FIRST SUPPLEMENTAL NOTE INDENTURE

This First Supplemental Note Indenture is entered into as of the 2nd day of November, 2005 between:

> **TKE ENERGY INC.**, successor to TUSK AcquisitionCo Inc., a corporation incorporated under the *Business Corporations Act* (Alberta) having an office in the City of Calgary, in the Province of Alberta (the "**Corporation**")
>
> \- and -
>
> **COMPUTERSHARE TRUST COMPANY OF CANADA**, a trust corporation incorporated under the Laws of Canada, having an office in the City of Calgary, in the Province of Alberta (the "**Note Trustee**")

RECITALS:

A. Pursuant to the implementation of a plan of arrangement (the "**TUSK Arrangement**") under the ABCA involving TUSK Energy Inc., TUSK AcquisitionCo Inc. and others, TUSK AcquisitionCo Inc., among other things, acquired all of the issued and outstanding Class A Common Shares of TUSK Energy Inc. by the issuance of Trust Notes as issued pursuant to the Note Indenture entered into between TUSK AcquisitionCo Inc. and the Note Trustee dated effective November 2, 2004, as amended and restated on February 27, 2005 (the "**Note Indenture**").

B. Pursuant to the TUSK Arrangement, TUSK Energy Inc. amalgamated with TUSK AcquisitionCo Inc. to form the Corporation.

C. Section 2.1 of the Note Indenture provides that the Board of Directors may (i) at any time and from time to time issue Trust Notes in one or more series to consist of such aggregate principal amount as may, before the issuance thereof, be determined by the Board, and (ii) from time to time by way of supplemental indenture fix, before issuance, the description, rights, privileges, restrictions and conditions, including with respect to the principal amount and interest rate, attaching to the series of Trust Notes created thereby.

D. The Corporation and the Note Trustee wish to create the second series of Trust Notes to be issued in connection with a plan of arrangement (the "**True Arrangement**") under the ABCA involving True Energy Inc., the Trust, the Corporation and others.

E. Pursuant to section 7.12 of the Note Indenture, the Holders have the power exercisable by Special Resolution to assent to any modification of or change in or addition to or omission from the provisions contained in the Note Indenture and to authorize the Note Trustee to concur in and execute any indenture supplemental to the Note Indenture embodying any modification, change, addition or omission.

F. A Special Resolution approving the modifications and changes to the Note Indenture as provided herein has been approved by the sole Holder of the outstanding Trust Notes.

NOW THEREFORE the parties agree as follows:

1.1 **Definitions** - In this First Supplemental Note Indenture, including the recitals hereto and Schedule A hereto, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the following meanings, respectively:

"Effective Date" means the date the True Arrangement is effective under the ABCA;

"Interest Commencement Date" means December 1, 2005;

"Interest Rate" means, up to and including December 31, 2006, the interest rate set out in section 2 of Schedule A hereto and, thereafter, an interest rate determined in accordance with the terms of the Series 2 Trust Notes and as set out in section 3 of Schedule A hereto;

"Note Indenture" has the meaning ascribed thereto in the recitals hereto;

"Noteholders' Request" means an instrument signed in one or more counterparts by the Holder(s) of a majority of the principal amount of the Series 2 Trust Notes outstanding requesting the Note Trustee to take some action or proceeding specified therein; provided that if the Trust holds, directly or indirectly, at least 25% of the aggregate principal amount of the outstanding Series 2 Trust Notes, a Noteholders' Request must be executed by the Trust to be of force or effect hereunder;

"Prime Rate" means, for any period, the prime commercial lending rate of National Bank of Canada during such period, adjusted on a daily basis for changes in that rate;

"Register" has the meaning ascribed thereto in section 2.10 of the Note Indenture;

"Series 2 Maturity Date" means the earlier of: (a) the date repayment is demanded; and (b) December 31, 2020;

"Series 2 Trust Notes" means the unsecured subordinated promissory notes, having the terms specified herein, issuable by the Corporation pursuant to the True Arrangement in a principal amount per note determined as of the Effective Date being equal to $9.97, issued or to be issued hereunder and outstanding and entitled to the benefits hereof;

"True Arrangement" has the meaning ascribed thereto in the recitals hereto;

"Trust" means TKE Energy Trust, a trust duly settled under the laws of Alberta pursuant to the Trust Indenture;

"Trust Trustee" means Computershare Trust Company of Canada, the initial trustee of the Trust, or such other trustee, from time to time, of the Trust;

"TUSK Arrangement" has the meaning ascribed thereto in the recitals hereto;

All capitalized terms not defined herein shall have the meanings ascribed thereto in the Trust Indenture.

1.2 **Amendment to Note Indenture** - The Note Indenture is amended by deleting the definition of "Maturity Date" in section 1.1 thereof and replacing it with the following:

> "**Maturity Date**" means, in the case of the Series 1 Notes, December 31, 2034, and in the case of any other series of Trust Notes, such date as determined by the Board prior to the issuance thereof;

1.3 **Series 2 Trust Notes** - Pursuant to section 2.1 of the Note Indenture, an unlimited number of Series 2 Trust Notes, the description, rights, privileges, restrictions or conditions of which are set out in Schedule A hereto, are hereby created.

1.4 **Form of Trust Note** - The form of Trust Note, form of registration panel and form of transfer attached as Schedule A to the Note Indenture are hereby replaced by the form of Trust Note, form of registration panel and form of transfer, respectively, attached hereto as Schedule B.

1.5 **General Statement of Subordination** - The following is hereby added to the end of section 10.1 of the Note Indenture:

> "The provisions of this Article 10 are intended to be enforceable directly by each Person from time to time entitled to enforce any Senior Debt. The Corporation hereby declares itself to hold the benefits of this Article 10 in trust for each Person entitled to enforce any Senior Debt from time to time and will do and execute all such documents and things as may be necessary to enable any such Person to enforce the provisions of this Article 10."

1.6 **Authorization of Holders to Note Trustee to Effect Subordination** - The following is hereby added as section 10.8 of the Note Indenture:

> "10.8 **Authorization of Holders to Note Trustee to Effect Subordination**
>
> (a) Each Holder of Trust Notes by such Holder's acceptance thereof authorizes and directs the Note Trustee on such Holder's behalf to take such action as may be necessary or appropriate to enter into contractual subordination agreements ("**Subordination Agreements**") with one or more holders of Senior Debt or a trustee or agent for it or them which may include terms in implementation of and/or in addition to the provisions of this Article 10, or provisions to bind any transferee of the Trust Notes to the terms thereof.
>
> (b) Without limiting or restricting the provisions of Section 10.8(a), each Holder, by such Holder's acceptance of a Trust Note or Trust Notes: (i) specifically authorizes and directs the Note Trustee to, and specifically acknowledges, understands and agrees that the Note Trustee may, execute and deliver Subordination Agreements between the Note Trustee and the holders of Senior Debt; and (ii) acknowledges and agrees to be bound by the provisions of the Subordination Agreements including, without limitation, the Subordination Agreement to be dated on or about November 2, 2005, as amended or restated from time to time, between the Corporation (or any successor thereto), TKE Trust, and National Bank of Canada as agent for and on behalf of certain holders of Senior Debt, notwithstanding the terms thereof are different from, and in addition to, those herein."

1.7 **Governing Law** - This First Supplemental Note Indenture shall be construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein and shall be treated, in all respects, as an Alberta contract.

1.8 **Further Assurances** - The parties shall, with reasonable diligence, do all such things and provide all such reasonable assurances as may be required to consummate the transactions contemplated by this First Supplemental Note Indenture, and each party shall provide such further documents or instruments required by the other party as may be reasonably necessary or desirable to effect the purpose of this First Supplemental Note Indenture and carry out its provisions.

1.9 **Counterparts** - This First Supplemental Note Indenture may be executed by the parties in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

1.10 **Amendment** - Except as amended by the terms of this First Supplemental Note Indenture, the terms and conditions of the Note Indenture remain in full force and effect.

IN WITNESS WHEREOF the parties have duly executed this First Supplemental Note Indenture as of the date first written above.

TKE ENERGY INC.

By: ______________________

COMPUTERSHARE TRUST COMPANY OF CANADA

By: ______________________

By: ______________________

SCHEDULE A
to the First Supplemental Note Indenture between TKE Energy Inc. and Computershare Trust Company of Canada

1. Terms of the Series 2 Trust Notes

(a) The Series 2 Trust Notes shall: (i) be dated as of their respective Issue Dates; (ii) mature on the Series 2 Maturity Date; (iii) be entitled to payments of principal as set out in subsection (b) of this Schedule A; (iv) notwithstanding anything to the contrary herein, whether express or implied, be subject to prepayment by the Corporation in whole or in part, at any time without notice or bonus; (v) shall bear interest from and including the Interest Commencement Date at the Interest Rate, payable after as well as before maturity and after as well as before default and judgment, with interest on amounts in default at the same rate, such interest to be calculated annually and paid monthly on the 15th day of the month (or the first Business Day thereafter) following the month in which it was earned; and (vi) entitle the Trust at any time when it is a Holder, at its sole option, to demand immediate payment of the interest otherwise payable on January 15th of any year at any time on or following December 31st of the immediately preceding year. The record date for determining the Holders to receive payments of interest shall be the last day of each calendar month to which the interest payments relate.

(b) Beginning January 1, 2007 and continuing during the term of the Note Indenture and each year thereafter, the Corporation and the Holder(s) shall agree, which agreement shall be evidenced by the due completion of Section 3 of this Schedule A, by the Trust Trustee on behalf of the Trust in the case where the Trust is the sole Holder and by the Note Trustee on behalf of all Holders upon receipt of a Noteholders' Request or other instrument in writing evidencing majority approval by the Holders, on the Interest Rate to apply for the ensuing calendar year. The maximum increase from the previous year's Interest Rate shall not exceed 1.5 percentage points and the maximum decrease from the previous year's Interest Rate shall not exceed 2 percentage points, provided that in no event shall the Interest Rate exceed 15%. If the parties reach agreement on the annual Interest Rate, then pursuant to subsection (c) hereof no principal payments shall be required until December 31, 2010. However, if the parties are unable to reach an agreement on the applicable Interest Rate by January 15th of any year, then the Interest Rate shall be the Prime Rate as of December 31 of the previous year plus 5 percent (provided that such rate shall not exceed 15%), and payments of interest at such rate shall commence on February 15th of that year, and continue on the 15th day of each month thereafter to and including January 15th of the following year when the terms and conditions as to agreement on the applicable Interest Rate for such year will again apply, with the proviso that in the absence of agreement as to Interest Rate in any year, then as at January 1, 2007 the principal outstanding and any interest thereon shall be paid by monthly instalments of principal and interest calculated on a 10-year amortization period, with the amount of the monthly instalment to vary from calendar year to calendar year based on the Interest Rate in effect for that calendar year. Payments for a calendar year shall commence on February 15th of that year, and be paid on the 15th of each month thereafter to and including January 15th of the following year.

(c) Subject to subsection (b) of this Schedule A and Article 10 of the Note Indenture, the Corporation shall, until December 31, 2010, have the right, but not the obligation, to make principal payments at such times and in such amounts as it shall decide. On or before December 31, 2010, the parties shall agree on terms for retirement of the principal amount and any interest owing thereon as at January 1, 2011 in order to pay in full the balance of the Series 2 Trust Notes on or before December 31, 2020. In the absence of agreement by January 15, 2011, then the balance of principal and interest would be amortized over 10 years, with the Interest Rate fixed at 10% per annum for such 10-year period, such that the principal amount would be paid in full on December 31, 2020, with monthly instalments of principal and interest to be paid on the 15th day of each month, with the first payment for each calendar year to be on February 15th, and the last payment for each calendar year to be on January 15th of the year following, with the exception of the payment due December 31, 2020.

(d) Subject to subsection (e) of this Schedule A and Article 10 of the Note Indenture, as interest becomes due on the Series 2 Trust Notes (except at maturity, when outstanding principal and interest shall be paid upon the surrender of the Series 2 Trust Notes for payment), the Corporation shall advise the Note Trustee of its intention to pay any Non-Trust Holders directly and shall, at least three Business Days prior to each date on which such interest becomes due, cause such interest (less any tax required by law to be withheld therefrom) to be paid by cheque or bank draft sent by prepaid ordinary mail, or by other means of the transferring funds as may be considered appropriate by the Note Trustee, to or to the order of the Holder and addressed to it at its last address or account, as the case may be, appearing on the Register, or as the Holder otherwise directs. In the case of joint Holders, the cheque or bank draft or other such transfer of funds shall be payable or issued to or to the order of all such joint Holders and addressed to them at the most recent address or account appearing on the Register, as the case may be, unless such joint Holders otherwise direct. If more than one address or account appears on the Register in respect of such joint Holders, the cheque or bank draft shall be mailed or delivered, as the case may be, to the first address or account so appearing. In the event of non-receipt or destruction of any cheque, bank draft or funds for interest by the Holder, the Corporation will cause to be issued to the Holder a replacement cheque or bank draft for like amount upon being furnished with such evidence of non-receipt or destruction as it shall reasonably require and upon being indemnified to its satisfaction, acting reasonably.

(e) If the Note Trustee is responsible for payment in respect of interest on any Series 2 Trust Notes (except at maturity or on redemption, in which case interest shall be paid on presentation and surrender of such Notes for payment), the Corporation shall (i) if the payment of such interest is to be effected by cheque sent by prepaid ordinary mail, cause sufficient monies to be received by the Note Trustee payable upon receipt, at least three Business Days prior to each date on which such interest becomes due in respect of such Series 2 Trust Notes and cause such interest to be paid by cheques sent by prepaid ordinary mail, and (ii) if such payment is not effected by cheque, cause sufficient monies to be received by the Note Trustee, payable upon receipt (certified cheque or wire transfer) at least one Business Day prior to each date on which such interest becomes due in respect of such Series 2 Trust Notes and cause such interest to be paid by other transfer of funds by such means as may be considered appropriate by the Note Trustee for such interest (less any tax required by law to be withheld therefrom), in each case payable to the order of the Holder and addressed to the Holder at the most recent address or account appearing on the Register, as the case may be, unless the Holder otherwise directs; provided that upon receipt by the Note Trustee of funds in accordance with (ii) above, the Corporation may, with the consent of the Holder, instruct the Note Trustee to effect such payment by wire transfer to the Holder on the date on which such principal or interest becomes due.

(f) If within 60 days following the Effective Date the Holder and the Corporation determine that the principal amount of one Series 2 Trust Note does not reflect the fair market value of a Trust Unit as of the Effective Date, notwithstanding any other provisions of the Note Indenture and this First Supplemental Note Indenture, the principal amount of the Series 2 Trust Notes shall be adjusted with effect as and from the Effective Date so that it reflects such fair market value and such determination shall be evidenced by an agreement between the Holder and the Corporation setting out the principal amount of one Series 2 Trust Note, which agreement shall be appended to this First Supplemental Note Indenture.

(g) Notwithstanding anything contained herein, the Corporation may, in lieu of sending or causing to be sent any such cheque, enter into an agreement with a Holder of a Series 2 Trust Note or with the person for whom such Holder is acting as nominee providing for the payment to such Holder of the principal of and/or interest on such Holder's Series 2 Trust Notes by electronic funds transfer or by any other method at a place or places other than the place or places specified herein and in such Series 2 Trust Notes as the place or places for such payment and shall provide a certified copy of, or relevant extract from, any such agreement to the Note Trustee. Any payment of the principal of and interest on any such Series 2 Trust Note at such other place or places pursuant to such agreement shall, notwithstanding any other provision of the Note Indenture and this First Supplemental Note Indenture, be valid and binding on the Corporation, the Note Trustee and the relevant Holders of Series 2 Trust Notes.

(h) With the prior consent of the Trust, the Corporation may, when making any payment on the outstanding principal of the Series 2 Trust Notes, apply all or any part of the payment that would otherwise be paid to the Trust to the account of the Non-Trust Holders, and as between Non-Trust Holders, in proportion to the principal sums owing on the Series 2 Trust Notes held by such Non-Trust Holders.

2. Interest Rate for 2005 and 2006: 10%

3. Interest Rates for January 1, 2007 to December 31, 2020:

To evidence agreement on the Interest Rate applicable for any given year, the Interest Rate shall be inserted into the appropriate column below, with the signatures (and printed names) of the parties hereto set out opposite such rate.

Year January 1 – December 31	**Applicable Interest Rate**	**Signature of Authorized Officer of Corporation (*print name and position*)**	**Signatures of Holders (or duly authorized officers thereof) (*print name and position*)**
2007			
2008			
2009			
2010			

Year January 1 – December 31	Applicable Interest Rate	Signature of Authorized Officer of Corporation (*print name and position*)	Signatures of Holders (or duly authorized officers thereof) (*print name and position*)
2011			
2012			
2013			
2014			
2015			
2016			
2017			
2018			
2019			
2020			

SCHEDULE B

FORM OF NOTE

The form for the Trust Notes, the certificate of the Note Trustee and the registration and transfer panels thereon shall be in the English language substantially as follows, and may include a translation into the French language:

TKE ENERGY INC.

(amalgamated pursuant to the laws of Alberta)

$● **SERIES ●, UNSECURED, SUBORDINATED NOTE** **No. ●**

DUE ●

TKE Energy Inc. (herein referred to as the "**Corporation**"), for value received, hereby promises to pay to the registered Holder hereof, on ●, or on such earlier date as the principal amount hereof may become payable in accordance with the conditions herein set out and with the provisions of the Note Indenture hereinafter mentioned, on presentation and surrender of this Trust Note, the sum of $● in lawful money of Canada, or so much thereof as remains outstanding, at Calgary, Alberta, and to pay interest thereon from and including the Interest Commencement Date at the Interest Rate (as such terms are defined for the purposes of this series of Trust Notes), payable, after as well as before maturity and after as well as before default and judgment, with interest on amounts in default at the same rate. Interest shall be calculated annually and be paid monthly on the 15th day of the month following the month in which it was earned. Commencing on ●, and on the 15th day of each subsequent month during the currency of this Note, the Corporation shall make a payment on principal as required by the Note Indenture. As interest and any required payment on principal becomes due on this Trust Note (except at maturity, when interest shall be paid upon the surrender thereof for payment), the Corporation shall cause to be: (i) sent by prepaid ordinary mail a cheque or, (ii) delivered by other transfer of funds by such means as may be considered appropriate by the Note Trustee, for such principal payment or such interest (less any tax required by law to be withheld therefrom) payable to the order of the Holder and addressed to it at its last address or account, as the case may be, appearing on the Register, unless the Holder otherwise directs. In the case of joint Holders, the cheque or other transfer of funds, as the case may be, shall be payable or issued to the order of all such joint Holders and addressed to them at the last address or account, as the case may be, appearing on the Register, unless such joint Holders otherwise direct. If more than one address appears on the Register in respect of such joint Holders, the cheque or other transfer of funds, as the case may be, shall be mailed or delivered to the first address or account so appearing. In the event of non-receipt of any cheque or funds for interest by the Holder, the Corporation will cause to be issued to the Holder a replacement cheque or replacement transfer of funds for like amount upon being furnished with such evidence of non-receipt as it shall reasonably require and upon being indemnified to its satisfaction, acting reasonably.

This Trust Note is one of a series of Trust Notes issued under a Note Indenture (herein referred to as the "**Note Indenture**") dated as of November ___, 2004, as amended and restated, between the Corporation and Computershare Trust Company of Canada, as Note Trustee. Reference is hereby expressly made to the Note Indenture and any instruments supplemental thereto for a statement and description of the terms and conditions upon which this Trust Note is issued and the rights and remedies of the Holders of the Trust Notes, the Corporation and the Note Trustee with respect thereto, all to the same effect as if the provisions of the Note Indenture and of any instruments supplemental thereto were herein set forth, to all of which provisions the registered Holder of this Note, by acceptance hereof, assents.

The Trust Notes are issuable as fully registered Trust Notes. Upon compliance with the provisions of the Note Indenture, Trust Notes of any authorized denomination may be exchanged for an equal aggregate principal amount of Trust Notes in any other authorized denomination or denominations. No more than one Trust Note having a denomination other than $100 or integral multiples thereof will be issued to a Holder at anyone time.

All Trust Notes issued under the Note Indenture rank equally and rateably without priority or preference. This Trust Note is a direct obligation of the Corporation, is not secured by any mortgage, hypothec, charge or pledge, but is subordinated to the prior payment of Senior Debt as set out in the Note Indenture. The Note Indenture contains no restrictions on the right of the Corporation or any Subsidiary to borrow or give security for any of their obligations.

The Holder hereof may not redeem this Trust Note. The Corporation may prepay all or any part of the outstanding principal of this Trust Note at any time without notice or bonus.

The principal hereof may also become or be declared due before stated maturity on the conditions, in the manner, with the effect and at the times set forth in the Note Indenture.

This Trust Note may only be transferred upon compliance with the conditions prescribed in the Note Indenture on the Register of transfers to be kept at the principal office of the Note Trustee in the City of Calgary, and in such other place or places (if any) and by such other registrar or registrars (if any) as the Corporation with the approval of the Note Trustee and Note Trustee may designate, by the registered Holder hereof or his executors or administrators or other legal representatives, or his or their attorney duly appointed by an instrument in writing in form and execution satisfactory to the Note Trustee or other registrar (if any) and upon compliance with such reasonable requirements as the Note Trustee or other registrar may prescribe, and then, only if such transfer shall have been duly entered on one of the appropriate Registers or noted on this Trust Note by a proper registrar.

The Note Indenture contains provisions making binding upon all Holders of Trust Notes outstanding thereunder resolutions passed at meetings of such Holders held in accordance with such provisions and instruments in writing signed by the Holders of a specified fraction of the principal amount of the Trust Notes outstanding.

This Trust Note shall not become obligatory for any purpose until it shall have been certified by the Note Trustee for the time being under the Note Indenture.

Unless otherwise defined, all initially capitalized terms used herein shall have the meanings ascribed to such terms in the Note Indenture.

IN WITNESS WHEREOF the Corporation has caused this Trust Note to be signed by its duly authorized officers as of ●, 2004.

TKE ENERGY INC.

Per: ______________________________

Per: ______________________________

THIS TRUST NOTE IS NOT VALID UNTIL CERTIFIED BY THE NOTE TRUSTEE.

Note Trustee's Certificate

This Trust Note is an Trust Note referred to in the Note Indenture within mentioned.

COMPUTERSHARE TRUST COMPANY OF CANADA

By: ______________________________

Note Trustee

(Form of Registration Panel)

Registration

(No writing on this panel except by the Note Trustee or other Registrar)

Date of Registration	Certificate No.	In Whose Name Registered	Cancelled Certificate	Value	Signature of Note Trustee or Other Registrar

(Form of Transfer)

Transfer Form

FOR VALUE RECEIVED the undersigned sells, assigns and transfers, without recourse, unto:

(Please print or typewrite name and address of assignee)

the within Trust Note of the Corporation and hereby irrevocably constitutes and appoints ________________________ as attorney to transfer the said Trust Note on the Registers of the Trust Notes of the said Corporation, with full power of substitution in the premises.

Date: ________________________________

____
(Signature of Transferor)

The signature of the Transferor must correspond with the name written upon the face of the Trust Note in every particular without alteration or change whatsoever.

The signature of the registered Holder of the within Trust Note to the foregoing assignment must be guaranteed by a Canadian Schedule 1 chartered bank, a major trust company in Canada, member of the Securities Transfer Association Medallion Program (STAMP) or a member of the New York Stock Exchange Inc. Medallion Signature Program (MSP). Members of these programs are usually members of a recognized stock exchange in Canada, members of the National Investment Dealers Association of Canada, members of the National Association of Securities Dealers or banks and trust companies in the United States.