the Required Holders. The Required Holders may, at the Company's sole cost and expense, effect any or all such registrations, filings and recordings should the Company fail to do so forthwith upon the Required Holders' request as aforesaid.

(d) *Liens Effective.* The Liens constituted by any of the Security or required to be created hereby or thereby shall be effective, and the undertakings as to Liens herein or in any Security shall be continuing, whether the monies hereby or thereby secured or any part thereof shall be advanced before or after or at the same time as the creation of any such Lien or before or after or upon the date of execution of this Agreement, and shall not be affected by the obligations hereunder fluctuating from time to time or the accounts established by any holder ceasing to be in debit balance.

(e) *Dealings with Note Parties.* The Required Holders (or the Senior Collateral Agent on their behalf), may grant extensions, take and give up securities, accept compositions, grant releases and discharges (subject to clause (i)of this Section 9.7) and otherwise deal with any Note Party or any other Persons, sureties or securities as they, in their sole discretion, may see fit, all without prejudice to the liability of any Note Party under the Note Documents or the rights of the Required Holders and the holders under the Note Documents.

(f) *Name Changes.* The Company shall notify the holders of any details, as soon as available, of any proposal to change the name of any Note Party or the location of its chief executive office, and in any event not less than ten Business Days prior to the effective date of any such change.

(g) *No Merger of Obligations.* The taking of any Security as provided under this Agreement or any other Note Document shall not operate by way of merger of any of the obligations of any Note Party or any successor of any Note Party under any Note Document, or of any Lien, guarantee, contract, promissory note, bill of exchange or security in any other form, whether or not similar to the foregoing, and no judgment recovered by the Required Holders on behalf of any holder shall operate by way of merger or in any way affect the Security provided for in this Agreement, which shall be in addition to and not in substitution for any other security now or hereafter held by the Required Holders or any holder whether for the obligations hereunder or under any Security. For greater certainty, no judgment recovered by the Required Holders or any holder, shall operate by way of merger or in any way affect the obligation of the Company to pay interest at the rates, times and manner as provided in the Note Documents.

(h) *Further Actions.* The Company shall, forthwith and from time to time on the reasonable request of the Required Holders, and shall cause each other Note Party to, grant to the Senior Collateral Agent all such further rights and Liens necessary or of advantage to it to permit it or its agents to operate and sell the Collateral in a liquidation of assets or as a going concern following the occurrence of an Event of Default. In addition, the Company shall, and shall cause each other Note Party to, forthwith and from time to time on the reasonable request of the Required Holders, execute and do or cause to be executed and done all assurances and things which in the reasonable opinion of the Required Holders may be necessary or of advantage to give the Required Holders and the holders the Liens and the priority intended to be created by the Security.

(i) *Discharges on Dispositions.* No holder shall, during the term of this Agreement, discharge, surrender, amend or otherwise modify any Security without the prior written consent of all of the holders, provided that the Required Holders shall instruct the Senior Collateral Agent to discharge Security provided hereunder with respect to dispositions that are expressly permitted by the terms of this Agreement, and provided further that the Required Holders may, in connection with its acceptance of supplemented Liens in accordance with clause (l) of this Section 9.7, release the charge of the Security as against real property interests no longer intended to be charged thereby.

(j) *Discharge on Payment.* The holders hereby authorize the Required Holders, and the Required Holders hereby agree, to discharge the Security at the Company's sole cost and expense, forthwith after all of the Note Obligations have been unconditionally and irrevocably paid or performed in full.

(k) *No Implied Subordination.* None of:

(i) the fact that any Person is permitted to create or suffer to exist any Permitted Encumbrance or any Permitted Indebtedness;

(ii) the fact that any representation, warranty or covenant herein may make an exception for the existence of Permitted Encumbrances or Permitted Indebtedness; or

(iii) the fact that the Liens created pursuant to the Note Documents are stated to be subject to, or are not required to rank in priority to, Permitted Encumbrances;

shall in any manner, nor in any cause or proceeding, directly or indirectly, be taken to constitute a subordination of any Lien created pursuant to the Note Documents to any Permitted Encumbrance or to any other Lien or other obligation whatsoever, or that the obligations under the Note Documents are in any way subordinate or junior in right of payment to any Permitted Indebtedness.

(l) *Land Information.* From time to time upon the request of the Required Holders made at any time, within 10 Business Days of such request, the Company shall, at the Company's sole cost and expense, and shall cause each other Note Party to, execute and deliver such additional or supplemental Liens (including by way of a fixed charge supplemental debenture) as the Required Holders may request in order to ensure that (i) all Borrowing Base Assets, (ii) all other Oil and Gas Properties designated by the Required Holders, and (iii) all Processing Facilities, are validly subjected to fixed charge Liens in favour of the Senior Collateral Agent for the benefit of the holders, subject only to Permitted Encumbrances, and in connection with clauses (i) and (ii) shall provide to the holders a land schedule in form satisfactory to the Required Holders, acting reasonably, detailing all Borrowing Base Assets and other Oil and Gas Properties, if any, designated by the Required Holders (which shall include the information required in order to effect fixed charge registrations on the individual properties, such as legal descriptions, crown lease numbers and issue dates, zone restrictions, names of freehold lessors, the before and after payout working interests and all royalties and burdens, to the extent so required). Clause (c) of this Section 9.7 shall apply with respect to registrations against individual Oil and Gas Properties subjected to fixed charges under this Section 9.7.

Section 9.8 Environmental Indemnity; Audit

(a) The Company will, and will cause each other Note Party to, forthwith on demand fully indemnify, defend and save each holder, the Senior Collateral Agent and each of their respective directors, officers, employees and agents, and any of them (in this Section 9.8, any one or more or all of such Persons is referred to as the "**Indemnified Party**") harmless from and against any and all liabilities, losses, claims, damages and expenses (including all reasonable fees of counsel on a solicitor and his own client basis and accountant fees and reasonable expenses, court costs and all other reasonable out-of-pocket expenses) sustained, paid, incurred or suffered by the Indemnified Party arising in any manner whatsoever out of or as a result of any environmental claims, liabilities or obligations of any and every nature whatsoever relating to or affecting any Note Party or the Collateral (all or any item or part of the foregoing liabilities, losses, claims, damages and expenses are referred to in this Section 9.8 as "**Loss**"). Notwithstanding the generality of the foregoing, the Note Parties shall not be obliged to indemnify the Indemnified Party to the extent any Loss has been incurred by reason of the gross negligence or wilful misconduct of such Indemnified Party. The Company acknowledges on behalf of itself and each Note Party that each holder is entering into the provisions of this Section 9.8 on its own behalf and as agent and trustee for its directors, officers, employees and agents.

(b) If any claim (in this Section 9.8 referred to as a "**Claim**") shall be asserted by any Person against the Indemnified Party which may give rise to a Loss, the Indemnified Party shall promptly notify the Company of all particulars of such Claim upon learning of same. The failure to give any such notice, however, shall not affect any Note Party's liability to indemnify the Indemnified Party unless such failure adversely and materially affects its ability to defend, object to, oppose or contest that Claim

(c) Each Note Party shall at all times have the right, if no Default or Event of Default has occurred and is continuing, but shall not be required, at its sole expense, to resist, defend and compromise any Claim in the name of the Indemnified Party, by legal counsel reasonably acceptable to the Indemnified Party who will cooperate in such defence on a reasonable basis; <u>provided</u> that the Indemnified Party shall have the right to participate in the defence or compromise of any Claim by other legal counsel of its choosing if the Indemnified Party, acting reasonably, determines it should so participate; <u>provided</u> that subject to Section 9.8(d) the fees and disbursements of such other counsel shall be paid by the Company. The Indemnified Party shall not effect any settlement or compromise of any Claim without the prior written consent of the Company. Notwithstanding anything herein to the contrary, the Company on its own behalf must defend or must cause the applicable Note Party to defend such claim, diligently and reasonably throughout the period while such Claim exists. If any Note Party exercises its rights under this Section 9.8, the Company shall cause such Note Party not to compromise or otherwise settle a Claim without the consent of the Indemnified Party suffering such Claim, which consent shall not be unreasonably withheld or delayed. The inability of the Note Parties to pay such Claim in full shall constitute a sufficient reason to withhold such consent.

(d) The Note Parties shall not, in connection with any Loss in the same jurisdiction, be liable for the fees and expenses of more than one separate legal firm for the Indemnified Parties unless such representation by the same legal counsel would be inappropriate due to actual or potential differing interests or the employment thereof has been specifically authorized by the Company in writing and such firm or firms shall be designated in writing by the Required Holders on behalf of each Indemnified Party.

(e) Upon the occurrence or discovery of any circumstance, condition or event which, in the opinion of the Required Holders, acting reasonably, contravenes, or would reasonably be expected to contravene, any Environmental Law or would reasonably be expected to result in any liability to a Note Party with respect thereto, and which would reasonably be expected to have a Material Adverse Effect, or at any time after the occurrence of an Event of Default which is continuing, the Required Holders may arrange for an environmental audit to be conducted by an independent environmental engineer or other environmental consultant, at the expense of the Company. The Company will, and will cause each other Note Party to, upon reasonable notice, and so long as any such engineer or consultant agrees to comply with the health and safety standards generally applicable to the property or assets to be audited, provide access to its property and assets during regular business hours in order for such engineer or consultant to conduct such environmental and other inspections as it deems advisable and in that connection to examine the books, records, assets, affairs and business operations of the Note Parties and to make inquiries of government offices concerning compliance by the Note Parties with Environmental Laws.

Section 9.9 Commodity Hedging Transactions.

(a) The Company will enter into, prior to or concurrently with Closing, and thereafter at all times maintain, Acceptable Commodity Hedging Transactions for quantities of Hydrocarbons consisting of gas volumes equal to (A) in respect of the immediately succeeding twenty-four month period after Closing, at least 75% at a minimum average price of C$3.50/Mcf, (B) in respect of the immediately succeeding twelve months following the period in the foregoing clause (A), at least 65% at a minimum average price of C$3.50/Mcf, and (C) in respect of the immediately succeeding twelve months following the period in the foregoing clause (B), at least 45% at a minimum average price of C$4.00/Mcf, in each case, of the monthly Projected Production of Hydrocarbons consisting of gas and condensate volumes from the proved, developed producing Oil and Gas Properties of the Company net of annualized royalties using the most recently delivered Reserve Report (or, with the written approval of the Required Holders, Acceptable Commodity Hedging Transactions having substantially equal value).

(b) The Company shall maintain a commodity price risk management policy, which policy shall be reasonably acceptable to the Required Holders.

Section 9.10 Anti-Corruption Laws, Etc.

The Company will maintain procedures and controls that are adequate (and otherwise comply with applicable law) to ensure that the Company and each Controlled Entity will be in compliance with all applicable U.S. Economic Sanctions Laws, Anti-Money Laundering Laws and Anti-Corruption Laws.

Section 9.11 Non-U.S. Pension Plans.

The Company will ensure that (a) all Non-U.S. Plans are and continue to be established, operated, administered and maintained in compliance with all laws, regulations and orders applicable thereto, except where failure so to comply could not be reasonably expected to have a Material Adverse Effect, and (b) all premiums, contributions and any other amounts required by applicable Non-U.S. Plan documents or applicable laws to be paid or accrued by the Note Parties are paid or accrued as required, except where failure so to pay or accrue could not be reasonably expected to have a Material Adverse Effect.

Section 9.12 Ranking of Obligations.

The Company shall ensure that (a) its payment obligations under the Note Documents to which it is a party rank at least *pari passu*, without preference or priority, with all other senior unsecured and unsubordinated Indebtedness of the Company, subject only to Permitted Encumbrances which under applicable law rank in priority thereto, and (b) each other Note Party's payment obligations under the Note Documents to which it is a party rank at least *pari passu*, without preference or priority, with all other senior unsecured and unsubordinated Indebtedness of such Note Party, subject only to Permitted Encumbrances which under applicable law rank in priority thereto.

Section 9.13 Title Assurances.

Without limiting any other requirements contained in this Agreement and the other Note Documents, the Company shall promptly, and in any event within 30 days after notice by the Required

Holders or the Senior Collateral Agent of any defect, material in the opinion of the Required Holders acting reasonably, in the title of the Company to any Oil and Gas Property or any Processing Facility covered by the Senior Security, take all such commercially reasonable steps, in a manner consistent with Prudent Business Practice, as may be necessary to clear such title defect, and in the event any such title defects are not cured in a timely manner, pay all related costs and fees incurred by holders of Notes and the Senior Collateral Agent in attempting to do so. A failure by the Company to clear any such title defect shall not be a Default or an Event of Default, but instead the Required Holders may elect to redetermine the Borrowing Base.

Section 9.14 Environmental, Social and Governance Matters.

The Company shall assess, monitor, and mitigate material environmental, social, and governance ("**ESG**") risks, to the extent possible, and shall provide the holders with (i) an annual report concurrently with the delivery of the financials pursuant to Section 7.1(b) describing the scope and results of such efforts and descriptions of any planned future efforts to further assess, monitor, or mitigate such risks; and (ii) as soon as practicable after becoming aware of such matter, written notice of any controversy or issue relating to ESG risks that the Company, acting reasonably, believes is likely to have a negative impact on the operations or the reputation of any of the Note Parties in any material respect, and provide information on any corrective action that has been taken in respect thereof, following up with regular updates until the incident has been resolved. The Company shall make itself reasonably available to the holders to discuss any ESG matters and shall respond in a prompt manner to any ESG requests for information from any holder.

SECTION 10 NEGATIVE COVENANTS.

The Company covenants that, for so long as any of the Notes are outstanding or there are any Revolving Commitments or Delayed Draw Commitments hereunder:

Section 10.1 Financial Covenants.

(a) *Total Leverage Ratio*. The Company will not permit, at any time, the ratio of (i) Indebtedness at such time to (ii) EBITDAX, tested at each Quarter End for the Rolling Period then ended, to be greater than 2.50 to 1.00.

(b) *Senior Leverage Ratio*. The Company will not permit, at any time, the ratio of (i) Senior Indebtedness at such time to (ii) EBITDAX, tested at each Quarter End for the Rolling Period then ended, to be greater than 2.00 to 1.00.

(c) *Asset Coverage*. The Company will not permit, at any time, the ratio of (i) Adjusted PV 10 as of such time to (ii) Indebtedness as of such time, to be less than 2.00 to 1.00.

(d) *Interest Coverage Ratio*. The Company will not permit, at any time, the ratio of (i) EBITDAX, tested at each Quarter End for the Rolling Period then ended, to (ii) Financing Charges, to be less than 2.00 to 1.00.

Each of the foregoing financial covenants shall be tested commencing with the fiscal quarter ending on June 30, 2023.

Section 10.2 Liens.

The Company will not, and will not permit any other Note Party to, directly or indirectly create, incur, assume or permit to exist (upon the happening of a contingency or otherwise) any Lien on or with respect to any property or asset (including any document or instrument in respect of goods or accounts receivable) of the Note Parties, whether now owned or held or hereafter acquired, or any income or profits therefrom, or assign or otherwise convey any right to receive income or profits, except for Permitted Encumbrances.

Section 10.3 Indebtedness.

The Company will not, and will not permit any other Note Party to, directly or indirectly, create, incur, assume or permit to exist any Indebtedness, except for the following (collectively, the "**Permitted Indebtedness**"):

(a) the obligations of the Note Parties under the Note Documents;

(b) the Subordinated Note Obligations;

(c) the Hedge Obligations existing or arising under Hedging Agreements and Hedging Transactions in each case to the extent permitted by Section 10.17;

(d) the Intercompany Debt;

(e) the EDC Facility;

(f) Indebtedness secured by Purchase Money Liens or arising under capital leases in an aggregate amount not to exceed Cdn. $3,000,000 in aggregate at any one time;

(g) Indebtedness comprising or resulting from indemnification, reimbursement or other obligations associated with outstanding letters of credit or bank guarantees issued to secure obligations incurred by the Company or any of its Affiliates in the ordinary course of the conduct of their business, all provided that the aggregate amount of Indebtedness permitted by this Section 10.3(g) shall at no time exceed $1,000,000; and

(h) other Indebtedness in an amount not to exceed Cdn. $1,000,000 in aggregate at any one time.

Section 10.4 Loans; Investments; Asset Acquisitions.

The Company will not, and will not permit any other Note Party to, directly or indirectly make, hold or maintain any advance, loan, extension of credit or capital contribution to or investment in, or purchase any, stock, bonds, notes, debentures, or other securities of, any Person, or otherwise provide any Financial Assistance to any Person, or acquire any Oil and Gas Properties or other material capital assets from any Person (any of the foregoing being referred to herein as an "**Investment**"), except:

(a) readily marketable direct obligations of Canada or the United States of America or any agency thereof with maturities of one year or less from the date of acquisition;

(b) fully insured certificates of deposit with maturities of one year or less from the date of acquisition issued by any commercial bank operating in Canada or the United States of America having capital and surplus in excess of Cdn. $500,000,000;

(c) Guarantees or other Financial Assistance given under or in connection with the Note Documents or the Subordinated Note Documents;

(d) Financial Assistance which a Note Party has provided or agreed to provide in the ordinary course of business, provided that the maximum aggregate amount of such Financial Assistance for all Note Parties does not exceed Cdn. $1,000,000 in aggregate at any one time;

(e) acquisitions of Oil and Gas Properties related to the current business of the Note Parties;

(f) acquisitions not related to the current business of the Note Parties that individually or in the aggregate do not exceed Cdn. $2,500,000 over the term of this Agreement; and

(g) Investments made or Financial Assistance given by a Note Party to one or more other Note Parties.

Section 10.5 Sale or Other Disposition of Assets.

Except with the consent of the Required Holders, the Company will not, and will not permit any other Note Party to, directly or indirectly, make any Dispositions, except:

(a) Dispositions of inventory (including Hydrocarbons) in the ordinary course of business;

(b) Dispositions, for fair value, of equipment which is worn-out, obsolete or surplus to the needs of the business carried on by the Note Parties as determined in good faith by the Company;

(c) abandonments, surrenders or terminations of Oil and Gas Properties or interests therein which are effected in accordance with Prudent Business Practice with respect to Oil and Gas Properties which are not capable of production in economic quantities;

(d) Dispositions consisting of any compulsory pooling or unitization ordered by a Governmental Authority with jurisdiction over such Note Party's Oil and Gas Properties; and

(e) so long as no Default or Event of Default has occurred and is continuing or would result therefrom, Dispositions, for fair value, of Oil and Gas Properties; provided that the aggregate fair market value of all such Oil and Gas Properties disposed of pursuant to this clause (e) during any fiscal year of the Company shall not exceed 5% of the Borrowing Base in effect at the time of such disposition.

Section 10.6 Merger, Consolidation, Etc.

The Company will not, and will not permit any other Note Party to, amalgamate, consolidate with or merge with any other Person or convey, transfer or lease all or substantially all of its assets in a single transaction or series of transactions to any Person, or wind-up, dissolve or liquidate except for any such transaction which is between or among only Note Parties.

This Section 10.6 shall not apply to prohibit any transaction constituting a "Change of Control" in respect of which the Company is required to prepay the Notes in compliance with Section 8.1(d)(iii).

Section 10.7 Restricted Payments.

Other than (a) payments and distributions made by a Note Party to the Company or another Note Party, (b) distributions payable only in Equity Interests of a Note Party, and (c) payments made to the Parent solely for the purpose of allowing the Parent to pay compensation for its board of directors and other routine general and administrative expenses of the Parent in an amount not to exceed Cdn.$ 2,000,000 in any fiscal year of the Company, the Company will not, and will not permit any other Note Party to, directly or indirectly, declare or pay any dividends or make any other payment or distribution (in cash, property or obligations) on account of its Equity Interests, or redeem, purchase, retire, call, or otherwise acquire any of its Equity Interests, or purchase or otherwise acquire any Equity Interest of any Note Party, or set apart any money for a sinking or other analogous fund for any dividend or other distribution on its Equity Interests or for any redemption, purchase, retirement, or other acquisition of any of its Equity Interests, or incur any obligation (contingent or otherwise) to do any of the foregoing.

Section 10.8 Subordinated Notes Amendments; Payments.

The Company will not, and will not permit any other Note Party to

(a) amend or modify the existing Subordinated Note Documents or enter into any additional Subordinated Note Documents to (i) increase the principal amount of the Notes (as that term is defined in the Subordinated Note Agreement) from the principal amounts set forth in the Subordinated Note Documents on the date hereof, (ii) increase the interest rate applicable on the Subordinated Note Obligations by more than 2.00% over the interest rate applicable to the Subordinated Notes on the date hereof, except for increases provided for in the Subordinated Note Agreement as in effect on the date hereof, (iii) change the maturity date of any component of the Subordinated Notes to an earlier date than the maturity date of the Subordinated Notes on the date hereof, (iv) increase principal prepayments or amortization payments on the Subordinated Notes to an amount in excess of the principal prepayments or amortization payments applicable thereto on the date hereof, (v) amend any of the covenants set forth in the Subordinated Note Documents to render such covenants more restrictive than they are under the Subordinated Note Documents as of the date hereof (unless a similar change is offered to the holders of the Notes, preserving any cushion that may exist), (vi) add any new operational or restrictive covenants or events of default to the Subordinated Note Documents as of the date hereof unless the Company has entered into an amendment to this Agreement, in a form acceptable to the Required Holders, to add such covenants or events of default to this Agreement, (vii) subordinate the Subordinated Note Obligations to any Indebtedness other than the Indebtedness under the Note Documents, (viii) grant a Lien on or in respect of the property of any Note Party to secure any Subordinated Note Obligations; or (ix) or amend or otherwise modify the subordinate provisions set forth in the Subordinated Note Documents from those set forth therein as of the date hereof; or

(b) make any payment on account of any Subordinated Note Obligations other than payments of regularly scheduled installments of principal, interest, fees and expenses when required to be paid pursuant to the terms of the Subordinated Note Documents, but in each case only to the extent payment thereof is not violative of the subordination provisions contained in the Subordinated Note Agreement as in effect on the date hereof.

Section 10.9 Transactions with Affiliates.

The Company will not, and will not permit any other Note Party to, directly or indirectly enter into any transaction or group of related transactions (including the purchase, lease, sale or exchange of properties of any kind or the rendering of any service) with any Affiliate (other than a Note Party), except in the ordinary course and pursuant to the reasonable requirements of such Note Party's business, pursuant to a transaction that is otherwise expressly permitted under this Agreement, and upon fair and reasonable terms no less favorable to the applicable Note Party than would be obtainable in a comparable arm's-length transaction with a Person not an Affiliate.

Section 10.10 Line of Business.

The Company will not, and will not permit any other Note Party to, engage in any business if, as a result, the general nature of the business in which the Note Parties, taken as a whole, would then be engaged would be substantially changed from the general nature of the business in which the Note Parties, taken as a whole, are engaged on the date of this Agreement.

Section 10.11 G&A Expenses; Capital Expenditures.

(a) The Company will not, and will not permit any other Note Party to, directly or indirectly incur net general and administrative expenses in excess of Cdn. $25,000,000 in any fiscal year of the Company after taking into account for deductions related to recoveries and capitalization, as made in accordance with GAAP and industry practice.

(b) The Company will not, and will not permit any other Note Party to, incur or commit to any capital expenditures, whether in respect of the Oil and Gas Properties, the Processing Facilities or otherwise, that are not specified in the Capital Plan as most recently updated pursuant to a Request for Advance or Section 7.1(k) and approved by the Required Holders, <u>provided</u> that the Company may incur capital expenses in addition to those set out in a Capital Plan in an amount not to exceed Cdn. $2,500,000 in any fiscal year of the Company.

Section 10.12 Prohibition of Certain Transactions.

The Company will not, and will not permit any other Note Party to, directly or indirectly, enter into any arrangement with any Person that would constitute or give rise to (i) a Sale-Leaseback, (ii) a Purchase Money Lien (except to the extent permitted by Section 10.3(f)), (iii) a Production Payment, or (iv) Prepaid Obligations.

Section 10.13 Economic Sanctions, Etc.

The Company will not, and will not permit any Controlled Entity to (a) become (including by virtue of being owned or controlled by a Blocked Person), own or control a Blocked Person or (b) directly or indirectly have any investment in or engage in any dealing or transaction (including any investment, dealing or transaction involving the proceeds of the Notes) with any Person if such investment, dealing or transaction would be in violation of, or could result in the imposition of sanctions under, any Economic Sanctions Laws applicable to the Company or such Controlled Entity.

Section 10.14 Environmental Protection.

The Company will not, and will not permit any other Note Party to, directly or indirectly (a) use (or permit any tenant to use) any of their respective properties or assets for the handling, processing, storage, transportation, or disposal of any Hazardous Material in material violation of Environmental Laws, (b) generate any Hazardous Material in material violation of Environmental Laws, (c) conduct any activity that is likely to cause a release or discharge or threatened release or discharge of any Hazardous Material, or (d) otherwise conduct any activity or use any of their respective properties or assets in any manner that is likely to (i) violate in any material respect any Environmental Law or (ii) result in a Material Adverse Effect.

Section 10.15 Burdensome Agreements.

The Company will not, and will not permit any other Note Party to, enter into or permit to exist any arrangement or agreement, other than pursuant to the Note Documents and any Senior Note Facility Document, which (a) directly or indirectly prohibits any Note Party from creating or incurring a Lien on any of its property, revenues, or assets, whether now owned or hereafter acquired, (b) directly or indirectly prohibits any Note Party to make any payments, directly or indirectly, to the Company by way of dividends, distributions, advances, repayments of loans, repayments of expenses, accruals, or otherwise, (c) could reasonably be expected to result in the liquidation or dissolution of a Note Party, or in it filing or acquiescing in any proceeding referred to in Section 11(f), Section 11(g) or Section 11(h) or (d) in any way would be contravened by such Person's performance of its obligations hereunder or under the other Note Documents; provided that the foregoing shall not prohibit any (i) provisions restricting subletting or assignment of any lease and (ii) provisions in any assignment, lease, easement, permit, license, deed or other agreement or instrument restricting or prohibiting assignment of such agreement or instrument or rights created, or property conveyed or assigned, thereunder, including preferential purchase rights and consent requirements.

Section 10.16 Material Documents and Amendments.

The Company will not, and will not permit any other Note Party to

(a) amend, restate or otherwise modify any provision of the constitutive documents of any Note Party in any manner that would reasonably be expected to have a Material Adverse Effect;

(b) amend, restate or otherwise modify any Material contract or Material agreement to which any Note Party is a party or otherwise bound, including those listed in Schedule 5.5, in any respect that could reasonably be expected to be materially adverse to its interests or that of the holders of Notes, or enter into any take-or-pay midstream agreements; or

(c) change its fiscal year end from December 31.

Section 10.17 Hedging Agreements and Transactions.

The Company will not, and will not permit any other Note Party to, enter into, or permit to exist, any Hedging Transaction unless such Hedging Transaction is (i) an Acceptable Commodity Hedging Transaction or a Rate Management Transaction entered into in the ordinary course of business for the principal purpose of protecting against price, interest rate or currency exchange rate fluctuations and not for speculative purposes, or (ii) a transaction pursuant to a derivative instrument entered into in connection with such Acceptable Commodity Hedging Transaction or a Rate Management Transaction for the purpose of enhancing the overall terms or pricing in respect of same; and in each case is entered into with an Approved Hedging Agreement Counterparty.

Section 10.18 Use of Proceeds.

The Company will not, and will not permit any other Note Party to, use the proceeds of the Notes in any manner that would cause the representations and warranties set forth in Section 5.14 to be incorrect or untrue in any respect at any time.

Section 10.19 No ERISA Plans.

The Company will not, and will not permit any other Note Party to, maintain or contribute to or be a participating employer in any Plan (including, for avoidance of doubt, Multiemployer Plans) or enter into any indemnity agreement or similar arrangement with, or assume any liability or obligation with respect to, the Company or any ERISA Affiliate in connection with any Plan maintained at any time by the Company or such ERISA Affiliate or in connection with any Plan to which the Company or any ERISA Affiliate may at any time contribute.

Section 10.20 Deposit Accounts.

Other than the account that is the subject of Section 4.14(e), the Company will not, and will not permit any other Note Party to, open, maintain or permit to exist any deposit account or securities account that is not subject to a control agreement (in form and substance reasonably satisfactory to the Required Holders) in favour of the Senior Collateral Agent pursuant to which the depository bank of such account agrees to comply at any time with instructions from the Senior Collateral Agent without further consent from the Company.

Section 10.21 No Creation or Acquisition of New Subsidiaries.

The Company will not, and will not permit any other Note Party to, form or acquire any new Subsidiary without obtaining the prior written consent of the Required Holders, which consent (if given) may be conditioned upon the new Subsidiary becoming a Note Party and this Agreement being amended on terms satisfactory to the Required Holders to give effect thereto (including the provision by such new Subsidiary of a guarantee and debenture in substance and form similar to those delivered at Closing).

Section 10.22 Intercompany Debt.

The Company will not, and will not permit any other Note Party to:

(a) make any principal repayments or prepayments (whether mandatory, scheduled, or optional), or any payments of interest, fees or other compensation whatsoever, whether in cash or otherwise (other than Equity Interests which are the subject of the Share Pledge), on or with respect to any Intercompany Debt, (ii) grant or permit to exist a Lien on or in respect of any property of any Note Party to secure or otherwise support any Intercompany Debt, or (iii) grant or permit to exist any guarantee, indemnity or other form of financial assistance by any Note Party in respect of any Intercompany Debt;

(b) amend or modify any documents or instruments creating, evidencing or relating to Intercompany Debt, or enter into any new documents or instruments creating, evidencing or relating to Intercompany Debt, which (i) require or permit any principal repayments or prepayments (whether mandatory, scheduled, or optional), or any payments of interest, fees or other compensation whatsoever, whether in cash or otherwise, to be made by any Note Party on or with respect to any Intercompany Debt, (ii) impose any operational or restrictive representations, covenants, default events or other obligations on any Note Party with respect to Intercompany Debt, (iii) require any Lien on or in respect of any property of any Note Party to secure or otherwise support any Intercompany Debt, or (iv) require any guarantee, indemnity or other form of financial assistance by any Note Party in respect of any Intercompany Debt; or

(c) do or take any actions that could cause the Parent to be in contravention of the Subordination and Postponement Agreement or the Parent TEC Subordination and Postponement Agreement.

SECTION 11 EVENTS OF DEFAULT.

An "**Event of Default**" shall exist if any of the following conditions or events shall occur and be continuing:

(a) the Company defaults in the payment of any principal, Breakage Cost Obligation or any Premium, if any, on any Note when the same becomes due and payable, whether at maturity or at a date fixed for prepayment or by declaration or otherwise; or

(b) the Company defaults in the payment of any interest on any Note or fees, or any Note Party defaults in the payment of any other amount due and payable under any Note Document, for more than five Business Days after the same becomes due and payable; or

(c) the Company defaults in the performance of or compliance with any term contained in Section 7.1(d), Section 9.7, Section 9.9, Section 9.10 or Section 10; or

(d) any Note Party defaults in the performance of or compliance with any term contained herein (other than those referred to in Section 11(a), Section 11(b) or Section 11(c)) or in any other Note Document and such default (if capable of being remedied) is not remedied within 30 days after the earlier of (i) a Responsible Officer obtaining actual knowledge of such default and (ii) a Note Party receiving written notice of such default from any holder of a Note (any such written notice to be identified as a "notice of default" and to refer specifically to this Section 11(d)); or

(e) any representation or warranty made in writing by or on behalf of any Note Party or by any officer of any Note Party in any Note Document or any writing required to be delivered pursuant to any Note Document proves to have been false or incorrect in any material respect on the date as of which made and the facts giving rise to such default (if capable of being remedied) are not remedied within 30 days after the earlier of (i) a Responsible Officer obtaining actual knowledge of such default and (ii) the Company receiving written notice of such default from any holder of a Note (any such written notice to be identified as a "notice of default" and to refer specifically to this Section 11(e)); or

(f) (i) any Note Party is in default (as principal or as guarantor or other surety) in the payment of any principal of or premium or make-whole amount or interest on any Indebtedness that is outstanding in an aggregate principal amount of at least the Threshold Amount (or its equivalent in the relevant currency of payment) beyond any period of grace provided with respect thereto, or (ii) any Note Party is in default in the performance of or compliance with any term of any evidence of Indebtedness in an aggregate outstanding principal amount of at least the Threshold Amount (or its equivalent in the relevant currency of payment) or of any mortgage, indenture or other agreement relating thereto or any other condition exists, and as a consequence of such default or condition such Indebtedness has become, or has been declared (or one or more Persons are entitled to declare such Indebtedness to be), due and payable before its stated maturity or before its regularly scheduled dates of payment, or (iii) as a consequence of the occurrence or continuation of any event or condition (other than the passage of time or the right of the holder of Indebtedness to convert such Indebtedness into Equity Interests), (x) any Note Party has become obligated to purchase or repay Indebtedness before its regular maturity or before its regularly scheduled dates of payment in an aggregate outstanding principal amount of at least the Threshold Amount (or its equivalent in the relevant currency of payment), or (y) one or more Persons have the right to require any Note Party so to purchase or repay such Indebtedness; or (iv) the Parent is in default in the performance of or compliance with any term of any evidence of Indebtedness in an aggregate outstanding principal amount of at least the Threshold Amount (or its equivalent in the relevant currency of payment) or of any mortgage, indenture or other agreement relating thereto or any other condition exists, and as a consequence of such default or condition such Indebtedness has become due and payable before its stated maturity or before its regularly scheduled dates of payment; or

(g) any Note Party or the Parent (i) is generally not paying, or admits in writing its inability to pay, its debts as they become due, (ii) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy, for liquidation or to take advantage of any bankruptcy, insolvency, arrangement, reorganization, moratorium or other similar law of any jurisdiction, (iii) makes an assignment for the benefit of its creditors, (iv) consents to the appointment of a custodian, receiver, receiver-manager, monitor, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, (v) is adjudicated as insolvent or to be liquidated, or (vi) takes corporate or other action for the purpose of any of the foregoing; or

(h) a court or other Governmental Authority of competent jurisdiction enters an order appointing, without consent by a Note Party or the Parent, as applicable, a custodian, receiver, receiver-manager, monitor, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, or constituting an order for relief or approving a petition for relief or reorganization or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or arrangement law of any jurisdiction, or ordering the dissolution, winding-up or liquidation of the applicable Note Party or the Parent, or any such petition shall be filed against such Note Party or the Parent, as applicable, and such petition shall not be dismissed within 30 days; or

(i) any event occurs with respect to a Note Party or the Parent which under the laws of any jurisdiction is analogous to any of the events described in Section 11(g) or Section 11(h), provided that the applicable grace period, if any, which shall apply shall be the one applicable hereunder to the proceeding described in Section 11(g) or Section 11(h) to which such event most closely corresponds; or

(j) one or more final judgments or orders for the payment of money aggregating in excess of the Threshold Amount (or its equivalent in the relevant currency of payment), including any such final order enforcing a binding arbitration decision, are rendered against one or more of the Note Parties and which judgments are not, within 30 days after entry thereof, bonded, discharged or stayed pending appeal, or are not discharged within 30 days after the expiration of such stay; or

(k) if an event shall occur which would reasonably be expected to have a Material Adverse Effect and, if capable of remedy, such event shall not be remedied within a period of 20 Business Days from the date of written notice by the holders to the Company of such event; or

(l) if (i) any Plan shall fail to satisfy the minimum funding standards of ERISA or the Code for any plan year or part thereof or a waiver of such standards or extension of any amortization period is sought or granted under section 412 of the Code, (ii) a notice of intent to terminate any Plan shall have been or is reasonably expected to be filed with the PBGC or the PBGC shall have instituted proceedings under ERISA section 4042 to terminate or appoint a trustee to administer any Plan or the PBGC shall have notified the Company or any ERISA Affiliate that a Plan may become a subject of any such proceedings, (iii) there is any "amount of unfunded benefit liabilities" (within the meaning of section 4001(a)(18) of ERISA) under one or more Plans, determined in accordance with Title IV of ERISA, (iv) the Company or any ERISA Affiliate shall have incurred or is reasonably expected to incur any liability pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans, or (v) the Company or any ERISA Affiliate withdraws from any Multiemployer Plan, (vi) any Note Party establishes or amends any employee welfare benefit plan that provides post-employment welfare benefits in a manner that would increase the liability of the applicable Note Party thereunder; and any such event or events described in clauses (i) through (vi) above, either individually or together with any other such event or events, could reasonably be expected to have a Material Adverse Effect. As used in this Section 11(l), the terms "**employee benefit plan**" and "**employee welfare benefit plan**" shall have the respective meanings assigned to such terms in section 3 of ERISA; or

(m) the Limited Recourse Parent Guarantee, the Share Pledge, the Assignment of Intercompany Debt, the Subordination and Postponement Agreement or the Parent TEC Subordination and Postponement Agreement shall cease to be in full force and effect, or the Parent (or any Person acting on its behalf) shall contest in any manner the validity, binding nature or enforceability of any of such documents, or the obligations of the Parent under any of such documents are not or cease to be legal, valid, binding and enforceable in accordance with the terms thereof; or

(n) any provision of any Senior Security shall for any reason cease to be valid and binding on any Note Party or other Person that is a party thereto (except in accordance with its terms), or any Note Party or other Person shall so assert in writing; or

(o) any Lien granted to the Senior Collateral Agent pursuant to any provision of any Senior Security shall for any reason cease to be a valid and perfected first-priority Lien, subject to Permitted Encumbrances; or

(p) the Liability Management Rating of the Company in any Material Jurisdiction becomes less than 1.0; or

(q) (i) any one or more of the Note Parties becomes subject to one or more Abandonment/Reclamation Orders issued by any applicable Energy Regulator, (ii) the aggregate estimated cost of compliance with all such orders would reasonably be expected to exceed the Threshold Amount (provided that, for the purpose of determining any such estimated cost, the Company shall provide the holders with a reasonable and factually supportable estimate of such costs within 10 Business Days of its receipt of the applicable order and shall deliver to each holder all such other relevant information related to such estimate as may be reasonably required by any such holder), and (iii) such orders or demands are not withdrawn or satisfied within 20 Business Days, if not appealed by the relevant Note Party, or 60 days (or such longer as may be agreed to by the Required Holders, acting reasonably) if appealed by the relevant Note Party; or

(r) a Senior Swap Facility Default occurs.

SECTION 12 REMEDIES ON DEFAULT, ETC.

Section 12.1 Acceleration.

(a) If an Event of Default with respect to the Company described in Section 11(g), Section 11(h) or Section 11(i) (other than an Event of Default described in clause (i) of Section 11(g) or described in clause (vi) of Section 11(g) by virtue of the fact that such clause encompasses clause (i) of Section 11(g)) has occurred, all the Notes then outstanding shall automatically become immediately due and payable and all Revolving Commitments shall immediately terminate.

(b) If any other Event of Default has occurred and is continuing, the Required Holders may at any time at its or their option, by notice or notices to the Company, declare all the Notes then outstanding to be immediately due and payable and/or terminate its Revolving Commitment.

(c) If any Event of Default described in Section 11(a) or Section 11(b) has occurred and is continuing, any holder or holders of Notes at the time outstanding affected by such Event of Default may at any time, at its or their option, by notice or notices to the Company, declare all the Notes held by it or them to be immediately due and payable and terminate its Revolving Commitment.

Upon any Notes becoming due and payable under this Section 12.1, whether automatically or by declaration, such Notes will forthwith mature and the entire unpaid principal amount of such Notes, plus (x) all accrued and unpaid interest thereon (including interest accrued thereon at the Default Rate) and (y) any Breakage Cost Obligations, and all non-usage fees or any other fees, amounts or other Note Obligations then owing, shall all be immediately due and payable, in each and every case without presentment, demand, protest or further notice, all of which are hereby waived.

Section 12.2 Other Remedies.

If any Default or Event of Default has occurred and is continuing, and irrespective of whether any Notes have become or have been declared immediately due and payable under Section 12.1, the holder of any Note at the time outstanding may proceed to protect and enforce the rights of such holder by an action at law, suit in equity or other appropriate proceeding, whether for the specific performance of any agreement contained herein or in any other Note Document, or for an injunction against a violation of any of the terms hereof or thereof, or in aid of the exercise of any power granted hereby or thereby or by law or otherwise.

Section 12.3 Rescission.

At any time after any Notes have been declared due and payable pursuant to Section 12.1(b) or Section 12.1(c), the Required Holders, by written notice to the Company, may rescind and annul any such declaration and its consequences if (a) the Company has paid all overdue interest on the Notes, all principal of and Breakage Cost Obligations, if any, on any Notes that are due and payable and are unpaid other than by reason of such declaration, and all interest on such overdue principal and Breakage Cost Obligations, if any, and (to the extent permitted by applicable law) any overdue interest in respect of the Notes, at the Default Rate, (b) neither the Company nor any other Person shall have paid any amounts which have become due solely by reason of such declaration, (c) all Events of Default and Defaults, other than non-payment of amounts that have become due solely by reason of such declaration, have been cured or have been waived pursuant to Section 18, and (d) no judgment or decree has been entered for the payment of any monies due pursuant hereto or to the Notes. No rescission and annulment under this Section 12.3 will extend to or affect any subsequent Event of Default or Default or impair any right consequent thereon.

Section 12.4 No Waivers or Election of Remedies, Expenses, Etc.

No course of dealing and no delay on the part of any holder of any Note in exercising any right, power or remedy shall operate as a waiver thereof or otherwise prejudice such holder's rights, powers or remedies. No right, power or remedy conferred by this Agreement or any other Note Document upon any holder thereof shall be exclusive of any other right, power or remedy referred to herein or therein or now or hereafter available at law, in equity, by statute or otherwise. Without limiting the obligations of the Company under Section 16, the Company will pay to the holder of each Note on demand such further amount as shall be sufficient to cover all costs and expenses of such holder incurred in any enforcement or collection under this Section 12, including reasonable attorneys' fees, expenses and disbursements.

SECTION 13 TAX INDEMNIFICATION; FATCA INFORMATION.

(a) All payments whatsoever under this Agreement and the Notes will be made by the Company free and clear of, and without liability for withholding or deduction for or on account of, any present or future Taxes of whatever nature imposed or levied by or on behalf of any jurisdiction (or any political subdivision or taxing authority of or in such jurisdiction) (hereinafter a "**Taxing Jurisdiction**"), unless the withholding or deduction of such Tax is compelled by law.

(b) If any deduction or withholding for any Tax of a Taxing Jurisdiction shall at any time be required in respect of any amounts to be paid by the Company under this Agreement or the Notes, the Company will pay to the relevant Taxing Jurisdiction the full amount required to be withheld, deducted or otherwise paid before penalties attach thereto or interest accrues thereon and pay to each holder of a Note such additional amounts as may be necessary in order that the net amounts paid to such holder pursuant to the terms of this Agreement or the Notes after such deduction, withholding or payment (including any required deduction or withholding of Tax on or with respect to such additional amount), shall be not less than the amounts then due and payable to such holder under the terms of this Agreement or the Notes before the assessment of such Tax, provided that no payment of any additional amounts shall be required to be made for or on account of:

(i) any Tax that would not have been imposed but for the existence of any present or former connection between such holder (or a fiduciary, settlor, beneficiary, member of, shareholder of, or possessor of a power over, such holder, if such holder is an estate, trust, partnership or corporation or any Person other than the holder to whom the Notes or any amount payable thereon is attributable for the purposes of such Tax) and the Taxing Jurisdiction, other than the mere holding of the relevant Note or the receipt of payments thereunder or in respect thereof or the exercise of remedies in respect thereof, including such holder (or such other Person described in the above parenthetical) being or having been a citizen or resident thereof, or being or having been present or engaged in trade or business therein or having or having had an establishment, office, fixed base or branch therein, provided that this exclusion shall not apply with respect to a Tax that would not have been imposed but for the Company, after the date hereof, opening an office in, moving an office to, reincorporating in, or changing the Taxing Jurisdiction from or through which payments on account of this Agreement or the Notes are made to, the Taxing Jurisdiction imposing the relevant Tax;

(ii) any Tax that would not have been imposed but for the delay or failure by such holder (following a written request by the Company) in the filing with the relevant Taxing Jurisdiction of Forms (as defined below) that are required to be filed by such holder to avoid or reduce such Taxes (including for such purpose any refilings or renewals of filings that may from time to time be required by the relevant Taxing Jurisdiction), provided that the filing of such Forms would not (in such holder's reasonable judgment) impose any unreasonable burden (in time, resources or otherwise) on such holder or result in any confidential or proprietary income tax return information being revealed, either directly or indirectly, to any Person (other than the relevant Taxing Jurisdiction) and such delay or failure could have been lawfully avoided by such holder, and provided further that such holder shall be deemed to have satisfied the requirements of this clause (b)(ii) upon the good faith completion and submission of such Forms (including refilings or renewals of filings) as may be specified in a written request of the Company no later than 60 days after receipt by such holder of such written request (accompanied by copies of such Forms and related instructions, if any, all in the English language or with an English translation thereof);

(iii) any Tax that would not have been imposed but for the holder not dealing at arm's length with the Note Party for the purposes of the *Income Tax Act* (Canada);

(iv) any Tax that would not have been imposed but for the holder being a "specified non-resident shareholder" (as defined in subsection 18(5) of the *Income Tax Act* (Canada)) of the Company or not dealing at arm's length with such a specified non-resident shareholder;

(v) any Tax imposed pursuant to FATCA; or

(vi) any combination of clauses (i), (ii), (iii), (iv) or (v) above.

(c) If as a result of any payment by a Note Party under the Note Documents, whether in respect of principal, Breakage Cost Obligations, interest, interest on overdue interest, fees or other payment obligations, any holder of a Note is required to pay tax under Part XIII of the *Income Tax Act* (Canada), then the Company will, and will cause the applicable Note Party to, upon demand by such holder of any Note, indemnify the holder for the payment of any such amount, together with any interest, penalties and expenses in connection therewith, and for any Taxes on such indemnity payment, provided that no indemnification payment shall be required to be made in respect of a Tax described in clauses (i), (ii), (iii), (iv), (v), or (vi) of the previous paragraph. All amounts payable under this paragraph shall be payable by the Note Party on demand, shall, if paid in respect of interest, be a payment of additional interest, and shall bear interest at the Default Rate, calculated from the date demanded by such holder to the date paid by the Note Party.

(d) By acceptance of any Note, the holder of such Note agrees, subject to the limitations of clause (b)(ii) above, that it will from time to time with reasonable promptness (x) duly complete and deliver to or as reasonably directed by the Company all such forms, certificates, documents and returns provided to such holder by the Company (collectively, together with instructions for completing the same, "**Forms**") required to be filed by or on behalf of such holder in order to avoid or reduce any such Tax pursuant to the provisions of an applicable statute, regulation or administrative practice of the relevant Taxing Jurisdiction or of a tax treaty between Canada or the U.S. and such Taxing Jurisdiction and (y) provide the Company with such information with respect to such holder as the Company may reasonably request in order to complete any such Forms, provided that nothing in this Section 13 shall require any holder to provide information with respect to any such Form or otherwise if in the opinion of such holder such Form or disclosure of information would involve the disclosure of tax return or other information that is confidential or proprietary to such holder (other than the relevant Taxing Jurisdiction if required by applicable law), and provided further that each such holder shall be deemed to have complied with its obligation under this paragraph with respect to any Form if such Form shall have been duly completed and delivered by such holder to the Company or mailed to the appropriate taxing authority, whichever is applicable, within 60 days following a written request of the Company (which request shall be accompanied by copies of such Form and English translations of any such Form not in the English language) and, in the case of a transfer of any Note, at least 90 days prior to the relevant interest payment date.

(e) If any payment is made by the Company to or for the account of the holder of any Note after deduction for or on account of any Taxes, and increased payments are made by the Company pursuant to this Section 13, then, if such holder at its sole discretion determines that it has received or been granted a refund of such Taxes, such holder shall, to the extent that it can do so without prejudice to the retention of the amount of such refund, reimburse to the Company such amount as such holder shall, in its sole discretion, determine to be attributable to the relevant Taxes or deduction or withholding. Nothing herein contained shall interfere with the right of the holder of any Note to arrange its tax affairs in whatever manner it thinks fit and, in particular, no holder of any Note shall be under any obligation to claim relief from its corporate profits or similar tax liability in respect of such Tax in priority to any other claims, reliefs, credits or deductions available to it or (other than as set forth in Section 13(b)(ii)) oblige any holder of any Note to disclose any information relating to its tax affairs or any computations in respect thereof.

(f) The Company will furnish the holders of Notes, promptly and in any event within 60 days after the date of any payment by the Company of any Tax in respect of any amounts paid under this Agreement or the Notes, the original tax receipt issued by the relevant taxation or other authorities involved for all amounts paid as aforesaid (or if such original tax receipt is not available or must legally be kept in the possession of the Company, a duly certified copy of the original tax receipt or any other reasonably satisfactory evidence of payment), together with such other documentary evidence with respect to such payments as may be reasonably requested from time to time by any holder of a Note.

(g) If the Company is required by any applicable law, as modified by the practice of the taxation or other authority of any relevant Taxing Jurisdiction, to make any deduction or withholding of any Tax in respect of which the Company would be required to pay any additional amount under this Section 13, but for any reason does not make such deduction or withholding with the result that a liability in respect of such Tax is assessed directly against the holder of any Note, and such holder pays such liability, then the Company will promptly reimburse such holder for such payment (including any related interest or penalties to the extent such interest or penalties arise by virtue of a default or delay by the Company) upon demand by such holder accompanied by an official receipt issued by the taxation or other authority of the relevant Taxing Jurisdiction (or if such original tax receipt is not available or must legally be kept in the possession of the holder, a duly certified copy of the original tax receipt or any other reasonably satisfactory evidence of payment).

(h) If the Company makes payment to or for the account of any holder of a Note and such holder is entitled to a refund of the Tax to which such payment is attributable upon the making of a filing (other than a Form described above), then such holder shall, as soon as practicable after receiving written request from the Company (which shall specify in reasonable detail and supply the refund forms to be filed) use reasonable efforts to complete and deliver such refund forms to or as directed by the Company, subject, however, to the same limitations with respect to Forms as are set forth above.

(i) The obligations of the Company under this Section 13 shall survive the payment or transfer of any Note and the provisions of this Section 13 shall also apply to successive transferees of the Notes.

(j) By acceptance of any Note, the holder of such Note agrees that such holder will with reasonable promptness duly complete and deliver to the Company, or to such other Person as may be reasonably requested by the Company, from time to time (i) in the case of any such holder that is a United States Person, such holder's U.S. tax identification number or other Forms reasonably requested by the Company necessary to establish such holder's status as a United States Person under FATCA and as may otherwise be necessary for the Company to comply with its obligations under FATCA and (ii) in the case of any such holder that is not a United States Person, such documentation prescribed by applicable law (including as prescribed by section 1471(b)(3)(C)(i) of the Code) and such additional documentation as may be necessary for the Company to comply with its obligations under FATCA and to determine that such holder has complied with such holder's obligations under FATCA or to determine the amount (if any) to deduct and withhold from any such payment made to such holder. Nothing in this Section 13(j) shall require any holder to provide information that is confidential or proprietary to such holder unless the Company is required to obtain such information under FATCA and, in such event, the Company shall treat any such information it receives as confidential.

SECTION 14 REGISTRATION; EXCHANGE; SUBSTITUTION OF NOTES.

Section 14.1 Registration of Notes.

The Company shall keep at its principal executive office a register for the registration and registration of transfers of Notes. The name and address of each holder of one or more Notes, each transfer thereof and the name and address of each transferee of one or more Notes shall be registered in such register. If any holder of one or more Notes is a nominee, then (a) the name and address of the beneficial owner of such Note or Notes shall also be registered in such register as an owner and holder thereof and (b) at any such beneficial owner's option, either such beneficial owner or its nominee may execute any amendment, waiver or consent pursuant to this Agreement. Prior to due presentment for registration of transfer, the Person in whose name any Note shall be registered shall be deemed and treated as the owner and holder thereof for all purposes hereof, and the Company shall not be affected by any notice or knowledge to the contrary. The Company shall give to any holder of a Note that is an Institutional Investor promptly upon request therefor, a complete and correct copy of the names and addresses of all registered holders of Notes.

Section 14.2 Transfer and Exchange of Notes.

Upon surrender of any Note to the Company at the address and to the attention of the designated officer (all as specified in Section 19(iii)), for registration of transfer or exchange (and in the case of a surrender for registration of transfer accompanied by a written instrument of transfer duly executed by the registered holder of such Note or such holder's attorney duly authorized in writing and accompanied by the relevant name, address and other information for notices of each transferee of such Note or part thereof), within 10 Business Days thereafter, the Company shall execute and deliver, at the Company's expense (except as provided below), one or more new Notes (as requested by the holder thereof) in exchange therefor, in an aggregate principal amount equal to the unpaid principal amount of the surrendered Note. Each such new Note shall be payable to such Person as such holder may request and shall be substantially in the form of Schedule 1.1. Each such new Note shall be dated and bear interest from the date to which interest shall have been paid on the surrendered Note or dated the date of the surrendered Note if no interest shall have been paid thereon. The Company may require payment of a sum sufficient to cover any stamp tax or governmental charge imposed in respect of any such transfer of Notes. Notes shall not be transferred in denominations of less than U.S.$100,000, provided that if necessary to enable the registration of transfer by a holder of its entire holding of Notes, one Note may be in a denomination of less than U.S.$100,000. Any transferee, by its acceptance of a Note registered in its name (or the name of its nominee), shall be deemed to have made the representation set forth in Section 6.2.

Section 14.3 Replacement of Notes.

Upon receipt by the Company at the address and to the attention of the designated officer (all as specified in Section 19(iii)) of evidence reasonably satisfactory to it of the ownership of and the loss, theft, destruction or mutilation of any Note (which evidence shall be, in the case of an Institutional Investor, notice from such Institutional Investor of such ownership and such loss, theft, destruction or mutilation), and

(a) in the case of loss, theft or destruction, of indemnity reasonably satisfactory to it (provided that if the holder of such Note is, or is a nominee for, an original Purchaser or another holder of a Note with a minimum net worth of at least U.S.$100,000,000 or a Qualified Institutional Buyer, such Person's own unsecured agreement of indemnity shall be deemed to be satisfactory), or

(b) in the case of mutilation, upon surrender and cancellation thereof,

within 10 Business Days thereafter, the Company at its own expense shall execute and deliver, in lieu thereof, a new Note, dated and bearing interest from the date to which interest shall have been paid on such lost, stolen, destroyed or mutilated Note or dated the date of such lost, stolen, destroyed or mutilated Note if no interest shall have been paid thereon.

SECTION 15 PAYMENTS ON NOTES.

Section 15.1 Place of Payment.

Subject to Section 15.2, payments of principal, Breakage Cost Obligations, if any, Premium, if any, and interest becoming due and payable on the Notes shall be made in New York, New York at the principal office of JPMorgan Chase Bank, N.A. in such jurisdiction. The Company may at any time, by notice to each holder of a Note, change the place of payment of the Notes so long as such place of payment shall be either the principal office of the Company in such jurisdiction or the principal office of a bank or trust company in such jurisdiction.

Section 15.2 Payment by Wire Transfer.

So long as any Purchaser or its nominee shall be the holder of any Note, and notwithstanding anything contained in Section 15.1 or in such Note to the contrary, the Company will pay all sums becoming due on such Note for principal, Breakage Cost Obligations, if any, Premium, if any, interest and all other amounts becoming due hereunder by the method and at the address specified for such purpose below such Purchaser's name in the Purchaser Schedule, or by such other method or at such other address as such Purchaser shall have from time to time specified to the Company in writing for such purpose, without the presentation or surrender of such Note or the making of any notation thereon, except that upon written request of the Company made concurrently with or reasonably promptly after payment or prepayment in full of any Note, such Purchaser shall surrender such Note for cancellation, reasonably promptly after any such request, to the Company at its principal executive office or at the place of payment most recently designated by the Company pursuant to Section 15.1. Prior to any sale or other disposition of any Note held by a Purchaser or its nominee, such Purchaser will, at its election, either endorse thereon the amount of principal paid thereon and the last date to which interest has been paid thereon or surrender such Note to the Company in exchange for a new Note or Notes pursuant to Section 14.2. The Company will afford the benefits of this Section 15.2 to any Institutional Investor that is the direct or indirect transferee of any Note purchased by a Purchaser under this Agreement and that has made the same agreement relating to such Note as the Purchasers have made in this Section 15.2.

SECTION 16 EXPENSES, ETC.

Section 16.1 Transaction Expenses.

Whether or not the transactions contemplated hereby are consummated, the Company will pay all costs and expenses (including reasonable attorneys' fees of a special counsel and, if reasonably required by the Required Holders, local or other counsel, on a full indemnity basis) incurred by the Purchasers and each other holder of a Note in connection with such transactions and in connection with any amendments, waivers or consents under or in respect of any Note Document (whether or not such amendment, waiver or consent becomes effective), including: (a) the costs and expenses incurred in enforcing or defending (or determining whether or how to enforce or defend) any rights under this Agreement or any other Note Document or in responding to any subpoena or other legal process or informal investigative demand issued in connection with this Agreement or any other Note Document, or by reason of being a holder of any Note, (b) the costs and expenses, including financial advisors' fees, incurred in connection with the insolvency or bankruptcy of any Note Party or in connection with any work-out or restructuring of the transactions contemplated hereby and the other Note Documents and (c) the costs and expenses incurred in connection with the initial filing of this Agreement and all related documents and financial information with the SVO provided that such costs and expenses under this clause (c) shall not exceed U.S.$4,000. If required by the NAIC, the Company shall obtain and maintain at its own cost and expense a Legal Entity Identifier (LEI).

Section 16.2 Indemnification.

The Note Parties will pay, and will indemnify and save each Purchaser and each other holder of a Note, the Senior Collateral Agent and each of their respective Affiliates, officers, directors, representatives, employees, advisors and agents (collectively, the "**Indemnified Parties**") harmless from, (i) all claims in respect of any fees, costs or expenses, if any, of brokers and finders (other than those, if any, retained by a Purchaser or other holder in connection with its purchase of the Notes) and any judgment, liability, claim, order, decree, cost, fee, expense, loss, action or obligation resulting from the consummation of the transactions contemplated hereby, including the use of the proceeds of the Notes by the Company, (ii) any and all wire transfer fees that any bank or other financial institution deducts from any payment under such Note to such holder or otherwise charges to a holder of a Note with respect to a payment under such Note, (iii) any judgment, liability, claim, order, decree, fine, penalty, cost, fee, expense (including reasonable attorneys' fees and expenses) or obligation resulting from the consummation of the transactions contemplated hereby, including the use of the proceeds of the Notes by the Company, and (iv) any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, claims, expenses or disbursements of any kind or nature whatsoever which may at any time be imposed on, incurred by or asserted against any Indemnified Party in any way relating to, arising out of or incurred in respect this Agreement, any other Note Document or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or the enforcement of any of the terms hereof or thereof or of any such other documents, including any claims arising in connection with the release, discharge or presence of any Hazardous Material on any property of any Note Party, whether foreseeable or unforeseeable, including all costs of removal and disposal of such Hazardous Material, and reasonable attorneys' and consultants' fees and court costs (collectively, the "**Indemnified Losses**"), except to the extent that any Indemnified Loss is finally determined by a court of competent jurisdiction to be the direct result from the gross negligence or willful misconduct of the party seeking indemnification.

Section 16.3 Certain Taxes.

The Company agrees to pay all stamp, documentary or similar taxes or fees which may be payable in respect of the execution and delivery or the enforcement of this Agreement or any other Note Document or the execution and delivery (but not the transfer) or the enforcement of any of the Notes in Canada or any other jurisdiction where any Note Party has assets or of any amendment of, or waiver or consent under or with respect to, this Agreement or any other Note Document, and to pay any value added tax due and payable in respect of reimbursement of costs and expenses by the Note Parties pursuant to this Section 16, and will save each holder of a Note to the extent permitted by applicable law harmless against any loss or liability resulting from nonpayment or delay in payment of any such tax or fee required to be paid by the Company hereunder or any Note Party under any Note Document.

Section 16.4 Survival.

The obligations of the Company under this Section 16 will survive the payment or transfer of any Note, the enforcement, amendment or waiver of any provision of this Agreement or any other Note Document, and the termination of this Agreement.

SECTION 17 SURVIVAL OF REPRESENTATIONS AND WARRANTIES; ENTIRE AGREEMENT.

All representations and warranties contained herein and in any other Note Document shall survive the execution and delivery of this Agreement and the other Note Documents, the purchase, acceptance or transfer by any Purchaser of any Note or portion thereof or interest therein and the payment of any Note, and may be relied upon by any subsequent holder of any Note, regardless of any investigation made at any time by or on behalf of such Purchaser or any other holder of a Note. All statements contained in any certificate or other instrument delivered by or on behalf of the Company pursuant to any Note Document shall be deemed representations and warranties of the Company under this Agreement. Subject to the preceding sentence, this Agreement and the other Note Documents embody the entire agreement and understanding between each Purchaser and the Company and supersede all prior agreements and understandings relating to the subject matter hereof.

SECTION 18 AMENDMENT AND WAIVER.

Section 18.1 Requirements.

This Agreement and the Notes may be amended, and the observance of any term hereof or of the Notes may be waived (either retroactively or prospectively), only with the written consent of the Company and the Required Holders, except that:

(a) no amendment or waiver (i) of any of Section 1, Section 2, Section 3, Section 4, Section 5, Section 6 or Section 22 hereof, or any defined term (as it is used therein) , (ii) to effect any release of the Parent from its liability under the Limited Recourse Parent Guarantee, the Share Pledge, the Assignment of Intercompany Debt or the Subordination and Postponement Agreement or to further limit the Parent's liability in respect of its Limited Recourse Parent Guarantee, the Share Pledge, the Assignment of Intercompany Debt or the Subordination and Postponement Agreement (other than as expressly permitted by the Limited Recourse Parent Guarantee, the Share Pledge, the Assignment of Intercompany Debt or the Subordination and Postponement Agreement), or (iii) to effect any release of the Parent TEC Subordination and Postponement Agreement or limit the liability of the subordinating party thereunder, will be effective as to any Purchaser unless consented to by such Purchaser in writing;

(b) no amendment or waiver may, without the written consent of each holder of each Note at the time outstanding, (i) subject to Section 12 relating to acceleration or rescission, change the amount or time of any prepayment or payment of principal of, or reduce the rate or change the time of payment or method of computation of (x) interest on the Notes or (y) the Breakage Cost Obligations, (ii) change the percentage of the principal amount of the Notes the holders of which are required to consent to any amendment or waiver, (iii) amend any of Section 8 (except as set forth in the second sentence of Section 8.2 and in Section 18.1(c)), Section 11(a), Section 11(b), Section 12, this Section 18, Section 21 or Section 23.9, (iv) release any Collateral (other than as expressly permitted by the applicable Note Document), or (v) increase any Purchaser's Revolving Commitments, the Aggregate Revolving Commitments or the Delayed Draw Commitments; and

(c) Section 8.6 may be amended or waived to permit offers to purchase made by a Note Party or an Affiliate *pro rata* to the holders of all Notes at the time outstanding upon the same terms and conditions only with the written consent of the Company and the Super-Majority Holders.

Section 18.2 Solicitation of Holders of Notes.

(a) *Solicitation.* The Company will provide each holder of a Note with sufficient information, sufficiently far in advance of the date a decision is required, to enable such holder to make an informed and considered decision with respect to any proposed amendment, waiver or consent in respect of any of the provisions hereof or of any other Note Document. The Company will deliver executed or true and correct copies of each amendment, waiver or consent effected pursuant to this Section 18 or any other Note Document to each holder of a Note promptly following the date on which it is executed and delivered by, or receives the consent or approval of, the requisite holders of Notes.

(b) *Payment.* No Note Party will directly or indirectly pay or cause to be paid any remuneration, whether by way of supplemental or additional interest, fee or otherwise, or grant any security or provide other credit support, to any holder of a Note as consideration for or as an inducement to the entering into by such holder of any waiver or amendment of any of the terms and provisions hereof or of any other Note Document unless such remuneration is concurrently paid, or security is concurrently granted or other credit support concurrently provided, on the same terms, ratably to each holder of a Note even if such holder did not consent to such waiver or amendment.

(c) *Consent in Contemplation of Transfer*. Any consent given pursuant to this Section 18 or any other Note Document by a holder of a Note that has transferred or has agreed to transfer its Note to (i) the Company, (ii) any Subsidiary or any other Affiliate or (iii) any other Person in connection with, or in anticipation of, such other Person acquiring, making a tender offer for or merging with the Company and/or any of its Affiliates (either pursuant to a waiver under Section 18.1(c) or subsequent to Section 8.6 having been amended pursuant to Section 18.1(c)), in each case in connection with such consent, shall be void and of no force or effect except solely as to such holder, and any amendments effected or waivers granted or to be effected or granted that would not have been or would not be so effected or granted but for such consent (and the consents of all other holders of Notes that were acquired under the same or similar conditions) shall be void and of no force or effect except solely as to such holder.

Section 18.3 Binding Effect, Etc.

Any amendment or waiver consented to as provided in this Section 18 or any other Note Document applies equally to all holders of Notes and is binding upon them and upon each future holder of any Note and upon the Note Parties without regard to whether such Note has been marked to indicate such amendment or waiver. No such amendment or waiver will extend to or affect any obligation, covenant, agreement, Default or Event of Default not expressly amended or waived or impair any right consequent thereon. No course of dealing between the Company or any other Note Party and any holder of a Note and no delay in exercising any rights hereunder or under any Note Document shall operate as a waiver of any rights of any holder of such Note.

Section 18.4 Notes Held by Company, Etc.

Solely for the purpose of determining whether the holders of the requisite percentage of the aggregate principal amount of Notes then outstanding approved or consented to any amendment, waiver or consent to be given under this Agreement or any other Note Document, or have directed the taking of any action provided herein or in any other Note Document to be taken upon the direction of the holders of a specified percentage of the aggregate principal amount of Notes then outstanding, Notes directly or indirectly owned by the Company or any of its Affiliates shall be deemed not to be outstanding.

SECTION 19 NOTICES.

Except to the extent otherwise provided in Section 7.4, all notices and communications provided for hereunder shall be in writing and sent (a) by telecopy if the sender on the same day sends a confirming copy of such notice by an internationally recognized overnight delivery service (charges prepaid), or (b) by registered or certified mail with return receipt requested (postage prepaid), or (c) by an internationally recognized overnight delivery service (charges prepaid). Any such notice must be sent:

(i) if to any Purchaser or its nominee, to such Purchaser or nominee at the address specified for such communications in the Purchaser Schedule, or at such other address as such Purchaser or nominee shall have specified to the Company in writing,

(ii) if to any other holder of any Note, to such holder at such address as such other holder shall have specified to the Company in writing, or

(iii) if to the Company, to the Company at its address set forth at the beginning hereof to the attention of the President, or at such other address as the Company shall have specified to the holder of each Note in writing.

Notices under this Section 19 will be deemed given only when actually received.

SECTION 20 REPRODUCTION OF DOCUMENTS.

This Agreement and all documents relating thereto, including (a) consents, waivers and modifications that may hereafter be executed, (b) documents received by any Purchaser at the Closing (except the Notes themselves), and (c) financial statements, certificates and other information previously or hereafter furnished to any Purchaser, may be reproduced by such Purchaser by any photographic, photostatic, electronic, digital, or other similar process and such Purchaser may destroy any original document so reproduced. The Company agrees and stipulates that, to the extent permitted by applicable law, any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made by such Purchaser in the regular course of business) and any enlargement, facsimile or further reproduction of such reproduction shall likewise be admissible in evidence. This Section 20 shall not prohibit the Company or any other holder of Notes from contesting any such reproduction to the same extent that it could contest the original, or from introducing evidence to demonstrate the inaccuracy of any such reproduction.

SECTION 21 CONFIDENTIAL INFORMATION.

For the purposes of this Section 21, "**Confidential Information**" means information delivered to any Purchaser by or on behalf of any Note Party in connection with the transactions contemplated by or otherwise pursuant to this Agreement that is proprietary in nature and that was clearly marked or labeled or otherwise adequately identified when received by such Purchaser as being confidential information of the Note Parties, provided that such term does not include information that (a) was publicly known or otherwise known to such Purchaser prior to the time of such disclosure, (b) subsequently becomes publicly known through no act or omission by such Purchaser or any Person acting on such Purchaser's behalf, (c) otherwise becomes known to such Purchaser other than through disclosure by the Note Parties or (d) constitutes financial statements delivered to such Purchaser under Section 7.1 that are otherwise publicly available. Each Purchaser will maintain the confidentiality of such Confidential Information in accordance with procedures adopted by such Purchaser in good faith to protect confidential information of third parties delivered to such Purchaser, provided that such Purchaser may deliver or disclose Confidential Information to (i) its directors, officers, employees, agents, attorneys, trustees and affiliates (to the extent such disclosure reasonably relates to the administration of the investment represented by its Notes), (ii) its auditors, financial advisors and other professional advisors who agree to hold confidential the Confidential Information substantially in accordance with this Section 21, (iii) any other holder of a Note, (iv) any Person (A) to which it sells or offers to sell such Note or any part thereof or any participation therein or (B) that is a potential investor in any fund formed or to be formed by such holder or its Affiliates (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by this Section 21), (v) any Person from which it offers to purchase any Security of the Company (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by this Section 21), (vi) any federal or state regulatory authority having jurisdiction over such Purchaser, (vii) the NAIC or the SVO or, in each case, any similar organization, or any nationally recognized rating agency that requires access to information about such Purchaser's investment portfolio, or (viii) any other Person to which such delivery or disclosure may be necessary or appropriate (w) to effect compliance with any law, rule, regulation or order applicable to such Purchaser, (x) in response to any subpoena or other legal process, (y) in connection with any litigation to which such Purchaser is a party or (z) if an Event of Default has occurred and is continuing, to the extent such Purchaser may reasonably determine such delivery and disclosure to be necessary or appropriate in the enforcement or for the protection of the rights and remedies under such Purchaser's Notes, this Agreement or any other Note Document. Each holder of a Note, by its acceptance of a Note, will be deemed to have agreed to be bound by and to be entitled to the benefits of this Section 21 as though it were a party to this Agreement. On reasonable request by the Company in connection with the delivery to any holder of a Note of information required to be delivered to such holder under this Agreement or requested by such holder (other than a holder that is a party to this Agreement or its nominee), such holder will enter into an agreement with the Company embodying this Section 21.

In the event that as a condition to receiving access to information relating to the Note Parties in connection with the transactions contemplated by or otherwise pursuant to this Agreement, any Purchaser or holder of a Note is required to agree to a confidentiality undertaking (whether through IntraLinks, another secure website, a secure virtual workspace or otherwise) which is different from this Section 21, this Section 21 shall not be amended thereby and, as between such Purchaser or such holder and the Company, this Section 21 shall supersede any such other confidentiality undertaking.

SECTION 22 SUBSTITUTION OF PURCHASER.

Each Purchaser shall have the right to substitute any one of its Affiliates or another Purchaser or any one of such other Purchaser's Affiliates (a "**Substitute Purchaser**") as the purchaser of the Notes that it has agreed to purchase hereunder, by written notice to the Company, which notice shall be signed by both such Purchaser and such Substitute Purchaser, shall contain such Substitute Purchaser's agreement to be bound by this Agreement and shall contain a confirmation by such Substitute Purchaser of the accuracy with respect to it of the representations set forth in Section 6. Upon receipt of such notice, any reference to such Purchaser in this Agreement (other than in this Section 22), shall be deemed to refer to such Substitute Purchaser in lieu of such original Purchaser. In the event that such Substitute Purchaser is so substituted as a Purchaser hereunder and such Substitute Purchaser thereafter transfers to such original Purchaser all of the Notes then held by such Substitute Purchaser, upon receipt by the Company of notice of such transfer, any reference to such Substitute Purchaser as a "Purchaser" in this Agreement (other than in this Section 22), shall no longer be deemed to refer to such Substitute Purchaser, but shall refer to such original Purchaser, and such original Purchaser shall again have all the rights of an original holder of the Notes under this Agreement.

SECTION 23 MISCELLANEOUS.

Section 23.1 Successors and Assigns.

All covenants and other agreements contained in this Agreement and any other Note Document by or on behalf of any of the parties hereto bind and inure to the benefit of their respective successors and assigns (including any subsequent holder of a Note) whether so expressed or not, except that, subject to Section 10.6, the Company may not assign or otherwise transfer any of its rights or obligations hereunder or under the Notes without the prior written consent of each holder. Nothing in this Agreement or in any other Note Document, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto and their respective successors and assigns permitted hereby) any legal or equitable right, remedy or claim under or by reason of this Agreement. Any subsequent holder of a Note shall become a party to the Senior Intercreditor Agreement by executing and delivering a Joinder Agreement (as defined in the Senior Intercreditor Agreement) to the Senior Collateral Agent.

Section 23.2 Accounting Terms.

All accounting terms used herein which are not expressly defined in this Agreement have the meanings respectively given to them in accordance with GAAP. Except as otherwise specifically provided herein, (i) all computations made pursuant to this Agreement shall be made in accordance with GAAP, and (ii) all financial statements shall be prepared in accordance with GAAP. For purposes of determining compliance with this Agreement (including Section 9, Section 10 and the definition of "Indebtedness"), any election by the Company to measure any financial liability using fair value (as permitted by Financial Accounting Standards Board Accounting Standards Codification Topic No. 825-10-25 – *Fair Value Option,* International Accounting Standard 39 – *Financial Instruments: Recognition and Measurement* or any similar accounting standard) shall be disregarded and such determination shall be made as if such election had not been made.

Section 23.3 Changes in Liability Management Rating System.

If as a result of any change in any applicable law, rule, policy, regulation, order or directive (or in the interpretation of any thereof):

(i) any applicable Energy Regulator ceases to use a Liability Management Rating as a means of determining whether a Person is in compliance with such Energy Regulator's abandonment and reclamation rules, policies, regulations, orders or directives;

(ii) a material change occurs in the methodology used in calculating the Liability Management Rating (including any changes in the factors used to calculate such rating which would have a material effect upon the calculation of such rating) in any one or more Material Jurisdiction;

(iii) a material change is made to the minimum Liability Management Rating thresholds which are used to determine whether any licenses for wells, facilities, pipelines and other physical assets relevant to the determination of the Liability Management Rating can be transferred or whether any security deposits will be required to be provided to any applicable Energy Regulator in any one or more material jurisdiction (the "**Minimum Statutory LMR**"), or

(iv) for the purposes of adjusting Section 11(p) only, either (A) there is a material increase or decrease in the assumed netback values (or equivalent) used by any applicable Energy Regulator in determining "deemed assets" (or the equivalent) for the purposes of calculating the Liability Management Rating or (B) there is a material increase or decrease in the assumed reclamation and abandonment costs (or the equivalent) used by any applicable Energy Regulator in determining "deemed liabilities" (or the equivalent) for the purposes of calculating the Liability Management Rating;

then, in any such case, at the written request of the Required Holders to the Company, or of the Company to the holders, the Company and the holders shall enter into good faith discussions with a view to determining a comparable rating system, calculation or threshold, as applicable, to amend or replace the concept or usage of Liability Management Rating as set forth herein, with the objective of having the respective positions of the holders and the Company after such change(s) conform as nearly as possible to their respective positions immediately prior to such change(s) (subject to ensuring that the threshold in Section 11(p) at least equals the Minimum Statutory LMR and, to the extent practicable, exceeds the Minimum Statutory LMR by an equitable amount); provided that, until any such agreement is reached, the Liability Management Rating and all related calculations and thresholds hereunder shall continue to be calculated by the Company as if no such change had occurred.

Upon the Company and the Required Holders agreeing on such a comparable rating system, calculation or threshold, as applicable, the Company and the holders shall enter into documentation to amend the provisions hereof to give effect to such agreement and to make all other adjustments incidental thereto. The Company and the holders agree that such amendment shall require the consent of the Required Holders, such consent not to be unreasonably withheld, notwithstanding anything to the contrary set out herein.

Section 23.4 Severability.

Any provision of this Agreement or any other Note Document that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall (to the full extent permitted by law) not invalidate or render unenforceable such provision in any other jurisdiction.

Section 23.5 Construction, Etc.

Each covenant contained herein or in any other Note Document shall be construed (absent express provision to the contrary) as being independent of each other covenant contained herein, so that compliance with any one covenant shall not (absent such an express contrary provision) be deemed to excuse compliance with any other covenant. Where any provision herein refers to action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person.

Defined terms herein and in any other Note Document shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "**include**," "**includes**" and "**including**" shall be deemed to be followed by the phrase "without limitation." The word "**will**" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restriction on such amendments, supplements or modifications set forth herein) and, for purposes of the Notes, shall also include any such notes issued in substitution therefor pursuant to Section 14, (b) subject to Section 23.1, any reference herein or in any other Note Document to any Person shall be construed to include such Person's successors and assigns, (c) the words "**herein**," "**hereof**" and "**hereunder**," and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Sections and Schedules shall be construed to refer to Sections of, and Schedules to, this Agreement, and (e) any reference to any law or regulation herein or in any other Note Document shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time.

Section 23.6 Counterparts; Electronic Execution.

This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which together shall constitute one instrument. Each counterpart may consist of a number of copies hereof, each signed by less than all, but together signed by all, of the parties hereto. The parties agree to electronic contracting and signatures with respect to this Agreement. Delivery of an electronic signature to, or a signed copy of, this Agreement by facsimile, PDF, email, photographic or other electronic transmission that reproduces an image of the actual executed signature page shall be fully binding on the parties to the same extent as the delivery of the manually signed originals and shall be admissible into evidence for all purposes. Notwithstanding the foregoing, if any holder shall request a manually signed counterpart signature to this Agreement, the Company hereby agrees to use its reasonable endeavors to provide such manually signed signature pages within 30 days of such request or such longer period as the requesting holder and the Company may agree.

Section 23.7 Governing Law.

This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the Province of Alberta excluding choice-of-law principles of the law of such province that would permit the application of the laws of a jurisdiction other than such Province.

Section 23.8 Jurisdiction and Process; Waiver of Jury Trial.

(a) The Company irrevocably submits to the non-exclusive jurisdiction of the courts of the Province of Alberta over any suit, action or proceeding arising out of or relating to this Agreement, the Notes and the other Note Documents. To the fullest extent permitted by applicable law, the Company irrevocably waives and agrees not to assert, by way of motion, as a defense or otherwise, any claim that it is not subject to the jurisdiction of any such court, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

(b) The Company agrees, to the fullest extent permitted by applicable law, that a final judgment in any suit, action or proceeding of the nature referred to in Section 23.8(a) brought in any such court shall be conclusive and binding upon it subject to rights of appeal, as the case may be, and may be enforced in the courts of the Province of Alberta (or any other courts to the jurisdiction of which it or any of its assets is or may be subject) by a suit upon such judgment.

(c) Nothing in this Section 23.8 shall affect the right of any holder of a Note to serve process in any manner permitted by law, or limit any right that the holders of any of the Notes may have to bring proceedings against the Company in the courts of any appropriate jurisdiction or to enforce in any lawful manner a judgment obtained in one jurisdiction in any other jurisdiction.

(d) The parties hereto hereby waive trial by jury in any action brought on or with respect to this Agreement, the Notes or any other document executed in connection herewith or therewith.

Section 23.9 Obligations to Make Payment in U.S. Dollars.

(a) Principal, interest and Breakage Cost Obligations with respect to the Notes shall be payable in U.S. Dollars. All other amounts payable under this Agreement, the Notes and the other Note Documents shall be payable in U.S. Dollars unless another currency for payment is specified herein or in the applicable Note Document.

(b) Any payment on account of an amount that is payable hereunder or under any other Note Document in U.S. Dollars which is made to or for the account of any holder in Canadian Dollars or any other currency, whether as a result of any judgment or order or the enforcement thereof or the realization of any security or the liquidation of the Company, shall constitute a discharge of the obligation of the Company under this Agreement or the other Note Documents only to the extent of the amount of U.S. Dollars which such holder could purchase in the foreign exchange markets in London, England, with the amount of such other currency in accordance with normal banking procedures at the rate of exchange prevailing on the London Banking Day following receipt of the payment first referred to above. If the amount of U.S. Dollars that could be so purchased is less than the amount of U.S. Dollars originally due to such holder, the Company agrees to the fullest extent permitted by law, to indemnify and save harmless such holder from and against all loss or damage arising out of or as a result of such deficiency. This indemnity shall, to the fullest extent permitted by law, constitute an obligation separate and independent from the other obligations contained in this Agreement and the other Note Documents, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by such holder from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due hereunder or under the Notes or under any judgment or order. As used herein the term "**London Banking Day**" shall mean any day other than Saturday or Sunday or a day on which commercial banks are required or authorized by law to be closed in London, England.

(c) Any payment on account of an amount that is payable hereunder or under any other Note Document in Canadian Dollars which is made to or for the account of any holder in U.S. Dollars or any other currency, whether as a result of any judgment or order or the enforcement thereof or the realization of any security or the liquidation of the Company, shall constitute a discharge of the obligation of the Company under this Agreement or the other Note Documents only to the extent of the amount of Canadian Dollars which such holder could purchase in the foreign exchange markets in London, England, with the amount of such other currency in accordance with normal banking procedures at the rate of exchange prevailing on the London Banking Day following receipt of the payment first referred to above. If the amount of Canadian Dollars that could be so purchased is less than the amount of Canadian Dollars originally due to such holder, the Company agrees to the fullest extent permitted by law, to indemnify and save harmless such holder from and against all loss or damage arising out of or as a result of such deficiency. This indemnity shall, to the fullest extent permitted by law, constitute an obligation separate and independent from the other obligations contained in this Agreement and the other Note Documents, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by such holder from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due hereunder or under the Notes or under any judgment or order. As used herein the term "**London Banking Day**" shall mean any day other than Saturday or Sunday or a day on which commercial banks are required or authorized by law to be closed in London, England.

Section 23.10 Interest.

(a) In respect of any overdue amounts hereunder or under the Notes where no provision is made herein or therein for payment of interest thereon, the Company shall pay interest on such overdue amounts on demand, calculated from the date such unpaid amount is due until such unpaid amount is paid in full, at the Default Rate.

(b) In no event shall any interest or fee to be paid hereunder or under a Note exceed the maximum rate permitted by applicable laws. In the event any such interest rate or fee exceeds such maximum rate, such rate shall be adjusted downward to the highest rate (expressed as a percentage per annum) or fee that the parties could validly have agreed to by contract on the date of this Agreement under applicable laws. It is further agreed that any excess actually received by a holder of a Note shall be credited against the principal of the Notes (or, if the principal shall have been or would thereby be paid in full, the remaining amount shall be credited or paid to the Company).

(c) All interest (including interest on overdue interest) payable by the Company hereunder and under the Notes shall accrue from day to day, computed as provided herein, and shall be payable after as well as before maturity, demand, default and judgment.

(d) Solely for purposes of the *Interest Act* (Canada), the yearly rate of interest to which interest calculated for a period of 360 days is equivalent is such rate of interest multiplied by the actual number of days in the relevant calendar year and divided by 360.

(e) The theory of "deemed reinvestment" shall not apply to the computation of interest and no allowance, reduction or deduction shall be made for the deemed reinvestment of interest in respect of any payments. Calculation of interest shall be made using the nominal rate method, and not the effective rate method, of calculation.

(f) To the extent permitted by law, Section 6 of the *Judgment Interest Act* (Alberta) is hereby waived and shall not apply to this Agreement or the Notes.

(g) In connection with the use or administration of Term SOFR, the Required Holders will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Note Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Note Document. The Required Holders will promptly notify the Company and the other holders of the effectiveness of any Conforming Changes in connection with the use or administration of Term SOFR.

Section 23.11 Transaction References.

The Company agrees that any Purchaser, at its expense, may (i) refer to its role in participating in the note facility established under this Agreement, as well as the identity of the Company and the maximum aggregate principal amount of the Notes and the date on which this facility was established, on its internet site or in marketing materials, press releases, published "tombstone" announcements or any other print or electronic medium and (ii) display the Company's corporate logo in conjunction with any such reference.

Section 23.12 Rates.

The holders do not warrant or accept responsibility for, and shall not have any liability with respect to (a) the continuation of, administration of, submission of, calculation of or any other matter related to the Prime Rate, the Term SOFR Reference Rate, Adjusted Term SOFR or Term SOFR, or any component definition thereof or rates referred to in the definition thereof, or any alternative, successor or replacement rate thereto (including any Benchmark Replacement), including whether the composition or characteristics of any such alternative, successor or replacement rate (including any Benchmark Replacement) will be similar to, or produce the same value or economic equivalence of, or have the same volume or liquidity as, the Prime Rate, the Term SOFR Reference Rate, Adjusted Term SOFR, Term SOFR or any other Benchmark prior to its discontinuance or unavailability, or (b) the effect, implementation or composition of any Conforming Changes. The holders and their affiliates or other related entities may engage in transactions that affect the calculation of the Prime Rate, the Term SOFR Reference Rate, Term SOFR, Adjusted Term SOFR, any alternative, successor or replacement rate (including any Benchmark Replacement) or any relevant adjustments thereto, in each case, in a manner adverse to the Company. The Required Holders may select information sources or services in their reasonable discretion to ascertain the Prime Rate, the Term SOFR Reference Rate, Term SOFR, Adjusted Term SOFR or any other Benchmark, in each case pursuant to the terms of this Agreement, and the holders shall have no liability to the Company or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

[Remainder of Page Intentionally Left Blank; Signature Pages Follow]

If you are in agreement with the foregoing, please sign a counterpart of this Agreement and return it to the Company, whereupon this Agreement shall become a binding agreement between you and the Company.

Very truly yours,

PIERIDAE ALBERTA PRODUCTION LTD.

By: */s/ "Adam Gray"*

Name:

Title:

This Agreement is hereby
accepted and agreed to as
of the date hereof.

GIBRALTAR REINSURANCE COMPANY LTD.

By: Broad Street Global Advisors, LLC, as investment manager

By: PGIM, Inc., as Sub-Advisor

By: */s/ "Brittany Braden"*
Vice President

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA

By: PGIM, Inc., as investment manager

By: */s/ "Brittany Braden"*
Vice President

This Agreement is hereby accepted and agreed to as of the date hereof.

GIBRALTAR REINSURANCE COMPANY LTD.

By: Broad Street Global Advisors, LLC, as investment manager

By: PGIM, Inc., as Sub-Advisor

By: */s/ "Brittany Braden"*
Vice President

PRUCO LIFE INSURANCE COMPANY

By: PGIM, Inc., as investment manager

By: */s/ "Brittany Braden"*
Vice President

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY

By: PGIM, Inc., as investment manager

By: */s/ "Brittany Braden"*
Vice President

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA

By: PGIM, Inc., as investment manager

By: */s/ "Brittany Braden"*
Vice President

This Agreement is hereby accepted and agreed to as of the date hereof.

PRUDENTIAL ARIZONA REINSURANCE TERM COMPANY

By: PGIM, Inc., as investment manager

By: */s/ "Brittany Braden"*
Vice President

PRUDENTIAL LEGACY INSURANCE COMPANY OF NEW JERSEY

By: PGIM, Inc., as investment manager

By: */s/ "Brittany Braden"*
Vice President

This Agreement is hereby
accepted and agreed to as
of the date hereof.

CINCINNATI EQUITABLE LIFE INSURANCE COMPANY
By: Voya Investment Management Co. LLC, as Agent

By: gaurav ahuja
Name: Gaurav Ahuja
Title: Senior Vice President

This Agreement is hereby
accepted and agreed to as
of the date hereof.

FARM BUREAU GENERAL INSURANCE COMPANY OF MICHIGAN
By: Voya Investment Management Co. LLC, as Agent

By: gaurav ahuja
Name: Gaurav Ahuja
Title: Senior Vice President

This Agreement is hereby accepted and agreed to as of the date hereof.

FARM BUREAU LIFE INSURANCE COMPANY OF MICHIGAN
By: Voya Investment Management Co. LLC, as Agent

By: gaurav ahuja
Name: Gaurav Ahuja
Title: Senior Vice President

This Agreement is hereby
accepted and agreed to as
of the date hereof.

FARM BUREAU MUTUAL INSURANCE COMPANY OF MICHIGAN
By: Voya Investment Management Co. LLC, as Agent

By: gaurav ahuja
Name: Gaurav Ahuja
Title: Senior Vice President

This Agreement is hereby
accepted and agreed to as
of the date hereof.

L3HARRIS PENSION MASTER TRUST
By: Voya Investment Management Co. LLC, as Agent

By: gaurav ahuja
Name: Gaurav Ahuja
Title: Senior Vice President

This Agreement is hereby
accepted and agreed to as
of the date hereof.

RELIASTAR LIFE INSURANCE COMPANY
By: Voya Investment Management Co. LLC, as Agent

By: gaurav ahuja
Name: Gaurav Ahuja
Title: Senior Vice President

This Agreement is hereby accepted and agreed to as of the date hereof.

RELIASTAR LIFE INSURANCE COMPANY OF NEW YORK
By: Voya Investment Management Co. LLC, as Agent

By: gaurav ahuja
Name: Gaurav Ahuja
Title: Senior Vice President

This Agreement is hereby
accepted and agreed to as
of the date hereof.

SELECTIVE WAY INSURANCE COMPANY
By: Voya Investment Management Co. LLC, as Agent

By: gaurav ahuja
Name: Gaurav Ahuja
Title: Senior Vice President

This Agreement is hereby
accepted and agreed to as
of the date hereof.

TRINITY UNIVERSAL INSURANCE COMPANY
By: Voya Investment Management Co. LLC, as Agent

By: gaurav ahuja
Name: Gaurav Ahuja
Title: Senior Vice President

This Agreement is hereby
accepted and agreed to as
of the date hereof.

UNITED OF OMAHA LIFE INSURANCE COMPANY
By: Voya Investment Management Co. LLC, as Agent

By: gaurav ahuja
Name: Gaurav Ahuja
Title: Senior Vice President

This Agreement is hereby
accepted and agreed to as
of the date hereof.

VIRGINIA SURETY COMPANY, INC.
By: Voya Investment Management Co. LLC, as Agent

By: gaurav ahuja
Name: Gaurav Ahuja
Title: Senior Vice President

This Agreement is hereby
accepted and agreed to as
of the date hereof.

VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY
By: Voya Investment Management Co. LLC, as Agent

By: gaurav ahuja
Name: Gaurav Ahuja
Title: Senior Vice President

SCHEDULE A

DEFINED TERMS

As used herein, the following terms have the respective meanings set forth below or set forth in the Section hereof following such term:

"**Abandonment/Reclamation Order**" means any abandonment, reclamation and/or non-compliance order or directive issued by an Energy Regulator which relates to any assets of a Note Party.

"**Abandonment and Reclamation Report**" means an annual report pertaining to the abandonment and reclamation obligations of a Note Party in respect of upstream oil and gas wells, facilities and pipelines, such report to be substantially in the form attached as Exhibit "C".

"**Acceptable Commodity Hedging Transaction**" means:

(a) Commodity Hedging Transactions meeting each of the following criteria:

(i) the quantity of Hydrocarbons owned by a Note Party subject to Commodity Hedging Transactions (other than floors covered by clause (b) below) at the time of entering into such Commodity Hedging Transactions shall not be greater than (A) for natural gas, 90% of the monthly Projected Production of natural gas from the Oil and Gas Properties used in determining the Borrowing Base and not the subject of Commodity Hedging Transactions under clause (b) below, (B) for oil, 90% of the monthly Projected Production of oil from the Oil and Gas Properties used in determining the Borrowing Base and not the subject of Commodity Hedging Transactions under clause (b) below and (C) for condensate and natural gas liquids, including gas processing plant products, 90% of the monthly Projected Production of such liquids from the Oil and Gas Properties used in determining the Borrowing Base and not the subject of Hedging Transactions under clause (b) below (provided that, for purposes of determining compliance with the foregoing notional volume requirements, volumes attributable to basis differential hedges shall not be counted except to the extent that such basis differential volumes exceed the volumes associated with the underlying commodity hedges;

(ii) (A) the "strike prices" under any Commodity Hedging Transactions (and the "strike price floor" under any collar), at the time of entering into such Commodity Hedging Transactions, shall not be less than the lowest prices utilized in the most recent borrowing base evaluation of the Oil and Gas Properties used in determining the Borrowing Base and (B) the "strike price floor" under any collar and the "strike price" of a put shall not be less than 10% below the lowest prices utilized in the most recent borrowing base evaluation of the Oil and Gas Properties used in determining the Borrowing Base;

(iii) the counterparty or counterparties thereunder must be Approved Hedging Agreement Counterparties; provided that if the Required Holders revoke an existing counterparty's status as an Approved Hedging Agreement Counterparty, the existing Commodity Hedging Transactions to which such counterparty is a party shall continue to be permitted until the earlier of (A) such Commodity Hedging Transactions being replaced with one(s) having an Approved Hedging Agreement Counterparty, and (b) five days following such revocation;

(iv) the Commodity Hedging Transaction is a standard commodity hedging arrangement entered into in the ordinary course of business for the principal purpose of protecting against fluctuations in commodity prices or commodity basis risk and not for the purpose of speculation;

(v) the Commodity Hedging Transaction does not have a term longer than four years;

(vi) the Commodity Hedging Transaction is unsecured (except for the Commodity Hedging Transactions giving rise to the Senior Swap Facility Obligations, which shall be secured by the Senior Security) and as may otherwise be specifically permitted by the Note Documents (including Section 10.2 of this Agreement); and

(b) Commodity Hedging Transactions in the form of minimum price guarantees or “floors,” limited to 100% of the monthly Projected Production from any commodity category of the Company’s Proved Oil and Gas Properties not subject to Commodity Hedging Transactions under clause (a) above and otherwise satisfying the requirements of subclauses (ii) through (iv) of clause (a) of this definition.

For the purposes of this definition, with respect to Commodity Hedging Transactions in the form of a three-way collar, the value attributed to its sale of the short put component (the subfloor) shall be netted against the value attributed to the call option component and the longer put component.

“**Account Bank**” means Royal Bank of Canada.

“**Adjusted PV10**” means, at any time, the discounted future net revenue from Proved Oil and Gas Properties at such time, as reflected in the most recent determination thereof certified by a Responsible Officer and delivered by the Company as contemplated by Section 4.14(j) or Section 7.1(h), as applicable, and calculated using Average Strip Pricing and adjusted to reflect (a) Specified Assumptions and (b) the full effect of Hedging Transactions of the Note Parties; provided that all of such discounted future net revenue shall be from PDP Reserves.

“**Adjusted Term SOFR**” means, for purposes of any calculation, the rate per annum equal to (a) Term SOFR for such calculation plus (b) the Term SOFR Adjustment; provided that if Adjusted Term SOFR as so determined shall ever be less than the Floor, then Adjusted Term SOFR shall be deemed to be the Floor.

“**Administrative Fee**” is defined in Section 2.7(b).

“**Affiliate**” means, at any time, and with respect to any Person, any other Person that at such time directly or indirectly through one or more intermediaries Controls, or is Controlled by, or is under common Control with, such first Person, and, with respect to the Company, shall include any Person beneficially owning or holding, directly or indirectly, 10% or more of the Voting Shares of the Company or any Subsidiary or any Person of which the Company and its Subsidiaries beneficially own or hold, in the aggregate, directly or indirectly, 10% or more of the Voting Shares. Unless the context otherwise clearly requires, any reference to an “Affiliate” is a reference to an Affiliate of the Company.

“**AER Proceeding 410**” means Alberta Energy Regulator Proceeding 410, Shell Canada Limited and Pieridae Alberta Production Ltd., Caroline, Waterton, and Jumping Pound, Applications for Foothills Assets (2022 ABAER001), pursuant to which the applicants withdrew their license transfer application for certain AER licenses currently in the name of Shell Canada Limited and beneficially owned by the Company, such that the AER licenses remain in the name of Shell Canada Limited and not the Company, together with any concurrent or future AER enforcement actions with respect thereto, provided that any such enforcement actions, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

"**Aggregate Revolving Commitments**" is defined in Section 2.2.

"**Agreement**" means this Note Purchase Agreement, including all Schedules attached to this Agreement, as it may be amended, restated, supplemented or otherwise modified from time to time.

"**Anti-Corruption Laws**" means any law, rule or regulation in a U.S., Canadian or any non-U.S. or non-Canadian jurisdiction regarding bribery or any other corrupt activity, including the *Corruption of Foreign Public Officials Act* (Canada), provisions regarding bribery or other corrupt activity under the *Criminal Code* (Canada) from time to time, the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act 2010.

"**Anti-Money Laundering Laws**" means any law, rule or regulation in a U.S., Canadian or any non-U.S. or non-Canadian jurisdiction regarding money laundering, drug trafficking, terrorist-related activities or other money laundering predicate crimes, including the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), the Currency and Foreign Transactions Reporting Act of 1970 (otherwise known as the Bank Secrecy Act) and the USA PATRIOT Act.

"**Applicable Margin**" means a margin, expressed as a rate per annum, payable with respect to Revolving Note Advances and the Term Notes, of 675 bps (6.75%).

The Company acknowledges that, pursuant to the terms of the documents evidencing the Parent TEC Loan, it is entitled to convert the entire remaining principal amount of the Parent TEC Loan, together with any accrued and unpaid interest and applicable conversion fees, into common shares of the Parent at any time prior to the maturity of the Parent TEC Loan (being December 13, 2024), and that the Parent is required to call and hold a shareholder meeting on or before December 13, 2023 to obtain shareholder approval for the conversion of the Loan as required by the TSX ("**Shareholder Approval**"). In the event that (a) Shareholder Approval is denied by the shareholders of the Parent at a meeting of such shareholders, (b) Shareholder Approval is not obtained on or before June 13, 2024, or (c) the Parent TEC Loan has not been converted in its entirety into common shares of the Parent prior to December 13, 2024, whichever shall first occur, the Applicable Margin shall thereupon increase from 675 bps (6.75%) to 875 bps (8.75%) (the "**Margin Increase**").

If pursuant to the preceding paragraph the Margin Increase comes into effect, the Applicable Margin shall thereafter revert from 8.75% back to 6.75% on the date that the Parent TEC Loan (including principal, interest, premium, fees and other monetary obligations) is fully repaid and satisfied, whether by payment in cash, or through the conversion of the amounts outstanding thereunder into common equity of the Parent as contemplated in the Parent TEC Loan Documents, or any combination thereof.

If at any time both the Margin Increase is in effect and the Default Rate is payable, then to avoid duplication, only the Default Rate shall apply during that time, without the Margin Increase. For certainty, so long as the Company is complying with its obligations with respect to the Margin Increase, the mere existence of the Margin Increase will not constitute a Default or Event of Default under this Agreement.

The Applicable Margin with respect to Revolving Note Advances and Term Notes is calculated as a per annum rate expressed on the basis of a 360 day year.

"**Applicable Percentage**" means, (A) with respect to any holder of a Revolving Note, the percentage (carried to the ninth decimal place) of the Aggregate Revolving Commitments represented by such holder's Revolving Commitments, (B) with respect to any holder of a Term Note, the percentage (carried to the ninth decimal place) of the unpaid principal amount of all of such holder's Term Notes and such holder's Delayed Draw Commitment; provided that when Applicable Percentage is calculated in reference to both the Revolving Notes and the Term Notes, it shall be the percentage (carried to the ninth decimal place) of the sum of the Aggregate Revolving Commitments plus the unpaid principal amount of all Term Notes plus all Delayed Draw Commitments represented by the sum of a holder's Revolving Commitment under all Revolving Notes plus the unpaid principal amount of all of such holder's Term Notes plus such holder's Delayed Draw Commitment.

"**Approved Hedging Agreement Counterparty**" means (a) BP Energy Company, Shell Trading, Capital Power, Gas Alberta, J Aron, Macquarrie and Royal Bank of Canada, and (b) each other swap counterparty approved in writing from time to time by the Required Holders; provided the Required Holders may, by giving written notice to the Company, elect to revoke such swap counterparty's status as an Approved Hedging Agreement Counterparty for purposes of any Commodity Hedging Transactions entered into following such notice.

"**Assignment of Intercompany Debt**" means the Assignment of Intercompany Debt dated as of the date hereof granted by the Parent in favour of the Senior Collateral Agent, under which the Parent assigns to the Senior Collateral Agent, for the benefit of the holders and the Senior Swap Providers under the Senior Intercreditor Agreement, all Intercompany Debt.

"**Available Tenor**" means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (x) if the then current Benchmark is a term rate or is based on a term rate, any tenor for such Benchmark that is or may be used for determining the length of an Interest Period pursuant to this Agreement as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of "Interest Period" pursuant to Section 2.6(d), or (y) if the then current Benchmark is not a term rate nor based on a term rate, any payment period for interest calculated with reference to such Benchmark pursuant to this Agreement as of such date.

"**Average Strip Pricing**" means, for any date, the sum of the Strip Pricing for that date and the Strip Pricing for the four immediately prior Business Days, divided by five.

"**Benchmark**" means, initially, the Term SOFR Reference Rate; provided that if a Benchmark Transition Event has occurred with respect to the Term SOFR Reference Rate or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 2.6.

"**Benchmark Replacement**" means, with respect to any Benchmark Transition Event, the sum of: (a) the alternate benchmark rate that has been selected by the Required Holders giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement to the then-current Benchmark for U.S. Dollar-denominated syndicated credit facilities at such time and (b) the related Benchmark Replacement Adjustment; provided that, if such Benchmark Replacement as so determined would be less than the Floor, such Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Note Documents.

"**Benchmark Replacement Adjustment**" means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Required Holders giving due consideration to (a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (b) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. Dollar-denominated syndicated credit facilities at such time.

"**Benchmark Replacement Date**" means the earliest to occur of the following events with respect to the then-current Benchmark:

(a) in the case of clause (a) or (b) of the definition of "Benchmark Transition Event," the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors such Benchmark (or such component thereof); or

(b) in the case of clause (c) of the definition of "Benchmark Transition Event," the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be non-representative; provided that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (c) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.

For the avoidance of doubt, the "Benchmark Replacement Date" will be deemed to have occurred in the case of clause (a) or (b) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

"**Benchmark Transition Event**" means the occurrence of one or more of the following events with respect to the then-current Benchmark:

(a) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(b) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Board, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(c) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are no longer, or as of a specified future date will no longer be, representative of the underlying market and economic reality that such Benchmark is intended to measure and that representativeness will not be restored.

For the avoidance of doubt, a "Benchmark Transition Event" will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

"**Benchmark Transition Start Date**" means, in the case of a Benchmark Transition Event, the earlier of (a) the applicable Benchmark Replacement Date and (b) if such Benchmark Transition Event is a public statement or publication of information of a prospective event, the 90th day prior to the expected date of such event as of such public statement or publication of information (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication).

"**Benchmark Unavailability Period"** means, with respect to any Benchmark, the period (if any) (x) beginning at the time that a Benchmark Replacement Date pursuant to clause (a) or (b) of that definition has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Note Document in accordance with Section 2.6 and (y) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Note Document in accordance with Section 2.6.

"**Blocked Person**" means (i) a Person whose name appears on the list of Specially Designated Nationals and Blocked Persons published by OFAC, (ii) a Person described or designated under the provisions of the *Special Economic Measures Act* (Canada), the *United Nations Act* (Canada) or any other legislation, rules or regulations having the purpose of identifying Persons with whom commercial dealings or transactions, or in whom debt, equity or other investments, are limited or prohibited, (iii) a Person, entity, organization, country or regime that is blocked or is a target of sanctions that have been imposed under any Economic Sanctions Laws or (iv) a Person that is an agent, department or instrumentality of, or is otherwise beneficially owned by, controlled by or acting on behalf of, directly or indirectly, any Person, entity, organization, country or regime described in clauses (i), (ii) or (iii).

"**Borrowing Base**" means, as of any date, the amount of Revolving Note Advances and Term Notes that may be supported by the Oil and Gas Properties of the Company, as determined pursuant to Section 3.

"**Borrowing Base Adjustment Letter**" means a borrowing base adjustment letter substantially in the form of Schedule 3.3 attached hereto, or otherwise in such form and substance reasonably acceptable to the Required Holders.

"**Borrowing Base Assets**" means the Hydrocarbon rights and other assets of the Note Parties which are given lending value in a determination of the Borrowing Base.

"**Borrowing Base Deficiency**" means the amount by which the sum of the aggregate Revolving Note Advances and the aggregate outstanding principal under the Term Notes exceeds the amount of the Borrowing Base.

"**Borrowing Base Deficiency Notice**" means a notice from the Required Holders to the Company that a Borrowing Base Deficiency exists because of a redetermination made pursuant to Section 3.

"**Borrowing Date**" is defined in Section 2.3.

"**BP ISDA**" is defined in the definition of "Senior Swap Agreements".

"**Breakage Cost Obligations**" is defined in Section 2.5(c).

"**BTU**" means a British Thermal Unit.

"**Budgeted Capital Expenditures**" means the budgeted amount of capital expenditures shown in the annual consolidated budget for the Company or which have been subsequently presented to the board of directors of the Company in the quarterly budget updates, as such budget (or update) is prepared by the Company from time to time and delivered to the holders pursuant to Section 7.1(g), each such budget (or update) to be form and substance, and level of detail, approved in writing by the Required Holders in their reasonable discretion; provided such capital expenditures relate to additions to property, plant or equipment of the Company and not to expenditures to be made with the proceeds of insurance or compensation for lost or damaged assets.

"**Business Day**" means (a) for the purposes of Section 8.7 only, any day other than a Saturday, a Sunday or a day on which commercial banks in any of New York City, Toronto, Ontario and Calgary, Alberta are required or authorized to be closed, and (b) for the purposes of any other provision of this Agreement, any day other than a Saturday, a Sunday or a day on which commercial banks in New York City, Toronto, Ontario and Calgary, Alberta are required or authorized to be closed; provided that, in relation to any interest rate settings, fundings, disbursements, settlements or payments of any Revolving Note Advance or Term Notes, any such day that is also a U.S. Government Securities Business Day.

"**Canadian Dollars**", "**Cdn.$**", "**C$" and** "**$**" means the lawful currency of Canada.

"**Canadian Economic Sanctions Laws**" means those laws, executive orders, enabling legislation, rules or regulations administered and enforced by Canada or any political subdivision thereof pursuant to which economic sanctions have been or may be imposed on any Person, entity, organization, country or regime, including the *Special Economic Measures Act* (Canada), the *United Nations Act* (Canada), the *Export and Import Permits Act* (Canada), the *Foreign Extraterritorial Measures Act* (Canada) and the *Criminal Code* (Canada).

"**Capital Plan**" means a comprehensive plan describing the projected activities for each Capital Project, including a monthly cash flow forecast for the next 12 months and a detailed capital expenditure budget for the next 12 months, the Initial Capital Plan being delivered by the Company to the holders pursuant to Section 4.14(u), as such plan is updated by the Company from time to time pursuant to a Request for Advance or pursuant to Section 7.1(k), such updates being in form and substance, and level of detail, approved in writing by the Required Holders in their reasonable discretion. During interim periods prior to an updated Capital Plan being approved the preceding approved Capital Plan will remain in effect.

"**Capital Project**" means expenditures related to development projects with respect to the properties owned or acquired by the Company, in each case generally in accordance with the Capital Plan.

"**Change of Control**" means and shall be deemed to have occurred if and when:

(a) the Company ceases to be a Wholly-Owned Subsidiary of the Parent;

(b) any Person or Persons acting jointly or in concert, shall acquire ownership or control, directly or indirectly, of Voting Shares in the capital of the Parent which have or represent more than 35% of all the votes entitled to be cast by shareholders for an election of the board of directors of the Parent; or

(c) a business combination involving the Parent and any other Person (whether by amalgamation, merger, arrangement or otherwise) shall be consummated, and upon completion thereof, shareholders of the Parent as of the date hereof hold in the aggregate, less than 65% of the outstanding Equity Interests of the combined enterprise resulting from such business combination;

(d) during any period of two consecutive years, individuals who at the beginning of such period constitute the board of directors of the Parent cease, for any reason, to constitute at least a majority of the board of directors of the Parent, as applicable 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**"), provided that 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 Parent shall be deemed not to be an Incumbent Director; or

(e) the Parent transfers all or substantially all of its assets to any other Person if that transfer is not otherwise permitted by the other provisions of this Agreement.

"**Closing**" means the satisfaction (or waiver in writing by the holders, as applicable) of the conditions precedent specified in Section 4.1 to Section 4.15 of this Agreement, inclusive, as evidenced by the making of the Initial Revolving Note Advance and the purchase by the Purchasers of the First Draw Term Notes.

"**Closing Title Report**" means the title report of CWL Energy Management dated August 2019, as updated by Canada West Land Services Ltd. on December 14, 2022 and addressed to the Company affirming the Company's title to at least 80% of the PDP Reserves value of its Oil and Gas Properties subject only to Immaterial Title Deficiencies.

"**Code**" means the U.S. Internal Revenue Code of 1986 and the rules and regulations promulgated thereunder from time to time.

"**Collateral**" means all property and interests in property and proceeds thereof now owned or hereafter acquired by any Note Party in or upon which a Lien is granted or purported to be granted under any Senior Security, and for certainty including all Oil and Gas Properties and Processing Facilities owned by each Note Party.

"**Commodity Hedging Transaction**" means any swap transaction, cap, floor, collar, exchange transaction, forward transaction or other exchange or protection transaction relating to Hydrocarbons or any option with respect to any such transaction, including derivative financial instruments.

"**Company**" is defined in the first paragraph of this Agreement.

"**Compliance Certificate"** means an Officer's Certificate substantially in the form of Exhibit "D".

"**Confidential Information**" is defined in Section 21.

"**Conforming Changes**" means, with respect to either the use or administration of the Term SOFR Reference Rate or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "U.S. Government Securities Business Day," the definition of "Interest Period" or any similar or analogous definition, timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of Section 2.6 and other technical, administrative or operational matters) that the Required Holders decide may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and administration thereof by the Required Holders in a manner substantially consistent with market practice (or, if the Required Holders decide that adoption of any portion of such market practice is not administratively feasible or if the Required Holders determine that no market practice for the administration of any such rate exists, in such other manner of administration as the Required Holders, decide is reasonably necessary in connection with the administration of this Agreement and the other Note Documents).

"**Consolidated Net Income**" means, with respect to the Company and its consolidated Subsidiaries, for any period, the net income (or loss) for such period after Tax, as determined in accordance with GAAP, excluding, however, (a) the effect of any after-Tax extraordinary items, including (i) any net non-cash gain or loss during such period arising from the sale, exchange, retirement or other disposition of capital assets (such term to include all fixed assets and all securities) other than in the ordinary course of business, (ii) any write up or write down of assets and (iii) restructuring charges; and (b) the cumulative effect of any change in GAAP, provided that net income shall exclude (A) the net income of any Subsidiary of the Company during such period to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary of such income is not permitted by operation of the terms of its organizational documents or any agreement, instrument or law applicable to such Subsidiary during such period, except that the Company's equity in any net loss of any such Subsidiary for such period shall be included in determining Consolidated Net Income, and (B) any income (or loss) for such period of any other Person if such other Person is not a Subsidiary, except that the Company's equity in the net income of any such Person for such period shall be included in Consolidated Net Income up to the aggregate amount of cash actually distributed by such Person during such period to the Company or a Subsidiary as a dividend or other distribution (and in the case of a dividend or other distribution to a Subsidiary, such Subsidiary is not precluded from further distributing such amount to the Company as described in clause (A) of this proviso).

"**Control**" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise; and the terms "**Controlled**" and "**Controlling**" shall have meanings correlative to the foregoing.

"**Controlled Entity**" means any of the Subsidiaries of the Company and any of the Company's Controlled Affiliates.

"**Default**" means an event or condition the occurrence or existence of which would, with the lapse of time or the giving of notice or both, become an Event of Default.

"**Default Rate**" has the meaning set forth in each of the Notes, except with respect to any fee payable hereunder that is not paid when due, for which the Default Rate means a rate per annum equal to the lesser of (a) 2.00% over the Prime Rate plus the Applicable Margin and (b) the maximum rate of interest permitted by applicable law.

"**Delayed Draw Closing**" is defined in Section 2.2(c)(iii).

"**Delayed Draw Commitment**" is defined in Section 2.2(c)(i).

"**Delayed Draw Issuance Period**" is defined in Section 2.2(c)(ii).

"**Delayed Draw Term Notes**" is defined in Section 1.1(c).

"**Disclosure Documents**" is defined in Section 5.3.

"**Disposition**" means, with respect to any Person, any sale, lease, sub-lease, transfer, assignment, conveyance, release, loss or other disposition, or the entry into any contract, including any Farmout, the performance of which would result in any of the foregoing, of any interest in property of such Person (including any Oil and Gas Property or Processing Facility), or of any Equity Interest in a Subsidiary of such Person that owns property (including, but not limited to, any Oil and Gas Property or Processing Facility), in any transaction or event or series of transactions or events, and "**Dispose**" has the correlative meaning thereto.

"**EBITDAX**" means, for any period with respect to the Company and its consolidated Subsidiaries, without duplication, (a) Consolidated Net Income for such period plus (b) to the extent deducted in determining Consolidated Net Income, Financing Charges, exploration expenses, income taxes, depreciation, depletion, amortization and other non-cash items of expense for such period (including any provision for the reduction in the carrying value of assets recorded in accordance with GAAP and including non-cash charges resulting from stock based compensation and write downs on assets and non-cash losses resulting from the Hedge Termination Value of outstanding Hedging Transactions) for such period, losses attributable to extraordinary and non-recurring losses for such period (excluding, for certainty, any losses attributable to asset sales) minus (c) all non-cash items of income which were included in determining such Consolidated Net Income (including non-cash gains resulting from the Hedge Termination Value of outstanding Hedging Transactions) and earnings attributable to extra-ordinary and non-recurring gains for such period (excluding, for certainty, any gains attributable to asset sales); provided that such EBITDAX shall be subject to *pro forma* adjustments for Material Acquisitions and Material Dispositions calculated on the basis that such transactions had occurred on the first day of the applicable calculation period for the ratios set forth in Section 10.1, which adjustments shall be made in a manner reasonably acceptable to the Required Holders.

"**Economic Sanctions Laws**" means Canadian Economic Sanctions Laws and U.S. Economic Sanctions Laws.

"**EDC Facility**" means the unsecured account performance security guaranty facility made available by Export Development Canada for the sole benefit of the Company.

"**Energy Regulator**" means (a) with respect to Alberta, the Alberta Energy Regulator, and (b) with respect to any other Material Jurisdiction, the regulatory body with responsibility for the oversight of environmental matters in the oil and gas industry in such jurisdiction; and in each case, together with any successor or replacement agency, department, ministry or commission thereto.

"**Environmental Certificate**" means an Officers' Certificate substantially in the form of Exhibit "B".

"**Environmental Laws**" means any and all federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including those related to Hazardous Materials.

"**Equity Interests**" means (i) any capital stock, partnership, membership, joint venture or other ownership or equity interest, participation or securities (whether voting or non-voting, whether preferred, common or otherwise and including any stock appreciation, contingent interest or similar right) and (ii) any option, warrant, security or other right (including debt securities or other evidence of Indebtedness) directly or indirectly convertible into or exercisable or exchangeable for, or otherwise to acquire directly or indirectly, any stock, partnership, membership, joint venture or other ownership or equity interest, participation or security described in clause (i) hereof.

"**ERISA**" means the U.S. Employee Retirement Income Security Act of 1974 and the rules and regulations promulgated thereunder from time to time in effect.

"**ERISA Affiliate**" means any trade or business (whether or not incorporated) that is treated as a single employer together with the Company under section 414 of the Code.

"**Event of Default**" is defined in Section 11.

"**Exchange Act**" means the U.S. Securities Exchange Act of 1934, as amended.

"**Existing Credit Agreement**" means the Credit Agreement dated October 16, 2019 among the Company as borrower, the Parent and certain additional Subsidiaries of the Parent as guarantors, the lenders party thereto, and Third Eye Capital Corporation, as agent, as amended, restated, supplemented or otherwise modified up to the date of this Agreement.

"**Existing Credit Facilities**" means the credit facilities extended to the Company under the Existing Credit Agreement, of which approximately Cdn. $185,000,000 is outstanding immediately prior to Closing.

"**Existing Physical Hedge Facilities**" means physical hedges in existence on the date of Closing which are unsecured and not subject to the Intercreditor Agreement.

"**Farmout**" means an arrangement pursuant to any agreement whereby the owner(s) of one or more Hydrocarbon leases or other Hydrocarbon working interests with respect to any property from which production of Hydrocarbons is sought agrees to transfer or assign an interest in such property to one or more Persons in exchange for (a) drilling or participating in (or agreeing to drill or participate in) the cost of the drilling of one or more wells, or undertaking other exploration or development activities or participating in the cost of such activities (or agreeing to do so), in an attempt to obtain production of Hydrocarbons from such property, or (b) obtaining production of Hydrocarbons from such property or participating in the costs of obtaining such production.

"**FATCA**" means (a) sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), together with any current or future regulations or official interpretations thereof, (b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the U.S. and any other jurisdiction, which (in either case) facilitates the implementation of the foregoing clause (a), and (c) any agreements entered into pursuant to section 1471(b)(1) of the Code.

"**Financial Assistance**" means, with respect to any Person and without duplication, any loan, guarantee, indemnity, assurance, acceptance, extension of credit, loan purchase, share purchase, equity or capital contribution, investment or other form of direct or indirect investment or financial assistance or support of any other Person or any obligation (contingent or otherwise) for the purpose of enabling another Person to incur or pay any obligations or to comply with agreements relating thereto or otherwise to assure or protect creditors of the other Person against loss in respect of obligations of the other Person and includes any guarantee of or indemnity in respect of the obligations of the other Person and any absolute or contingent obligation to (directly or indirectly):

(a) advance or supply funds for the payment or purchase of any obligations of any other Person;

(b) grant a Lien over such Person's property;

(c) purchase, sell or lease (as lessee or lessor) any property, assets, goods, services, materials or supplies primarily for the purpose of enabling any Person to make payment of obligations or to assure the holder thereof against loss;

(d) guarantee, indemnify, hold harmless or otherwise become liable to any creditor of any other Person from or against any losses, liabilities or damages in respect of obligations;

(e) make a payment to another for goods, property or services regardless of the non-delivery or non-furnishing thereof ; or

(f) make an advance, loan or other extension of credit to or to make any subscription for equity, equity or capital contribution, or investment in or to maintain the capital, working capital, solvency or general financial condition of another Person.

The amount of any Financial Assistance is the amount of any loan or direct or indirect financial assistance or support, without duplication, given, or all obligations of the obligor to which the Financial Assistance relates, unless the Financial Assistance is limited to a determinable amount, in which case the amount of the Financial Assistance is equal to such determinable amount.

"**Financial Lease**" means any lease of property, real or personal, or any similar arrangement which conveys to a Note Party the right to use such property for a period of time, and which would, in accordance with GAAP as of December 31, 2018, be required to be classified and accounted for as a liability on a balance sheet of a lessee.

"**Financing Charges**" means, for any fiscal period, without duplication, interest expense of the Company determined on a consolidated basis in accordance with GAAP, as the same would be set forth or reflected in a consolidated statement of operations of the Company and, in any event and shall include (a) all interest accrued or payable in respect of such period, including capitalized interest and imputed interest with respect to lease obligations included as Indebtedness; (b) all fees (including standby and commitment fees, acceptance fees in respect of bankers' acceptances and fees payable in respect of letters of credit, letters of guarantee and similar instruments) accrued or payable in respect of Indebtedness during such period, prorated (as required) over such period; (c) any difference between the face amount and the discount proceeds of any bankers' acceptances, commercial paper and other obligations issued at a discount, prorated (as required) over such period; (d) the aggregate of all purchase discounts relating to the sale of accounts receivable in connection with any asset securitization program; (e) all net amounts charged or credited to interest expense under any Rate Management Transaction in respect of such period; (f) any non-cash accretion expenses; (g) fees payable to the Senior Collateral Agent in that capacity, and (h) the annual Administrative Fee and the one-time Structuring Fee payable with respect to this facility and the Subordinated Notes.

"**First Draw Term Notes**" is defined in Section 1.1(b).

"**Floor**" means a rate of interest equal to 1.00% per annum.

"**Forms**" is defined in Section 13(d).

"**GAAP**" means generally accepted accounting principles as in effect from time to time in Canada (and which effective January 1, 2011 encompass International Financial Reporting Standards adopted by the Canadian Accounting Standards Board).

"**Gas Balancing Agreements**" means any agreement or arrangement whereby a Note Party or any other Person owning any interest in any Hydrocarbons to be produced from Oil and Gas Properties in which a Note Party owns an interest, has a right to take more than its proportionate share of production therefrom.

"**Governmental Authority**" means

(a) the government of

(i) Canada or any province or other political subdivision thereof, or

(ii) any other jurisdiction in which any Note Party conducts all or any part of its business, or which asserts jurisdiction over any properties of such Note Party, or

(b) any entity exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, any such government.

"**Governmental Official**" means any governmental official or employee, employee of any government-owned or government-controlled entity, political party, any official of a political party, candidate for political office, official of any public international organization or anyone else acting in an official capacity.

"**Guarantee**" means, with respect to any Person, any obligation (except the endorsement in the ordinary course of business of negotiable instruments for deposit or collection) of such Person guaranteeing or in effect guaranteeing any indebtedness, dividend or other obligation of any other Person in any manner, whether directly or indirectly, including obligations incurred through an agreement, contingent or otherwise, by such Person:

(a) to purchase such indebtedness or obligation or any property constituting security therefor;

(b) to advance or supply funds (i) for the purchase or payment of such indebtedness or obligation, or (ii) to maintain any working capital or other balance sheet condition or any income statement condition of any other Person or otherwise to advance or make available funds for the purchase or payment of such indebtedness or obligation;

(c) to lease properties or to purchase properties or services primarily for the purpose of assuring the owner of such indebtedness or obligation of the ability of any other Person to make payment of the indebtedness or obligation; or

(d) otherwise to assure the owner of such indebtedness or obligation against loss in respect thereof.

In any computation of the indebtedness or other liabilities of the obligor under any Guarantee, the indebtedness or other obligations that are the subject of such Guarantee shall be assumed to be direct obligations of such obligor.

"**Hazardous Materials**" means any and all pollutants, toxic or hazardous wastes or other substances that might pose a hazard to health and safety, the removal of which may be required or the generation, manufacture, refining, production, processing, treatment, storage, handling, transportation, transfer, use, disposal, release, discharge, spillage, seepage or filtration of which is or shall be restricted, prohibited or penalized by any applicable law, including asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum, petroleum products, lead based paint, radon gas or similar restricted, prohibited or penalized substances.

"**Hedge Obligations**" means, at any time with respect to any Person, all indebtedness, liabilities and obligations of such Person under or in connection with any Hedging Agreement or Hedging Transaction, whether actual or contingent, due or to become due and existing or arising from time to time.

"**Hedge Termination Value**" means, in respect of any one or more Hedging Transactions, after taking into account the effect of any legally enforceable netting agreement relating to such Hedging Transactions, (a) for any date on or after the date such Hedging Transactions have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Hedging Transactions, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Hedging Transactions.

"**Hedging Agreement**" means any form of master agreement published by the International Swaps and Derivatives Association, Inc. or any International Foreign Exchange Master Agreement, and all schedules and exhibits attached thereto and incorporated therein that set forth the general terms upon which a Person may enter into one or more Hedging Transactions.

"**Hedging Transaction**" means a Commodity Hedging Transaction, a Rate Management Transaction or any other transaction with respect to any swap, forward, future or derivative transaction or option or similar transaction, whether exchange traded, "over-the-counter" or otherwise, involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions.

"**holder**" means, with respect to any Note, the Person in whose name such Note is registered in the register maintained by the Company pursuant to Section 14.1, provided that if such Person is a nominee, then for the purposes of Section 2.2(b), Section 7, Section 12, Section 18.2 and Section 19 and any related definitions in this Schedule A, "holder" shall mean the beneficial owner of such Note whose name and address appears in such register.

"**Hydrocarbons**" means oil, gas, coal seam gas, casinghead gas, drip gasoline, natural gasoline, condensate, distillate and all other liquid or gaseous hydrocarbons produced or to be produced in conjunction therewith from a well bore and all products, by-products and other substances derived therefrom or the processing thereof, including natural gas liquids, and other minerals and substances produced in conjunction with such substances, including sulfur, geothermal steam, water, carbon dioxide, helium and any and all minerals, ores or substances of value and the products and proceeds therefrom.

"**Immaterial Title Deficiencies**" means, with respect to Oil and Gas Properties, defects or clouds on title, discrepancies in reported net revenue or working interest ownership interests and other defects, discrepancies, Liens and similar matters which do not, individually or in the aggregate, affect Oil and Gas Properties with a Recognized Value greater than 5% of the Recognized Value of all such properties included in the Borrowing Base.

"**Indebtedness**" means, as at any particular time with respect to the Company and its consolidated Subsidiaries in accordance with GAAP, all obligations, indebtedness and liabilities (without duplication):

(a) for borrowed money;

(b) arising pursuant to bankers' acceptance facilities, note purchase facilities and commercial paper programs, or the stated amount of letters of credit, letters of guarantee and surety bonds supporting obligations which would otherwise constitute Indebtedness within the meaning of this definition or indemnities issued in connection therewith;

(c) evidenced by bonds, debentures, notes or other similar instruments (whether or not with respect to the borrowing of money);

(d) arising under Guarantees, indemnities, assurances, legally binding comfort letters or other contingent obligations or having the effect of providing Financial Assistance, in all cases, relating to the obligations of any other Person which would otherwise constitute Indebtedness within the meaning of this definition;

(e) for or in respect of Financial Leases (but excluding Permitted Leases), Prepaid Obligations or Production Payments;

(f) for or in respect of the deferred purchase or acquisition price of property (including obligations secured by Purchase Money Liens and obligations in respect of a Sale/Leaseback) in excess of 120 days but excluding, for certainty, accounts payable arising in the ordinary course of business;

(g) net payment obligations in respect of all Hedging Agreements that are due and payable;

(h) all obligations for or in respect of the purchase by another Person of any of a Note Party's property, assets or undertaking, the purchase price in respect of which has been prepaid by the purchaser; and

(i) for or in respect of redemption obligations with respect to any shares issued by a Note Party (excluding shares that may be redeemed in whole or in part in specie) which are not held by another Note Party and which are by their terms or pursuant to any contract, agreement or arrangement:

1. redeemable, retractable, payable or required to be purchased or otherwise retired or extinguished, or convertible into Indebtedness in any case, prior to the Maturity Date (A) at a fixed or determinable date, (B) at the option of any holder thereof, or (C) upon the occurrence of a condition not solely within the control and discretion of the applicable Note Party, or

2. convertible into any other shares described in (i) above.

"**Independent Engineer**" means a third-party petroleum engineering firm specializing in the evaluation of Hydrocarbons reserves and acceptable to the Required Holders in their sole discretion, including, with respect to the Initial Reserve Report, Deloitte, LLP.

"**INHAM Exemption**" is defined in Section 6.2(e).

"**Initial Capital Plan**" means the first Capital Plan approved as to form and substance, and level of detail, by the Purchasers in writing on May 26, 2023.

"**Initial Reserve Report**" means the Reserve Report prepared by the Company's own engineer, dated as of March 2, 2023, covering all of the Oil and Gas Properties of the Note Parties.

"**Initial Revolving Note Advance**" means the initial Revolving Note Advance in the amount of U.S.$12,000,000, made by the Company pursuant to Section 2.2 on the date of Closing.

"**Institutional Accredited Investor**" means an institutional "accredited investor" (as such term is defined in Rule 501 (a)(1), (2), (3) or (7) of Regulation D promulgated under the Securities Act, or any successor law, rule or regulation).

"**Institutional Investor**" means (a) any Purchaser of a Note, (b) any holder of a Note holding (together with one or more of its affiliates) more than 5.00% of the aggregate principal amount of the Notes then outstanding, (c) any bank, trust company, savings and loan association or other financial institution, any pension plan, any investment company, any insurance company, any broker or dealer, or any other similar financial institution or entity, regardless of legal form, and (d) any Related Fund of any holder of any Note.

"**Intercompany Debt**" means any and all loans or advances made by the Parent to the Company or any other any Note Party, or any other Indebtedness of the Company or any other Note Party to the Parent, however evidenced, now existing or hereafter created or assumed, including Indebtedness evidenced by that certain Grid Promissory Note originally made by Ikkuma Resources Corp. (predecessor by name change to the Company) in favour of the Parent dated as of December 20, 2018.

"**Interest Period**" means, as to each Revolving Note Advance or Term Note, as applicable, the period commencing on the date of such Revolving Note Advance or Term Note, as applicable, or on the last day of the immediately preceding Interest Period applicable thereto, as the case may be, and ending on the date one or three months thereafter (in each case, subject to availability), as selected by the Company in the Request for Advance or Request for Conversion/Continuation; provided that:

(a) any Interest Period that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day;

(b) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period; and

(c) no Interest Period shall extend beyond the Maturity Date.

"**Investment**" is defined in Section 10.4.

"**ISDA Definitions**" means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time by the International Swaps and Derivatives Association, Inc. or such successor thereto.

"**Knowledge**" when used in relation to the Company or any other Note Party means the current, actual knowledge of each Responsible Officer of the Company or such Note Party.

"**Lease Operating Statement**" means a report, in form and substance reasonably satisfactory to the Required Holders, prepared by the Company covering each of the Proved Oil and Gas Properties of the Note Parties detailing on a monthly basis the Hydrocarbon production volumes, revenues, associated lease operating expenses, taxes and other expenses for such Proved Oil and Gas Properties.

"**Liability Management Rating**" means, for any Material Jurisdiction, the environmental liability management rating (or equivalent) relating to the upstream oil and gas wells, facilities and pipelines of the Company, as determined in accordance with the rules and regulations of each applicable Material Jurisdiction and its Energy Regulator for the then relevant period (and, for certainty, after adjusting the "deemed assets" (or the equivalent) to include any security deposits provided to the applicable Energy Regulator if such security deposits are so included by the applicable Energy Regulator in the determination thereof).

"**Lien**" means, with respect to any Person, (a) any mortgage, lien, pledge, charge, security interest or other encumbrance, or any interest or title of any vendor, lessor, lender or other secured party to or of such Person under any conditional sale or other title retention agreement or Financial Lease, upon or with respect to any property or asset of such Person (including in the case of stock, stockholder agreements, voting trust agreements and all similar arrangements), (b) production payments and the like payable out of any property of such Person, and (c) a contractual right of set-off if created for the purpose of securing Indebtedness.

"**Limited Recourse Parent Guarantee**" means the limited recourse guarantee agreement of the Parent dated as of the date hereof in favour of the holders pursuant to which the Parent guarantees the obligations of the Company under the Note Documents, with recourse thereunder being limited to enforcement of the Share Pledge and the Assignment of Intercompany Debt.

"**Margin Increase**" is defined in the definition of Applicable Margin.

"**Material**" means material in relation to the business, operations, affairs, financial condition, assets, properties, or prospects of the Note Parties taken as a whole.

"**Material Acquisition**" means an acquisition or series of acquisitions by one or more Note Parties of shares or other assets where the aggregate purchase price thereof is in excess of 5% of the Borrowing Base at the applicable time.

"**Material Adverse Effect**" means a material adverse effect on (a) the business, operations, affairs, financial condition, assets or properties of the Note Parties taken as a whole, (b) the ability of any Note Party to perform its obligations under any Note Document or (c) the validity or enforceability of any Note Document.

"**Material Contracts**" means, collectively, the contracts identified in Schedule 5.5 and any other contract, lease, instrument, indenture or other agreement (any one, for the purposes of this definition, a "**Contract**") to which any Note Party is party which, if terminated or released prior to full maturity, or if the counterparty thereto defaulted in a manner which were to deprive the applicable Note Party of any substantial part of the benefit of such Contract, such termination, release or default could have or could reasonably be expected to have a Material Adverse Effect.

"**Material Disposition**" means a Disposition or series of Dispositions by one or more Note Parties where the aggregate proceeds therefrom are in excess of 5% of the Borrowing Base at the applicable time.

"**Material Jurisdiction**" means, collectively, the Province of Alberta and any other jurisdiction where the Note Parties, in aggregate, at any time or from time to time, own or operate assets, property and undertaking with aggregate associated undiscounted and uninflated abandonment and reclamation liabilities (expressed in nominal dollars), as shown in the most recent Abandonment and Reclamation Report delivered to the holders, exceeding the Threshold Amount in that jurisdiction.

"**Maturity Date**" means March 13, 2027.

"**Multiemployer Plan**" means any Plan that is a "multiemployer plan" (as such term is defined in section 4001(a)(3) of ERISA).

"**NAIC**" means the National Association of Insurance Commissioners.

"**Non-U.S. Plan**" means any plan, fund or other similar program that (a) is established or maintained outside the United States of America by any Note Party primarily for the benefit of employees of a Note Party residing outside the United States of America, which plan, fund or other similar program provides, or results in, retirement income, a deferral of income in contemplation of retirement or payments to be made upon termination of employment, and (b) is not subject to ERISA or the Code.

"**Note Documents**" means this Agreement, the Notes, the Limited Recourse Parent Guarantee, the Share Pledge, the Assignment of Intercompany Debt, the other Senior Security, the Senior Intercreditor Agreement and all other instruments, certificates and other documents now or hereafter executed and delivered by or on behalf of any Note Party pursuant to or in connection with any of the foregoing or any of the transactions contemplated hereby, and any and all amendments, restatements, supplements and other modifications to any of the foregoing.

"**Note Obligations**" means, collectively, the Indebtedness evidenced by the Notes and all present and future Indebtedness, liabilities and obligations (including indemnities), and all renewals, increases and extensions thereof, or any part thereof, now or in the future owed to the holder of any Note by any Note Party under any Note Document, together with all interest accruing thereon, Breakage Cost Obligations, fees, costs and expenses payable under the Note Documents or in connection with the protection of rights or exercise of remedies under the Note Documents.

"**Note Parties**" means the Company and each of its Subsidiaries, and "**Note Party**" means any one of such Note Parties.

"**Notes**" is defined in Section 1.1(c).

"**OFAC**" means the Office of Foreign Assets Control of the United States Department of the Treasury.

"**OFAC Sanctions Program**" means any economic or trade sanction that OFAC is responsible for administering and enforcing. A list of OFAC Sanctions Programs may be found at http://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx.

"**Officer's Certificate**" means a certificate of a Senior Financial Officer or of any other officer of the Company whose responsibilities extend to the subject matter of such certificate.

"**Oil and Gas Ownership Certificate**" means an Officer's Certificate substantially on the form of Exhibit "A".

"**Oil and Gas Properties**" means (a) all present and future interests and estates existing under any Hydrocarbon leases including working interests, royalty interests, overriding royalty interests, production payments, net profits interests and carried interests, (b) all present and future rights in mineral fee interests, including any reversionary interests relating thereto, (c) all rights, titles and interests created by or arising under the terms of all present and future unitization or pooling arrangements (and all properties covered and units created thereby) whether arising by contract or operation of law which now or hereafter include all or any part of the foregoing, (d) all rights, titles and interest created by or arising under the terms of all present and future Farmouts including any back-in interests related thereto, (e) all unsevered and unextracted Hydrocarbons in, under or attributable with respect to any of the foregoing, and (f) all rights, remedies, powers and privileges with respect to any of the foregoing, in each case, including all of the foregoing which are classified as proved developed producing, proved developed non-producing, proved developed behind pipe, proved developed shut-in, proved undeveloped, probable and possible reserves and any other reserve category recognized by the Society of Petroleum Engineers (Calgary Section) or any successor thereto.

"**Parent**" means Pieridae Energy Limited, of which the Company is a wholly-owned Subsidiary.

"**Parent Capital Contribution**" means the contribution by the Parent to the Company of cash in an amount not less than Cdn. $20,000,000 either in exchange for Equity Interests in the Company, or as Intercompany Debt, the source of funds of which is the Parent TEC Loan, and the application of the proceeds of which is, together with the proceeds of the Notes and the Subordinated Notes, to payout the Existing Credit Facilities in full as contemplated by Section 4.12(d).

"**Parent TEC Loan**" means the credit agreement dated June 13, 2023 among the Parent, as borrower, the Parent's Subsidiaries (other than the Company and the Company's subsidiaries) as guarantors, and the lenders listed on the signature pages thereto, as lenders, providing for a Cdn.$ 20,000,000 senior secured convertible term loan, the purpose of which is to fund the Parent Capital Contribution.

"**Parent TEC Loan Documents**" means, collectively, all of the instruments, documents and agreements executed and delivered by the Parent or any of its Subsidiaries (other than the Company and any Subsidiary of the Company) in connection with the Parent TEC Loan.

"**Parent TEC Subordination and Postponement Agreement**" means a subordination and postponement by the lenders of the Parent TEC Loan in favour of the Senior Collateral Agent, for the benefit of itself, the holders and the Senior Swap Providers, pursuant to which all present and future obligations of the Parent to such lenders under the security granted by the Parent to or for the benefit of such lenders and/or agent on the collateral which is the subject of the Assignment of Intercompany Debt and the Share Pledge, is postponed and subordinated to the present and future obligations of the Parent under the Limited Recourse Parent Guarantee, and all security granted by the Parent to the Senior Collateral Agent for the benefit of such holders and the Senior Swap Providers pursuant to the Assignment of Intercompany Debt and the Share Pledge, in form and substance satisfactory to the holders and the Senior Swap Providers.

"**Payment Date**" means, (a) with respect to any Revolving Note Advances or Term Notes that have a one month Interest Period, the last day of each month in each year beginning with May 31, 2023, and (b) with respect to any Revolving Note Advances or Term Notes that have a three month Interest Period, the last day of March, June, September and December in each year, commencing with June 30, 2023 through the Maturity Date, and the Maturity Date and, with respect to any Unused Fee or Undrawn Fee, the last day of March, June, September and December in each year, and the Maturity Date.

"**PBGC**" means the U.S. Pension Benefit Guarantee Corporation referred to and defined in ERISA.

"**PDP Reserves**" means proved developed producing reserves, as defined in the SPE Definitions.

"**Permitted Encumbrances**" means any of the following Liens:

(a) reservations, limitations, provisos and conditions expressed in any original grant from the Crown and all statutory exceptions, qualifications and reservations in respect of title;

(b) Liens for Taxes, assessments or governmental charges and any other statutory Liens which (i) are not due or delinquent; or (ii) relate to claims being contested at the time in good faith by a Note Party if during such contestation there is no risk of forfeiture of any of its material assets or property;

(c) undetermined or inchoate Liens arising in the ordinary course of business and incidental to exploration and development operations which relate to obligations (i) not due or delinquent and which have not at such time been filed pursuant to law and no other statutory proceedings have been taken to enforce the same; or (ii) being contested at the time in good faith by a Note Party if during such contestation there is no risk of forfeiture of any of its material assets or property;

(d) Liens incurred or created in the ordinary course of business as security in favour of any other Person which is conducting the exploration, development or operation of the property to which such Liens relate for a Note Party's obligations in respect of the costs and expenses of such exploration, development or operation, which relate to obligations of the Note Party not due or delinquent or are being contested at the time in good faith by the Note Party if during such contestation there is no risk of forfeiture of any of its material assets or property;

(e) the Lien of any judgment rendered, or claim filed, against a Note Party which such Note Party shall be contesting in good faith if during such contestation there is no risk of forfeiture of any of its material assets or property;

(f) easements, rights-of-way, servitudes or other similar rights in and (including rights-of-way and servitudes for railways, sewers, drains, pipe lines, gas and water mains, electric light and power and telephone or telegraph or cable television conduits, poles, wires and cables) granted to or reserved or taken by other Persons and other minor defects, encumbrances and restrictions which either alone or in the aggregate do not materially impair the use of the subject land for the purpose for which it is used in the conduct by the Note Parties of their business;

(g) Liens given to a public utility or any municipality or governmental or other public authority when required by such public utility or municipality or other governmental authority in the ordinary course of the business in connection with the Oil and Gas Properties or Processing Facilities, provided such security does not either alone or in the aggregate materially impair the use of the assets or property for the purpose for which it is used in the conduct by the Note Parties of their business;

(h) the right reserved to or vested in any municipality or governmental or other public authority by the terms of any lease by any statutory provision to terminate any lease or to require payment of royalties as a condition of the continuance thereof;

(i) bankers' liens, rights of set-off and other similar Liens existing solely with respect to cash on deposit in one or more accounts maintained by the Company granted in the ordinary course of business in favour of a bank with which such accounts are maintained, securing amounts owing to such bank with respect to cash management services, including those involving pooled accounts and netting arrangements;

(j) deposits to secure performance of (i) bids, tenders, contracts (other than contracts for the payment of money) or (ii) leases of real property, in each case, to which a Note Party is a party;

(k) to the extent that a Lien is constituted or created thereby, a pooling or unitization of Oil and Gas Properties in the ordinary course of business which is necessary or advisable to facilitate the orderly exploration, development or operation of such Oil and Gas Properties, provided that the value to a Note Party of its interests in the Oil and Gas Properties which are subject to the pooling or unitization immediately after the pooling or unitization (taking into account obligations associated therewith) is not less than the value of its interest in such Oil and Gas Properties immediately before the pooling or unitization;

(l) any right of first refusal in favour of any Person granted in the ordinary course of business with respect to all or any of the Oil and Gas Properties of the Note Parties, provided that when exercised, such rights of first refusal would relate to assets, the disposition of which would constitute Permitted Dispositions hereunder, and to the extent that it is not in default at the time;

(m) contractual Liens under sale contracts, farm-in agreements, farmout agreements, area of mutual interest, joint operating agreements, or other arrangements for the exploration, development, production, transportation, gathering, processing or sale of Hydrocarbons, and other agreements that are usual and customary in the oil and gas business that (i) would not materially impair the use or value of such Oil and Gas Property subject to such Lien, (ii) are ordinary and customary to the oil, gas and other mineral exploration, development, processing or extraction business and (iii) would not otherwise cause any other express representation or warranty of any Note Party in any of the Note Documents to be untrue in any material respect if such representation or warranty were repeated at the time such Lien came into existence;

(n) inchoate liens or any rights of distress reserved in or exercisable under any real property lease or sublease to which a Note Party is a lessee which secure the payment of rent or compliance with the terms of such lease or sublease, provided that such rent is not overdue for in excess of five Business Days and the Note Parties are then in compliance in all material respects with such terms;

(o) lessor royalties (including crown or freehold lessor royalties) granted in the ordinary course of business;

(p) any Lien which does not secure Indebtedness, the satisfaction of which has been provided for by deposit with the Senior Collateral Agent of cash or a surety bond or other security satisfactory to the Required Holders, acting reasonably, in an amount sufficient to pay the liability in respect of such lien in full;

(q) Liens to secure plugging and abandonment obligations that are ordinary and customary to the oil, gas and other mineral exploration, development, processing or extraction business;

(r) royalties, overriding royalties, reversionary interests, preferential purchase rights and similar lease burdens that (i) are customarily granted in the ordinary course of business in the oil, gas and other mineral exploration, development, processing or extraction business and do not constitute financing, and (ii) do not materially impair the use of such Oil and Gas Property subject thereto;

(s) to the extent that a Lien is constituted or created thereby, Immaterial Title Deficiencies;

(t) Liens created on property that is the subject of a Permitted Lease;

(u) Liens created by the Senior Security;

(v) Liens constituting Purchase Money Liens and Liens arising under Financial Leases, provided that the aggregate Indebtedness secured by all such Liens does not at any time exceed Cdn. $3,000,000;

(w) Liens comprising or resulting from the pledge or deposit of cash, guaranteed investment certificates or other cash equivalents to secure Indebtedness associated with outstanding letters of credit or bank guarantees in an aggregate amount not to exceed that permitted pursuant to Section 10.3(g);

(x) Liens to secure Indebtedness not referred to elsewhere in this definition, provided that (i) such Liens are not of general application (such as a floating charge or general security interest over all or substantially all of a Note Party's property) and (ii) the aggregate amount secured by all Liens under paragraph (v) of this definition and this paragraph (w) does not at any time exceed Cdn. $1,000,000; and

(y) any extension, renewal or replacement (or successive extensions, renewals or replacements), as a whole or in part, of any Liens referred to in the preceding paragraphs of this definition, so long as any such extension, renewal or replacement of such Lien is limited to all or any part of the same property that secured the Lien extended, renewed or replaced (plus improvements on such property) and the Indebtedness, liability or obligation secured thereby is not increased.

"**Permitted Indebtedness**" is defined in Section 10.3.

"**Permitted Leases**" means (a) a lease of land and buildings and (b) a lease of cars or trucks, in either case by a Note Party for use by it in the ordinary course of its business operations.

"**Person**" means an individual, partnership, corporation, limited liability company, association, trust, unincorporated organization, business entity or Governmental Authority.

"**Plan**" means an "employee benefit plan" (as defined in section 3(3) of ERISA) subject to Part 3 of Subtitle B of Title I of ERISA that is or, within the preceding five years, has been established or maintained, or to which contributions are or, within the preceding five years, have been made or required to be made, by the Company or any ERISA Affiliate or with respect to which the Company or any ERISA Affiliate may have any liability.

"**Premium**" means any amount, howsoever denominated, payable to a lender as consideration or compensation for the prepayment of Indebtedness.

"**Prepaid Obligations**" means "take-or-pay" or similar obligations of a Person whereby such Person is obligated to settle, at some future date, payment in respect of Hydrocarbons, whether by deliveries (accelerated or otherwise) of Hydrocarbons, payment of money or otherwise howsoever, including all such obligations for which such Person is liable without having received and retained a payment therefor or having assumed such obligations.

"**Prime Rate**" means a fluctuating rate per annum (based on the actual number of days elapsed over a year of 365 or 366 days) equal on any given day to the rate of interest most recently announced in New York City by JPMorgan Chase Bank, N.A. as its U.S. dollar prime commercial lending rate (the "**Prime Reference Rate**"). The Prime Rate shall automatically fluctuate, without special notice to the Company or any other Person, upward and downward as and in the amount by which the Prime Reference Rate shall fluctuate. The Prime Reference Rate is set by JPMorgan Chase Bank, N.A. as a general reference rate of interest, taking into account such factors as JPMorgan Chase Bank, N.A. may deem appropriate. The Prime Reference Rate is not necessarily the lowest or best rate actually charged to any customer, and such rate may not correspond with future increases or decreases in interest rates charged by other lenders or market rates in general. JPMorgan Chase Bank, N.A. may make various business or other loans at rates of interest having no relationship to the Prime Reference Rate.

"**Processing Facilities**" means all present and future rights, titles, interests and estates of a Note Party in the sour natural gas processing facilities known as the Jumping Pound Gas Plant (in which the Company owns a 100% interest), the Waterton Complex (in which the Company owns a 100% interest) and the Caroline Gas Plant (in which the Company owns a 73% interest) having a combined potential processing capacity of over 750 MMcf/d with NGL fractionation capabilities and possessing the capability to recover NGLs and sulphur, (b) all present and future rights in surface, subsurface and leasehold interests, including any reversionary interests, relating thereto, (c) all present and future interconnecting upstream and downstream pipelines with respect thereto, (d) all present and future buildings, structures, fixtures, tanks and personal property associated therewith, (e) all rights, titles and interests created by or arising under the terms of all present and future operating, intake, offtake, processing, interconnection, storage, transportation or other agreements or contracts relating thereto, arising by contract or operation of law, (f) all present and future licenses, permits and other operating rights related thereto, held directly by a Note Party or by any other Person for its benefit or on its behalf (including any trust, agency or other agreements in that regard), and (g) all present and future rights, remedies, powers and privileges with respect to any of the foregoing.

"**Processing Report**" means a report, in form and substance reasonably satisfactory to the holders of Notes, prepared by the Company covering each of the Processing Facilities with respect to Hydrocarbon volumes processed on a facility-by-facility basis for the most recently-completed month.

"**Production Payment**" means:

(a) the sale (including any forward sale) or other transfer of any Hydrocarbons, whether in place or when produced, for a period of time until, or of an amount such that, the purchaser will realize therefrom a specified amount of money (however determined, including by reference to interest rates or other factors which may not be fixed) or a specified amount of such product; and

(b) any other interest in property of the character commonly referred to as a "production payment".

"**Production Report**" means a report, in form and substance reasonably satisfactory to the holders of Notes, prepared by the Company covering each of the Proved Oil and Gas Properties of the Note Parties detailing Hydrocarbon production volumes on a well-by-well basis for the most recently-completed month, which report shall provide whether such Hydrocarbons were produced during such month or, as a result of accounting practices, were produced in a previous month, in which case the report shall specify the month during which such Hydrocarbons were produced.

"**Projected Production**" means, as of any time, the projected production of oil, natural gas, condensate or natural gas liquids, including gas processing plant products (measured by volume unit or BTU equivalent, not sales price), as applicable, for the term of the contracts or a particular month, as applicable, from properties and interests owned by the Note Parties that are located in Alberta, British Columbia and Saskatchewan and which have attributable to them proved developed producing oil and gas reserves, as such production was shown on the most recent Reserve Report delivered to the holders of Notes pursuant to Section 7.1(h) (or, until the first such Reserve Report is delivered to the holders of Notes pursuant to Section 7.1(h), the Initial Reserve Report), after deducting projected production from any properties or interests sold or under contract for sale or subject to royalties that had been included in such analysis.

"**property**" or "**properties**" means, unless otherwise specifically limited, real or personal property of any kind, tangible or intangible, choate or inchoate.

"**Proved Oil and Gas Properties**" means, collectively, (a) all Oil and Gas Properties that constitute "proved developed producing reserves", "proved developed non-producing reserves", "proved developed behind pipe reserves", "proved developed shut-in reserves" and "proved undeveloped reserves" as listed on the most recent Reserve Report delivered to the holders of Notes pursuant to Section 7.1(h) (or, until the first such Reserve Report is delivered to the holders of Notes pursuant to Section 7.1(h), the Initial Reserve Report) and (b) all Oil and Gas Properties that constitute other categories of proved reserves recognized by the Society of Petroleum Engineers (Calgary Section) or any successor thereto as listed on the most recent Reserve Report delivered to the holders of Notes pursuant to Section 7.1(h) (or, until the first such Reserve Report is delivered to the holders of Notes pursuant to Section 7.1(h), the Initial Reserve Report).

"**Prudent Business Practice**" means, at a particular time, any of the practices, methods and acts that, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, would have been expected to accomplish the desired result at a reasonable cost consistent with requirements of applicable law, good industry practice with reference to the oil and gas industry in the Province of Alberta, reliability and safety, all with respect to the conduct and operation of a gas exploration and production business or businesses of a similar nature and scope and in a similar region as the business carried on by the Company.

"**PTE**" is defined in Section 6.2.

"**Purchase Money Lien**" means:

(a) a Lien taken or reserved in property to secure payment of all or part of its purchase price; and

(b) a Lien taken in property by a Person who gives value for the purpose of enabling a Note Party to acquire rights in such property, to the extent that the value is applied to acquire those rights;

but does not include a Financial Lease or a Permitted Lease.

"**Purchaser**" or "**Purchasers**" means each of the purchasers that has executed and delivered this Agreement to the Company and such Purchaser's successors and assigns (so long as any such assignment in respect of any Note complies with Section 14.2), provided that any Purchaser of a Note that ceases to be the registered holder or a beneficial owner (through a nominee) of such Note as the result of a transfer thereof pursuant to Section 14.2 shall cease to be included within the meaning of "Purchaser" of such Note for the purposes of this Agreement upon such transfer.

"**Purchaser Schedule**" means the Purchaser Schedule to this Agreement listing the Purchasers and including their notice and payment information.

"**QPAM Exemption**" is defined in Section 6.2(d).

"**Qualified Institutional Buyer**" means any Person who is a "qualified institutional buyer" within the meaning of such term as set forth in Rule 144A(a)(1) under the Securities Act.

"**Quarter End**" means the last day of each fiscal quarter of the Company.

"**Rate Management Transaction**" means any transaction (including an agreement with respect thereto) now existing or hereafter entered into by any Note Party that is a rate swap, basis swap, forward rate transaction, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, forward transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of these transactions) or any combination thereof, whether linked to one or more interest rates, foreign currencies, commodity prices, equity prices or other financial measures, but excluding Commodity Hedging Transactions.

"**Recognized Value**" means the value attributed to the Oil and Gas Properties of the Note Parties from the most recent determination of the Borrowing Base, based upon the discounted present value of the estimated net cash flow to be realized from the production of Hydrocarbons from such Oil and Gas Properties.

"**Related Fund**" means, with respect to any holder of any Note, any fund or entity that (a) invests in Securities or bank loans, and (b) is advised or managed by such holder, the same investment advisor as such holder or by an affiliate of such holder or such investment advisor.

"**Relevant Governmental Body**" means the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or any successor thereto.

"**Request for Advance**" is defined in Section 2.5(a)(i).

"**Request for Purchase**" is defined in Section 2.2(c)(ii).

"**Request for Conversion/Continuation**" means a request for a conversion or continuation of a Term Note substantially in the form of Schedule 2.5(B) attached hereto, or otherwise in such form and substance reasonably acceptable to the Required Holders.

"**Required Holders**" means:

(a) with respect to increases or decreases of the Borrowing Base for which a Borrowing Base Adjustment Letter is required to be delivered pursuant to Section 3.3,

(i) at any time on or after the Closing to December 31, 2024, the holders of at least 51% in principal amount of (i) the Notes at the time outstanding (exclusive of Notes then owned by the Company or any of its Affiliates) and (ii) until the expiry of the Delayed Draw Issuance Period, the Delayed Draw Commitment (less the amount of Delayed Draw Term Notes outstanding); and

(ii) at any time on or after January 1, 2025, the Super-Majority Holders; and

(b) with respect to all other matters, the Super-Majority Holders.

"**Reserve Report**" means a report, prepared and signed either by an Independent Engineer or the Company's own engineer, evaluating the oil and gas reserves attributable to all of the Oil and Gas Properties of the Note Parties which shall, among other things, (a) identify the wells covered thereby, (b) specify the applicable engineer's opinions with respect to the total volume of reserves (the "available reserves") of Hydrocarbons (using, as applicable, the terms or categories "proved developed producing reserves", "proved developed non-producing reserves", "proved developed behind pipe reserves", "proved developed shut-in reserves", "proved undeveloped reserves", "probable reserves" and "possible reserves" and any other reserve category recognized by the Society of Petroleum Engineers (Calgary Section) or any successor thereto) which the Company has advised such engineer that a Note Party has the right to produce for its own account, (c) set forth such engineer's opinions with respect to the projected future cash proceeds from the available reserves, discounted for present value at a rate of 10%, for each calendar year or portion thereof after the date of such findings and data, (d) set forth such engineer's opinions with respect to the projected future rate of production of the available reserves, (e) contain such other information as requested by the Required Holders with respect to the projected rate of production, gross revenues, operating expenses, taxes, capital costs, net revenues and present value of future net revenues attributable to such reserves and production therefrom, (f) contain a statement of the price and escalation parameters, procedures and assumptions upon which such determinations were based, (g) contain a statement of price differentials between the wellhead market price for the commodity sold and the quoted market price used in such report during the previous 12-month period, (h) use Strip Pricing, and (i) contain summary lease operating statements for such Oil and Gas Properties for the previous 12-month period. Each Reserve Report shall be accompanied by a determination of the discounted present value of the market value of Commodity Hedging Transactions (the rate of discount for which shall be 10% on an annual basis), valued at the difference between the hedged price for such volumes and prices utilized for the Reserve Report, certified by a Responsible Officer of the Company, which shall be considered part of the Reserve Report and incorporated into the determination of Adjusted PV10.

"**Responsible Officer**" means any Senior Financial Officer and any other officer of the Company with responsibility for the administration of the relevant portion of this Agreement.

"**Revolving Commitments**" is defined in Section 2.2.

"**Revolving Note Advance**" is defined in Section 2.2.

"**Revolving Notes**" is defined Section 1.1(a).

"**Rolling Period**" means each fiscal quarter of the Company taken together with the three immediately preceding fiscal quarters of the Company.

"**Sale/Leaseback**" means an arrangement under which title to any property or asset, or an interest therein, is transferred by a Person (the "First-Mentioned Person") to some other Person which leases or otherwise gives or grants the right to use such property or asset or interest therein to the First-Mentioned Person, whether or not in connection therewith the First-Mentioned Person also acquires a right or is subject to an obligation to re acquire the property, asset or interest, and regardless of the accounting treatment of such arrangement.

"**Securities**" or "**Security**" shall have the meaning specified in section 2(1) of the *Securities Act*.

"**Securities Act**" means the U.S. Securities Act of 1933 and the rules and regulations promulgated thereunder from time to time in effect.

"**Senior Collateral Agent**" means Computershare Trust Company of Canada, acting in its capacity as collateral agent for itself and the holders of the Notes and the Senior Swap Providers as provided under the Senior Intercreditor Agreement, or its successor in such capacity appointed pursuant to the Senior Intercreditor Agreement.

"**Senior Financial Officer**" means the chief financial officer, vice president, corporate finance, principal accounting officer, treasurer or comptroller of the Company.

"**Senior Indebtedness**" means all Indebtedness other than Subordinated Debt.

"**Senior Intercreditor Agreement**" means the Intercreditor and Collateral Agency Agreement dated as of the date of this Agreement by and among the Company, the holders, the Senior Swap Providers and the Senior Collateral Agent providing for, among other things, the sharing, on a *pari passu* basis, of the Senior Security as between the holders and the Senior Swap Providers.

"**Senior Security**" means the Liens granted by the Parent and the Note Parties in their respective present and after-acquired real and personal property to the Senior Collateral Agent for the benefit of the holders as security for the obligations of the Note Parties under this Agreement and the Notes and for the Senior Swap Providers as security for the Senior Swap Facility Obligations, including the security referred to in Section 4.14(b), Section 4.14(d), Section 4.14(e) and Section 9.7.

"**Senior Swap Agreements**" means:

(a) that certain ISDA Master Agreement, dated May 2, 2023, between BP Energy Company and the Company, including, but not limited to, the Schedule and any annexes or exhibits thereto, and any transaction confirmations thereunder (such ISDA Master Agreement and transaction confirmations, in each case as amended, restated, supplemented or otherwise modified from time to time in accordance herewith, collectively, the "**BP ISDA**"); and

(b) after the date hereof, any ISDA Master Agreement between an Approved Hedging Agreement Counterparty and the Company, including, but not limited to, the Schedule and any annexes or exhibits thereto, and any transaction confirmations thereunder.

"**Senior Swap Facility Default**" means (a) any default in the payment of any Senior Swap Facility Obligations when the same becomes due and payable, or (b) any other event of default or termination event under any instrument or agreement evidencing or otherwise relating to Senior Swap Facility Obligations which terminates any transaction entered into thereunder, or would entitle the holders of such Senior Swap Facility Obligations to terminate any or all transactions entered into thereunder.

"**Senior Swap Facility Documents**" means the Senior Swap Agreements and any other documents governing or instrument evidencing any Senior Swap Facility Obligations.

"**Senior Swap Facility Obligations**" means and include all obligations (whether now outstanding or hereafter incurred), for the payment of which the Company is responsible or liable as obligor, guarantor or otherwise in respect of all payment obligations under the Senior Swap Agreements and the Senior Swap Facility Documents, whether now owing or hereafter incurred (including any interest accruing subsequent to the commencement of an insolvency proceeding, whether or not the claims of the holders of such payment obligations for such interest are allowed in any such proceeding).

"**Senior Swap Providers**" means BP Energy Company in respect of the BP ISDA, and any other Approved Hedging Agreement Counterparty in respect of its Senior Swap Agreement (as contemplated by clause (b) of the definition thereof) that becomes bound by and entitled to the benefits of the Senior Intercreditor Agreement pursuant to Article 15 thereof.

"**Share Pledge**" means, collectively, the share pledge agreement dated as of the date hereof granted by the Parent in favour of the Senior Collateral Agent, under which the Parent pledges its Equity Interest in the Company to the Senior Collateral Agent for the benefit of the holders and the Senior Swap Providers under the Senior Intercreditor Agreement.

"**SOFR**" means a rate equal to the secured overnight financing rate as administered by the SOFR Administrator.

"**Source**" is defined in Section 6.2.

"**Sources and Uses**" means a spreadsheet or similar document showing all of the financial transactions to be implemented by the Company at Closing in order, among other things, to satisfy the conditions precedent in Section 4 of this Agreement, including (i) the inflows of funds derived from the proceeds of the Term Notes, the proceeds of the Initial Revolving Note Advance, the proceeds of the Subordinated Notes and the Parent Capital Contribution, and (ii) the outflows of funds repaying in full the Existing Credit Facilities and paying the administrative, structuring, professional or other fee payments related to or associated with the Closing transactions.

"**SPE Definitions**" means, with respect to any term, the definition thereof contained in the Canadian Oil and Gas Evaluation Handbook of the Society of Petroleum Engineers (Calgary Section), as amended from time to time.

"**Specified Assumptions**" mean, on any date of determination, assumptions and adjustments to estimates of future net revenues made in accordance with the then existing standards of the Society of Petroleum Engineers (Calgary Section) and, to the extent such assumptions or adjustments relate to (a) basis differentials, such assumptions or adjustments shall be consistent with differentials realized during the twelve month period preceding such date of determination and differentials projected for the twelve month period following such date of determination calculated by comparing actual realized or projected prices to AECO prices for each month during such period, (b) operating, gathering, processing, transportation or marketing expenses, such assumptions or adjustments shall reflect trade terms set forth in the contracts giving rise to such expenses as such terms exist on such date of determination (or, if no such contracts exist with respect to such expenses, such assumptions or adjustments shall be consistent with expenses incurred during the twelve month period preceding such date of determination and expenses projected for the twelve month period following such date of determination), and (c) projected future net revenues attributable to natural gas liquids, such assumptions or adjustments shall be based on the relevant Average Strip Pricing for crude oil and average realized natural gas liquids price differentials during the twelve month period preceding such date of determination and projected average natural gas liquids price differentials for the twelve month period following such date of determination.

"**State Sanctions List**" means a list that is adopted by any state Governmental Authority within the United States of America pertaining to Persons that engage in investment or other commercial activities in Iran or any other country that is a target of economic sanctions imposed under U.S. Economic Sanctions Laws.

"**Strip Pricing**" means, as of the date of any determination thereof, (a) for (i) each of months 1 through 12 following such date, the average of the closing contract prices for the monthly futures contracts for months 1 through 12 following such date, (ii) each of months 13 through 24 following such date, the average of the closing contract prices for the monthly futures contracts for months 13 through 24 following such date, (iii) each of months 25 through 36 following such date, the average of the closing contract prices for the monthly futures contracts for months 25 through 36 following such date, (iv) each of months 37 through 48 following such date, the average of the closing contract prices for the monthly futures contracts for months 37 through 48, and (v) each of months 49 through 60 following such date, the average of the closing contract prices for the monthly futures contracts for months 49 through 60 following such date (the "**Initial Strip**") and (b) for the 61st month following such date and each month thereafter, the average of the closing contract prices for the monthly futures contracts for months 49 through 60 following such date, in each case as drawn from the ICE NGX AECO forward strip published in a nationally recognized publication for such pricing as selected by the Required Holders; provided that in the event that the NYMEX no longer provides futures contract price quotes for 60 month periods, the longest period of quotes of less than 60 months shall be used to determine the Initial Strip and the last 12 months of such period shall be used for the months following such period and, if the NYMEX no longer provides such futures contract quotes or has ceased to operate, the Required Holders shall designate another nationally recognized commodities exchange to replace the NYMEX for purposes of the references to the NYMEX herein.

"**Structuring Fee**" is defined in Section 2.7(a).

"**Subordinated Debt**" means all Indebtedness of the Note Parties subordinated to the Notes on terms acceptable to the Required Holders, including the Subordinated Notes and all other obligations of the Note Parties under the Subordinated Note Documents, and the Intercompany Debt.

"**Subordinated Note Agreement**" means the Note Purchase Agreement dated as of the date of this Agreement, by and among the Company and the Subordinated Noteholders described therein, pursuant to which the Company established a senior subordinated note facility in the aggregate principal amount of U.S. $30,000,000, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"**Subordinated Note Documents**" means the Subordinated Note Agreement, the Subordinated Notes and any other document governing or instrument evidencing any Subordinated Note Obligations.

"**Subordinated Note Obligations**" means and include all obligations (whether now outstanding or hereafter incurred), for the payment of which the Company is responsible or liable as obligor, guarantor or otherwise in respect of all payment obligations under the Subordinated Note Agreement and the Subordinated Note Documents.

"**Subordinated Noteholders**" means the "holders" under and as defined in the Subordinated Note Agreement from time to time.

"**Subordinated Notes**" means the "Notes," as such term is used in the Subordinated Note Agreement.

"**Subordination and Postponement Agreement**" means a subordination and postponement by the Parent in favour of the holders and the Senior Swap Providers pursuant to which all present and future Intercompany Debt are postponed and subordinated to the prior payment in full of the Note Obligations and the Senior Swap Facility Obligations, in form and substance satisfactory to the holders and the Senior Swap Providers.

"**Subsidiary**" means, as to any Person, any other Person in which such first Person or one or more of its Subsidiaries or such first Person and one or more of its Subsidiaries owns sufficient equity or voting interests to enable it or them (as a group) ordinarily, in the absence of contingencies, to elect a majority of the directors (or Persons performing similar functions) of such second Person, and any partnership or joint venture if more than a 50% interest in the profits or capital thereof is owned by such first Person or one or more of its Subsidiaries or such first Person and one or more of its Subsidiaries (unless such partnership or joint venture can and does ordinarily take major business actions without the prior approval of such Person or one or more of its Subsidiaries). Unless the context otherwise clearly requires, any reference to a "Subsidiary" is a reference to a Subsidiary of the Company.

"**Substitute Purchaser**" is defined in Section 22.

"**Super-Majority Holders**" means at any time on or after the Closing, the holders of at least 66 2/3% of (i) the principal amount of the Notes at the time outstanding (exclusive of Notes then owned by the Company or any of its Affiliates) plus (ii) until the expiry of the Delayed Draw Issuance Period, the Delayed Draw Commitment (less the principal amount of Delayed Draw Term Notes outstanding).

"**SVO**" means the Securities Valuation Office of the NAIC.

"**Tax**" means any tax (whether income, documentary, sales, stamp, registration, issue, capital, property, excise or otherwise), duty, assessment, levy, impost, fee, compulsory loan, charge or withholding imposed by any Governmental Authority, including any interest, surcharges, additions to tax or penalties applicable thereto.

"**Taxing Jurisdiction**" is defined in Section 13(a).

"**Term Notes**" is defined in Section 1.1(c).

"**Term SOFR**" means, for any calculation with respect to a Revolving Note Advance or a Term Note, the Term SOFR Reference Rate for a tenor comparable to the applicable Interest Period on the day (such day, the "**Periodic Term SOFR Determination Day**") that is two U.S. Government Securities Business Days prior to the first day of such Interest Period, as such rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m. (New York City time) on any Periodic Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three U.S. Government Securities Business Days prior to such Periodic Term SOFR Determination Day.

"**Term SOFR Adjustment**" means, for any calculation with respect to a Revolving Note Advance or a Term Note, a percentage per annum as set forth below for the applicable Interest Period of such Revolving Note Advance or Term Note:

Interest Period	**Percentage**
One month	0.10%
Three months	0.15%

"**Term SOFR Administrator**" means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Required Holders in their reasonable discretion).

"**Term SOFR Reference Rate**" means the forward-looking term rate based on SOFR.

"**Threshold Amount**" means 5% of the Borrowing Base as in effect at the time of determination or the equivalent amount thereof at the relevant time in any other currency relevant in the context in which such definition is used.

"**Unadjusted Benchmark Replacement**" means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

"**United States Person**" has the meaning set forth in Section 7701(a)(30) of the Code.

"**Unused Fee Rate**" means 0.50%.

"**Undrawn Fee Rate**" means 0.25% per quarter/1.00% per annum.

"**USA PATRIOT Act**" means United States Public Law 107-56, Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001 and the rules and regulations promulgated thereunder from time to time in effect.

"**U.S. Dollars**" or "**U.S.$**" means the lawful currency of the United States of America.

"**U.S. Dollar Equivalent**" means, with respect to any amount in Canadian Dollars, an amount equal to the amount of U.S. Dollars that would be required to purchase such amount of Canadian Dollars at the spot rate of exchange for conversion for such currencies as quoted by the Bank of Canada at the close of business one Business Day prior to the date of such computation, and if no such rate is quoted, the spot rate of exchange quoted for wholesale transactions by Royal Bank of Canada in Toronto, Ontario in accordance with its normal practice.

"**U.S. Government Securities Business Day**" means any day except for (a) a Saturday, (b) a Sunday or (c) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

"**U.S. Economic Sanctions Laws**" means those laws, executive orders, enabling legislation or regulations administered and enforced by the United States pursuant to which economic sanctions have been imposed on any Person, entity, organization, country or regime, including the Trading with the Enemy Act, the International Emergency Economic Powers Act, the Iran Sanctions Act, the Sudan Accountability and Divestment Act and any other OFAC Sanctions Program.

"**Voting Shares**" means:

(a) share capital of any class of any corporation or securities of any other Person which carry voting rights to elect the board of directors or other body exercising similar functions under any circumstances, but shares or other securities which carry the right to so vote conditionally upon the happening of an event shall not be considered Voting Shares until the occurrence of such event; and

(b) an interest in a general partnership, limited partnership, trust, joint venture or similar Person which entitles the holder of such interest to receive a share of the profits, or on dissolution or partition, of the assets, of such Person.

"**Wholly-Owned Subsidiary**" means, at any time, any Subsidiary all of the Equity Interests (except directors' qualifying shares) and voting interests of which are owned by any one or more of the Company and the Company's other Wholly-Owned Subsidiaries at such time.

SCHEDULE 1.1(A)

[FORM OF REVOLVING NOTE]

THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"), OR THE SECURITIES LAWS OF ANY STATE, AND MAY NOT BE SOLD OR TRANSFERRED, DIRECTLY OR INDIRECTLY, ABSENT REGISTRATION UNDER THE 1933 ACT OR PURSUANT TO AVAILABLE EXEMPTIONS THEREFROM AND FROM APPLICABLE STATE SECURITIES LAWS.

UNLESS PERMITTED UNDER CANADIAN SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THIS SECURITY BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE LATER OF (I) JUNE 13, 2023 AND (II) THE DATE THE COMPANY BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY.

PIERIDAE ALBERTA PRODUCTION LTD.

SENIOR SECURED REVOLVING NOTE DUE MARCH 13, 2027

No. [_____] [Date]

U.S.$[_______] PPN C2505@AB7

For value received, the undersigned, **Pieridae Alberta Production Ltd.** (herein called the "**Company**"), a corporation organized and existing under the laws of the Province of Alberta, hereby promises to pay to [____________], or registered assigns, the principal sum of [______________________] United States Dollars (or, if less, the principal amount of the outstanding Revolving Note Advances made by the holder to the Company pursuant to this Note and the Agreement referred to below), payable on the terms and in the amounts specified in the Agreement, and on March 13, 2027 (the "**Maturity Date**"), in an amount equal to the unpaid balance of the principal hereof, with interest (computed on the basis of the actual number of days elapsed over a year of 360 days) (a) on the unpaid balance hereof at the applicable Adjusted Term SOFR plus the Applicable Margin from time to time (as such terms are defined in the Agreement referred to below) from the date hereof, payable on each Payment Date, commencing with the Payment Date next succeeding the date hereof until the principal hereof shall have become due and payable, and (b) to the extent permitted by law, (x) on any overdue payment of interest and (y) during the continuance of an Event of Default, on such unpaid balance and on any overdue payment of Breakage Cost Obligations, at a rate per annum from time to time equal to the lesser of (i) the interest rate described above plus 2.00% and (ii) the maximum rate of interest permitted by applicable law, payable on each Payment Date (or, at the option of the registered holder hereof, on demand) (the "**Default Rate**"); provided that if at any time both the Margin Increase is in effect and the Default Rate is payable, then to avoid duplication, only the Default Rate shall apply during that time, without the Margin Increase.

Solely for purposes of the *Interest Act* (Canada), the yearly rate of interest to which interest calculated for a period of 360 days is equivalent is such rate of interest multiplied by the actual number of days in the relevant calendar year and divided by 360. All interest payable by the Company hereunder shall accrue from day to day, computed as described herein and shall be payable after as well as before maturity, demand, default and judgment. The theory of "deemed reinvestment" shall not apply to the computation of interest hereunder and no allowance, reduction or deduction shall be made for the deemed reinvestment

of interest in respect of any payments hereunder. Calculation of interest hereunder shall be made using the nominal rate method, and not the effective rate method, of calculation.

Payments of principal of, interest on and any Breakage Cost Obligations (as defined in the Agreement) with respect to this Note are to be made in lawful money of the United States of America at JPMorgan Chase Bank, N.A. in New York, New York or at such other place as the Company shall have designated by written notice to the holder of this Note as provided in the Agreement.

This Note is one of a series of Senior Secured Revolving Notes (herein called the "**Notes**") issued pursuant to the Note Purchase Agreement dated June 13, 2023 (as amended, restated, supplemented or otherwise modified from time to time, the "**Agreement**"), by and among the Company and the Purchasers named therein and is entitled to the benefits thereof. Each holder of this Note will be deemed, by its acceptance hereof, to have (i) agreed to the confidentiality provisions set forth in Section 21 of the Agreement and (ii) made the representation set forth in Section 6.2 of the Agreement. Unless otherwise indicated, capitalized terms used in this Note shall have the respective meanings ascribed to such terms in the Agreement.

The Company irrevocably authorizes the holder hereof to make or cause to be made an appropriate notation on the grid attached to this Note, or the continuation of such grid, or any other similar record, including computer records, reflecting increases or decreases in the outstanding principal amount hereunder and the applicable interest rate and interest period with respect thereto. The outstanding amount of this Note set forth on the grid attached to this Note, or the continuation of such grid, or any other similar record, including computer records, maintained by the holder hereof shall be *prima facie* evidence of the principal amount hereof owing and unpaid to the holder, but the failure to record, or any error in so recording, any such amount on any such grid, continuation or other record shall not limit or otherwise affect the obligation of the Company hereunder or under the Agreement to make payments of principal of and interest on this Note when due.

This Note is a registered Note and, as provided in the Agreement, upon surrender of this Note for registration of transfer accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the Person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

This Note is guaranteed by the Limited Recourse Parent Guarantee. This Note is secured by, and entitled to the benefits of, the Senior Security.

This Note is subject to mandatory and optional prepayment, in whole or from time to time in part, at the times and on the terms specified in the Agreement, but not otherwise

If an Event of Default occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including any applicable Breakage Cost Obligations) and with the effect provided in the Agreement.

This Note shall be construed and enforced in accordance with, and the rights of the Company and the holder of this Note shall be governed by, the law of the Province of Alberta excluding choice-of-law principles of the law of such Province that would permit the application of the laws of a jurisdiction other than such Province.

PIERIDAE ALBERTA PRODUCTION LTD.

By: ____________________________________

Name:

Title:

Date	Principal Amount of Revolving Note Advance (U.S.$)	Interest Rate	Amount of Principal Paid, Prepaid, Continued or Converted (with reset to length of Interest Period) (U.S.$)	Notation Made By

SCHEDULE 1.1(B)

[FORM OF FIRST DRAW TERM NOTE]

THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"), OR THE SECURITIES LAWS OF ANY STATE, AND MAY NOT BE SOLD OR TRANSFERRED, DIRECTLY OR INDIRECTLY, ABSENT REGISTRATION UNDER THE 1933 ACT OR PURSUANT TO AVAILABLE EXEMPTIONS THEREFROM AND FROM APPLICABLE STATE SECURITIES LAWS.

UNLESS PERMITTED UNDER CANADIAN SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THIS SECURITY BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE LATER OF (I) JUNE 13, 2023 AND (II) THE DATE THE COMPANY BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY.

PIERIDAE ALBERTA PRODUCTION LTD.

SENIOR SECURED TERM NOTE DUE MARCH 13, 2027

No. [_____] [Date]

U.S.$[_______] PPN C2505@AC5

For Value Received, the undersigned, **Pieridae Alberta Production Ltd.** (herein called the "**Company**"), a corporation organized and existing under the laws of the Province of Alberta, hereby promises to pay to [____________], or registered assigns, the principal sum of [______________________] United States Dollars, payable on the terms and in the amounts specified in the Agreement, and on March 13, 2027 (the "**Maturity Date**"), in an amount equal to the unpaid balance of the principal hereof, with interest (computed on the basis of the actual number of days elapsed over a year of 360 days) (a) on the unpaid balance hereof at the applicable Adjusted Term SOFR plus the Applicable Margin from time to time (as such terms are defined in the Agreement referred to below) from the date hereof, payable on each Payment Date, commencing with the Payment Date next succeeding the date hereof until the principal hereof shall have become due and payable, and (b) to the extent permitted by law, (x) on any overdue payment of interest and (y) during the continuance of an Event of Default, on such unpaid balance and on any overdue payment of Breakage Cost Obligations, at a rate per annum from time to time equal to the lesser of (i) the interest rate described above plus 2.00% and (ii) the maximum rate of interest permitted by applicable law, payable on each Payment Date (or, at the option of the registered holder hereof, on demand) (the "**Default Rate**"); provided that if at any time both the Margin Increase is in effect and the Default Rate is payable, then to avoid duplication, only the Default Rate shall apply during that time, without the Margin Increase.

Solely for purposes of the *Interest Act* (Canada), the yearly rate of interest to which interest calculated for a period of 360 days is equivalent is such rate of interest multiplied by the actual number of days in the relevant calendar year and divided by 360. All interest payable by the Company hereunder shall accrue from day to day, computed as described herein and shall be payable after as well as before maturity, demand, default and judgment. The theory of "deemed reinvestment" shall not apply to the computation of interest hereunder and no allowance, reduction or deduction shall be made for the deemed reinvestment

of interest in respect of any payments hereunder. Calculation of interest hereunder shall be made using the nominal rate method, and not the effective rate method, of calculation.

Payments of principal of, interest on, Premium and any Breakage Cost Obligations (as such terms are defined in the Agreement) with respect to this Note are to be made in lawful money of the United States of America at JPMorgan Chase Bank, N.A. in New York, New York or at such other place as the Company shall have designated by written notice to the holder of this Note as provided in the Agreement.

This Note is one of a series of First Draw Term Notes (herein called the "**Notes**") issued pursuant to the Note Purchase Agreement dated June 13, 2023 (as amended, restated, supplemented or otherwise modified from time to time, the "**Agreement**"), by and among the Company and the Purchasers named therein and is entitled to the benefits thereof. Each holder of this Note will be deemed, by its acceptance hereof, to have (i) agreed to the confidentiality provisions set forth in Section 21 of the Agreement and (ii) made the representation set forth in Section 6.2 of the Agreement. Unless otherwise indicated, capitalized terms used in this Note shall have the respective meanings ascribed to such terms in the Agreement.

This Note is a registered Note and, as provided in the Agreement, upon surrender of this Note for registration of transfer accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the Person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

This Note is guaranteed by the Limited Recourse Parent Guarantee. This Note is secured by, and entitled to the benefits of, the Senior Security.

This Note is subject to mandatory and optional prepayment, in whole or from time to time in part, at the times and on the terms specified in the Agreement, but not otherwise

If an Event of Default occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including any applicable Breakage Cost Obligations and Premium) and with the effect provided in the Agreement.

This Note shall be construed and enforced in accordance with, and the rights of the Company and the holder of this Note shall be governed by, the law of the Province of Alberta excluding choice-of-law principles of the law of such Province that would permit the application of the laws of a jurisdiction other than such Province.

PIERIDAE ALBERTA PRODUCTION LTD.

By: ______________________________

Name:

Title:

SCHEDULE 1.1(C)

[FORM OF DELAYED DRAW TERM NOTE]

THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"), OR THE SECURITIES LAWS OF ANY STATE, AND MAY NOT BE SOLD OR TRANSFERRED, DIRECTLY OR INDIRECTLY, ABSENT REGISTRATION UNDER THE 1933 ACT OR PURSUANT TO AVAILABLE EXEMPTIONS THEREFROM AND FROM APPLICABLE STATE SECURITIES LAWS.

UNLESS PERMITTED UNDER CANADIAN SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THIS SECURITY BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE LATER OF (I) JUNE 13, 2023 AND (II) THE DATE THE COMPANY BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY.

PIERIDAE ALBERTA PRODUCTION LTD.

SENIOR SECURED TERM NOTE DUE MARCH 13, 2027

No. [_____] [Date]

U.S.$[_______] PPN C2505@AD3

For value received, the undersigned, **Pieridae Alberta Production Ltd.** (herein called the "**Company**"), a corporation organized and existing under the laws of the Province of Alberta, hereby promises to pay to [____________], or registered assigns, the principal sum of [______________________] United States Dollars (or, if less, the aggregate purchase amount by the holder from the Company pursuant to Section 2.2(c) of the Agreement referred to below), payable on the terms and in the amounts specified in the Agreement, and on March 13, 2027 (the "**Maturity Date**"), in an amount equal to the unpaid balance of the principal hereof, with interest (computed on the basis of the actual number of days elapsed over a year of 360 days) (a) on the unpaid balance hereof at the applicable Adjusted Term SOFR plus the Applicable Margin from time to time (as such terms are defined in the Agreement referred to below) from the date hereof, payable on each Payment Date, commencing with the Payment Date next succeeding the date hereof until the principal hereof shall have become due and payable, and (b) to the extent permitted by law, (x) on any overdue payment of interest and (y) during the continuance of an Event of Default, on such unpaid balance and on any overdue payment of Breakage Cost Obligations, at a rate per annum from time to time equal to the lesser of (i) the interest rate described above plus 2.00% and (ii) the maximum rate of interest permitted by applicable law, payable on each Payment Date (or, at the option of the registered holder hereof, on demand) (the "**Default Rate**"); provided that if at any time both the Margin Increase is in effect and the Default Rate is payable, then to avoid duplication, only the Default Rate shall apply during that time, without the Margin Increase.

Solely for purposes of the *Interest Act* (Canada), the yearly rate of interest to which interest calculated for a period of 360 days is equivalent is such rate of interest multiplied by the actual number of days in the relevant calendar year and divided by 360. All interest payable by the Company hereunder shall accrue from day to day, computed as described herein and shall be payable after as well as before maturity, demand, default and judgment. The theory of "deemed reinvestment" shall not apply to the computation of interest hereunder and no allowance, reduction or deduction shall be made for the deemed reinvestment

of interest in respect of any payments hereunder. Calculation of interest hereunder shall be made using the nominal rate method, and not the effective rate method, of calculation.

Payments of principal of, interest on and any Breakage Cost Obligations (as defined in the Agreement) with respect to this Note are to be made in lawful money of the United States of America at JPMorgan Chase Bank, N.A. in New York, New York or at such other place as the Company shall have designated by written notice to the holder of this Note as provided in the Agreement.

This Note is one of a series of Delayed Draw Term Notes (herein called the "**Notes**") issued pursuant to the Note Purchase Agreement dated June 13, 2023 (as amended, restated, supplemented or otherwise modified from time to time, the "**Agreement**"), by and among the Company and the Purchasers named therein and is entitled to the benefits thereof. Each holder of this Note will be deemed, by its acceptance hereof, to have (i) agreed to the confidentiality provisions set forth in Section 21 of the Agreement and (ii) made the representation set forth in Section 6.2 of the Agreement. Unless otherwise indicated, capitalized terms used in this Note shall have the respective meanings ascribed to such terms in the Agreement.

The Company irrevocably authorizes the holder hereof to make or cause to be made an appropriate notation on the grid attached to this Note, or the continuation of such grid, or any other similar record, including computer records, reflecting increases or decreases in the outstanding principal amount hereunder and the applicable interest rate and interest period with respect thereto. The outstanding amount of this Note set forth on the grid attached to this Note, or the continuation of such grid, or any other similar record, including computer records, maintained by the holder hereof shall be *prima facie* evidence of the principal amount hereof owing and unpaid to the holder, but the failure to record, or any error in so recording, any such amount on any such grid, continuation or other record shall not limit or otherwise affect the obligation of the Company hereunder or under the Agreement to make payments of principal of and interest on this Note when due.

This Note is a registered Note and, as provided in the Agreement, upon surrender of this Note for registration of transfer accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the Person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

This Note is guaranteed by the Limited Recourse Parent Guarantee. This Note is secured by, and entitled to the benefits of, the Senior Security.

This Note is subject to mandatory and optional prepayment, in whole or from time to time in part, at the times and on the terms specified in the Agreement, but not otherwise

If an Event of Default occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including any applicable Breakage Cost Obligations) and with the effect provided in the Agreement.

This Note shall be construed and enforced in accordance with, and the rights of the Company and the holder of this Note shall be governed by, the law of the Province of Alberta excluding choice-of-law principles of the law of such Province that would permit the application of the laws of a jurisdiction other than such Province.

PIERIDAE ALBERTA PRODUCTION LTD.

By: ______________________________

Name:

Title:

Date	Principal Amount Purchased (U.S.$)	Interest Rate	Amount of Principal Paid, Prepaid, Continued or Converted (with reset to length of Interest Period) (U.S.$)	Notation Made By

SCHEDULE 2.5(A)

[FORM OF REQUEST FOR ADVANCE]

REQUEST FOR ADVANCE

Date: ___________, _____

To: [redacted]

With copies to:

[redacted]

[redacted]

[redacted]

[redacted] [redacted]

And to: [redacted]

[redacted]

Ladies and Gentlemen:

Reference is made to the Note Purchase Agreement dated as of June 13, 2023 (as from time to time amended, the "**Note Purchase Agreement**"; the terms defined therein being used herein as therein defined), by and among Pieridae Alberta Production Ltd., an Alberta company, and the Purchasers party thereto.

The undersigned hereby requests (select one):

☐ A Revolving Note Advance

☐ A conversion to a different length of Interest Period for a Revolving Note Advance

☐ A continuation of the same length of Interest Period for a Revolving Note Advance

1. On _________________ (a Business Day).
2. In the amount of U.S.$ ______.
3. For an Interest Period of [one month] [three months].
4. To the following US Dollar Account:

[Beneficiary Name: Pieridae Alberta Production Ltd.
Suite 3100, 308 - 4th Avenue SW
Calgary, Alberta T2P 0H7

[redacted] [redacted]

[redacted] [redacted]

[redacted]

[redacted] [redacted]

A Capital Plan (forming an update to the Initial Capital Plan) pertaining to the Oil and Gas Properties and the Processing Facilities, specifying in detail the use of proceeds of such advance and including a copy of any related authorizations for expenditure, is attached hereto.

The proceeds of the Revolving Note Advance will be used for general corporate purposes.

The Revolving Note Advance, or the conversion or continuation of a Revolving Note Advance, as applicable, requested herein complies with Section 2 of the Note Purchase Agreement.

Very truly yours,

PIERIDAE ALBERTA PRODUCTION LTD.

By: ____________________________________

Name:

Title:

SCHEDULE 2.5(B)

[FORM OF REQUEST FOR CONVERSION/CONTINUATION]

REQUEST FOR CONVERSION/CONTINUATION

Date: ____________, ______

To: [redacted]

With copies to:

[redacted]

[redacted]

[redacted]

[redacted]

And to: [redacted]

[redacted]com
Telephone: 770-690-4808

Ladies and Gentlemen:

Reference is made to the Note Purchase Agreement dated as of June 13, 2023 (as from time to time amended, the "**Note Purchase Agreement**"; the terms defined therein being used herein as therein defined), by and among Pieridae Alberta Production Ltd., an Alberta company, and the Purchasers party thereto.

The undersigned hereby requests (select one):

☐ A conversion to a different length of Interest Period applicable to all of the Term Notes	☐ A continuation of the same length of Interest Period applicable to all of the Term Notes

1. On _________________ (a Business Day).

2. For an Interest Period of [one month] [three months].

The conversion or continuation of the length of the Interest Period for the Term Notes requested herein complies with Section 2 of the Note Purchase Agreement.

Very truly yours,

PIERIDAE ALBERTA PRODUCTION LTD.

By: ______________________________________

Name:

Title:

SCHEDULE 3.3

[FORM OF BORROWING BASE ADJUSTMENT LETTER]

As of __________, 20__

Pieridae Alberta Production Ltd.
Suite 3100, 308-4th Avenue SW
Calgary, Alberta
T2P 0H7

Re: Adjustment of Borrowing Base

Ladies and Gentlemen:

We refer to that certain Note Purchase Agreement dated as of June 13, 2023 (as amended, restated, supplemented or otherwise modified from time to time, the "**Note Purchase Agreement**"), by and among Pieridae Alberta Production Ltd., an Alberta company (the "**Company**"), and the Purchasers party thereto. The defined terms used in this letter have the same meanings as are provided therefor in the Note Purchase Agreement.

This letter will confirm our agreements with respect to the Borrowing Base:

(a) *[Increase][Decrease][Reaffirmation] of Borrowing Base.* Effective as of the date hereof, the Borrowing Base is hereby [[increased][decreased] from [U.S.$__________] to [U.S. $__________]][reaffirmed at U.S.$__________].

(b) *[Borrowing Base Increase Fee.* The incremental increase in the Borrowing Base is $__________. As a condition to the increase in the Borrowing Base set forth above, the Company will pay the holders a fee of $__________ for such incremental increase (_____% of $__________), to be shared among the holders in accordance with their Applicable Percentages.].

(c) *Determination Date*. The Borrowing Base as adjusted will remain in effect until __________, 20__, unless otherwise adjusted pursuant to the provisions of Section 3 of the Note Purchase Agreement.

The agreements set forth herein are limited precisely as written and shall not be deemed (i) to be a waiver of or a consent to the modification of or deviation from any other term or condition of the Note Documents, or (ii) to prejudice any right or rights that any holder of a Note may now have or may have in the future under or in connection with the Note Documents. This letter constitutes a Note Document.

The failure by any holder or the Senior Collateral Agent to exercise available rights and remedies is not intended (A) to operate as a waiver of rights and remedies except as expressly herein provided, or (B) to indicate any agreement on the part of any holder to waive their rights or the Senior Collateral Agent's rights and remedies in the future. The holders are not obligated in any way with respect to future dealings between them and the Company, except as set forth in the presently existing Note Documents.

Kindly sign and return the enclosed counterpart of this letter.

Very truly yours,

[Holders]

By: ____

Name:
Title:

AGREED AND ACCEPTED as of __________, 20__

PIERIDAE ALBERTA PRODUCTION LTD.

By: ____

Name:
Title:

SCHEDULE 4.4(A)(I)

**FORM OF OPINION OF SPECIAL U.S. COUNSEL
FOR THE COMPANY**

The Purchasers (as defined in the Note Purchase Agreement described below) purchasing Notes on the date hereof

Re: Pieridae Alberta Production Ltd.

Ladies and Gentlemen:

We have acted as special United States counsel to Pieridae Alberta Production Ltd., a corporation incorporated under the laws of the Province of Alberta, Canada (the "Company"), and Pieridae Energy Limited, a corporation incorporated under the laws of the Province of Alberta, Canada (the "Parent"), in connection with the issuance and sale on the date hereof of $25,000,000 aggregate principal amount of Senior Secured Revolving Notes due March 13, 2027, $85,000,000 aggregate principal amount of Senior Secured First Draw Term Notes due March 13, 2027 and $10,000,000 aggregate principal amount of Senior Secured Delayed Draw Term Notes due March 13, 2027 (collectively, the "Notes"), pursuant to the Note Purchase Agreement (the "Note Purchase Agreement"), dated June 13, 2023, among the Company and the Purchasers (as defined in the Note Purchase Agreement) party thereto. This opinion is being furnished to you at the request of the Company as contemplated by Section 4.4 of the Note Purchase Agreement. Capitalized terms used and not otherwise defined have the respective meanings given those terms in the Note Purchase Agreement.

In connection with this opinion, we have examined originals, or copies certified or otherwise identified to our satisfaction, of the following documents, each dated as of the date of this letter (collectively, the "Documents"):

(a) the Note Purchase Agreement;

(b) a specimen of each of the Notes;

(c) the Limited Recourse Parent Guarantee; and

(d) the Note Purchase Agreement (the "Subordinated NPA"), dated June 13, 2023, between the Company and the purchasers named therein, pursuant to which the Company issued and sold $30,000,000 aggregate principal amount of 13.00% Senior Subordinated Notes due September 13, 2027 (the "Subordinated Notes").

In this opinion, the Notes and Limited Recourse Parent Guarantee are collectively referred to as the "Securities".

We have reviewed such questions of law as we have considered necessary and appropriate for the purposes of our opinions set forth below. In addition, we have examined those other certificates, agreements and documents that we deemed relevant and necessary as a basis for our opinion. We have also relied upon the factual matters contained in the representations and warranties of the Company, the Parent, the Purchasers and the purchasers of Subordinated Notes made in the Documents and upon a certificate of each of the Company and the Parent. In particular, the opinions contained in paragraphs 1, 2 and 6 below are based upon the representations, warranties and agreements (i) of the Company in Section 5 of the Note Purchase Agreement and Section 5 of the Subordinated NPA and in an officer's certificate of each of the Company and the Parent, each dated the date hereof, (ii) of the Purchasers in Section 6 of the Note Purchase Agreement, and (iii) of the purchasers of the Subordinated Notes in Section 6 of the Subordinated NPA. We have not undertaken any independent investigation to verify the accuracy of the representations relied upon by us in rendering our opinion.

In addition, we have assumed, without independent investigation, (i) that the Company and the Parent is each validly existing and in good standing under the laws of its jurisdiction of incorporation; (ii) that the Company and the Parent each has all necessary corporate power and authority to execute, deliver and perform its obligations under the Note Purchase Agreement, the Subordinated NPA and the Securities; (iii) that the execution, delivery and performance of each Document to which it is a party have been duly authorized by all necessary corporate action by the Company and the Parent, as applicable, and do not violate the Company's or the Parent's charter or other organizational document or the laws of its jurisdiction of incorporation; (iv) the due execution and delivery by the Company of the Note Purchase Agreement, the Subordinated NPA and the Notes, and by the Parent of the Limited Recourse Parent Guarantee, in each case under the laws of the Company's or the Parent's jurisdiction of organization, as applicable; (v) the genuineness of all signatures, the legal capacity of all individuals who have executed any of the documents reviewed by us, the authenticity of all documents submitted to us as originals, the conformity to the originals of all documents submitted to us as certified, photostatic, reproduced or conformed copies of valid existing agreements or other documents, the authenticity of the latter documents and that the statements regarding matters of fact in the certificates, records, agreements, instruments and documents that we have examined are accurate and complete; and (vi) the issuance and sale of the Securities in compliance with the Note Purchase Agreement and Limited Recourse Parent Guarantee. We have also assumed, without independent investigation, the enforceability of the Documents against each party thereto.

The opinion expressed in paragraph 1 relates only to the registration requirements of the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), and we have not considered any other law in rendering such opinion. In particular, we express no opinion on compliance with state or federal requirements for the registration of broker-dealers or the effect that non-compliance therewith may have on the offer and sale of the Securities. We further express no opinion concerning the availability of any exemption from registration under state securities or "blue sky" laws of any state of the United States. We also offer no opinion as to the adequacy or accuracy of any information given, disclosed or made available to prospective purchasers in connection with the offer and sale of the Securities.

Our opinion in paragraph 1 as to the availability of an exemption from the registration requirements of the U.S. Securities Act in connection with the offer and sale of the Securities is subject to the limitation that offers or sales of securities in the United States by or for the Company after the date hereof may be integrated with the sale of the Securities on the date hereof and render unavailable the exemption from registration relied upon in connection with the offer and sale of the Securities on the date hereof. We therefore offer no opinion as to the effect any such subsequent offerings may have upon the availability of any exemptions relied upon by the Company in connection with the offer and sale of the Securities on the date hereof.

Based upon the foregoing, subject to the assumptions, exceptions and qualifications stated below and having regard to legal considerations that we deem relevant, we are of the opinion that:

1. It is not necessary in connection with the offer, sale and delivery of the Securities to the Purchasers on the date hereof, to register the Securities under the U.S. Securities Act, it being understood that we express no opinion as to any subsequent resale of the Notes.

2. The qualification of an indenture under the United States Trust Indenture Act of 1939, as amended, is not required for the offer and sale of the Securities in the manner contemplated by the Note Purchase Agreement.

3. The offer, issuance, sale and delivery of the Notes, the issuance of the Limited Recourse Parent Guarantee by the Parent, and the performance by the Company and the Parent of their respective obligations under the Note Purchase Agreement and Limited Recourse Parent Guarantee, as applicable, do not violate any of the federal laws of the United States of America that, in our experience, are normally applicable to credit transactions of the type contemplated by the Note Purchase Agreement (collectively, the "<u>Covered Law</u>"); *provided however*, no opinion is given with respect to the anti-fraud provisions of the United States federal securities laws.

4. Assuming the proceeds from the issuance and sale of the Notes are applied as contemplated by Section 5.14 of the Note Purchase Agreement and that the Purchasers are purchasing the Notes as contemplated by Section 6.1 of the Note Purchase Agreement and without extending credit to any person in connection therewith, neither the issuance of the Notes by the Company nor the application of the proceeds of the Notes in accordance with the Note Purchase Agreement violates Regulation T, U or X of the Board of Governors of the Federal Reserve System of the United States.

5. No approvals that have not already been obtained are required to be obtained under the Covered Law from any United States Governmental Authority or agency in connection with the offer, issuance, sale and delivery of the Securities and the performance by the Company and the Parent of their respective obligations under the Note Purchase Agreement and the Securities. For the purposes of this paragraph 5, the term "Governmental Authority" means any executive, legislative, judicial, administrative or regulatory body of the United States of America.

6. Neither the Company nor the Parent is required to be registered as an "investment company" within the meaning of the United States Investment Company Act of 1940, as amended.

The opinions expressed herein are limited to the federal laws, rules and regulations of the United States and we express no opinion as to the effect of the laws of any other jurisdiction. Our opinions are rendered only with respect to the laws and the rules, regulations and orders under them, which are currently in effect.

This opinion is furnished by us as special United States counsel to the Company and the Parent, is solely for your benefit in connection with the transactions referred to in the Note Purchase Agreement, and may not be circulated to, or relied upon by, any other person, except that this opinion may be circulated to and relied upon by transferees of the Notes pursuant to transfers of the Notes made in accordance with the Note Purchase Agreement and may be circulated to potential transferees and to the National Association of Insurance Commissioners, and to other regulatory authorities to the extent required by applicable laws. We assume no obligation to advise you of any changes that may hereafter be brought to our attention.

Sincerely,

SCHEDULE 4.4(A)(II)

FORM OF OPINION OF SPECIAL CANADIAN COUNSEL FOR THE COMPANY AND THE PARENT

June 13, 2023

Computershare Trust Company of Canada
in its capacity as Collateral Agent (as defined below)

-and-

the other Secured Parties (as defined in the Intercreditor Agreement (defined below))

-and-

Norton Rose Fulbright Canada LLP

Re: Pieridae Alberta Production Ltd.

We have acted as counsel to Pieridae Alberta Production Ltd. (the "**Company**") and Pieridae Energy Limited (the "**Parent**" and together with the Company, the "**Opinion Parties**" and each, an "**Opinion Party**") in connection with the senior note purchase agreement dated June 13, 2023 (the "**Senior Note Purchase Agreement**") made among the Company, as issuer, and each of the purchasers listed in the purchaser schedule thereto (collectively, the "**Purchasers**"), as purchasers, providing for the issuance of:

i. U.S. $25,000,000 Senior Secured Revolving Notes due March 13, 2027, evidenced by Note Nos. RA-01 through RA-03;

ii. U.S. $85,000,000 Senior Secured First Draw Term Notes due March 13, 2027, evidenced by Note Nos. RB-01 through RB-16; and

iii. U.S. $10,000,000 Senior Secured Delayed Draw Term Notes due March 13, 2027, evidenced by Note Nos. RC-01 and RC-02,

(collectively, the "**Notes**").

Capitalized terms used but not defined in the body of this opinion letter shall have the meanings given to such terms in **Schedule A** hereto.

1. SCOPE OF REVIEW AND RELIANCE

In our capacity as counsel to the Opinion Parties as aforesaid we have participated in the preparation and negotiation of and have reviewed executed copies of and are familiar with the following documents each dated as of the date of this opinion unless otherwise indicated:

1.1. the Senior Note Purchase Agreement;

1.2. the Notes;

1.3. a U.S. $250,000,000 demand debenture and negative pledge (the "**Debenture**") issued by the Company in favour of Computershare Trust Company of Canada ("**Computershare**"), in its capacity as collateral agent under the Intercreditor Agreement (as defined below) (in such capacity, the "**Collateral Agent**");

1.4. a blocked account agreement made among Royal Bank of Canada, the Company and the Collateral Agent;

1.5. a limited recourse guarantee agreement made by the Parent in favour of the Collateral Agent (the "**Guarantee**");

1.6. a limited recourse pledge and security agreement made between the Parent and the Collateral Agent (the "**Pledge Agreement**");

1.7. an assignment of intercompany indebtedness made between the Parent, the Company and Collateral Agent (the "**Assignment of Indebtedness**" and, collectively with the Debenture and the Pledge Agreement, the "**Security Agreements**" and any of them, a "**Security Agreement**");

1.8. a subordination and postponement agreement made by and among the Collateral Agent, the Company and the Parent;

1.9. a subordination and postponement agreement made by and among Third Eye Capital Corporation, the Collateral Agent and the Parent; and

1.10. an intercreditor and collateral agency agreement made by and among the Company, the Parent, BP Energy Company, the other Approved Counterparties (as defined therein) from time to time party thereto, the Holders (as defined therein) from time to time party thereto and the Collateral Agent (the "**Intercreditor Agreement**"),

1.11. (items 1.1 through 1.10, inclusive, are collectively referred to herein as the "**Note Documents**", and any one of them as a "**Note Document**").

In such capacity, we have also reviewed, examined and relied on originals or copies, certified or otherwise identified to our satisfaction, of such public records, certificates, documents and other material as we have deemed necessary for the purposes of the opinions set out below, including, without limitation:

1.12. a certificate of status issued by the Registrar of Corporations for the Province of Alberta in respect of the Company, dated June 12, 2023 (the "**Certificate of Status**");

1.13. a certificate of compliance issued by Innovation, Science and Economic Development Canada in respect of the Parent, dated June 12, 2023 (the "**Certificate of Compliance**" and together with the Certificate of Status, the "**Registrar's Certificates**");

1.14. a certificate of an officer of the Company dated the date hereof to which are attached, among other things, certified copies of (i) resolutions of the directors of the Company authorizing, among other things, the execution, delivery and performance by the Company of the Note Documents to which the Company is party, (ii) the certificate and articles of amalgamation of the Company, (iii) the by-laws of the Company and (iv) an incumbency schedule identifying certain directors and officers of the Company and providing specimen signatures in respect of such directors and officers of the Company (the "**Company Certificate of Officer**"); and

1.15. a certificate of an officer of the Parent dated the date hereof to which are attached, among other things, certified copies of (i) resolutions of the directors of the Parent authorizing, among other things, the execution, delivery and performance by the Parent of the Note Documents to which the Parent is party, (ii) the certificate and articles of arrangement of the Parent, (iii) the by-laws of the Parent and (iv) an incumbency schedule identifying certain directors and officers of the Parent and providing specimen signatures in respect of such directors and officers of the Parent (the "**Parent Certificate of Officer**" and together with the Company Certificate of Officer, the "**Certificates of Officer**").

2. ASSUMPTIONS AND RELIANCES

For the purposes of the opinions expressed herein, and without independent investigation or verification and with your concurrence, we have assumed:

2.1. The authenticity and completeness of all documents submitted to us as originals, the conformity to authentic originals of all documents submitted to us as certified, photocopied, facsimile or electronic copies of original documents and the accuracy of the information, indices and filing systems maintained at all offices of public record in which we have conducted searches or caused inquiries to be made in connection with this opinion.

2.2. The accuracy and completeness of:

(a) all statements made in the Registrar's Certificates; and

(b) all statements of fact made in the Certificates of Officer,

and that all such statements and the information disclosed in the Registrar's Certificates and Certificates of Officer remain accurate and complete at the time this opinion is delivered.

2.3. The genuineness of all signatures and the legal capacity of all individuals executing any Registrar's Certificates, Certificates of Officer and each Note Document, whether in his or her individual capacity or on behalf of any party thereto.

2.4. Each party to each Note Document (other than the Opinion Parties) is validly existing and in good standing under the laws of the jurisdiction governing its incorporation, organization and existence and has the full power, capacity and all necessary authority to enter into and to perform its obligations under each such Note Document to which it is party.

2.5. Each Note Document has been duly authorized, executed and delivered by each party thereto (other than the Opinion Parties) and constitutes the legal, valid and binding obligation of each such party (other than the Opinion Parties) and is enforceable against each such party in accordance with its terms.

2.6. That value has been given with respect to the transaction to which the Security Interests relate and that neither the Collateral Agent nor any Purchaser has agreed with any of the Opinion Parties to postpone the time for attachment of any Security Interest.

2.7. That to the extent that any obligations under the Note Documents are to be performed in any jurisdiction other than the Province of Alberta, such performance will not be illegal under the laws of such jurisdiction.

2.8. That the Collateral does not include "consumer goods" (as defined in the PPSA).

2.9. That each item of the Collateral exists, or in the case of after-acquired Collateral, will exist, and that each Opinion Party has or, in the case of after-acquired Collateral, will have, sufficient rights therein for the Security Interest granted by such Opinion Party to attach thereto.

2.10. That none of the floating charges expressed to be created in the Debenture has crystallized.

2.11. The Company is not, at the time of issuance of the Notes, engaged in, or holding itself out as engaged in, the business of trading or advising in securities.

2.12. At the time of issuance of the Notes, the Company is not a "related issuer" or "connected issuer" (as those terms are defined in National Instrument 33-105 – *Underwriting Conflicts*) of the Purchasers.

2.13. The covenants and agreements of the Purchasers set forth in the Senior Note Purchase Agreement have been complied with in all respects and the acknowledgements, representations and warranties of the Purchasers set forth in the Senior Note Purchase Agreement are true, correct, and accurate in all respects.

2.14. There has been no advertising in connection with the issue and sale of the Notes in printed media of general and regular paid circulation, or on radio, television or telecommunications, including electronic display, or otherwise.

2.15. There is no order, ruling or decision granted by a securities commission, court of competent jurisdiction, or regulatory or administrative body having jurisdiction is in effect that affects the offering of the Notes or restricts any trades in the Notes or that affects any person or company who engages in any such trades, including, without limitation, any cease trade orders.

2.14. We have assumed, solely for the purposes of our opinion as to the enforceability of the Guarantee and, for clarity, without limiting in any way our opinion given herein as to the enforceability of the other Note Documents, that the obligations expressed to be the subject of the Guarantee and the instruments and agreements under which such obligations have been or may be incurred constitute the legal, valid and binding obligations of the parties to such instruments and agreements, enforceable against such parties in accordance with their terms.

As to certain factual matters relevant to the opinions hereinafter expressed, we have, without independent investigation or verification, relied upon the statements as to such matters made in the respective Certificates of Officer.

In addition, the opinions given in paragraphs 4.1 and 4.2 below are based and given in reliance solely and without further investigation or verification on the Registrar's Certificates and the opinions given in paragraphs 4.3 through 4.6(a), inclusive, and 4.7 are based and given in reliance solely and without independent verification or further investigation on (i) as to factual matters, our review of the Certificates of Officer and certified copies of the various documents and materials attached thereto and (ii) our analysis of Applicable Law (as defined below). Without limiting the foregoing, we have not reviewed the minute books or any of the corporate records of either Opinion Party, save and except for the extracts from such minute books and corporate records, certified copies of which are attached to the Certificates of Officer.

3. LAW AND SCOPE OF OPINIONS

The opinions expressed below are limited to the laws of the Province of Alberta and the federal laws of Canada applicable therein (collectively, "**Applicable Law**"), and we express no opinion herein as to any laws, or any matters governed by any laws, other than Applicable Law. In particular, without limiting the generality of the immediately preceding sentence, no opinion is expressed with respect to the laws of any other jurisdiction to the extent such laws may govern the validity or enforcement of any Security Interest as a result of the application of Alberta conflict of laws rules, including, without limitation, sections 5 through 8.1 of the PPSA. In addition, we express no opinion as to whether Alberta law governs the validity or enforcement of any Security Interest.

4. OPINIONS

Based and relying on and subject to the foregoing assumptions and reliances and subject to the qualifications and limitations set out below, we are of the opinion that:

4.1. The Company is a corporation continued under the *Business Corporations Act* (Alberta) and is a valid and subsisting corporation.

4.2. The Parent exists as a corporation under the *Canada Business Corporations Act* and, has sent to the Director under such Act the required annual returns.

4.3. Each Opinion Party has the corporate power and capacity to:

(a) own, hold or lease property and carry on business;

(b) enter into and perform its obligations under each Note Document to which it is party; and

(c) in the case of the Company, issue and sell the Notes.

4.4. Each Opinion Party has taken all necessary corporate action to authorize the execution and delivery by it of and the performance by it of its obligations under each Note Document to which it is party.

4.5. Each Opinion Party has duly executed and delivered each Note Document to which it is party.

4.6. None of the execution, issuance or sale of the Notes by the Company, the execution and delivery by either Opinion Party of any Note Document to which it is party or the performance by either Opinion Party of its obligations under any Note Document to which it is party:

(a) constitutes a violation of the articles of incorporation or amalgamation, as applicable, or by-laws of such Opinion Party; or

(b) contravenes or conflicts with any Applicable Law of general application to which such Opinion Party is subject.

4.7. All necessary corporate action has been taken by the Company to authorize the pledge by the Parent pursuant to the Pledge Agreement of the issued and outstanding shares of the Company registered in the name of the Parent (collectively, the "**Pledged Shares**") and, pursuant to any enforcement of the Pledge Agreement, the transfer of the Pledged Shares to the Collateral Agent or any nominee of the Collateral Agent and any further or other transfer of the Pledged Shares by the Collateral Agent or a nominee of the Collateral Agent to one or more other transferees designated by the Collateral Agent or its nominee.

4.8. Each Note Document constitutes the legal, valid and binding obligation of each Opinion Party party thereto and is enforceable against each such Opinion Party in accordance with its terms.

4.9. Each Security Agreement creates in favour of the Collateral Agent, for the benefit of itself and the other Secured Parties, a valid security interest in the Collateral in which a security interest is expressed to be created therein to which the PPSA applies and in which each Opinion Party party thereto now has rights and is sufficient to create in favour of the Collateral Agent, for the benefit of itself and the other Secured Parties, a valid security interest in any Collateral in which each such Opinion Party hereafter acquires rights when those rights are acquired by such Opinion Party, in each case to secure payment and performance of the obligations expressed therein to be secured thereby.

4.10. The Debenture creates in favour of the Collateral Agent, for the benefit of itself and the other Secured Parties:

(a) a fixed charge on the Real Property of the Company which is located in Alberta and which is described as being the subject of the fixed charges expressed to be created in Sections 3.1(a) and (b) of the Debenture; and

(b) a floating charge on the real property of the Company which is located in Alberta and which is described as being the subject of the floating charge expressed to be created in Section 3.1(d) of the Debenture.

4.11. No consent, approval, authorization or order from or filing or registration with any governmental agency or body, regulatory authority, court, tribunal or other similar authority having jurisdiction in the Province of Alberta is required for:

(a) the issuance and sale of the Notes by the Company to the Purchasers; or

(b) the execution and delivery by either Opinion Party of any Note Document to which it is party or the performance by either Opinion Party of its obligations under any such Note Document,

other than any registration that may be necessary or desirable:

(c) in connection with the preservation, protection or perfection of any security interest, charge (whether fixed or floating) or other encumbrance, or

(d) to establish, protect or preserve the priority of any mortgage, pledge, assignment, charge (whether fixed or floating) or other encumbrance,

granted or created by either Opinion Party under any Note Document.

4.12. Each Opinion Party is subject to the civil and commercial law of the Province of Alberta with respect to its obligations under the Note Documents to which it is party, is generally subject to suit in the Province of Alberta (other than if an applicable limitation period has expired) and neither Opinion Party has the benefit of any right of immunity, whether sovereign immunity or otherwise, from any action, suit, proceeding, execution or set-off in respect of its obligations under any Note Document to which it is a party.

4.13. No stamp, registration, documentary or other similar tax, duty or fee is payable under Applicable Law in connection with the execution and delivery of the Note Documents by the respective Opinion Parties, the performance by the Opinion Parties of their obligations thereunder or the enforcement by the Purchasers or the Collateral Agent of its rights thereunder, other than the fees associated with the registration of any mortgage, pledge, assignment, charge or other encumbrance in the applicable public offices in the Province of Alberta and any court filing fees.

4.14. The issue and delivery of the Notes by the Company to the Purchasers in accordance with the terms and conditions of the Senior Note Purchase Agreement are exempt from the prospectus requirements of Alberta Securities Laws, and no prospectus or other document is required to be filed, no proceeding is required to be taken, and no approval, permit, consent or authorization is required to be obtained under Alberta Securities Laws to permit such issue and delivery of the Notes by the Company to the Purchasers.

4.15. Based upon the current provisions of the *Income Tax Act* (Canada) (the "**Tax Act**") and the regulations thereunder (the "**Regulations**"), all specific proposals to amend the Tax Act and the Regulations thereunder publicly announced by the Minister of Finance (Canada) before the date hereof, and our understanding of the current assessing and administrative practices and policies of the Canada Revenue Agency, and provided, at the time of issuance and throughout the term of the Notes, that:

(a) the beneficial holder of a Note (the "**Tax Holder**") does not acquire or use the debt owing to it under the Notes issued in its favour in, or hold such debt in the course of, carrying on business in Canada, and is not deemed to use such debt in connection with a business carried on in Canada for the purposes of the Tax Act, and, where the Tax Holder carries on an insurance business in Canada and elsewhere, it establishes that the debt evidenced by the Notes is neither "designated insurance property" (as defined in subsection 138(12) of the Tax Act and Regulation 2401(1)) nor effectively connected with the insurance business it carries on in Canada;

(b) the Tax Holder deals at arm's length with the Company for the purposes of the Tax Act;

(c) the Tax Holder is not resident in Canada and is not deemed to be resident in Canada for the purposes of the Tax Act;

(d) the Tax Holder is not a "specified non-resident shareholder" (as defined in subsection 18(5) of the Tax Act) of the Company and does not deal at non-arm's length with any person that is a specified non-resident shareholder of the Company;

(e) the Tax Holder is not an "authorized foreign bank" within the meaning of the Tax Act;

(f) the Tax Holder is not subject to the application of the back-to-back loan rules in subsection 18(6.1) or 212(3.2) of the Tax Act; and

(g) the fees payable pursuant to section 2.7 of the Senior Note Purchase Agreement in respect of services rendered by the Purchasers are payable in respect of services rendered wholly outside of Canada that are performed in the ordinary course of a business carried on by each such Purchaser that includes the performance of such services for a fee and the amount of such fees are reasonable in the circumstances; then:

(i) the Company is presently permitted to make all payments on Notes to the Tax Holder of: (A) the principal amount of the Notes; (B) interest on such principal amount; (C) interest on such interest; and (D) Breakage Cost Obligations (as defined in the Senior Note Purchase Agreement), free and clear of and without deduction for or on account of any taxes, levies, assessments, duties, governmental charges and withholdings of any nature imposed, levied, assessed or collected under the Tax Act (collectively, "Taxes"); and

(ii) any such amounts referred to in paragraph (i) above which are owing or payable, or which become owing or payable, by the Company to the Tax Holder and which are paid by the Company to the Tax Holder are not the subject of any Taxes to the Tax Holder.

4.16. Any Tax Holder who otherwise has no connection with Canada and, in particular, is otherwise for purposes of the Tax Act, not resident in Canada nor deemed to be resident in Canada and is not carrying on business in Canada will not be deemed to have a permanent establishment in or be carrying on business in Canada, within the meaning of the Tax Act, solely by reason of the execution and delivery of the Senior Note Purchase Agreement, the consummation of the transactions contemplated therein or the performance and enforcement thereof.

4.17. Assuming that the Purchasers are not otherwise required to be licensed, qualified or entitled to carry on business in Alberta and the Purchasers are not otherwise carrying on business in Alberta at the time of the acquisition of the applicable Notes, it is not necessary for the Purchasers to become licensed, qualified or entitled to carry on business in Alberta, or that any approval, consent or permission be obtained from any regulatory or public authority therein:

(a) solely by reason of the execution, delivery or performance of the Note Documents or holding the Notes; or

(b) to enable the Purchasers to commence an action or to otherwise enforce their rights under the Note Documents,

4.18. except that, to the extent that the Purchasers are subject to the *Business Corporations Act* (Alberta), the *Business Corporations Act* (Alberta) requires an extra-provincial body corporate to register under *Business Corporations Act* (Alberta) to commence or maintain an action or other proceeding in a court in the Province of Alberta.

5. QUALIFICATIONS

5.14. The foregoing opinions are subject to the following limitations and qualifications:

5.1. We express no opinion as to the legal or beneficial title of either Opinion Party to or any other rights of either Opinion Party in any Collateral or any other property, assets or undertaking.

5.2. We express no opinion as to the rank or priority of any Security Interest or any other mortgage, pledge, assignment, charge (whether fixed or floating), security interest or other encumbrance created under any Note Document.

5.3. With respect to the opinions given in Section 4.6 (collectively, the "**Pledged Share Transfer Opinion**"), we have reviewed a certified copy of the resolutions of the board of directors of the Company (together, the "**Transfer Resolutions**") attached to the applicable Officer's Certificate approving the transfer of the Pledged Shares to the Collateral Agent or its nominee and also approving any subsequent transfer by the Collateral Agent or its nominee of the Pledged Shares in connection with any disposition of such shares as a result of the enforcement of the Pledge Agreement. However, we note that:

(a) there is some doubt as to whether a current board of directors has the power to irrevocably bind any future board of directors with respect to the approval of any such subsequent transfer of any Pledged Shares, whether to the Collateral Agent or its nominee or to some other as yet unidentified transferee as contemplated in the applicable Transfer Resolutions; and

(b) the possibility exists that the existing directors or any future board of directors or the shareholders, as the case may be, of the Company, may revoke or purport to revoke all or part of the applicable Transfer Resolutions,

5.4. and the Pledged Share Transfer Opinion is qualified accordingly.

5.5. The enforceability of each Note Document is subject to bankruptcy, insolvency, winding-up, reorganization, moratorium, arrangement, fraudulent preference and conveyance and other similar laws of general application affecting the enforcement of a creditors' rights and remedies.

5.6. No opinion is given as to the availability of any specific remedy and, in particular, no opinion is expressed as to the availability of any equitable remedy, including that of specific performance or injunctive relief, for the enforcement of any provision of any Note Document. In particular, a court has equitable and statutory powers to stay proceedings and the execution of judgments and nothing in this opinion is to be taken as indicating that the remedy of, or any order for, specific performance or the issuance of any injunction will be available other than through the exercise of the discretion of a court.

5.7. The enforceability of any Note Document, any mortgage, assignment, pledge charge or security interest created thereby, any rights or remedies of the Collateral Agent or any other Secured Party thereunder or in connection therewith and any judgment arising out of or in connection therewith is subject to and may be limited by general principles of law and equity, including, without limitation, the following:

(a) unconscionability, duress, misrepresentation and deceit;

(b) estoppel, waiver and laches;

(c) the requirement that a party act honestly in the performance of its obligations and reasonably and in good faith in the exercise of discretionary rights or powers;

(d) consideration of the impracticability or impossibility of performance at the time of attempted enforcement;

(e) rules of court procedure which affect rights, powers, privileges and remedies of creditors generally; and

(f) the powers of a court to grant relief from forfeiture, to stay proceedings before it and to stay executions on judgment and, under the PPSA, to grant relief from the consequences of default.

5.8. No opinion is given as to the effectiveness or enforceability of any provision inserted in any agreement or instrument which purports to sever from the agreement or instrument any provision which is prohibited or unenforceable under Applicable Law without affecting the enforceability or validity of the remainder of the agreement or instrument.

5.9. Alberta courts may apply such doctrines as waiver, election, acquiescence or estoppel to deny the enforceability of any provision of any Note Document that attempts to limit or prohibit the rights of an Opinion Party. In particular, but without limiting the foregoing, we express no opinion as to the enforceability of any provision contained any Note Document which:

(a) states that consents, amendments or waivers that are not in writing will not be effective;

(b) purports to waive, or have the effect of waiving, any statutory rights or defences;

(c) purports to restrict access to a court, or waive the benefit of, equitable remedies or defences;

(d) constitute a general waiver of legal or equitable defences or which constitute a general agreement not to challenge the validity or enforceability any right or remedy; or

(e) absolve or exculpate the Collateral Agent, any agent of the Collateral Agent, any receiver, manager or receiver-manager appointed by the Collateral Agent or any other person from any liability or duty otherwise owed by it.

5.10. The validity and enforceability of the Note Documents, any mortgage, assignment, pledge charge, security interest or other encumbrance created thereby and the validity and enforceability of the Security Interests, or any of them, is subject to and may be limited by:

(a) the PPSA which sets out procedures for the enforcement of security agreements and imposes duties with respect to the exercise of rights or remedies thereunder, including a duty to exercise or discharge rights, remedies, duties and obligations in good faith and in a commercially reasonable manner. Such procedures and duties are in most cases applicable notwithstanding waivers or contrary terms in any Note Document;

(b) any estoppel based on incorrect information given in response to a demand for information made pursuant to Section 18 of the PPSA; and;

(c) Sections 30, 31 and 31.1 of the PPSA, which provide that, in certain circumstances, a security interest may not be enforceable against, respectively, a person who buys or leases goods from an Opinion Party in the ordinary course of business, a person who acquires money, instruments, documents of title or chattel paper from an Opinion Party or a protected purchaser of securities (as defined in the STA);

5.11. The validity and enforceability of any Security Interest and any rights or remedies of the Collateral Agent pursuant thereto or in connection therewith as against an account debtor or any Collateral which is an account are subject to and may be limited by:

(a) a failure to provide notice of the applicable Security Interest and proof thereof to the applicable account debtor;

(b) the terms of the contract between an Opinion Party and the applicable account debtor and any defence or claim arising out of the contract or a closely connected contract;

(c) any other defence or claim of the applicable account debtor against an Opinion Party accruing before the account debtor has knowledge of the applicable Security Interest; and

(d) common law and statutory restrictions relating to the assignment of debts owed by the Crown or any agent thereof.

5.12. We express no opinion as to the creation, validity or enforceability of any security interest (as that term is understood under the PPSA) insofar as it relates to, nor have we effected or expressed any opinion as to the necessity or desirability of effecting any registrations, filings or searches in any office of public record, with respect to:

(a) any real property, mineral claims or any Collateral which is now or hereafter becomes a fixture or crop;

(b) any policy of insurance or contract of annuity;

(c) any other property of a nature described in Section 4 of the PPSA;

(d) an international interest or other interest in aircraft objects within the meaning of the Convention on International Interests in Mobile Equipment signed in Cape Town on November 16, 2001 and the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment;

(e) any Collateral that is transformed in such a way that it is not identifiable or traceable or any Collateral being proceeds which are not identifiable or traceable;

(f) any Collateral for which, pursuant to applicable conflicts rules (including without limitation the conflicts rules of the PPSA), the creation or validity of any security interest therein is governed by laws other than Applicable Law; or

(g) permits, quotas or similar property or other property which is not personal property, which are held by either Opinion Party or in which either Opinion Party has rights.

5.13. We express no opinion as to the creation, validity or enforceability of any mortgage, charge, whether fixed or floating, assignment, pledge, security interest or other interest in or the enforceability of any Security Agreement insofar as it relates to:

(a) any property consisting of a receivable, licence, approval, privilege, franchise, permit, lease or agreement which by their terms; or

(b) any property which, by its nature or by the nature of the business of any Opinion Party,

5.14. cannot be the subject of a mortgage, charge, assignment, pledge or security interest without consent, authorization or approval of one or more third parties, with the exception of those for which consent, authorization or approval has been properly obtained.

5.15. Notwithstanding any provision of a Note Document that purports to confer a unilateral or unfettered discretion on the Collateral Agent or any other party, in certain circumstances a court may require that such discretion be exercised reasonably or in good faith;

5.16. We have not effected and express no opinion as to the desirability of effecting any registrations in respect of any of the Collateral under or pursuant to the *Patent Act* (Canada), the *Trade-Marks Act* (Canada), the *Industrial Designs Act* (Canada), the *Integrated Circuit Topography Act* (Canada), the *Copyright Act* (Canada), the *Plant Breeders' Rights Act* (Canada) or under or pursuant to any other federal laws or regulations of Canada. We further express no opinion as to whether registration under the PPSA is effective to preserve, perfect or protect a Security Interest in any Collateral in respect of which any federal law or regulation of Canada may require that notices, filings or registrations be made or other steps or actions be taken in order to preserve, protect or perfect any security interest in any such Collateral.

5.17. We have taken no steps to provide the notices or to obtain the acknowledgements prescribed in Part VII of the *Financial Administration Act* (Canada) relating to the assignment of federal Crown debts. An assignment of federal Crown debts which does not comply with Part VII of that Act is ineffective as between the assignor and the assignee and as against the Crown. Consequently, the Collateral Agent would not have a valid security interest in federal Crown debts unless Part VII of that Act is complied with.

5.18. We express no opinion as to the meaning, effect or enforceability of any provisions of any Note Document which are inconsistent with or contrary to any provision of any other Note Document, except where any such inconsistency with or the effectiveness of such provisions notwithstanding any such contrary term is resolved by a paramountcy clause.

5.19. To the extent that any amount is expressed in a Note Document to be payable on demand or immediately, the party liable to pay such amount may be entitled to a reasonable time to make such payment.

5.20. To the extent that any matter is expressly to be determined by future agreement, negotiation or consultation, the relevant provision may be unenforceable as being void for uncertainty.

5.21. Any provision of a Note Document granting a power of attorney or appointing an agent may be revocable or may terminate by operation of law in certain circumstances, notwithstanding any purported agreement to the contrary, if such grant or appointment is not coupled with an interest

5.22. We have not attended to the registration, filing or recording of any Security Agreement, whether by way of security notice, fixtures filing, caveat, charge, whether fixed or floating, assignment, or otherwise against any interest of either Opinion Party in any property (whether real or personal), assets or undertaking.

5.23. Under the *Judgment Interest Act* (Alberta) post-judgment interest on any judgment awarded or enforced in Alberta may be limited to the rate prescribed under that Act.

5.24. Courts in Alberta have discretionary powers with respect to the awarding of costs, notwithstanding provisions regarding the recovery or the securing of costs in the Note Documents. Without limiting the foregoing, provisions in the Note Documents providing for the recovery or securing of fees and expenses payable by any person may be restricted by a court to a reasonable amount, and legal fees may be subject to taxation.

5.25. A court in Alberta may reserve to itself an inherent power to decline to hear an action if it is contrary to public policy (as such phrase is understood in Alberta) for it to do so, or if it is not the proper forum to hear such action or concurrent proceedings are brought elsewhere.

5.26. Notwithstanding any provision of a Note Document pursuant to which a determination of the Collateral Agent is said to be conclusive, any account or determination provided thereunder may be subject to challenge in a court on the grounds of fraud, collusion or mistake on the face thereof.

5.27. Notwithstanding any provision in a Note Document which states that such Note Document constitutes the entire agreement between the parties thereto, a court may in certain circumstances give effect to other agreements or representations, whether written or oral, between the parties.

5.28. In appointing a receiver, receiver-manager or receiver and manager pursuant to a Security Agreement, the Collateral Agent may only appoint a person who satisfies the requirements of Section 65 of the PPSA.

5.29. Section 8 of the *Interest Act* (Canada) prohibits charging interest on arrears of principal or interest secured by a charge on real property at a rate greater than the rate of interest payable on the principal when not in arrears.

5.30. No opinion is expressed regarding any waiver of service of process, presentment, demand, protest or notice of dishonour which may be contained in any Note Document, nor is any opinion expressed as to the validity or effect of any service of process made in accordance with the provisions of any Note Document which is not made in compliance with the applicable rules of Court.

5.31. Notwithstanding the "non-waiver" provisions contained in any Note Document, a court of competent jurisdiction may, through the application of such doctrines as waiver, election, acquiescence and estoppel, refuse to enforce such provisions in circumstances which the court, in its discretion, deems appropriate. In particular, but without limiting the foregoing, we express no opinion as to the enforceability of any provision contained in a Note Document which (a) states that amendments or waivers that are not in writing will not be effective, (b) purport to waive, or have the effect of waiving, any statutory rights, or (c) purport to restrict access to a court, or waive the benefit of, equitable remedies or defences.

5.32. We express no opinion as to the enforceability of any provision in any Note Document:

(a) that purports to grant to the Collateral Agent or any receiver, manager or receiver-manager appointed by the Collateral Agent a right to a non-judicial power of sale with respect to any real property or any interest therein;

(b) to the extent it purports to exculpate the Collateral Agent, any agent of the Collateral Agent or any receiver, manager or receiver-manager appointed by the Collateral Agent from liability in respect of acts or omissions that may be illegal, fraudulent or involve wilful misconduct; and

(c) which purports to provide that the taking of or the failure to take one or more specified actions by the Collateral Agent, any agent of the Collateral Agent or any receiver, manager or receiver-manager appointed by the Collateral Agent are commercially reasonable or otherwise consistent with obligations imposed upon a secured party under the PPSA.

5.33. No opinion is given as to the enforceability of any provision of any Note Document which purports to:

(a) make any receiver or receiver and manager appointed thereunder the agent of an Opinion Party and not the Collateral Agent or to absolve such receiver or receiver and manager from liability for the acts of such receiver or receiver and manager; or

(b) permit any receiver or receiver and manager to deal with any Collateral in such order or manner as the Collateral Agent may direct, notwithstanding any rule of law or equity to the contrary; or

(c) limit the liability for failure to discharge duties imposed by the PPSA.

5.34. To the extent that it becomes a mortgagee in possession and notwithstanding provisions to the contrary contained in any Note Document, the Collateral Agent may become liable for loss of or damage to Collateral if it fails to take reasonable care in the custody and preservation of Collateral in its possession. The Collateral Agent may further be held liable if it fails to exercise a contractual power of sale in relation to Collateral or other property charged by any Security Agreement in good faith and in a commercially reasonable manner, notwithstanding provisions to the contrary contained in the Security Agreement.

5.35. We express no opinion as to any licences, franchises, permits, consents, approvals, registrations, filings or other authorizations or exemptions that may be required in connection with the enforcement of any Security Agreement by the Collateral Agent or by a person on its behalf, whether such enforcement involves the operation of the business of any Opinion Party or a sale, transfer or disposition of any property or assets of an Opinion Party; without limiting the foregoing, we express no opinion as to whether it may be necessary, in connection with the enforcement of a Security Agreement, for any person proposing to acquire, own or operate all or any part of the Collateral or any other property or assets which are subject to any mortgage, charge, assignment or other encumbrance created by the Debenture, to obtain any licence, franchise, permit, consent, approval, registration or other authorization or exemption.

5.36. Judgments of the courts of Alberta may be awarded only in Canadian currency and, accordingly, to the extent that any obligations evidenced or secured by any Note Document is payable in a currency other than Canadian dollars, any court action to recover the same will require conversion of such amount into Canadian dollars at a rate of exchange which may not be the rate in effect on the date of payment.

5.37. Courts in Alberta have the power to grant relief from penalties and forfeitures generally and, as such, we express no opinion as to the validity, effectiveness or enforceability of any Note Document or the validity, effectiveness or enforceability of any Security Interest to the extent it is expressed to secure any amount which may be characterized by a court as a penalty.

5.38. No opinion is expressed herein as to the enforceability of any Note Document if the “interest” (as that term is understood for the purposes of Section 347 of the *Criminal Code* (Canada)) which is payable to or to be received by the Collateral Agent or any other Secured Party under or which is intended to be secured by any Note Document would constitute interest at a “criminal rate” within the meaning of Section 347 of the *Criminal Code* (Canada).

5.39. We express no opinion with respect to the application to the interest provisions of the Note Documents of, or whether any of such provisions comply or fail to comply with, Section 4 of the *Interest Act* (Canada), which provides that, except as to mortgages on real property, whenever any interest is made payable at a rate or percentage per day, week, month, or at any rate or percentage for any period less than a year, no interest exceeding five percent per annum shall be payable unless the contract contains an express statement of the yearly rate or percentage of interest to which the other rate or percentage is equivalent.

5.40. We express no opinion as to the validity or enforceability of any provision in any Note Document which purports to:

(a) indemnify any party in respect of any breach of law by such party; o;

(b) establish evidentiary standards.

5.41. We express no opinion as to the creation, validity, enforceability or effectiveness of the Security Interests granted by any Security Agreement insofar as such Security Interests relate to an international interest or other interest in aircraft objects within the meaning of the *Convention on International Interests in Mobile Equipment* signed in Cape Town on November 16, 2001 and the *Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment.*

5.42. We express no opinion with respect to the provisions of the *Personal Information Protection and Electronic Documents Act* (Canada) or any other privacy laws applicable under Applicable Law.

5.43. No opinion is given herein as to the effectiveness or enforceability of the first sentence of Section 7.1 of the Debenture.

5.44. No opinion is given as to the enforceability of any provision of any Note Document to the extent it purports to impose obligations on an Opinion Party for the benefit of or to otherwise confer rights or benefits upon or to bind any party that is not a party to the Note Document.

5.45. No opinion is expressed as to the enforceability of any provision of the Guarantee which purports to make the Parent liable as principal or primary obligor and not as a surety.

5.46. The Guarantee may be unenforceable to the extent it purports to impose liability on the Parent to indemnify the Collateral Agent or any of the Guarantee Beneficiaries (as defined in the Guarantee), in addition or as an alternative to its liability as a guarantor.

5.47. No opinion is given as to the enforceability of any provision of the Guarantee which provides that the Guarantee shall not be affected by any circumstance constituting a defence to, or a discharge of, the Guarantor or which purports to waive generally any or all defences which might be available to the Parent or any guarantor. Without limiting the foregoing, the enforceability of the Guarantee may be limited by any defences available to the Guarantor, whether at law, in equity or otherwise, which have not been expressly and specifically waived by the Parent in the Guarantee.

5.48. Should the floating charge created under the Debenture crystallize:

(a) the *Land Titles Act* (Alberta) requires registration in accordance with that Act in order to enforce the floating charge on the real property described therein;

(b) the *Mines and Minerals Act* (Alberta) requires registration in accordance with that Act in order to enforce the Security Interests on any Collateral which is subject to that Act; and

(c) the *Indian Oil and Gas Act* (Canada) requires registration in order to enforce the Security Interests on any Collateral which is subject to that Act.

5.49. The enforcement of the Debenture and any mortgage, charge, assignment, security interest or other encumbrance against any leasehold estate is subject to the terms and conditions of the leases constituting such leasehold estate.

5.50. Our opinions are subject to those exceptions, reservations, encumbrances, liens and interests which arise by virtue of Section 61 of the *Land Titles Act* (Alberta).

5.51. The opinions given in this letter speak only as at the date hereof and are limited to the matters expressly stated in Section 4.

6. RELIANCE

This opinion is given as of the date hereof and may be relied upon only by the addressees hereof, in each case, in connection with the transactions contemplated in the Senior Note Purchase Agreement and the Intercreditor Agreement. We consent to reliance on the opinions expressed herein, solely in connection with the such transactions, by any party that becomes the Collateral Agent, a Holder or an Approved Counterparty (as those terms are defined in the Intercreditor Agreement) subsequent to the date of this opinion letter in accordance with the provisions of the Intercreditor Agreement and/or the Senior Note Purchase Agreement, as applicable (each an "**Additional Reliance Party**") as if this opinion letter were addressed and delivered to such Additional Reliance Party on the date hereof, on the condition and understanding that: (i) in no event shall any Additional Reliance Party have any greater rights with respect hereto than the original addressees of this letter on the date hereof nor, in the case of any Additional Reliance Party that becomes a Secured Party by assignment, any greater rights than its assignor; and (ii) in furtherance and not in limitation of the foregoing, our consent to such reliance shall in no event constitute a reissuance of the opinions expressed herein or otherwise extend any statute of limitations period applicable hereto on the date hereof. Our opinion may not be relied upon by any other person or used for any other purpose, nor may it be quoted in whole or in part or otherwise referred to, without our prior written consent, provided that copies of this opinion may be provided to (i) bank examiners and other regulatory authorities should they so request in connection with their normal examinations; (ii) the affiliates, independent auditors and legal counsel of the addressees or any Additional Reliance Party; (iii) governmental and regulatory authorities having jurisdiction or oversight over any Secured Party or the Collateral Agent; and (iv) the National Association of Insurance Commissioners. We assume no obligation to advise you or any other person (including without limitation any Additional Reliance Party), or to make any investigations, as to any legal developments or factual matters arising subsequent to the date hereof that might affect the opinions expressed herein.

SCHEDULE A
Additional Definitions

In this opinion letter:

"**Alberta Securities Laws**" means, collectively, the *Securities Act* (Alberta) as amended and the securities regulations made thereunder, collectively with the published rules thereunder and all applicable published policy statements, instruments, orders, notices, rulings, interpretation notes and local policies of the Alberta Securities Commission.

"**Collateral**" means, collectively, all of the personal property of either Opinion Party which is expressed to the subject of any Security Interest.

"**PPSA**" means the *Personal Property Security Act* (Alberta) and regulations thereto as in effect at the date hereof.

"**Real Property**" means, collectively, the real property, including the Leases (as defined in the Debenture) specifically and more particularly or legally described in Schedule "B" or Schedule "C" to the Debenture.

"**Secured Parties**" means that term as defined in the Intercreditor Agreement and "**Secured Party**" means any one of them.

"**Security Interests**" means, collectively, the security interests in the personal property of either Opinion Party created under any Security Agreement and "**Security Interest**" means any of such "**Security Interests**".

The terms "**accessions**", "**account**", "**chattel paper**", "**consumer goods**", "**crops**", "**document of title**", "**fixture**", "**goods**", "**instrument**", "**intangible**", "**inventory**", "**licence**", "**money**", "**securities**" "**investment property**" and "**serial numbered goods**", shall, unless otherwise defined herein, each have the meaning ascribed to such terms in the PPSA.

SCHEDULE 4.4(B)

FORM OF OPINION OF SPECIAL CANADIAN COUNSEL FOR THE PURCHASERS

The Purchasers under the Note Agreement referred to below

-and-

Computershare Trust Company of Canada, as Collateral Agent under the Senior Intercreditor Agreement referred to below

Pieridae Alberta Production Ltd. - Issue and Sale of U.S. $25,000,000 Senior Secured Revolving Notes due March 13, 2027, U.S. $85,000,000 Senior Secured First Draw Term Notes due March 13, 2027 and U.S. $10,000,000 Senior Secured Delayed Draw Term Notes due March 13, 2027

We have acted as legal counsel on behalf of the Purchasers in connection with the Note Purchase Agreement (the "**Note Agreement**") dated as of June 13, 2023 among Pieridae Alberta Production Ltd. (the "**Company**") and the Purchasers party thereto, and the transactions among such parties with respect thereto.

This opinion is furnished to you pursuant to Section 4.4(b) of the Note Agreement.

Capitalized terms used herein and not otherwise defined have the meanings set forth in the Note Agreement.

Documents Reviewed

We have participated in the preparation of and have examined executed pdf copies of (collectively, the "**Documents**"):

(a) the Note Agreement;

(b) U.S. $25,000,000 Senior Secured Revolving Notes due March 13, 2027, evidenced by Note Nos. RA-01 and RA-02;

(c) U.S. $85,000,000 Senior Secured First Draw Term Notes due March 13, 2027, evidenced by Note Nos. RB-01 through RB-16;

(d) U.S. $10,000,000 Senior Secured Delayed Draw Term Notes due March 13, 2027, evidenced by Note Nos. RC-01 and RC-02;

(e) the subordination and postponement agreement dated as of the date hereof among the holders, Computershare Trust Company of Canada, in its capacity as collateral agent for the Secured Parties (as defined therein) (the "**Collateral Agent**"), the Company and Pieridae Energy Limited (the "**Parent**");

(f) the subordination and postponement agreement dated as of the date hereof among the holders, the Collateral Agent, Third Eye Capital Corporation for itself and in its capacity as agent for the lenders under the TEC Loan Agreement (as defined therein) and the Parent;

(g) the U.S. $250,000,000 demand debenture and negative pledge dated as of the date hereof issued by the Company in favour of the Collateral Agent for and on behalf of the Secured Parties (as defined therein) (the "**Debenture**");

(h) the limited recourse guarantee dated as of the date hereof granted by the Parent in favour of the Collateral Agent;

(i) the limited recourse pledge and security agreement dated as of the date hereof granted by the Parent in favour of the Collateral Agent (the "**Parent Pledge**");

(j) the assignment of intercompany indebtedness dated as of the date hereof between the Company, the Parent and the Collateral Agent (the "**Parent Assignment**");

(k) the intercreditor and collateral agency agreement dated as of the date hereof between the Company, the Parent, BP Energy Company and the other Approved Counterparties (as defined therein), as holders, and the Collateral Agent, as collateral agent for the Holders and the Approved Counterparties (each as defined therein) (the "**Senior Intercreditor Agreement**"); and

(l) the Blocked Account Agreement dated as of the date hereof between the Company, Royal Bank of Canada and the Collateral Agent.

The Debenture, the Parent Pledge and the Parent Assignment are collectively referred to as the "**Security Documents**" and individually as a "**Security Document**". The Company and the Parent are collectively referred to as the "**Transaction Parties**" and each as a "**Transaction Party**".

In giving the opinions expressed herein, (i) with respect to the Transaction Parties, we have relied upon the opinion dated as of the date hereof of Lawson Lundell LLP, counsel to the Company, as to all matters contained in paragraphs 1, 2, 3, 4, 6 and 7 below, such opinion being dated the date hereof and delivered to you in connection with the aforementioned transactions. Such opinions are in form and scope satisfactory to us and we believe that you and we are justified in relying thereon. However, we have made no independent investigation in respect of such opinions and have assumed their accuracy.

In giving the opinions expressed in paragraph 8 below, we have relied upon the representations and warranties of the Purchasers in Section 6.1 of the Note Agreement.

In addition to the foregoing, we have made such investigations, examined such certificates of public authorities, corporate records and other documents certified or otherwise identified to our satisfaction and have considered such questions of law, as we have considered necessary and appropriate as a basis for providing the opinions expressed herein.

Assumptions

In such examinations we have assumed:

(a) the legal capacity of all individuals;

(b) that all signatures are genuine;

(c) the authenticity of all documents submitted to us as originals and of the originals of all documents submitted to us as copies;

(d) the conformity to originals of all documents submitted to us as copies;

(e) that except with respect to the Transaction Parties, each of the Documents constitute a legal, valid and binding obligation of each party thereto, enforceable against each in accordance with its terms;

(f) the representations and warranties of each of the Purchasers contained in the Note Agreement are true and correct on the date of this opinion;

(g) value has been given by the Collateral Agent, the holders and the Senior Swap Providers to the Transaction Parties, and the Transaction Parties have not agreed, orally or in writing, to postpone the time for attachment of any security interest expressed to have been created thereby;

(h) the floating charge created by the Debenture has not crystalized; and

(i) the property and assets subject to the security interests created by the Debenture do not include consumer goods (as defined in the *Personal Property Security Act* (Alberta) (the "**AB PPSA**") and the *Personal Property Security Act* (British Columbia) (the "**BC PPSA**", and collectively with the AB PPSA, the "**PPSAs**")).

Applicable law

We express no opinion as to the laws of any jurisdiction other than the laws of Alberta and the federal laws of Canada applicable therein ("**AB Law**") and the laws of British Columbia and the federal laws of Canada applicable therein ("**BC Law**", and collectively with AB Law, "**Applicable Law**"). Without limiting the generality of the immediately preceding sentence, we express no opinion with respect to the laws of any other jurisdiction to the extent that those laws may govern the validity, perfection, effect of perfection or non-perfection, priority or enforcement of the security interests created by the Debenture as a result of the application of the conflict of laws rules of any jurisdiction, including, without limitation, Sections 5 to 8.1 of the AB PPSA and Sections 5 to 8.1 of the BC PPSA. In addition, we express no opinion as to whether Applicable Law would govern the validity, perfection, effect of perfection or non-perfection, priority or enforcement of any such security interest.

Our opinions in paragraphs 1, 2, 3, 4 and 8 below are expressed in respect of AB Law. Our opinions in paragraphs 5, 6 and 7 below are expressed in respect of Applicable Law.

Registrations

On or prior to the date hereof financing statements in respect of the personal property security interests and the floating charges created by the Debenture have been registered at the Personal Property Registry in the Provinces of Alberta and British Columbia as set forth in Schedule A hereto.

Opinions

Based upon and subject to the foregoing and to the qualifications hereinafter expressed, we are of the opinion that:

1. The Documents constitute legal, valid and binding obligations of each of the Transaction Parties party thereto, enforceable against it in accordance with their respective terms.

2. A holder of the Notes will not be deemed or considered to have a permanent establishment in Alberta or to be carrying on any business in Alberta solely by reason of the execution, delivery and performance of the Documents or by holding the Notes or by the enforcement of its rights under the Documents.

3. Assuming that the holders of Notes are not otherwise required to be licensed, qualified or entitled to carry on business in Alberta, it is not necessary for the holders to become licensed, qualified or entitled to carry on business in Alberta, or that any approval, consent or permission be obtained from any regulatory or public authority therein:

   (a) solely by reason of the execution, delivery or performance of the Documents or holding the Notes; or

   (b) to enable the holders to commence an action or to otherwise enforce their respective rights under the Documents.

4. Based upon the current provisions of the Income Tax Act (Canada) (the "**Tax Act**") and the regulations thereunder (the "**Regulations**"), all specified proposals to amend the Tax Act and the Regulations thereunder publicly announced by the Minister of Finance (Canada) before the date of filing hereof, and our understanding of the current assessing and administrative practices policies of the Canada Revenue Agency, published in writing and made publicly available, and provided that the Closing and throughout the term of the Notes:

   (a) a beneficial holder of Notes (the "**Tax Holder**") does not use the debt owing to it under the Documents in, or hold such debt in the course of, carrying on business in Canada or an adventure or concern in the nature of trade, and is not deemed to use such debt in connection with a business carried on in Canada for Tax Act and, where the holder carries on an insurance business in Canada and elsewhere, it establishes that the debt is neither “designated insurance property” (as defined in subsection 138(12) of the Tax Act and Regulation 2401(1) of the regulations to the Tax Act) nor effectively connected with the insurance business it carries on in Canada;

(b) the Tax Holder deals at arm's length with the Company for the purposes of the Tax Act;

(c) the Tax Holder is not resident in Canada and is not deemed to be resident in Canada for the purposes of the Tax Act;

(d) the interest (or any amount deemed to be interest under the Tax Act) payable to the Tax Holder on the Notes is not in respect of a debt or other obligation to pay an amount to a person with whom the Company is not dealing at arm’s length for the purposes of the Tax Act;

(e) the Tax Holder is not a specified non-resident shareholder of the Company nor a person that does not deal at arm’s length with a specified shareholder of the Company for purposes of subsection 18(5) of the Tax Act;

(f) the Tax Holder is not an “authorized foreign bank” within the meaning of the Tax Act;

(g) the Tax Holder is not subject to the application of the back-to-back loan rules in subsection 18(6.1) or 212(3.2) of the Tax Act;

(h) the Company is not a “specified entity” (as defined in proposed section 18.4(1) of the Tax Act released on April 29, 2022 by the Minister of Finance (Canada), or substantially analogous provisions of any finally enacted amendment to the Tax Act) in respect of the Tax Holder;

(i) the fees payable pursuant to Section 2.7 of the Note Agreement in respect of services rendered by the holders are payable in respect of services rendered wholly outside of Canada and are performed in the ordinary course of business carried on by each such holder that includes the performance of such services for a fee and the amount of such fees are reasonable in the circumstances;

(j) the Tax Holder, or any person not dealing at arm’s length with the Tax Holder, does not (i) have any amount outstanding as or on account of a debt or other obligation to pay an amount to a non-resident person for which recourse is limited, either immediately or in the future and either absolutely or contingently, to the Notes, or that became owing or was permitted to remain owing because the Notes were issued or were permitted to remain outstanding or the Tax Holder anticipated that the Notes would be issued or remain outstanding, or (ii) have a “specified right”, as defined in subsection 18(5) of the Tax Act, in respect of a particular property that was created directly or indirectly by a non-resident person;

then:

(i) the Company is presently permitted to make all payments on the Notes to the Tax Holder of: (A) the principal amount of the Notes; (B) interest on such principal amount; (C) interest on such interest; and (D) the Breakage Cost Obligations but only to the extent such obligations are in respect of, on account or in lieu of payment of or in satisfaction of interest, free and clear of and without deduction for or on account of any taxes, levies, assessments, duties, governmental charges and withholdings of any nature imposed, levied, assessed or collected under AB Law (collectively, "**Taxes**"); and

(ii) any such amounts referred to in paragraph (i) above which are owing or payable, or which become owing or payable, by the Company to the Tax Holder and which are paid by the Company to the Tax Holder are not the subject of any Taxes to the Tax Holder.

5. Each Security Document creates a valid security interest in favour of the Collateral Agent in any Collateral that is personal property to which the PPSAs apply and in which the Transaction Party party thereto now has rights, and is sufficient to create a valid security interest in favour of the Collateral Agent in any Collateral that is personal property to which the PPSAs apply and which such Transaction Party acquires rights when those rights are acquired by such Transaction Party to secure payment and performance of the obligations described therein as being secured thereby.

6. The Debenture creates in favour of the Collateral Agent, for the benefit of itself and the other Secured Parties (as defined in the Senior Intercreditor Agreement), a valid floating charge in the Provinces of Alberta and British Columbia over all of the real property of the Company which is located in the Provinces of Alberta and British Columbia in accordance with its terms.

7. Registrations have been made in all public offices provided for under Applicable Law where such registrations are necessary to perfect the security interests created by the Debenture in the collateral described therein to which the PPSAs apply, and the particulars of such registrations are set forth in Schedule A to this opinion.

8. The offering, issue and sale of the Notes by the Company are exempt from the prospectus requirements of the *Securities Act* (Alberta) and the regulations and rules thereunder and the blanket rulings and orders issued by the Alberta Securities Commission ("**Securities Laws**") and no prospectus is required nor are other documents required to be filed, proceedings taken or approvals, permits, consents or authorizations of regulatory authorities obtained by the Company under the Securities Laws to permit the offer, issue and sale of the Notes by the Company to the Purchasers, except for the requirement that the Company, within 10 days after the date the trades are made, may be required to file a report on Form 45-106F1 executed in accordance with Securities Laws.

<u>Qualifications</u>

The opinions expressed herein are subject to the following qualifications:

(a) the enforceability of the Documents and the rights and remedies set out therein or any judgment arising out of or in connection therewith may be limited by any applicable bankruptcy, reorganization, winding up, insolvency, arrangement, preference, moratorium or other laws and judicial decisions of general application affecting the enforcement of creditors' rights from time to time in effect, and is subject to general principles of equity, whether considered in a proceeding in equity or at law (including the equitable or statutory powers of the courts to stay proceedings before them, to stay the execution of judgments and to grant relief against forfeiture), and in particular no opinion is expressed as to the availability of the remedy of specific performance, injunctive relief or other equitable or discretionary remedies in any particular instance;

(b) the *Currency Act* (Canada) precludes a court in Canada from giving a judgment in any currency other than Canadian currency and such judgment may be based on a rate of exchange in existence on a day other than the day of payment of such judgment;

(c) provisions in the Documents providing for recovery of fees and expenses may be restricted by a court to a reasonable amount and counsel fees are subject to taxation;

(d) Section 6 of the *Judgment Interest Act* (Alberta) and Section 7 of the *Court Order Interest Act* (British Columbia) may limit the rate of interest which a judgment debt bears, and Section 23.10(f) of the Note Agreement which purports to waive such section may not be enforceable;

(e) the additional or increased rate of interest imposed upon the Company pursuant to Section 23.10(a) of the Note Agreement and by the first paragraph of each Note, and the Breakage Cost Obligations payable by the Company pursuant to Section 2.5 of the Note Agreement, may not be enforceable if they are construed to be penalties, or with respect to the increased rate of interest, on the grounds that such increased rate contravenes Section 8 of the Interest Act;

(f) determinations or calculations made by the holders in the exercise of a discretion purported to be given to them under or by any of the Documents may be unenforceable if made in an unreasonable or arbitrary fashion and may not be treated as conclusive notwithstanding contrary provisions in the Documents, and determinations or references based upon the practice of a certain Person or the publication or reporting of certain rates or yields may not be enforceable if the practice of such Person changes or the rates or yields are not ascertainable or are equivocal;

(g) provisions in the Documents which purport to effect waivers of the benefits or protection of doctrines, principles or statutory provisions viewed by a court as based on public policy and provisions which purport to exclude unwritten variations, amendments, waivers or consents may not be enforceable;

(h) with regard to Section 23.4 of the Note Agreement and equivalent provisions in any of the other Documents (severability clauses), the question whether or not any provisions of the Documents which may be invalid, illegal or unenforceable may be severed from the other provisions thereof in order to save those other provisions would be determined by a court in its discretion;

(i) failure to exercise a right of action under the Documents within applicable limitation periods may act as a bar to the enforcement of such rights at any time thereafter;

(j) if the holders were to declare the principal of the Notes to be forthwith due and payable by reason of the occurrence of an Event of Default, the holder may be required to give the applicable Note Party a reasonable time to raise monies to repay such indebtedness prior to taking any action to enforce their right to repayment or before exercising any of the rights and remedies expressed to be exercisable by the holders in any of the Documents as a result of the occurrence of such Event of Default;

(k) no opinion is expressed as to the rank or priority of the Security Documents or any security interests created thereunder;

(l) in regard to any security interest created by the Security Documents:

    (i) under the PPSAs, all rights and remedies arising under the Security Documents, the PPSAs or any other Applicable Law in regard thereto must be exercised or discharged in good faith and in a commercially reasonable manner;

    (ii) the PPSAs may affect the enforcement of certain remedies in the Security Documents pertaining thereto to the extent that those remedies are inconsistent with or contrary to provisions of the PPSAs;

    (iii) no opinion is expressed as to the creation or validity of any security interest in any part of the personal property collateral under the Security Documents which is a type or kind that would not be governed by the PPSAs;

    (iv) no opinion is expressed herein as to the title of the Transaction Parties to any property, assets or rights, and no opinion is expressed as to the legality, validity, binding effect or enforceability of any security interest created by the Security Documents where such legality, validity, binding effect or enforceability depends in whole or in part on the title to the property, assets or rights purported to be charged;

(v) any security interest created by the Security Documents may not be enforceable in respect of any proceeds of the property subject to such security interest which are not identifiable or traceable;

(vi) we have assumed that the Transaction Parties have rights in the collateral subject to the security interest created by the Security Documents to which it is a party;

(vii) a lien in a serial number good or a motor vehicle (as defined in the regulations to the PPSAs) or its proceeds may be ineffective as against certain third parties, unless the serial number of such good or vehicle was set out in a financing statement or financing change statement. No serial numbers have been set out in any financing statements registered in connection with this transaction;

(viii) we express no opinion as to whether a security interest may be created in permits, quotas, licences or other property which is neither personal property nor an interest in land;

(ix) we express no opinion as to whether a security interest may be created in:

1. property consisting of a receivable (other than any receivable subject to Section 41(7) of the AB PPSA or Section 41(9) of the BC PPSA), licence, approval, privilege, franchise, permit, lease or agreement (collectively, the "**Special Property**") to the extent that the terms of the Special Property or any Applicable Law prohibit the assignment or require as a condition of assignability, a consent, approval or other authorization or registration which has not been made or given; and

2. any debt owing by the Crown in right of Canada or any province or agency thereof unless consented to by the applicable governmental authority in accordance with the applicable provincial or federal statutes;

(x) the real property charged by the floating charge created by Section 3.1(d) of the Debenture may change or be subject to other charges before crystallization of such floating charge;

(xi) we have not effected any registrations in any land title registry under the *Land Title Act* (British Columbia) or against petroleum titles in British Columbia;

(xii) we have not effected any registrations under the following federal intellectual property statutes: the *Patent Act*, the *Trade-marks Act*, the *Integrated Circuit Topography Act*, the *Industrial Designs Act*, the *Copyright Act* and the *Plant Breeders' Rights Act* (collectively, the "**IP**

Statutes"). There is some uncertainty as to whether, as a matter of constitutional law, the federal government has occupied the field of security interests in intellectual property. To the extent that it has done so, security interests in intellectual property that are created and perfected pursuant to the PPSAs but not pursuant to the IP Statutes may be ineffective;

(xiii) we express no opinion with respect to the creation or validity of any security interest in property or assets whose transfer or assignment by way of security may be governed by the provisions of an Act of the Parliament of Canada (other than the IP Statutes) including, without limitation, the *Canada Shipping Act*, 2011 and the *Canadian Transportation Act* (Canada); and

(xiv) we express no opinion as to the creation or perfection of a security interest in, nor have we effected any registrations or given any notices in respect of, any security interest granted in crops or mineral rights.

Renewals

Our firm maintains no record of the dates of registration of financing statements and we have no reminder system for that purpose; accordingly, we take no responsibility for the registration of renewals or amendments which may be required in the future to maintain perfection under the PPSAs of the security interests created by the Debenture.

Reliance

This opinion relates exclusively to the transactions described above. This opinion is rendered solely for the use of the addressees hereof and permitted transferees in accordance with the provisions of the Note Agreement and may not be relied on by any other parties for any other purpose without our prior written consent, except that this opinion may be disclosed to, but not relied upon by, (i) prospective transferees of Notes in accordance with the terms of the Note Agreement and (ii) the National Association of Insurance Commissioners.

Schedule A
to Opinion of Norton Rose Fulbright Canada LLP

Alberta Personal Property Registry Registrations

Secured Party	Debtor	Registration Date	Registration Number	Collateral	Expiry Date
Computershare Trust Company of Canada, as Collateral Agent	Pieridae Energy Limited	2023-May-19	23051935736	(a) All Stock. (b) All securities accounts in the name of the Debtor in respect of the collateral referred to in paragraph (a) above, including any and all assets of whatever type or kind deposited in or credited to such securities accounts, including all financial assets, all security entitlements related to such financial assets, and all security certificates and other certificates and instruments from time to time representing or evidencing the same, and all dividends, whether in shares, money or property, interest, distributions, cash and other	2033-May-19

Secured Party	Debtor	Registration Date	Registration Number	Collateral	Expiry Date
				property from time to time received or receivable upon or paid or payable on account of any return on, or repayment of, capital or otherwise distributed or distributable in respect of or in exchange for any or all of the foregoing. (c) All financial assets in respect of the collateral referred to in paragraph (a) above. (d) All security entitlements in respect of the collateral referred to in paragraph (a) above. (e) All investment property, instruments, intangibles, chattel paper, documents of title, goods,	

Secured Party	Debtor	Registration Date	Registration Number	Collateral	Expiry Date
				money and other property that may at any time be received or receivable or otherwise distributed or distributable to or for the account of the Debtor in respect of, in substitution for, in addition to or in exchange for, any of the foregoing. (f) All investment property, instruments, intangibles, chattel paper, documents of title, goods and money constituting any proceeds in respect of the foregoing and all rights and interest of the Debtor in respect thereof or evidenced thereby including all money received or receivable from time to time by	

Secured Party	Debtor	Registration Date	Registration Number	Collateral	Expiry Date
				the Debtor in connection with the sale of any of the foregoing (including all proceeds received or receivable in connection with the redemption or purchase for cancellation of any of the Pledged Interests). (g) The Intercompany Notes and the Intercompany Debt. (h) All payments, receivables, money or property, interest, distributions, cash and other property from time to time received or receivable upon or paid or payable on account of any return on, or repayment of, principal, interest, fees or otherwise distributed or	

Secured Party	Debtor	Registration Date	Registration Number	Collateral	Expiry Date
				distributable in respect of or in exchange for the Intercompany Notes or the Intercompany Debt. (i) All other property that may at any time be received or receivable or otherwise distributed or distributable to or for the account of the Debtor in respect of, in substitution for, in addition to or in exchange for, any of the foregoing. (j) All proceeds in respect of the foregoing and all rights and interest of the Debtor in respect thereof or evidenced thereby including all money received or receivable from time to time by the Debtor in connection with	

Secured Party	Debtor	Registration Date	Registration Number	Collateral	Expiry Date
				the sale of any of the foregoing. 3 Capitalized terms have the following meanings: “Intercompany Debt” means all present and future obligations, indebtedness, liabilities, covenants, agreements and undertakings of the Issuer, or any other Note Party (as defined in the Senior Note Purchase Agreement) to, owing to, or in favour of, the Debtor, however evidenced, including without limitation under, pursuant or relating to the Intercompany Notes. “Intercompany Notes” means all present and future evidences of obligations, indebtedness,	

Secured Party	Debtor	Registration Date	Registration Number	Collateral	Expiry Date
				liabilities, covenants, agreements and undertakings of the Issuer to, owing to, or in favour of, the Debtor, including without limitation under, the Grid Promissory Note dated December 20, 2018 issued by the Issuer in favour of the Debtor (as the same may be amended, modified, supplemented, restated or replaced from time to time in accordance with the provisions hereof). "Issuer" means Pieridae Alberta Production Ltd. "Senior Note Purchase Agreement" means the senior secured note purchase agreement dated on or about June 13, 2023,	

Secured Party	Debtor	Registration Date	Registration Number	Collateral	Expiry Date
				between the Issuer, as issuer, and the Holders party thereto, as the same may be amended, modified, supplemented or restated from time to time.”	
Computershare Trust Company of Canada, as Collateral Agent	Pieridae Alberta Production Ltd.	2023-May-15	23051525584	All Present and After-Acquired Personal Property of the Debtor.	2033-May-15
Computershare Trust Company of Canada, as Collateral Agent	Pieridae Alberta Production Ltd.	23051525685	2023-May-15	Land Charge	Infinity

British Columbia Personal Property Registry Registrations

Secured Party	Debtor	Registration Date	Registration Number	Collateral	Expiry Date
Computershare Trust Company of Canada, as Collateral Agent	Pieridae Energy Limited	2023-May-25	558227P	(a) All Stock. (b) All securities accounts in the name of the Debtor in respect of the collateral referred to in paragraph (a) above, including any and all assets	2033-May-25

Secured Party	**Debtor**	**Registration Date**	**Registration Number**	**Collateral**	**Expiry Date**
				of whatever type or kind deposited in or credited to such securities accounts, including all financial assets, all security entitlements related to such financial assets, and all security certificates and other certificates and instruments from time to time representing or evidencing the same, and all dividends, whether in shares, money or property, interest, distributions, cash and other property from time to time received or receivable upon or paid or payable on account of any return on, or repayment of, capital or otherwise distributed or distributable in respect of or in exchange for any	

Secured Party	Debtor	Registration Date	Registration Number	Collateral	Expiry Date
				or all of the foregoing. (c) All financial assets in respect of the collateral referred to in paragraph (a) above. (d) All security entitlements in respect of the collateral referred to in paragraph (a) above. (e) All investment property, instruments, intangibles, chattel paper, documents of title, goods, money and other property that may at any time be received or receivable or otherwise distributed or distributable to or for the account of the Debtor in respect of, in substitution for, in addition to or in exchange for,	

Secured Party	**Debtor**	**Registration Date**	**Registration Number**	**Collateral**	**Expiry Date**
				any of the foregoing. (f) All investment property, instruments, intangibles, chattel paper, documents of title, goods and money constituting any proceeds in respect of the foregoing and all rights and interest of the Debtor in respect thereof or evidenced thereby including all money received or receivable from time to time by the Debtor in connection with the sale of any of the foregoing (including all proceeds received or receivable in connection with the redemption or purchase for cancellation of any of the Pledged Interests). (g) The Intercompany	

Secured Party	Debtor	Registration Date	Registration Number	Collateral	Expiry Date
				Notes and the Intercompany Debt. (h) All payments, receivables, money or property, interest, distributions, cash and other property from time to time received or receivable upon or paid or payable on account of any return on, or repayment of, principal, interest, fees or otherwise distributed or distributable in respect of or in exchange for the Intercompany Notes or the Intercompany Debt. (i) All other property that may at any time be received or receivable or otherwise distributed or distributable to or for the account of the Debtor in respect of, in substitution for,	

Secured Party	Debtor	Registration Date	Registration Number	Collateral	Expiry Date
				in addition to or in exchange for, any of the foregoing. (j) All proceeds in respect of the foregoing and all rights and interest of the Debtor in respect thereof or evidenced thereby including all money received or receivable from time to time by the Debtor in connection with the sale of any of the foregoing. Capitalized terms have the following meanings: “Intercompany Debt” means all present and future obligations, indebtedness, liabilities, covenants, agreements and undertakings of the Issuer, or any other Note Party (as defined in the Senior Note Purchase	

Secured Party	Debtor	Registration Date	Registration Number	Collateral	Expiry Date
				Agreement) to, owing to, or in favour of, the Debtor, however evidenced, including without limitation under, pursuant or relating to the Intercompany Notes. "Intercompany Notes" means all present and future evidences of obligations, indebtedness, liabilities, covenants, agreements and undertakings of the Issuer to, owing to, or in favour of, the Debtor, including without limitation under, the Grid Promissory Note dated December 20, 2018 issued by the Issuer in favour of the Debtor (as the same may be amended, modified, supplemented, restated or replaced from	

Secured Party	Debtor	Registration Date	Registration Number	Collateral	Expiry Date
				time to time in accordance with the provisions hereof). “Issuer” means Pieridae Alberta Production Ltd. “Senior Note Purchase Agreement” means the senior secured note purchase agreement dated on or about June 13, 2023, between the Issuer, as issuer, and the Holders party thereto, as the same may be amended, modified, supplemented or restated from time to time.” “Stock” means: (a) all shares or other ownership interests owned by the Debtor in the capital of the Issuer (collectively, the “Pledged Interests”), all security	

Secured Party	**Debtor**	**Registration Date**	**Registration Number**	**Collateral**	**Expiry Date**
				certificates, if any, and other instruments and documents evidencing or representing such Pledged Interests, and all rights to any dividends, interest, distributions, cash, instruments and other property, income, profits and proceeds from time to time receivable upon or otherwise distributable in respect of or in exchange for any and all of the Pledged Interests; (b) all additional or substitute shares of capital stock or other equity interests of any class of any issuer from time to time issued to or otherwise acquired by the Debtor in any manner in respect of Pledged Interests, the security	

Secured Party	Debtor	Registration Date	Registration Number	Collateral	Expiry Date
				certificates, if any, and other instruments representing such additional or substitute shares, units or interests, and all dividends, interests, distributions, cash, instruments and other property, income, profits and proceeds from time to time received or receivable upon or otherwise distributed or distributable in respect of or in exchange for any or all of such additional or substitute shares, units or interests; and (c) to the extent not otherwise included in the foregoing, all proceeds thereof.	
Computershare Trust Company of Canada, as	Pieridae Alberta Production Ltd.	2023-May-15	536535P	All of the Debtor's Present and After-Acquired Personal Property of the Debtor and	2033-May-15

Secured Party	**Debtor**	**Registration Date**	**Registration Number**	**Collateral**	**Expiry Date**
Collateral Agent				an Uncrystallized Floating Charge on Land.	

SCHEDULE 5.3

DISCLOSURE MATERIALS

Company prepared budget for fiscal year 2023

Initial Capital Plan

Audited annual financial statements for fiscal years 2019-2022

Quarterly unaudited annual statements for all fiscal quarters from 2019 through to Q1 2023

The Material information posted in the Company Virtual Data Room as at Closing

SCHEDULE 5.4

INFORMATION RELATING TO NOTE PARTIES

(i) Subsidiaries of the Company:

None.

(ii) Affiliates of the Company:

Pieridae Energy Limited

Pieridae Energy (Canada) Ltd.
Goldboro LNG Limited Partnership
9290834 Canada Ltd.

Pieridae Energy (USA) Ltd.
Goldboro LNG Limited Partnership II

Pieridae Quebec Production Ltd.
Pieridae Quebec Development Limited Partnership

Pieridae Production GP Ltd. (50% of the issued and outstanding shares)
Pieridae Production Limited Partnership (19.6% of the limited partnership interests)

Pieridae Ireland Designated Activity Company

(iii) Company's Directors:

Thomas Dawson
Alfred Sorensen

(iv) Company's Senior Officers:

Yvonne McLeod, President
Adam Gray, Chief Financial Officer
Rich Rowe, Vice President, Land
Justine Davis, Corporate Secretary

SCHEDULE 5.5

MATERIAL CONTRACTS

Nil.

SCHEDULE 5.15

EXISTING INDEBTEDNESS OF THE NOTE PARTIES

Obligor(s)	Creditor	CUSIP or ISIN (if applicable)	Description of Indebtedness	Interest Rate(s)	Collateral	Final Maturity	Outstanding Principal Amount
The Company	Prudential Capital Energy Partners Management Fund, L.P. Prudential Capital Energy Partners, L.P.	C2505@AA9	Subordinated Notes	13.00% per annum	None	September 13, 2023	U.S. $30 million
The Company	Third Eye Capital Corporation	N/A	Existing Credit Agreement indebtedness, to be paid out concurrently with Closing as provided in Section 4.12(d).	15.00% per annum	All assets of the Company	October 16, 2023	CAD $185 million
The Company	The Parent	N/A	Grid Promissory Note	9.60% per annum	None	Demand	CAD $99,329,594.69 as at May 31, 2023, to be increased by $20,000,000 at Closing

SCHEDULE 5.19

HEDGING AGREEMENTS AND HEDGE TRANSACTIONS

Hedging Agreements

ISDA Master Agreement between BP Energy Company and the Company, dated May 2, 2023.

ISDA Master Agreement between J. Aron and the Company, dated October 4, 2022.

EDI Base Contract for Sale and Purchase of Natural Gas between CP Energy Marketing L.P. and the Company, dated October 16, 2019.

EDI Base Contract for Short-Term Sale and Purchase of Natural Gas between Gas Alberta Inc. and the Company, dated May 23, 2019.

Hedging Transactions

See attached.

Schedule 5.19
(to Note Purchase Agreement)

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5/25/2023 18:22

Type	Deal Id	Seller	Buyer	Item	Quantity	UoM	Swap Price	Collar Floor	Collar Cap	Price UoM	Start	End
Phys	800	Meridian Alberta Production Ltd	CP Energy Marketing L.P.	AECO	5,000	GJ	$ 4.7500			CAD/GJ	4/1/2023	10/31/2023
Phys	801	Meridian Alberta Production Ltd	CP Energy Marketing L.P.	AECO	2,500	GJ	$ 4.8500			CAD/GJ	4/1/2023	10/31/2023
Phys	880	Meridian Alberta Production Ltd	CP Energy Marketing L.P.	AECO	5,000	GJ	$ 4.9200			CAD/GJ	4/1/2023	10/31/2023
Phys	881	Meridian Alberta Production Ltd	CP Energy Marketing L.P.	AECO	2,500	GJ	$ 4.9600			CAD/GJ	4/1/2023	10/31/2023
Phys	885	Meridian Alberta Production Ltd	CP Energy Marketing L.P.	AECO	2,500	GJ	$ 5.0000			CAD/GJ	4/1/2023	10/31/2023
Phys	886	Meridian Alberta Production Ltd	CP Energy Marketing L.P.	AECO	2,500	GJ	$ 5.0000			CAD/GJ	4/1/2023	10/31/2023
Phys	899	Meridian Alberta Production Ltd	CP Energy Marketing L.P.	AECO	2,500	GJ	$ 5.0000			CAD/GJ	4/1/2023	10/31/2023
Phys	900	Meridian Alberta Production Ltd	CP Energy Marketing L.P.	AECO	2,500	GJ	$ 4.8000			CAD/GJ	4/1/2023	10/31/2023
Fin	221102a	Meridian Alberta Production Ltd	J. Aron	AECO	2,500	GJ	$ 3.9400			CAD/GJ	4/1/2023	6/30/2023
Phys	1079	Meridian Alberta Production Ltd	CP Energy Marketing L.P.	AECO	2,500	GJ	$ 4.0800			CAD/GJ	4/1/2023	10/31/2023
Phys	1130	Meridian Alberta Production Ltd	CP Energy Marketing L.P.	AECO	5,000	GJ	$ 4.0000			CAD/GJ	4/1/2023	10/31/2023
Phys	1162	Meridian Alberta Production Ltd	CP Energy Marketing L.P.	AECO	2,500	GJ	$ 4.0000			CAD/GJ	4/1/2023	10/31/2023
Phys	1205	Meridian Alberta Production Ltd	CP Energy Marketing L.P.	AECO	5,000	GJ	$ 3.9500			CAD/GJ	4/1/2023	10/31/2023
Phys	1210	Meridian Alberta Production Ltd	CP Energy Marketing L.P.	AECO	5,000	GJ	$ 3.9750			CAD/GJ	4/1/2023	10/31/2023
Phys	1542	Meridian Alberta Production Ltd	CP Energy Marketing L.P.	AECO	5,000	GJ	$ 3.3100			CAD/GJ	6/1/2023	10/31/2026
Phys	1345	Meridian Alberta Production Ltd	Gas Alberta Inc.	AECO Basis	2,500	mmbtu	$ (1.0800)			USD/mmbtu	4/1/2023	10/31/2023
Phys	1346	Meridian Alberta Production Ltd	Gas Alberta Inc.	AECO Basis	2,500	mmbtu	$ (0.8100)			USD/mmbtu	4/1/2023	6/30/2023
Phys	1347	Meridian Alberta Production Ltd	Gas Alberta Inc.	AECO Basis	2,500	mmbtu	$ (1.2400)			USD/mmbtu	7/1/2023	9/30/2023
Phys	1348	Meridian Alberta Production Ltd	Gas Alberta Inc.	AECO Basis	2,500	mmbtu	$ (1.1300)			USD/mmbtu	10/1/2023	10/31/2023
Phys	1418	Meridian Alberta Production Ltd	Gas Alberta Inc.	AECO Basis	2,500	mmbtu	$ (0.7350)			USD/mmbtu	4/1/2023	6/30/2023
Phys	1419	Meridian Alberta Production Ltd	Gas Alberta Inc.	AECO Basis	2,500	mmbtu	$ (1.2400)			USD/mmbtu	7/1/2023	10/31/2023
Fin	1618	Meridian Alberta Production Ltd	BPEC	AECO	30,000	GJ	$ 3.1000			CAD/GJ	6/1/2023	5/31/2026
Fin	1620	Meridian Alberta Production Ltd	BPEC	AECO	25,000	GJ	$ 3.6200			CAD/GJ	11/1/2023	5/31/2027
Fin	1621	Meridian Alberta Production Ltd	BPEC	AECO	35,000	GJ	$ 3.9450			CAD/GJ	6/1/2026	5/31/2027
Fin	1619	Meridian Alberta Production Ltd	BPEC	AECO	50,000	GJ	$ 3.3000			CAD/GJ	11/1/2023	5/31/2026
Fin	1617	Meridian Alberta Production Ltd	BPEC	AECO	30,000	GJ	$ 1.8850			CAD/GJ	6/1/2023	10/31/2023
Fin	2022022	Meridian Alberta Production Ltd	J. Aron	WTI	500	bbl	$ 107.6400			CAD/bbl	1/1/2023	9/30/2023
Fin	2022021	Meridian Alberta Production Ltd	J. Aron	C5 Diff	500	bbl	$ (4.6700)			CAD/bbl	1/1/2023	9/30/2023
Fin	202301-1	Meridian Alberta Production Ltd	BPEC	WTI	1,245	bbl		$ 80.0000	$ 90.7500	CAD/bbl	6/1/2023	6/30/2023
Fin	202301-2	Meridian Alberta Production Ltd	BPEC	WTI	1,233	bbl		$ 80.0000	$ 90.7500	CAD/bbl	7/1/2023	7/31/2023
Fin	202301-3	Meridian Alberta Production Ltd	BPEC	WTI	1,221	bbl		$ 80.0000	$ 90.7500	CAD/bbl	8/1/2023	8/31/2023
Fin	202301-4	Meridian Alberta Production Ltd	BPEC	WTI	1,209	bbl		$ 80.0000	$ 90.7500	CAD/bbl	9/1/2023	9/30/2023
Fin	202301-5	Meridian Alberta Production Ltd	BPEC	WTI	1,697	bbl		$ 80.0000	$ 90.7500	CAD/bbl	10/1/2023	10/31/2023
Fin	202301-6	Meridian Alberta Production Ltd	BPEC	WTI	1,685	bbl		$ 80.0000	$ 90.7500	CAD/bbl	11/1/2023	11/30/2023
Fin	202301-7	Meridian Alberta Production Ltd	BPEC	WTI	1,674	bbl		$ 80.0000	$ 90.7500	CAD/bbl	12/1/2023	12/31/2023
Fin	202301-8	Meridian Alberta Production Ltd	BPEC	WTI	1,457	bbl		$ 80.0000	$ 90.7500	CAD/bbl	1/1/2024	1/31/2024
Fin	202301-9	Meridian Alberta Production Ltd	BPEC	WTI	1,447	bbl		$ 80.0000	$ 90.7500	CAD/bbl	2/1/2024	2/29/2024
Fin	202301-10	Meridian Alberta Production Ltd	BPEC	WTI	1,438	bbl		$ 80.0000	$ 90.7500	CAD/bbl	3/1/2024	3/31/2024
Fin	202301-11	Meridian Alberta Production Ltd	BPEC	WTI	1,428	bbl		$ 80.0000	$ 90.7500	CAD/bbl	4/1/2024	4/30/2024
Fin	202301-12	Meridian Alberta Production Ltd	BPEC	WTI	1,419	bbl		$ 80.0000	$ 90.7500	CAD/bbl	5/1/2024	5/31/2024
Fin	202301-13	Meridian Alberta Production Ltd	BPEC	WTI	1,410	bbl		$ 80.0000	$ 90.7500	CAD/bbl	6/1/2024	6/30/2024
Fin	202301-14	Meridian Alberta Production Ltd	BPEC	WTI	1,400	bbl		$ 80.0000	$ 90.7500	CAD/bbl	7/1/2024	7/31/2024
Fin	202301-15	Meridian Alberta Production Ltd	BPEC	WTI	1,391	bbl		$ 80.0000	$ 90.7500	CAD/bbl	8/1/2024	8/31/2024
Fin	202301-16	Meridian Alberta Production Ltd	BPEC	WTI	1,382	bbl		$ 80.0000	$ 90.7500	CAD/bbl	9/1/2024	9/30/2024
Fin	202301-17	Meridian Alberta Production Ltd	BPEC	WTI	1,373	bbl		$ 80.0000	$ 90.7500	CAD/bbl	10/1/2024	10/31/2024
Fin	202301-18	Meridian Alberta Production Ltd	BPEC	WTI	1,364	bbl		$ 80.0000	$ 90.7500	CAD/bbl	11/1/2024	11/30/2024
Fin	202301-19	Meridian Alberta Production Ltd	BPEC	WTI	1,355	bbl		$ 80.0000	$ 90.7500	CAD/bbl	12/1/2024	12/31/2024
Fin	202301-20	Meridian Alberta Production Ltd	BPEC	WTI	1,385	bbl		$ 80.0000	$ 90.7500	CAD/bbl	1/1/2025	1/31/2025
Fin	202301-21	Meridian Alberta Production Ltd	BPEC	WTI	1,376	bbl		$ 80.0000	$ 90.7500	CAD/bbl	2/1/2025	2/28/2025
Fin	202301-22	Meridian Alberta Production Ltd	BPEC	WTI	1,368	bbl		$ 80.0000	$ 90.7500	CAD/bbl	3/1/2025	3/31/2025
Fin	202301-23	Meridian Alberta Production Ltd	BPEC	WTI	1,359	bbl		$ 80.0000	$ 90.7500	CAD/bbl	4/1/2025	4/30/2025
Fin	202301-24	Meridian Alberta Production Ltd	BPEC	WTI	1,350	bbl		$ 80.0000	$ 90.7500	CAD/bbl	5/1/2025	5/31/2025
Fin	202301-25	Meridian Alberta Production Ltd	BPEC	WTI	1,163	bbl		$ 80.0000	$ 90.7500	CAD/bbl	6/1/2025	6/30/2025
Fin	202301-26	Meridian Alberta Production Ltd	BPEC	WTI	1,155	bbl		$ 80.0000	$ 90.7500	CAD/bbl	7/1/2025	7/31/2025
Fin	202301-27	Meridian Alberta Production Ltd	BPEC	WTI	1,148	bbl		$ 80.0000	$ 90.7500	CAD/bbl	8/1/2025	8/31/2025
Fin	202301-28	Meridian Alberta Production Ltd	BPEC	WTI	1,141	bbl		$ 80.0000	$ 90.7500	CAD/bbl	9/1/2025	9/30/2025
Fin	202301-29	Meridian Alberta Production Ltd	BPEC	WTI	1,133	bbl		$ 80.0000	$ 90.7500	CAD/bbl	10/1/2025	10/31/2025
Fin	202301-30	Meridian Alberta Production Ltd	BPEC	WTI	1,126	bbl		$ 80.0000	$ 90.7500	CAD/bbl	11/1/2025	11/30/2025
Fin	202301-31	Meridian Alberta Production Ltd	BPEC	WTI	1,119	bbl		$ 80.0000	$ 90.7500	CAD/bbl	12/1/2025	12/31/2025
Fin	202301-32	Meridian Alberta Production Ltd	BPEC	WTI	1,154	bbl		$ 80.0000	$ 90.7500	CAD/bbl	1/1/2026	1/31/2026
Fin	202301-33	Meridian Alberta Production Ltd	BPEC	WTI	1,147	bbl		$ 80.0000	$ 90.7500	CAD/bbl	2/1/2026	2/28/2026
Fin	202301-34	Meridian Alberta Production Ltd	BPEC	WTI	1,140	bbl		$ 80.0000	$ 90.7500	CAD/bbl	3/1/2026	3/31/2026
Fin	202301-35	Meridian Alberta Production Ltd	BPEC	WTI	1,132	bbl		$ 80.0000	$ 90.7500	CAD/bbl	4/1/2026	4/30/2026
Fin	202301-36	Meridian Alberta Production Ltd	BPEC	WTI	1,125	bbl		$ 80.0000	$ 90.7500	CAD/bbl	5/1/2026	5/31/2026
Fin	202301-37	Meridian Alberta Production Ltd	BPEC	WTI	774	bbl		$ 80.0000	$ 90.7500	CAD/bbl	6/1/2026	6/30/2026
Fin	202301-38	Meridian Alberta Production Ltd	BPEC	WTI	769	bbl		$ 80.0000	$ 90.7500	CAD/bbl	7/1/2026	7/31/2026
Fin	202301-39	Meridian Alberta Production Ltd	BPEC	WTI	764	bbl		$ 80.0000	$ 90.7500	CAD/bbl	8/1/2026	8/31/2026
Fin	202301-40	Meridian Alberta Production Ltd	BPEC	WTI	760	bbl		$ 80.0000	$ 90.7500	CAD/bbl	9/1/2026	9/30/2026
Fin	202301-41	Meridian Alberta Production Ltd	BPEC	WTI	755	bbl		$ 80.0000	$ 90.7500	CAD/bbl	10/1/2026	10/31/2026
Fin	202301-42	Meridian Alberta Production Ltd	BPEC	WTI	750	bbl		$ 80.0000	$ 90.7500	CAD/bbl	11/1/2026	11/30/2026
Fin	202301-43	Meridian Alberta Production Ltd	BPEC	WTI	745	bbl		$ 80.0000	$ 90.7500	CAD/bbl	12/1/2026	12/31/2026
Fin	202301-44	Meridian Alberta Production Ltd	BPEC	WTI	772	bbl		$ 80.0000	$ 90.7500	CAD/bbl	1/1/2027	1/31/2027
Fin	202301-45	Meridian Alberta Production Ltd	BPEC	WTI	766	bbl		$ 80.0000	$ 90.7500	CAD/bbl	2/1/2027	2/28/2027
Fin	202301-46	Meridian Alberta Production Ltd	BPEC	WTI	761	bbl		$ 80.0000	$ 90.7500	CAD/bbl	3/1/2027	3/31/2027
Fin	202301-47	Meridian Alberta Production Ltd	BPEC	WTI	756	bbl		$ 80.0000	$ 90.7500	CAD/bbl	4/1/2027	4/30/2027
Fin	202301-48	Meridian Alberta Production Ltd	BPEC	WTI	752	bbl		$ 80.0000	$ 90.7500	CAD/bbl	5/1/2027	5/31/2027

Month	bbl/d
Jun-23	1,245
Jul-23	1,233
Aug-23	1,221
Sep-23	1,209
Oct-23	1,697
Nov-23	1,685
Dec-23	1,674
Jan-24	1,457
Feb-24	1,447
Mar-24	1,438
Apr-24	1,428
May-24	1,419
Jun-24	1,410
Jul-24	1,400
Aug-24	1,391
Sep-24	1,382
Oct-24	1,373
Nov-24	1,364
Dec-24	1,355
Jan-25	1,385
Feb-25	1,376
Mar-25	1,368
Apr-25	1,359
May-25	1,350
Jun-25	1,163
Jul-25	1,155
Aug-25	1,148
Sep-25	1,141
Oct-25	1,133
Nov-25	1,126
Dec-25	1,119
Jan-26	1,154
Feb-26	1,147
Mar-26	1,140
Apr-26	1,132
May-26	1,125
Jun-26	774
Jul-26	769
Aug-26	764
Sep-26	760
Oct-26	755
Nov-26	750
Dec-26	745
Jan-27	772
Feb-27	766
Mar-27	761
Apr-27	756
May-27	752

SCHEDULE 5.22

EXISTING CONTRACTS AT CLOSING

Material Agreements for the Sale or Purchase of Production of Hydrocarbons

Amended and restated sulphur off-take agreement number FDH062019 among the Company and Shell Canada Energy by its managing partner Shell Canada Limited.

Existing Physical Hedge Facilities

Nil.

Purchaser Schedules
(to Note Purchase Agreement)

PIERIDAE ALBERTA PRODUCTION LIMITED

PURCHASER SCHEDULE

[Redacted - Purchaser personal confidential information]

EXHIBIT "A" TO NOTE PURCHASE AGREEMENT

FORM OF OIL AND GAS OWNERSHIP CERTIFICATE

TO: The holders of Notes under the Note Agreement

RE: Note Purchase Agreement dated as of June 13, 2023 between Pieridae Alberta Production Ltd. as issuer (the "**Company**") and the Purchasers party thereto (as the same may be amended, renewed, extended, modified and/or restated from time to time, the "**Note Agreement**")

This Certificate is delivered pursuant to [Section 14(g)/Section 7.1(i)] of the Note Agreement.

The undersigned, [●], being the [●] of the Company, hereby certifies, for and on behalf of the Company and each other Note Party (collectively, the "**Note Parties**"), and not in any personal capacity and without assuming any personal liability whatsoever, as follows:

1. I have made or caused to be made due inquiries and review of all documents, correspondence and other material (the "**Title Enquiries**") relating to the hydrocarbons and lands or interests in lands (the "**Lands**") described in **[describe Reserve Reports]** with respect to the Note Parties' proved plus probable reserves (the "**Reserve Report"**).

2. Attached hereto as Schedule "A" is a complete listing of all of the Oil and Gas Properties of the Company and each other Note Party constituting interests in land (including legal descriptions, Crown lease numbers, issue dates, zone restrictions, names of freehold lessors, its before and after payout working interests, and all royalties and burdens encumbering such interests).

3. Based upon the Title Enquiries, I have no knowledge, information or belief that there exists any provision in any agreement, contract or document pertaining to the Lands which prevents the Note Parties from providing a Lien over such Lands to the Senior Collateral Agent, or which would prevent the Senior Collateral Agent from enforcing and realizing on such security in the event of a default thereunder other than the requirement to obtain the consent and/or waiver of a right of first refusal in the event of the sale of the Lands on the realization and enforcement of such security.

4. Based upon the Title Enquiries, to the best of my knowledge, information and belief, the Note Parties are, effective as of the date hereof, possessed of and are beneficial owners of the respective working, royalty and other interests set forth in the Reserve Report with respect to the Lands, subject to any Permitted Encumbrances and to Immaterial Title Deficiencies.

5. To the best of my knowledge, information and belief, based on the due and reasonable enquiries, there is no default (by the Note Parties or for which the Note Parties are liable, including by any operation of the Lands) of payment of royalties in connection with the Lands which have accrued due by reason of production since any royalty payment dates, as prescribed by statute or agreement, immediately preceding the date of this Certificate which would reasonably be expected to have a Material Adverse Effect and no Note Party nor any Person on behalf of a Note Party (including any operator of the Lands) has received notice of default of any obligation imposed on it by any farmout, operating agreement or any other contract or agreement in respect of the Lands which, in any case, would reasonably be expected to have a Material Adverse Effect and, to the best of my knowledge, information and belief, based on the due and reasonable enquiries, there is no default of any such obligation which would reasonably be expected to have a Material Adverse Effect.

6. To the best of my knowledge, information and belief, based on the due and reasonable enquiries, no Note Party nor any Person on behalf of a Note Party (including any operator of the Lands) has received notice of any claim adverse to a Note Party's working, royalty and other interests in the Lands which if successfully asserted would reasonably be expected to have a Material Adverse Effect and there are no Liens or adverse claims, other than the Permitted Encumbrances, which affect the title of any Note Party to their respective interests in the Lands which in any way would reasonably be expected to have a Material Adverse Effect.

7. To the best of my knowledge, information and belief, based on the due and reasonable enquiries, there are at present no outstanding unfulfilled obligations being enforced under any lease or contract pertaining to the Lands which would reasonably be expected to have a Material Adverse Effect and any Note Party's working, royalty and other interests in the Lands are not subject to any contractual obligations or conditions which are reasonably expected to result in the diminishment or forfeiture of any material working, royalty and other interests, except those, without duplication, which are not prohibited by the Note Agreement or which are accounted for in the Reserve Report.

8. All of the working, royalty and other interests of the Note Parties in respect of petroleum and natural gas rights described in the Reserve Report are accurately reflected in the Reserve Report in all material respects.

9. All the historical data provided by each Note Party to the independent petroleum engineer providing such Reserve Report for use in connection therewith was prepared from information reasonably believed to be complete and accurate in all material respects.

10. All data in the possession of or available to each Note Party which is material to the preparation of such Reserve Report has been made available to such independent petroleum engineer.

11. Pursuant to Section 7.1(i)(c) of the Note Agreement, the Company's counsel has provided all required updates to the Closing Title Report evidencing the Company's title (subject only to Immaterial Title Deficiencies) to any oil and gas properties acquired or developed by it since the Closing Title Report, such that at all times at least 80% of the value of the Oil and Gas Properties of the Company are the subject of such title reports.

12. Capitalized terms used herein and not otherwise defined herein have the meanings given to them by the Note Agreement unless the context otherwise requires.

DATED this ____ day of _____________, 20__.

PIERIDAE ALBERTA PRODUCTION LTD.

By: ______________________________

Name:

Title:

EXHIBIT "B" TO NOTE PURCHASE AGREEMENT

FORM OF ENVIRONMENTAL CERTIFICATE

TO: The holders of Notes under the Note Agreement

RE: Note Purchase Agreement dated as of June 13, 2023 between Pieridae Alberta Production Ltd., as issuer (the "**Company**") and the Purchasers party thereto (as the same may be amended, renewed, extended, modified and/or restated from time to time, the "**Note Agreement**")

This Certificate is given pursuant to [Section 4.14(h)/Section 7.1(i)] of the Note Agreement. Capitalized terms used herein and not otherwise defined herein have the meanings given to them by the Note Agreement unless the context otherwise requires.

The undersigned, [●], being the [●] of the Company, hereby certifies, for and on behalf of the Company and each other Note Party, and not in any personal capacity and without assuming any personal liability whatsoever, as follows:

1. The following certifications are made to the best of my knowledge after due enquiry. My due enquiry has been limited to discussions and correspondence with responsible officers and staff of the Company and the other Note Parties to confirm that the internal environmental reporting and response procedures of the Company and the other Note Parties have been followed in all material respects as they relate to the certifications made herein and that the matters herein set forth are true and correct and that matters reported on by such officers and staff are true and correct.

2. The certifications in paragraphs 3 through 9 are qualified as to any breach of or failure to comply with any Environmental Laws, <u>provided</u> that the breach or failure to comply has not had, or could not reasonably be expected to have (whether on an individual or cumulative basis), a Material Adverse Effect.

3. The property of the Note Parties is owned, leased, managed, controlled or operated, in compliance in all material respects with Environmental Laws.

4. There are no existing, pending or threatened (by written notice):

   (a) claims, complaints, notices or requests for information received from a Governmental Authority by any of the Note Parties, or of which any of the Note Parties are otherwise aware, with respect to any alleged violation of or alleged liability under any Environmental Laws by any of the Note Parties in any material respect; or

   (b) stop, cleanup or preventative orders, direction or action requests, notice of which has been received from an Governmental Authority by any of the Note Parties or of which any of the Note Parties are otherwise aware, relating to the environment which as a result thereof, requires any material work, repair, remediation, cleanup, construction or capital expenditure with respect to any property owned, leased, managed, controlled or operated by any of the Note Parties.

5. Except in compliance with Environmental Laws, no contaminant or other hazardous substance has been received, handled, used, stored, treated or shipped at or from, and there has been no material discharge or Release of a contaminant or other hazardous substance at, on, from or under any property owned, leased, managed, controlled or operated by any of the Note Parties.

6. None of the lands and facilities owned, leased, managed, controlled or operated by any of the Note Parties have been used as a land fill site or, except in compliance with Environmental Laws, as a waste disposal site.

7. No condition exists at, on or under any of the premises or facilities owned, leased, managed, controlled or operated by any of the Note Parties, which with the passage of time, or the giving of notice or both, has given rise to or would reasonably be expected to give rise to a material violation or material liability under any Environmental Laws.

8. The Note Parties are not aware of any matter affecting the environment that has had or would reasonably be expected to have a Material Adverse Effect.

9. The Note Parties have obtained all permits, licences and other authorizations (collectively the "**Permits**") which are required to remain in compliance in all material respects with Environmental Laws and they are in compliance in all material respects with all terms and conditions of all Permits, and the Company hereby certifies that each of such Permits is in full force and effect and unrevoked as of the date of this Certificate.

DATED this ____ day of _____________, 20__.

PIERIDAE ALBERTA PRODUCTION LTD.

By: ______________________________

Name:

Title:

Exhibit C
(to Note Purchase Agreement)

EXHIBIT "C" TO NOTE PURCHASE AGREEMENT

FORM OF ABANDONMENT AND RECLAMATION REPORT

PIERIDAE ALBERTA PRODUCTION LTD.
Abandonment and Reclamation Information Summary
As at ●, 20●

LIABILITY SUMMARY	**Well Summary (# of Wells)**				**Abandonment & Reclamation Liability (C$MM)**			
	Operated		**Non-Operated**		**Operated**		**Non-Operated**	
	Gross	Net	Gross	Gross	Gross	Net	Gross	Net
Active (producing) wells								
Inactive (non-producing) wells								
Total wells								
Active facilities/pipelines								
Inactive facilities/pipelines								
Total facilities/pipelines								
Sites requiring reclamation only								
Total liabilities								

EXHIBIT "D" TO NOTE PURCHASE AGREEMENT

FORM OF COMPLIANCE CERTIFICATE

TO: The holders of Notes under the Note Agreement

RE: Note Purchase Agreement dated as of June 13, 2023 between Pieridae Alberta Production Ltd., as issuer (the "**Company**") and the Purchasers party thereto (as the same may be amended, renewed, extended, modified and/or restated from time to time, the "**Note Agreement**")

This Certificate is given pursuant to Section 7.2 of the Note Agreement. Capitalized terms used herein and not otherwise defined herein have the meanings given to them by the Note Agreement unless the context otherwise requires.

The undersigned, [●], being the [●] of the Company, hereby certifies, for and on behalf of the Company, and not in any personal capacity and without assuming any personal liability whatsoever, as follows:

1. I have reviewed the relevant terms of the Note Agreement and have made, or caused to be made, under my supervision, a review of the transactions and conditions of the Note Parties.

2. As of the date of this Compliance Certificate, no Default, Event of Default or Borrowing Base Deficiency has occurred or is continuing exists (including any such event or condition resulting from the failure of any Note Party to comply with any Environmental Law) **[except: state exceptions, specifying the nature and period of existence thereof and what action the Company shall have taken or proposes to take with respect thereto**].

3. As of the end of the **[fiscal quarter ending ____][fiscal year ending ____]**:

(a) *Total Leverage Ratio*: the ratio of (i) Indebtedness at such time to (ii) EBITDAX for the Rolling Period ended [●] *[date of most recent fiscal quarter end]* is [●] to 1.00, and attached hereto as Annex I are the detailed particulars of how this ratio was calculated;

(b) *Senior Leverage Ratio*: the ratio of (i) Senior Indebtedness at such time to (ii) EBITDAX for the Rolling Period ended [●] *[date of most recent fiscal quarter end]* is [●] to 1.00, and attached hereto as Annex II are the detailed particulars of how this ratio was calculated;

(c) *Asset Coverage*: the ratio of (i) Adjusted PV10 as of such time to (ii) Indebtedness as of such time is [●] to 1.00, and attached hereto as Annex III are the detailed particulars of how this ratio was calculated; and

(d) *Interest Coverage Ratio*: the ratio of (i) EBITDAX for the Rolling Period ended [●] *[date of most recent fiscal quarter end]* to (ii) Financing Charges is [●] to 1.00, and attached hereto as Annex IV are the detailed particulars of how this ratio was calculated.

[In the event that any Note Party has made an election to measure any financial liability using fair value (which election is being disregarded for purposes of determining compliance with this Agreement pursuant to Section 23.2) as to the period covered by any such financial statement, the calculations in Annexes I through IV of this Compliance Certificate shall include a reconciliation from GAAP with respect to such election].

4. As of the date hereof, the Liability Management Rating of the Company in each Material Jurisdiction is as follows:

[●]

DATED this ____ day of _____________, 20__.

PIERIDAE ALBERTA PRODUCTION LTD.

By: ____

Name:

Title:

Annex I
Total Leverage Ratio Calculation

Annex II
Senior Leverage Ratio Calculation

Annex III
Asset Coverage Ratio Calculation

Annex IV
Interest Coverage Ratio Calculation