

FIFTH AMENDING AGREEMENT

THIS AGREEMENT dated as of February 28, 2014

AMONG:

ENSECO ENERGY SERVICES CORP. as borrower
(the “**Borrower**”)

OF THE FIRST PART

- and -

HSBC BANK CANADA, as lender (the “**Lender**”)

OF THE SECOND PART

WHEREAS the Borrower and the Lender are parties to the Credit Agreement;
and

WHEREAS there were four previous amendments to the Credit Agreement; and

WHEREAS the Borrower and the Lender have determined to make further amendments.

NOW THEREFORE in consideration of the covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby conclusively acknowledged by each of the parties hereto, the parties hereto covenant and agree as follows:

1. INTERPRETATION

1.1 In this Agreement and the recitals hereto:

“**Agreement**” means this Fifth Amending Agreement;

“**Amended Credit Agreement**” means the Credit Agreement as amended and supplemented by previous amending agreements and herein, and as may be further amended, modified, supplemented or restated from time to time;

“**Credit Agreement**” means the credit agreement dated as of March 28, 2012 as amended by the First Amending Agreement dated April 1, 2012, the Second Amending Agreement dated May 31, 2012, the Third Amending Agreement dated March 28, 2013 and the Fourth Amending Agreement dated May 31, 2013;

“**Fifth Amendment Effective Date**” means February 28, 2014 or such later date as the conditions precedent set forth in Section 4 are satisfied or waived by the Lender;

“**Forbearance Letter**” means the letter of forbearance dated December 31, 2013 from the Lender to the Borrower.

1.2 Capitalized terms used herein without express definition shall have the same meanings herein as are ascribed thereto in the Credit Agreement.

1.3 The division of this Agreement into Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms “this Agreement”, “hereof”, “hereunder” and similar expressions refer to this Agreement and not to any particular Section or other portion hereof and include any agreements supplemental hereto.

2. AMENDMENTS

Effective as of the Fifth Amendment Date, the Credit Agreement is hereby amended as follows:

- (a) The definition of “Operating Margin Requirement” in Section 1.1 of the Credit Agreement is hereby amended by deleting it in its entirety and replacing it with the following:

“**Operating Margin Requirement**” means the sum of:

- (a) 75% of Acceptable Receivables, other than any account receivables which are owing by an account debtor which is outstanding for more than ninety (90) days from the due date, unless (i) otherwise agreed to by the Lender in its sole discretion, or (ii) the portion of such outstanding account that is more than 90 days overdue (A) represents less than 5% of the total account receivable owing from that particular client and/or (B) is lower than \$50,000;
- (b) 90% of Acceptable Receivables insured by Export Development Corporation or another insurer acceptable to the Lender;

Less:

- (d) Priority Claims;”
- (b) The definition of “Major Customer” in Section 1.1 of the Credit Agreement is hereby deleted it in its entirety;
- (c) The interest payable under the Credit Agreement is hereby amended as follows:
- (i) Section 2.7(a) of the Credit Agreement is hereby amended by deleting the reference therein to “[Redacted]” and replacing it with “[Redacted]”;
- (ii) Section 2.7(b) of the Credit Agreement is hereby amended by deleting the reference therein to “[Redacted]” and replacing it with “[Redacted]”;

- (iii) Section 2.7(c) of the Credit Agreement is hereby amended by deleting the reference therein to “[Redacted]” and replacing it with “[Redacted]”;
 - (iv) Sections 3.6(a) and 6.6(a) of the Credit Agreement are each hereby amended by deleting the reference therein to “[Redacted]” and replacing it with “[Redacted]”; and
 - (v) Sections 3.6(b) and 6.6(b) of the Credit Agreement are each hereby amended by deleting the reference therein to “[Redacted]” and replacing it with “[Redacted]”; and
- (d) The timing of the Debt Service Coverage Ratio testing under Section 11.3 of the Credit Agreement is hereby amended by deleting Section 11.3 in its entirety and replacing it with the following:

“11.3 Financial Covenants

The Parent agrees to maintain the financial ratios and amounts listed below at all times, to be tested at the end of each Fiscal Quarter (with the exception of the covenant set out in paragraph (c) below which shall be tested at the end of each Fiscal Quarter on a rolling 12 month basis):

- (a) the Parent shall cause the ratio of its Current Assets to Current Liabilities to be equal to or exceed .90 to 1.00, until March 31, 2012, 1.05 to 1.00 until March 31, 2013 and 1.25 to 1.00 thereafter calculated on a consolidated basis;
- (b) the Parent shall not permit the ratio of Net Debt to Tangible Net Worth to exceed 2.50 to 1.00 at any time; and
- (c) the Parent shall cause the Debt Service Coverage Ratio to be equal to or exceed 1.25:1.

In respect of any ratio or amount to be determined as at the end of a Fiscal Year, such ratio or amount shall be determined by reference to the consolidated Yearend Financial Statements of the Secured Companies and, if any of the Secured Companies amalgamated within the relevant period, the pre-amalgamation statements of those Secured Companies shall be combined for the purpose of determining any such ratio or amount; in respect of any ratio or amount to be determined as at the end of a Fiscal Quarter, such ratio or amount shall be determined by reference to the consolidated Interim Financial Statements of the Secured Companies for such Fiscal Quarter and in respect of any ratio or amount to be determined as at the end of a month, such ratio or amount shall be determined by reference to the interim internally prepared consolidated profit and loss statements and balance sheet for such month.”

3. REPRESENTATIONS AND WARRANTIES

The Borrower hereby represents and warrants to and in favour of the Lender that as of the Fifth Amendment Effective Date:

- (a) this Agreement has been duly authorized, executed and delivered by the Borrower as set out on the signature page hereof and the Amended Credit Agreement constitutes a legal, valid and binding obligation of the Borrower, enforceable against it in accordance with its terms except as enforceability may be limited by general principles of equity and by bankruptcy, insolvency, reorganization or similar laws affecting creditor's rights generally;
- (b) there exists no Default or Event of Default (other than the "Subject Breaches" as defined in the Forbearance Letter); and
- (c) the representations and warranties contained in Article 10 of the Amended Credit Agreement, other than those stated to be made as of a specific date, are true and correct.

4. CONDITIONS PRECEDENT TO EFFECTIVENESS

4.1 This Agreement shall be effective on the date each of the following conditions precedent are satisfied (or waived by the Lender hereunder):

- (a) the Lender has received, in form and substance satisfactory to it, a duly executed original copy of this Agreement; and
- (b) the Borrower shall have executed and delivered such additional documents as the Lender shall reasonably require in connection herewith.

4.2 The conditions precedent set out in Section 4.1 above are inserted for the sole benefit of the Lender and may be waived only by the Lender.

5. CONFIRMATION OF CREDIT AGREEMENT AND SECURITY

The Credit Agreement and all covenants, terms and provisions thereof, except as expressly amended and supplemented by this Agreement, shall be and continue to be in full force and effect. The Amended Credit Agreement and all Security to which the Borrower is a party are hereby ratified and confirmed and shall from and after the date hereof continue in full force and effect.

6. FURTHER ASSURANCES

The parties hereto shall from time to time do all such further acts and things and execute and deliver all such documents as are required in order to effect the full intent of and fully perform and carry out the terms of this Agreement and the Amended Credit Agreement.

7. EXPENSES

The Borrower will pay or reimburse the Lender for the reasonable out of pocket expenses, including reasonable legal fees and disbursements (on a solicitor and his own client full indemnity basis) and enforcement costs, incurred by the Lender in connection with the

negotiation, preparation, execution and maintenance of this Fifth Amending Agreement and the Amended Credit Agreement.

8. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with Applicable Laws in force in the Province of Alberta and the federal laws of Canada applicable therein from time to time.

9. COUNTERPARTS

This Agreement may be executed in any number of counterparts, including by way of facsimile or pdf signatures, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart.

[Signature pages follow]

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first written above.

ENSECO ENERGY SERVICES CORP.,
as Borrower

Per: **[Signed]** _____

Name:

Title:

Per: **[Signed]** _____

Name:

Title:

HSBC BANK CANADA, as Lender

Per: **[Signed]** _____

Name:

Title:

Per: **[Signed]** _____

Name:

Title:

Consent and Agreement of Guarantor

The undersigned, as guarantor under the guarantee dated as of November 30, 2009 granted by the undersigned in favour of the Lender hereby (i) consents and agrees to the terms of the above Fifth Amending Agreement, (ii) acknowledges that such Guarantee and all other Security to which it is a party remains in full force and effect and continue to secure the Obligations of the Borrower to the Lender and (iii) undertakes to take all such actions as may be required of it to give effect to and cause the performance of the terms and conditions of the above Fifth Amending Agreement.

**ENSECO ENERGY SERVICES USA
CORP.**

Per: **[Signed]** _____

Name:

Title:

Per: **[Signed]** _____

Name:

Title: