PINE CLIFF ENERGY LTD. AMENDED AND RESTATED FLOATING CHARGE DEBENTURE IN FAVOUR OF HAYWOOD SECURITIES INC. ITF ROBERT DISBROW

WHEREAS:

A. The Robert Disbrow (the "**Original Lender**") and the Corporation (as defined herein) have executed a floating Charge Debenture and Negative Pledge dated July 29, 2016 (the "**Existing Debenture**");

B. the Original Lender has assigned the Existing Debenture to Haywood Securities Inc. ITF Robert Disbrow (the "**Lender**"); and

C. The Lender and the Corporation have agreed to amend and restate the Existing Debenture on the terms set forth herein.

1. **PINE CLIFF ENERGY LTD**., a body corporate having its head office at the City of Calgary, in the Province of Alberta (hereinafter called the "**Corporation**"), for value received hereby acknowledges itself indebted and promises to pay to the Lender, the principal sum of **FIVE MILLION DOLLARS** ($5,000,000.00) (hereinafter called the "**principal sum**") at 700-200 Burrard Street, Vancouver, BC V6C 3L6, and to pay at the same place, interest on the principal sum or on so much thereof as remains from time to time unpaid, calculated daily and payable monthly on the last day of each and every month at the rate of 0.25% per annum less than the Average Lending Rate (as defined below) in that particular month. Interest shall be paid as well after as before maturity, default and judgment. Any sum owing by way of interest that is not paid when due shall bear interest at the said rate until paid.

2. Payment in full to the Lender of all amounts owing in respect of the Secured Obligations will be deemed to be payment in satisfaction of the Principal Sum under this Debenture. Notwithstanding the stated interest rate per annum in this Debenture, payment by the Corporation of the relevant fees and interest for any period in respect of the Secured Obligations at the rate at which the Secured Obligations bear interest for such period in accordance with the Promissory Note, will be deemed to be payment in satisfaction of the interest payment for the same period under this Debenture. Notwithstanding the Principal Sum, interest and other monies expressed to be payable or secured hereunder, the obligations payable or secured hereunder shall not exceed the Secured Obligations

3. In this Debenture, including this section and any schedules hereto, unless there is something in the subject matter or context inconsistent therewith:

   "**Account Debtor**" means any person producing, purchasing, taking, processing or receiving any hydrocarbons produced from or allocable to the interest of the Corporation in the Mortgaged Property, or having in its possession any such hydrocarbons or proceeds therefrom, or otherwise obligated to pay any account receivable or other debt due, owing or accruing due to the Corporation in respect of the Mortgaged Property;

   "**AIMCo. Shareholder Subordination Agreement**" has the meaning given to it in Section 34 hereof;

   "**Applicable Laws**" means all applicable statutes, laws (including common law), regulations, by-laws, rules, judicial or arbitral or ministerial or departmental or regulatory judgments, orders, decisions, rulings or awards, binding on or affecting the person referred to in the context in which that word is used;

"**Average Lending Rate**" means, for any particular month, highest blended average effective interest rate payable for Loans under the Senior Indebtedness as in effect from time to time;

“**Loan**” means a Canadian Prime Rate Loan, U.S. Base Rate Loan, Libor Loan, Bankers' Acceptance or BA Equivalent Advance or Letter of Credit outstanding hereunder;

"**Event of Default**" has the meaning set out in Section 8;

"**Facilities**" means, in relation to the Lands, the interest of the Corporation in all equipment, real and personal property and rights used or useful in the exploration, development, processing, transportation, production and storage of hydrocarbons from the Lands and in operation and maintenance of the Lands, or any of them, now or hereafter owned including the interest of the Corporation referable to the Lands, in and to any and all pipeline permits and licenses, wells and future wells, buildings, plants, erections, production equipment, improvements, pipelines, pipeline connections, meters, generators, motors, compressors, treating and processing equipment, pumps, tanks, communication equipment and other machinery, apparatus and equipment now or hereafter placed or installed on or in the Lands or outside the Lands either as part of or useful in the production of hydrocarbons from the Lands or as part of or useful in the operation of a pipeline system or systems to transport, gather or convey hydrocarbons from such Lands where such system connects with a pipeline or pipelines owned by a third party operating pipelines in the province or territory where such property is located; all surface rights, easements, lands, rights of way, authorizations and agreements and any interest in any of them; now or hereafter owned or acquired covering, related to or used or useful in connection with the foregoing and each part thereof and lands through which the same pass; all permits, licenses and authorizations now held or hereafter acquired, used or useful in the operation of the foregoing and each part thereof as the same may now or hereafter be amended, extended, renewed or replaced and any replacements thereof;

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

"**Lands**" means all lands in which the Corporation now or hereafter holds an interest, including without limitation, all freehold and leasehold interests;

"**lien hereto**" or "**lien hereof**" or "**lien of this Debenture**" means the mortgages and charges created or expressed to be created or required to be created by the Corporation by any provision of this Debenture;

"**Mortgaged Property**" means all of the undertaking, property and assets, both present and future, of the Corporation, of whatsoever nature and kind and wheresoever situated, that are from time to time subject to any mortgage, lien, assignment, transfer, hypothec, pledge or charge created under or secured by this Debenture or by any indenture supplementary hereto;

"**permitted encumbrances**" means any of the following:

(a) any present or future mortgage, charge or security interest in connection with the Senior Indebtedness;

(b) liens for taxes not yet due or the validity of which is being contested in good faith by the

Corporation and liens for the excess of the amount of any past due taxes for which a final assessment has not been received over the amount of such taxes as estimated by a responsible representative of the Corporation and in each case in respect of which the Corporation has accrued on its books an amount sufficient to fully pay and satisfy the same;

(c) undetermined or inchoate liens or charges incidental to current operations which have not at the time been duly registered in accordance with applicable law against the Corporation or the property thereof and of which no notice has been served upon the Corporation in accordance with such law and in respect of which the Corporation, if the debt protected by the lien or charge is due, has accrued on its books an amount sufficient to fully pay and satisfy the same;

(d) liens incurred or created in the ordinary course of business on the assets of the Corporation in favour of any other person who is conducting the development or operation of the assets to which such liens relate, for the costs and expenses of such development or operation which would otherwise have been paid by the Corporation and in respect of which the Corporation, if the costs and expenses are due, has accrued on its books an amount sufficient to fully pay and satisfy the same;

(e) liens on hydrocarbons or the proceeds of sale of hydrocarbons arising or granted by the Corporation in the ordinary course of the Corporation's business pursuant to a processing or transmission arrangement entered into by the Corporation in the ordinary course of business, securing the payment of the fees, costs and expenses attributable to the processing or transmission (as the case may be) of any such hydrocarbons under any such processing or transmission arrangement, but only insofar as such liens relate to obligations which are at such time not past due;

(f) easements or rights in land granted to public utilities, pipeline owners, common carriers or similar bodies or to any municipality or governmental or other public authority which are not of such nature as to prevent or materially affect the use of the assets of the Corporation subject thereto for the purposes of the Corporation;

(g) any encumbrances or security now or at any time hereafter given by the Corporation to the Lender; and

(h) any other encumbrances or security interests specifically permitted by the Lender pursuant to an instrument in writing executed by the Lender and addressed to the Corporation, which specifically references the provisions of this Debenture and describes any such encumbrance or security interest so permitted,

provided that, except for the security referred to in sub-paragraph (a) which ranks in priority to the Charge, nothing in this definition shall in and of itself constitute or be deemed to constitute an agreement or acknowledgment by the Lender that such permitted encumbrances or indebtedness subject to or secured by any such permitted encumbrances ranks (apart from the effect of the security interest included in or inherent in any such permitted encumbrance) in priority to the security or the indebtedness of the Corporation granted or incurred under or pursuant to this Debenture;

"**person**" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization, government or any agency or political subdivision thereof, or any other form of entity;

"**petroleum and natural gas right**" means any freehold, leasehold, permit, working, royalty, overriding royalty, net profits, fee, mineral or other interest, estate or right in or in respect of any hydrocarbons;

"**Promissory Note**" means the amended and restated promissory note dated as of the date hereof granted by the Corporation in favour of the Lender, as the same may be amended, modified, supplemented or replaced from time to time;

"**Receiver**" means any receiver of all or any part of the Mortgaged Property appointed pursuant to Section 10 hereof either by the Lender or by a court having jurisdiction and includes a receiver-manager;

"**Secured Obligations**" means the obligations owing by the Corporation to the Lender under the Promissory Note from time to time;

"**Senior Indebtedness**" means the principal of and the interest on indebtedness, or any other indebtedness, liability or obligation of whatsoever nature or kind, including in respect of related security, of the Corporation under or in connection with (i) the amended and restated credit agreement dated as of August 10, 2016 between, the Corporation, as borrower, The Toronto-Dominion Bank and the other lenders from time to time thereunder, as lenders, and The Toronto-Dominion Bank, as agent of the lenders, as the same may be amended, modified, supplemented, restated or replaced from time to time, together with all of the security documents relating thereto and the TD Shareholder Subordination Agreement; and (ii) the promissory note dated as of August 10, 2016, the promissory note dated as of the date hereof and the amended and restated floating charge debenture dated as of the date hereof, granted by the Corporation in favour of Her Majesty The Queen in Right of Alberta, as the same may be amended, modified, supplemented, restated or replaced from time to time, together with all of the security documents relating thereto and the AIMCo. Shareholder Subordination Agreement;

"**TD Shareholder Subordination Agreement**" has the meaning given to it in Section 34 hereof; and

"**this Debenture**", "**hereby**", "**hereof**" and "**hereunder**" means this instrument and every instrument entered into supplementary hereto or in implementation hereof.

4. The Corporation, as security for the payment and performance of the Secured Obligations, hereby:

(a) grants, mortgages, charges, assigns and transfers to the Lender, as and by way of a floating charge, all property, assets and undertaking of the Corporation, including without limitation:

(i) all freehold and leasehold real property interests;

(ii) the petroleum and natural gas rights now held or hereafter acquired or reacquired by the Corporation in the Lands;

(iii) all lands now held or hereafter acquired or reacquired that are or may be pooled or unitized with the Lands;

(iv) the Facilities;

(v) all rental payments payable under any lease of the Lands, the petroleum and natural gas rights in the Lands and of the Facilities, or any payment or right to payment that arises in connection with any interest of the Corporation in the Lands, the petroleum and natural gas rights therein and the Facilities

(vi) all leases, licences, permits, reservations, agreements, authorizations and other instruments now held or hereafter acquired or reacquired under which the Corporation derives, holds, or maintains:

A. the petroleum and natural gas rights and all rights, benefits, privileges and advantages of the Corporation to be derived therefrom; and

B. the Facilities and all rights, benefits, privileges and advantages of the Corporation to be derived therefrom;

(vii) all leases, licences, privileges, easements, rights-of-way, rights of ingress or egress and other surface rights now held or hereafter acquired or required under which the Corporation derives or holds the right:

A. to drill for, produce, store, gather, treat or process petroleum, natural gas and related hydrocarbons from its petroleum and natural gas rights; and

B. in and to the Facilities; and

(b) grants a security interest to the Lender in all present and after acquired personal property of the Corporation.

Until the security hereby constituted shall have become enforceable and the Lender shall have determined to enforce the same (and except as hereinafter provided), the Corporation may, in the ordinary course of the business of the Corporation and for the purpose of carrying on the same, sell, assign, lease, dispose of and deal with the Mortgaged Property; **PROVIDED THAT** the Corporation shall not, and the Corporation hereby covenants that it will not, without the prior written consent of the Lender, make, give, create, grant, incur or assume any mortgage, pledge, hypothec, lien, charge, encumbrance, assignment, security interest or other security, upon the Mortgaged Property or any part thereof, other than the permitted encumbrances, ranking or purporting to rank in priority to or *pari passu* with the grant, mortgage, charge, assignment, transfer and security interest created and secured hereby (hereinafter referred to as the "**Charge**").

TO HAVE AND TO HOLD the Mortgaged Property and rights hereby conferred on the Lender for the use and purposes and with the power and authority and subject to the terms, conditions, provisos, covenants and stipulations herein expressed.

The Charge shall not extend or apply to the last day of the term of any lease, whether oral or written, now held or hereafter acquired by the Corporation but should such Charge become enforceable and the Lender shall have determined to enforce the same, the Corporation shall thereafter stand possessed of such last day and shall hold it in trust to assign the same to any person who may acquire such term or the part thereof hereby charged in the course of any enforcement of the said Charge or any realization of the subject matter thereof.

5. (a) The Corporation will, at the request of the Lender after the occurrence of an Event of Default, furnish the Lender with the names of all Account Debtors.

(b) After the occurrence of an Event of Default, the Lender may notify any or all Account Debtors and may direct such parties to make all payments to the Lender. The Corporation acknowledges that any payments on or other proceeds of the Mortgaged Property received by the Corporation from such parties after notification of the lien of this Debenture to such parties or after default under this Debenture shall be received and held by the Corporation in trust for the Lender and shall be turned over to the Lender upon request. The Lender shall not be liable to ascertain the Account Debtors or for the collection of any such accounts or amounts nor shall the Lender, by reason of this Section4(b) or by reason of any steps, actions, notices or proceedings taken or given to enforce such rights be or be deemed to be a mortgagee in possession of the Mortgaged Property or any part hereof nor be liable or accountable for any monies except those actually received.

(c) Nothing contained herein shall detract from or limit the absolute obligation of the Corporation to make payment of all monies owing hereunder at the time and in the manner provided herein and to perform and observe any other act or condition which it is required to perform or observe hereunder, regardless of whether the rental or other payments assigned and secured by Section 3 hereof are sufficient to pay the same, or whether the assignment or charge herein is operative and the rights under this Section 4 shall be in addition to all other security of any and every character now or hereafter held by the Lender for the obligations of the Corporation secured hereby.

6. The Corporation covenants and agrees with the Lender:

a. that the Corporation has good right, full power and lawful authority to charge the Mortgaged Property according to the true intent and meaning of this Debenture (subject to any consent required in conection with the Senior Indebtedness);

b. that the Mortgaged Property is free and clear of all mortgages, liens, charges, encumbrances and security interests other than: (i) the Charge; and (ii) the permitted encumbrances;

c. to pay the principal sum, interest-and other monies hereby secured in accordance with the terms of this Debenture;

d. to carry on and continuously conduct its business in a lawful, efficient, diligent and businesslike manner;

e. to warrant and forever defend all and singular the Mortgaged Property unto the Lender against every person whomsoever lawfully claiming or attempting to claim the same or any part thereof;

f. to keep and maintain proper books of account and records accurately covering all aspects of the business and affairs of the Corporation and to permit authorized officers, employees or agents of the Lender to inspect the same during regular business hours;

g. to promptly pay when due all business, income and profits taxes properly levied or assessed against the Corporation, its business, operations, revenues, incomes or profits, save and except when and so long as the validity of any such tax is in good faith contested by the Corporation, in which event the Corporation shall, if required by the Lender, furnish security satisfactory to it for the full amount of any of such taxes being so contested;

h. to fully pay and discharge as and when the same become due and payable all taxes (including local improvement rates), rates, duties and assessments that may be levied, rated, charged or assessed against the Mortgaged Property, or any part thereof, and if the Corporation fails to pay any of such taxes, rates, duties or assessments and if it is not in good faith contesting the same, the Lender may, but shall not be obligated to, pay the same, and any amounts so paid by the Lender shall become and form part of the principal sum secured hereby and shall bear interest at the rate aforesaid until paid; and

i. to at all times promptly observe, perform, execute and comply with all Applicable Laws, every governmental authority and agency whether federal, provincial, municipal or otherwise, including, without limiting the generality of the foregoing, those dealing with zoning, use, occupancy, subdivision, parking, historical designations, fire, access, pollution of the environment, toxic materials or other environmental hazards, public health and safety, and all private covenants and restrictions affecting the Mortgaged Property or any portion thereof, and from time to time, upon request of the Lender, to provide to the Lender evidence of such observance and compliance, and at its own expense to make any and all improvements thereon or alterations to the Mortgaged Property, structural or otherwise, and to take all such other action as may be required at any time by any such present or future law, rule, requirement, order, direction, by-law, ordinance, work order or regulation.

7. (a) The Corporation covenants that at all times during the continuation of this security, it will insure and keep insured against all reasonably insurable hazards. Unless otherwise agreed to in writing by the Lender, the losses under all such insurance shall be payable firstly to the lenders under the Senior Indebtedness until all obligations owing to it are extinguished, then to the Lender, as their respective interests may appear.

(b) The Corporation covenants that at all times during the continuation of this security, it will insure and keep insured against all reasonably insurable hazards. Unless otherwise agreed to in writing by the Lender, the losses under all such insurance shall be payable firstly to the lenders under the Senior Indebtedness until all obligations owing to it are extinguished, then to the Lender, as their respective interests may appear.

(c) The Corporation agrees that so long as it remains indebted to the Lender, it will, unless otherwise requested in writing by the Lender, maintain with reputable insurers third party public liability and property damage insurance covering all operations of the Corporation within limits of coverage usually carried by others owning or operating the same or a similar type and size of business as that being conducted by the Corporation, all in accordance with the requirements imposed in connection with the Senior Indebtedness.

(d) The Corporation will, upon the request of the Lender, deliver to the Lender certified copies of all policies or contracts of insurance being carried by the Corporation pursuant to the terms hereof, together with such certificates of insurance as the Lender may reasonably require and evidence that the premiums on all such insurance have been paid.

(e) In the event of loss under any of the insurance referred to in this Section 6, the Lender, at its option, may apply the insurance proceeds payable to the Lender, if any, on account of the principal sum and interest secured hereby or may apply the same to rebuilding, repairing and restoring the Mortgaged Property, or may apply the same partly for one purpose and partly for the other purpose.

8. The Corporation will at all times do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered all and every such further acts, deeds, mortgages, transfers and assurances in law as the Lender shall reasonably require for better assuring, mortgaging, assigning and confirming unto the Lender all and singular the undertaking and all of the property and assets of the Corporation hereby charged or intended so to be or which the Corporation may hereafter become bound to charge to and in favour of the Lender and for the better accomplishing and effectuating of the intentions of this Debenture.

9. Without limiting in any way the right of the Lender to make demand for payment at any times the principal, interest and other monies secured by this Debenture shall become immediately due and payable, whether with or without prior demand therefor, and the security hereby constituted shall become immediately enforceable in each and every of the following events (each of such events being hereinafter called an "**Event of Default**"):

(a) if the Corporation makes a default in the performance of or payment, in whole or in part, of the principal of or interest payable under or pursuant to any instrument, document or agreement which creates or evidences any indebtedness or obligation, present or future, direct or indirect, absolute or contingent, matured or not, wherever or however incurred, owed to the Lender or any other monies secured hereby;

(b) if the Corporation makes default in the observance or performance of any other covenant, agreement or condition herein on the part of the Corporation to be kept, observed or performed;

(c) if an order is made or an effective resolution is passed for the winding-up of the Corporation, or if a petition is filed for the winding-up of the Corporation;

(d) if the Corporation becomes insolvent, or makes an unauthorized assignment or bulk sale of its assets, or if a petition in bankruptcy is filed or presented against the Corporation;

(e) if any proceeding with respect to the Corporation is commenced under the *Companies' Creditors Arrangements Act* (Canada) or the *Bankruptcy and Insolvency Act* (Canada);

(f) if any execution, sequestration, writ of extent or any other process of any court becomes enforceable against the Corporation, or if a distress or analogous process is levied upon the property of the Corporation or any part thereof, provided that such execution, sequestration, writ of extent or other process is not in good faith being contested by the Corporation;

(g) if the Corporation ceases or threatens to cease to carry on its business or if the Corporation commits or threatens to commit any act of bankruptcy;

(h) except as permitted hereunder, if the Corporation shall permit any sum which has been admitted as due by the Corporation or is not disputed to be due by it and which forms or is capable of being made a charge upon any of the Mortgaged Property in priority to or *pari passu* with the Charge to remain unpaid for thirty (30) days after proceedings have been taken to enforce the same as a charge upon the Mortgaged Property ranking in priority to or *pari passu* with the Charge; or

(i) if the Corporation makes default in the due payment, performance or observance, in whole or in part, of any debt, liability or obligation under the Senior Indebtedness, and such default continues after the expiry of any cure periods relating thereto.

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

11. (a) If an Event of Default shall have occurred and be continuing, the Lender may, in its discretion, but subject to any restrictions imposed by the lenders under the Senior Indebtedness, appoint a receiver (which term shall herein include a receiver and manager) of the Mortgaged Property, of the rents, issues, profits, revenues and income thereof or of any part or parts of any of the foregoing, and upon any such appointment by the Lender the following provisions shall apply:

(i) the appointment of any receiver by the Lender hereunder shall be made in writing signed by the Lender and such writing shall be conclusive evidence for all purposes of such appointment. The Lender may from time to time in the same manner remove any receiver so appointed and if it so chooses, appoint another in his stead. Notwithstanding anything to the contrary hereby expressed or implied, in making any such appointment of a receiver hereunder, the Lender shall be deemed to be acting as the attorney for the Corporation and the Corporation does hereby irrevocably appoint the Lender as its attorney for that purpose;

(ii) the Lender, in its discretion, may appoint one or more receivers hereunder in respect of all or any part or parts of the Mortgaged Property, as may be designated in writing by the Lender when making any such appointment;

(iii) any such receiver shall have the power:

A. to take possession of, collect and to get in all or any part of the Mortgaged Property and for that purpose to take proceedings in the name of the Corporation or otherwise and to make any arrangement or compromise;

B. to carry on or concur in carrying on all or any part of the business of the Corporation; and

C. to sell or to concur in selling all or any part of the Mortgaged Property in such manner as may seem advisable to the receiver, and to effect such sale by conveying the same in the name and on behalf of the Corporation or otherwise in respect thereof;

(iv) every such receiver may, in the discretion of the Lender, be vested with all or any of the powers and discretions conferred on the Lender under this Debenture;

(v) the Lender may from time to time fix the reasonable remuneration of every such receiver and may direct the payment thereof (in priority to the Lender), out of the Mortgaged Property and the rents, profits, revenues and income therefrom or the proceeds thereof;

(vi) the Lender may from time to time require any receiver to give security for the performance of his duties as such receiver and may fix the nature and amount thereof, but the Lender shall not be bound to require any such security from the receiver;

(vii) every such receiver may, with the consent in writing of the Lender, borrow money for the purpose of maintaining, protecting or preserving the Mortgaged Property or any part thereof, or for the purpose of carrying on the business of the Corporation, and any receiver may issue certificates (in this subsection called "**receiver's certificates**") for such sums as will, in the opinion of the Lender, besufficient for obtaining security upon the Mortgaged Property or any part thereof for the amounts from time to time so required by the receiver, and such receiver's certificates may be payable either to order or to bearer and may be payable at such time or times, and shall bear such interest as the Lender may approve and the receiver may sell, pledge or otherwise dispose of the receiver's certificates in such manner and may pay such commission on the sale thereof, as the Lender may consider reasonable, and the amounts from time to time payable by virtue of such receiver's certificates shall form a charge upon the Mortgaged Property in priority to the amounts secured under this Debenture;

(viii) every such receiver shall, with respect to the responsibility for his acts or omissions, be deemed to be the agent for the Corporation, and in no event the agent of the

Leader. The Lender shalt not, in making or consenting to such appointment, incur any liability to any receiver for his remuneration or otherwise howsoever be liable or responsible for the acts or omissions, including the negligence, misconduct or misfeasance, on the part of any such receiver;

(ix) except as may be otherwise directed in writing by the Lender, all monies from time to time received by such receiver shall be paid over to the Lender to be held by it as part of the Mortgaged Property; and

(x) the Lender may pay over to any receiver any monies constituting part of the Mortgaged Property to the extent that the same may be applied for the purposes hereof by such receiver, and the Lender may from time to time determine what funds the receiver shall be at liberty to keep on hand with a view to the performance of his duties hereunder as suchreceiver.

(b) If an Event of Default shall have occurred and be continuing, the Lender may in its discretion, in lieu of appointing a receiver as provided for in Section 10(a) hereof, apply to any court or courts of competent jurisdiction for the appointment of one or more receivers of the Mortgaged Property, of the rents, issues, profits, revenues and income thereof or of any part or parts of any of the foregoing, with such powers as the court or courts making such appointment or appointments shall confer including, without limiting the generality thereof, all or any of the powers set forth in Section 10(a) hereof. Any receiver or receivers so appointed by a court, shall be subject to the supervision of that court.

(c) Nothing done by the Lender or by any receiver or receivers in possession of the Mortgaged Property shall render the Lender a mortgagee in possession or responsible as such, or in any way limit or curtail the remedies of the Lender as a mortgagee or creditor under any applicable law or statute.

12. If the security hereby constituted shall become enforceable, the Lender may, subject to applicable law and the Senior Indebtedness, either before or after any entry, sell and dispose of all or any part of the Mortgaged Property either as a whole or in several portions thereof, at public auction or by public tender or by private sale at such time or times and on or subject to such terms and conditions as the Lender may determine, and it shall be lawful for the Lender to make such sale, either for cash or upon credit or partly for cash and partly upon credit, and with or without advertisement, and upon such reasonable conditions as to upset, reserve bid or price and as to terms of payment as the Lender may deem proper, and the Lender may also rescind or vary any contract of sale that may have been entered into and resell with or under any of the powers conferred hereunder and adjourn any such sale from time to time and may execute and deliver to the purchaser or purchasers of the Mortgaged Property or any part thereof good and sufficient title to the same, the Lender being hereby constituted irrevocably the attorney of the Corporation for the purpose of making such sale and for executing all deeds and documents pertaining thereto and any such sale made as aforesaid shall be a perpetual bar both in law and in equity against the Corporation and all other persons claiming such property or any part thereof, by, from, through or under the Corporation.

13. The Corporation acknowledges that if a stay of proceedings is issued against the Corporation pursuant to the *Bankruptcy and Insolvency Act* (Canada), the Companies' *Creditors Arrangement Act* (Canada) or otherwise, the Lender would be irreparably harmed and materially prejudiced if any proceeds of the Mortgaged Property were used for any purpose other than the repayment of the debts secured by this Debenture, and the Corporation hereby acknowledges and agrees that any proceeds of the Mortgaged Property received by the Corporation while such stay is in effect shall be received by and held by the Corporation in trust for the Lender.

14. If the Corporation should fail to comply with any covenant or agreement contained herein, the Lender

or agent of the Lender may, but shall not be obligated to, do whatever is necessary to rectify such failure, and all sums so expended by the Lender or its agent shall forthwith become due and be payable by the Corporation to the Lender and until paid shall form part of the principal sum secured hereby and shall bear interest at the aforesaid rate.

15. The Corporation agrees to pay to the Lender forthwith upon demand: (a) all reasonable costs, charges and expenses (including legal fees on a solicitor and his own client basis) of, or incurred by the Lender in connection with this Debenture or the Mortgaged Property or any part thereof; and (b) all reasonable costs, charges and expenses (including legal fees on a solicitor and his own client basis) of, or incurred by the Lender in connection with recovering or enforcing payment of any of the monies owing hereunder including all costs, charges and expenses incurred in connection with taking possession, preserving, collecting or realizing upon the Mortgaged Property, together with interest thereon at the aforesaid rate from the date of incurring such costs, charges and expenses.

16. Upon payment by the Corporation to the Lender of the principal sum, interest and all other monies secured by this Debenture and provided the security hereby constituted shall not have become enforceable, the Lender shall, upon the written request of the Corporation, deliver up this Debenture to the Corporation and shall, at the expense of the Corporation, release and discharge the security hereby constituted and execute and deliver to the Corporation such deeds or other documents as shall be requisite to release and discharge this Debenture and the security afforded hereby; provided, however, that this Debenture may be assigned, pledged, hypothecated or deposited by the Corporation as security for advances or loans to or for indebtedness or other obligations or liabilities of the Corporation and in such event this Debenture shall not be deemed to have been discharged or redeemed by reason of the account of the Corporation having ceased to be in debit balance while this Debenture remains so assigned, pledged, hypothecated or deposited.

17. No postponement or partial release or discharge of the Charge in respect of all or any part of the Mortgaged Property shall in any way operate or be construed so as to release and discharge the security hereby constituted in respect of the Mortgaged Property except as therein specifically provided, or so as to release or discharge the Corporation from its liability to the Lender to fully pay and satisfy the principal sum, interest and all other monies due or remaining unpaid by the Corporation to the Lender.

18. The Corporation acknowledges and agrees that in the event it amalgamates with any other corporation or corporations it is the intention of the Corporation and the Lender that the term "Corporation" when used herein shall apply to each of the amalgamating corporations and to the amalgamated corporation, such that the Charge shall secure the indebtedness of each of the amalgamating corporations and the amalgamated corporation to the Lender at the time of amalgamation and any indebtedness of the amalgamated corporation to the Lender thereafter arising. The Charge shall attach to all of the "Mortgaged Property" owned by each corporation amalgamating with the Corporation, and by the amalgamated corporation, at the time of amalgamation, and shall attach to any "Mortgaged Property” thereafter owned or acquired by the amalgamated corporation when such becomes owned or is acquired.

19. The Corporation will indemnify the Lender and its successors and assigns against any and all liabilities, actions, claims, judgments, costs, charges and legal fees that may be made against or incurred by the Lender, by reason of the assertion that the Lender has received funds that may be claimed by third persons, either before or after the payment in full of the principal sum, interest and other monies secured hereby and either before or after the release either wholly or partially of the Charge; and the Lender shall have the right to defend against any such claims, actions and charges and claim from the Corporation all expenses incurred by the Lender in connection therewith, together with all reasonable legal fees as may be paid by the Lender in connection therewith. It is understood and agreed that the covenants and conditions of this Section 18 shall at all times be construed to be a personal covenant in favour of the Lender and shall not run with the Mortgaged Property, and that

such covenants and indemnity shall remain in full force and effect notwithstanding the payment of the principal sum, interest and all other monies secured by this Debenture and the release, either partially or wholly, of the Charge, or any foreclosure hereof.

20. The principal sum, interest and other monies hereby secured will be paid by the Corporation and shall be assignable by the Lender free from any right of set-off or counterclaim by the Corporation or any equities between the Corporation and the Lender.

21. Neither the execution and delivery nor the registration of this Debenture shall for any reason whatsoever obligate or bind the Lender to advance any monies, or having advanced a portion obligate the Lender in any way to advance the balance thereof; but nevertheless the Charge shall take effect forthwith upon execution of this Debenture and shall operate as security for the actual amount of all the debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Corporation to the Lender or remaining unpaid.

22. The security hereby constituted is in addition to, and not in substitution for, any other security now or hereafter held by the Lender and no payment to the Lender shall constitute payment on account of the principal sum, interest or other monies from time to time owing hereunder unless specifically so appropriated in writing by the Lender. The taking of any action or proceedings or refraining from so doing, or any other dealing with any other security for the monies secured hereby shall not release or affect the security of this Debenture and the taking of the security hereby granted or any proceedings hereunder for the realization of the security hereby granted shall not release or affect any other security held by the Lender for the monies hereby secured.

23. Any notice that may be given by the Lender in accordance with this Debenture shall be in writing and may be given at any time either by delivering or by mailing the same addressed to the Corporation at its address specified on the signature page hereof. Any notice delivered to the Corporation shall be deemed to have been given on the business day during which the same was so delivered to the Corporation and any notice mailed to the Corporation shall be conclusively deemed to have been received by the Corporation on the third business day following that on which it was so mailed.

24. The Corporation hereby authorizes the Lender to file or register such financing statements, financing change statements and other documents as the Lender may deem appropriate to perfect on an ongoing basis and continue the Charge, and to protect and preserve the Mortgaged Property and the Corporation hereby irrevocably constitutes and appoints the Lender the true and lawful attorney of the Corporation, with full power of substitution, to do any of the foregoing in the name of the Corporation whenever and wherever it may be deemed necessary or expedient, with the Lender providing copies thereof to the Corporation in due course.

25. The Corporation hereby acknowledges receipt of a copy of this Debenture, and waives its right to receive a copy of any financing statement or financing change statement registered by the Lender.

26. To the full extent that it may lawfully do so, the Corporation hereby:

(a) waives and disclaims any benefit of, and shall not have or assert any right under any statute or rule of law pertaining to, the marshalling of assets, the exemption of homestead, the administration of estates, or any other matter whatever, to defeat, reduce or affect the rights of the Lender under the terms of this Debenture to a sale of the Mortgaged Property or any part thereof or for the collection of all amounts secured hereby;

(b) agrees that it shall not have or assert any right or equity of redemption or any right under any statute or otherwise to redeem the Mortgaged Property or any part thereof after the sale hereunder to any person whether such sale is by the Lender, any receiver or otherwise, notwithstanding, if such should be the case, that the Lender may have purchased same;

(c) agrees that the *Land Contracts (Actions) Act* (Saskatchewan) shall have no application to any action (as defined in such Act) taken with respect to any Charge herein; and

(d) agrees that the *Limitation of Civil Rights Act* (Saskatchewan) shall have no application to:

(i) this Debenture or any instrument or agreement in implementation hereof,

(ii) any Charge or security for the payment of money made, given or created pursuant to any of the foregoing instruments,

(iii) any instrument or agreement entered into at any time hereafter by the Corporation renewing or extending or collateral to this Debenture or to any of the foregoing instruments, or

(iv) the rights, powers or remedies of the Lender or any receiver under any of the foregoing instruments.

27. The Charge is intended to attach when this Debenture is signed by the Corporation and, with respect to after-acquired property, when the Corporation acquires an interest in such property.

28. Wherever the singular or masculine or neuter is used in this Debenture, the same shall be construed as meaning the plural or feminine or body corporate and vice versa, where the context so requires.

29. Subject to the provisions in the documents entered into in connection with the Senior Indebtedness, the Corporation shall, as soon as practicable following receipt by the Corporation of a request by the Lender to provide fixed charge security over the petroleum and natural gas properties of the Corporation (and in any event not more than five business days following such request), the Corporation shall furnish or cause to be furnished to the Lender, at the sole cost and expense of the Corporation, fixed charge security over such petroleum and natural gas properties of the Corporation as are specified by the Lender, in the form of a supplemental debenture to this Debenture.

30. The Corporation will assist the Lender to ensure that this Debenture and all supplementary and corrective instruments and all additional mortgage and security documents described in Sections 7 and 28, and all documents, caveats, cautions, memorials, security notices, financing statements and assurances in respect thereof are promptly filed and refiled, registered and re- registered and deposited and re-deposited in such manner, in such offices and places, and at such times and as often as may be required by law or as may be necessary or desirable to perfect and preserve the Charge created or intended to be created hereby as a first priority Charge and the rights conferred or intended to be conferred upon the Lender by the Charge herein contained.

31. No waiver of any right of the Lender hereof shall be valid unless in writing delivered to the Corporation as herein provided. No amendment hereunder shall be valid or effective for any purpose unless consented to in writing by the Lender.

32. In the event that any term or provision in this Debenture shall, to any extent, be invalid or unenforceable, the remaining terms and provisions of this Debenture shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by applicable law.

33. This Debenture shall be governed by and construed in accordance with the laws in force in the Province of Alberta and for the purposes of any legal proceedings in respect of this Debenture, the Corporation irrevocably submits to the jurisdiction of the courts of the Province of Alberta. There shall be no application of any conflict of laws rule which is inconsistent with this section.

34. This Debenture, the rights and entitlements of the Lender hereunder or in connection herewith, and the obligations, liabilities and indebtedness of the Corporation hereunder, are all subject to the amended and restated shareholder subordination agreement dated as of July 13, 2018 (as amended, modified, supplemented or replaced from time to time, the "**TD Shareholder Subordination Agreement**") among the Lender, the Corporation and The Toronto Dominion Bank as agent for certain financial institutions and other beneficiaries described therein, and the amended and restated shareholder subordination agreement dated as of July 13, 2018 (as amended, modified, supplemented or replaced from time to time, the "**AIMCo. Shareholder Subordination Agreement**") among Her Majesty the Queen in Right of Alberta, the Lender and the Corporation, and are hereby expressly subordinated and postponed to the prior payment in full of all Senior Indebtedness. The Lender, upon receipt of the written request of the Corporation, shall enter into and deliver such agreements and assurances as are reasonably necessary or appropriate to provide any holder of Senior Indebtedness with confirmation of the full subordination provided for under this Debenture.

35. Without limiting the provisions of the of the the documents entered into in connection with the Senior Indebtedness or paragraph 33 above, the security constituted by this debenture shall be subordinate to the mortgages, charges and security interests now or hereafter granted by the Corporation in connection with the Senior Indebtedness or any replacement thereof.

36. In the event of a conflict between the terms and conditions of this Debenture and the Promissory Note, the terms and conditions of the Promissory Note shall prevail to the extent necessary to resolve the conflict. In the event of any conflict between the terms and conditions of (a) this Debenture or the Promissory Note and (b) any subordination agreement in respect of Senior Indebtedness, the terms and conditions of the such subordination agreement shall prevail to the extent necessary to resolve the conflict.

37. This Debenture is an amendment to, and a restatement of, the Existing Debenture. Upon the execution and delivery of this Debenture by the Corporation to the Lender, the Existing Debenture shall cease to have effect.

38. This Debenture and all its provisions shall enure to the benefit of the Lender, its heirs, executors, administrators, successors and assigns and shall be binding upon the Corporation, its successors and permitted assigns.

Signature page follows

IN WITNESS WHEREOF the Corporation has executed this Debenture by its proper officer(s) duly authorized in that behalf as of the 13th day of July, 2018

PINE CLIFF ENERGY LTD.

Per: "*Signed*"
Phil Hodge, President & CEO

Acknowledged and agreed to:

HAYWOOD SECURITIES INC. ITF ROBERT DISBROW

"*Signed*"