

**THIRD AMENDING AGREEMENT
TO THE DAYLIGHT ENERGY LTD.
AMENDED AND RESTATED CREDIT AGREEMENT
DATED MAY 12, 2010**

THIS THIRD AMENDING AGREEMENT is made effective as of October 24, 2011 (the "**Third Amendment Date**"),

BETWEEN:

DAYLIGHT ENERGY LTD.
as Borrower

- and -

**CANADIAN IMPERIAL BANK OF COMMERCE,
THE BANK OF NOVA SCOTIA,
BANK OF MONTREAL,
THE TORONTO-DOMINION BANK,
NATIONAL BANK OF CANADA,
BNP PARIBAS (CANADA),
ROYAL BANK OF CANADA
ALBERTA TREASURY BRANCHES,
UNION BANK, CANADA BRANCH,
HSBC BANK CANADA,
BARCLAYS BANK PLC,
CITIBANK N.A., CANADIAN BRANCH
and
those other financial institutions which
hereafter become Lenders under the Credit Agreement
as Lenders**

-with-

CANADIAN IMPERIAL BANK OF COMMERCE
as Lead Arranger, Sole Bookrunner and Administrative Agent

-and-

THE BANK OF NOVA SCOTIA
as Syndication Agent

PREAMBLE:

- A. Pursuant to the Amended and Restated Credit Agreement dated May 12, 2010 between Daylight Energy Ltd. (the "**Borrower**"), Canadian Imperial Bank of Commerce ("**CIBC**"), The Bank of Nova Scotia, Bank of Montreal, The Toronto-Dominion Bank,

National Bank of Canada, BNP Paribas (Canada), Royal Bank of Canada, Alberta Treasury Branches, Union Bank, Canada Branch, HSBC Bank Canada, and those financial institutions which hereafter become Lenders thereunder (collectively, the "**Lenders**") and CIBC, as administrative agent on behalf of the Lenders (the "**Agent**"), as amended by a first amending agreement dated December 1, 2010 and a second amending agreement dated April 29, 2011 (as amended, the "**Credit Agreement**"), the Lenders agreed to provide to the Borrower the Credit Facilities.

- B. The parties wish to amend the Credit Agreement on the terms and conditions herein provided.

AGREEMENT:

In consideration of the premises, the covenants and the agreements herein contained, the receipt and sufficiency of which is hereby acknowledged between the parties, the parties agree as follows:

1. **Definitions.** Capitalized terms used in this Third Amending Agreement will, unless otherwise defined herein, have the meaning attributed to such terms in the Credit Agreement, as amended hereby.
2. **Amendments.** Effective on the Third Amendment Date, the Credit Agreement is hereby amended as follows:
 - (a) Section 3.11(a) of the Credit Agreement is hereby amended by deleting the reference to "\$625,000,000" and replacing it with "\$650,000,000".
 - (b) Section 3.11(h) of the Credit Agreement and the definition of "Facility A Commitment Amount" in Schedule A to the Credit Agreement are each hereby amended by deleting the references therein to "\$600,000,000" and replacing them with "\$625,000,000."
 - (c) Schedule B to the Credit Agreement is deleted in its entirety and replaced with Exhibit 1 hereto.
3. **Extension of Revolving Period.** The Parties agree and confirm that the last day of the Revolving Period is hereby extended to April 30, 2012.
4. **Confirmation of Borrowing Base.** The Parties agree and confirm that effective as of the Third Amendment Date that the Borrowing Base is Cdn.\$650,000,000.
5. **Fees.** The Borrower agrees that concurrently with the execution and delivery of this Third Amending Agreement it shall pay to the Agent for the benefit of each of the Lenders:
 - (a) an extension fee equal to **[REDACTED: SENSITIVE BUSINESS AND PRICING INFORMATION]** Basis Points multiplied by the portion of the

existing Individual Commitment Amount of each Lender immediately prior to the Third Amendment Date that such Lender agrees to extend pursuant to this Third Amending Agreement; and

- (b) a commitment fee equal to **[REDACTED: SENSITIVE BUSINESS AND PRICING INFORMATION]** Basis Points multiplied by any new or incremental Individual Commitment Amount of each Lender in excess of its Individual Commitment Amount immediately prior to the Third Amendment Date.

6. **Deliveries.** The Borrower shall deliver or cause to be delivered to the Agent, on behalf of the Lenders, where applicable, the following items and this Third Amending Agreement is only effective upon the receipt thereof by the Agent on behalf of the Lenders:

- (a) a fully executed copy of this Third Amending Agreement;
- (b) a Certificate of Status in respect of the Borrower issued by the Registrar of Corporations for the Province of Alberta;
- (c) an officer's certificate from the Borrower with respect to title matters, in form and substance satisfactory to the Agent, acting reasonably;
- (d) a fully executed certificate, in form and substance satisfactory to the Agent, acting reasonably, from an officer of the Borrower on behalf of the Daylight Parties, in respect of general corporate matters;
- (e) opinion of the Borrower's Counsel in respect of the Daylight Parties in form and substance satisfactory to the Agent, acting reasonably; and
- (f) the payment of the fees referred to in Section 5 above.

7. **Acknowledgement re: Bankers' Acceptances.** The Parties acknowledge that on the Third Amendment Date there are three outstanding Bankers' Acceptances under the Credit Facilities and until the Maturity Date of each such outstanding Bankers' Acceptance, the amount owing to each Lender related thereto will not be its Rateable Portion thereof but rather will continue in the same proportion as was owing to each such Lender immediately prior to the Third Amendment Date.

8. **Representations and Warranties.** The Borrower agrees with and confirms to the Agent and the Lenders that as of the Third Amendment Date each of the representations and warranties listed in Article 13.1 of the Credit Agreement, as amended by this Third Amending Agreement, is true and accurate. Further, the Borrower hereby represents and warrants to the Agent and the Lenders that:

- (a) the execution and delivery of this Third Amending Agreement and the performance by each of the Daylight Parties of its respective obligations hereunder (i) are within their corporate or partnership, as applicable, (ii) have been duly authorized by all necessary corporate or partnership action, as

applicable (iii) have received all necessary governmental approvals (if any required), and (iv) do not and will not contravene or conflict with any provision of any applicable Law or material agreement, judgment, license, order or permit applicable to or binding upon any Daylight Party; and

- (b) this Third Amending Agreement is a legal, valid and binding obligation of the Borrower, enforceable in accordance with its terms except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization, winding-up, moratorium or similar applicable Laws relating to the enforcement of creditors' rights generally and by general principles of equity.
9. **Continuing Effect.** Each of the parties acknowledges and agrees that the Credit Agreement, as amended by this Third Amending Agreement, including the Security, will be and continue in full force and effect and are hereby confirmed and the rights and obligations of all parties thereunder will not be effected or prejudiced in any manner except as specifically provided herein.
 10. **Further Assurance.** The Borrower will from time to time forthwith at the Agent's request and at the Borrower's own cost and expense, make, execute and deliver, or cause to be done, made, executed and delivered, all such further documents, financing statements, assignments, acts, matters and things which may be reasonably required by the Agent and as are consistent with the intention of the parties as evidence herein, with respect to all matters arising under this Third Amending Agreement.
 11. **Expenses.** The Borrower will be liable for all expenses of the Agent and the Lenders, including, without limitation, reasonable legal fees (on a solicitor and his own client basis) and other out-of-pocket expenses in connection with the negotiation, preparation, establishment, operation or enforcement of the Credit Agreement and this Third Amending Agreement (whether or not consummated) by the Agent or the Lenders.
 12. **Counterparts.** This Third Amending Agreement may be executed in any number of counterparts (including by facsimile transmission or other electronic communication), each of which when executed and delivered will be deemed to be an original, but all of which when taken together constitutes one and the same instrument. Any party may execute this Third Amending Agreement by signing any counterpart.

IN WITNESS WHEREOF, the parties have caused this Third Amending Agreement to be duly executed by their respective authorized officers as of the Third Amendment Date.

The Borrower:

DAYLIGHT ENERGY LTD.

Per: "Steve Nielsen"
Name: Steve Nielsen
Title: Vice President and Chief Financial Officer

Per: "Anthony Lambert"
Name: Anthony Lambert
Title: President and Chief Executive Officer

The Lenders:

**CANADIAN IMPERIAL BANK OF
COMMERCE, as Agent and as a Lender**

By: "Kevin McConnell"
Name: Kevin McConnell
Title: Authorized Signatory

By: "Amy Bellomo"
Name: Amy Bellomo
Title: Authorized Signatory

**BANK OF MONTREAL,
as a Lender**

By: "Authorized Signatory"
Name:
Title:

By: "Authorized Signatory"
Name:
Title:

**NATIONAL BANK OF CANADA,
as a Lender**

By: "Authorized Signatory"
Name:
Title:

By: "Authorized Signatory"
Name:
Title:

**THE BANK OF NOVA SCOTIA,
as a Lender**

By: "Authorized Signatory"
Name:
Title:

By: "Authorized Signatory"
Name:
Title:

**THE TORONTO-DOMINION BANK,
as a Lender**

By: "Authorized Signatory"
Name:
Title:

By: "Authorized Signatory"
Name:
Title:

**BNP PARIBAS (CANADA),
as a Lender**

By: "Authorized Signatory"
Name:
Title:

By: "Authorized Signatory"
Name:
Title:

**ROYAL BANK OF CANADA,
as a Lender**

By: "Authorized Signatory"
Name:
Title:

By: "Authorized Signatory"
Name:
Title:

**UNION BANK, CANADA BRANCH,
as a Lender**

By: "Authorized Signatory"
Name:
Title:

By: "Authorized Signatory"
Name:
Title:

**BARCLAYS BANK PLC
as a Lender**

By: "Authorized Signatory"
Name:
Title:

By: "Authorized Signatory"
Name:
Title:

**ALBERTA TREASURY BRANCHES,
as a Lender**

By: "Authorized Signatory"
Name:
Title:

By: "Authorized Signatory"
Name:
Title:

**HSBC BANK CANADA,
as a Lender**

By: "Authorized Signatory"
Name:
Title:

By: "Authorized Signatory"
Name:
Title:

**CITIBANK N.A., CANADIAN
BRANCH
as a Lender**

By: "Authorized Signatory"
Name:
Title:

By: "Authorized Signatory"
Name:
Title:

ACKNOWLEDGEMENT:

1431509 Alberta Ltd. hereby acknowledges and consents to the Third Amending Agreement to the Credit Agreement and acknowledges, agrees and confirms that the guarantee dated May 12, 2010 provided by it to the Agent on behalf of the Lenders and certain other Persons and all representations, warranties, covenants and other obligations set forth therein are binding on and continue in full force and effect as a guarantee of all of the Obligations (as defined in such guarantee). 1431509 Alberta Ltd. hereby restates the terms set forth in such guarantee to the extent necessary under applicable Law to give effect to the foregoing. 1431509 Alberta Ltd. hereby further acknowledges and agrees that all security granted by 1431509 Alberta Ltd. to the Agent on behalf of the Lenders in connection with such guarantee, the Credit Agreement and any other documents executed and delivered pursuant thereto or in connection therewith, continue in full force and effect, without in any way impairing or derogating from any of the mortgages, pledges, charges, assignments, security interests and covenants therein contained or thereby constituted, as continuing security for all indebtedness, liabilities and other obligations of 1431509 Alberta Ltd. under such guarantee.

Acknowledged as of the Third Amendment Date.

1431509 ALBERTA LTD.

Per: "Steve Nielsen"
Name: Steve Nielsen
Title: Vice President and Chief Financial Officer

Per: "Anthony Lambert"
Name: Anthony Lambert
Title: President and Chief Executive Officer

ACKNOWLEDGEMENT:

Daylight Energy Ltd., for and on behalf of West Energy Partnership, hereby acknowledges and consents to the Third Amending Agreement to the Credit Agreement and acknowledges, agrees and confirms that the guarantee dated May 12, 2010 provided by it to the Agent on behalf of the Lenders and certain other Persons and all representations, warranties, covenants and other obligations set forth therein are binding on and continue in full force and effect as a guarantee of all of the Obligations (as defined in such guarantee). Daylight Energy Ltd., for and on behalf of West Energy Partnership, hereby restates the terms set forth in such guarantee to the extent necessary under applicable Law to give effect to the foregoing. Daylight Energy Ltd., for and on behalf of West Energy Partnership, hereby further acknowledges and agrees that all security granted by West Energy Partnership to the Agent on behalf of the Lenders in connection with such guarantee, the Credit Agreement and any other documents executed and delivered pursuant thereto or in connection therewith, continue in full force and effect, without in any way impairing or derogating from any of the mortgages, pledges, charges, assignments, security interests and covenants therein contained or thereby constituted, as continuing security for all indebtedness, liabilities and other obligations of West Energy Partnership under such guarantee.

Acknowledged as of the Third Amendment Date.

**WEST ENERGY PARTNERSHIP, by its
Managing Partner, DAYLIGHT ENERGY
LTD.**

Per: "Steve Nielsen"
Name: Steve Nielsen
Title: Vice President and Chief Financial
Officer

Per: "Anthony Lambert"
Name: Anthony Lambert
Title: President and Chief Executive Officer

ACKNOWLEDGMENT:

Daylight Energy Ltd., for and on behalf of Daylight Energy Partnership, hereby acknowledges and consents to the Third Amending Agreement to the Credit Agreement and acknowledges, agrees and confirms that the guarantee dated September 21, 2006 provided by it to the Agent on behalf of the Lenders and certain other Persons and all representations, warranties, covenants and other obligations set forth therein are binding on and continue in full force and effect as a guarantee of all of the Obligations (as defined in such guarantee). Daylight Energy Ltd., for and on behalf of Daylight Energy Partnership, hereby restates the terms set forth in such guarantee to the extent necessary under applicable Law to give effect to the foregoing. Daylight Energy Ltd., for and on behalf of Daylight Energy Partnership, hereby further acknowledges and agrees that all security granted by Daylight Energy Partnership to the Agent on behalf of the Lenders in connection with such guarantee, the Credit Agreement and any other documents executed and delivered pursuant thereto or in connection therewith, continue in full force and effect, without in any way impairing or derogating from any of the mortgages, pledges, charges, assignments, security interests and covenants therein contained or thereby constituted, as continuing security for all indebtedness, liabilities and other obligations of Daylight Energy Partnership under such guarantee.

Acknowledged as of the Third Amendment Date.

**DAYLIGHT ENERGY PARTNERSHIP, by its
Managing Partner, DAYLIGHT ENERGY
LTD.**

Per: "Steve Nielsen"
Name: Steve Nielsen
Title: Vice President and Chief Financial
Officer

Per: "Anthony Lambert"
Name: Anthony Lambert
Title: President and Chief Executive Officer

ACKNOWLEDGEMENT:

1199549 Alberta Ltd. hereby acknowledges and consents to the Third Amending Agreement to the Credit Agreement and acknowledges, agrees and confirms that the guarantee dated September 21, 2006 provided by it to the Agent on behalf of the Lenders and certain other Persons and all representations, warranties, covenants and other obligations set forth therein are binding on and continue in full force and effect as a guarantee of all of the Obligations (as defined in such guarantee). 1199549 Alberta Ltd. hereby restates the terms set forth in such guarantee to the extent necessary under applicable Law to give effect to the foregoing. 1199549 Alberta Ltd. hereby further acknowledges and agrees that all security granted by 1199549 Alberta Ltd. to the Agent on behalf of the Lenders in connection with such guarantee, the Credit Agreement and any other documents executed and delivered pursuant thereto or in connection therewith, continue in full force and effect, without in any way impairing or derogating from any of the mortgages, pledges, charges, assignments, security interests and covenants therein contained or thereby constituted, as continuing security for all indebtedness, liabilities and other obligations of 1199549 Alberta Ltd. under such guarantee.

Acknowledged as of the Third Amendment Date.

1199549 ALBERTA LTD.

Per: "Steve Nielsen"
Name: Steve Nielsen
Title: Vice President and Chief Financial Officer

Per: "Anthony Lambert"
Name: Anthony Lambert
Title: President and Chief Executive Officer

Exhibit 1
To the Third Amending Agreement
dated October 24, 2011

SCHEDULE B
DAYLIGHT ENERGY LTD. AMENDED AND RESTATED CREDIT AGREEMENT
DATED MAY 12, 2010

COMMITMENT AMOUNTS

Facility A

FACILITY A LENDERS	INDIVIDUAL FACILITY A COMMITMENT AMOUNT
Canadian Imperial Bank of Commerce 855 – 2 nd Street S.W., 9 th Floor (East Tower, Bankers Hall) Calgary, Alberta T2P 2P2 Facsimile: [REDACTED: PERSONAL INFORMATION] Attention: [REDACTED: PERSONAL INFORMATION]	[REDACTED: SENSITIVE BUSINESS AND PRICING INFORMATION]
The Bank of Nova Scotia Suite 2000, 700 – 2 nd Street S.W. Calgary, Alberta Facsimile: [REDACTED: PERSONAL INFORMATION] Attention: [REDACTED: PERSONAL INFORMATION]	[REDACTED: SENSITIVE BUSINESS AND PRICING INFORMATION]
Bank of Montreal 2200, 333 7 th Avenue S.W. Calgary, Alberta T2P 2Z1 Telecopier: [REDACTED: PERSONAL INFORMATION] Attention: [REDACTED: PERSONAL INFORMATION]	[REDACTED: SENSITIVE BUSINESS AND PRICING INFORMATION]
The Toronto-Dominion Bank Home Oil Tower Suite 800, 324-8 th Avenue S.W. Calgary, Alberta T2P 2Z2 Telecopier: [REDACTED: PERSONAL INFORMATION] Attention: [REDACTED: PERSONAL INFORMATION]	[REDACTED: SENSITIVE BUSINESS AND PRICING INFORMATION]
National Bank of Canada 2802, 450 - 1 st Street S.W. Calgary, Alberta T2P 5H1 Facsimile: [REDACTED: PERSONAL	[REDACTED: SENSITIVE BUSINESS AND PRICING INFORMATION]

INFORMATION]

Attention: **[REDACTED: PERSONAL INFORMATION]**

BNP Paribas (Canada)
Suite 4100, 77 King Street West
Toronto, Ontario M5K 1N8
Facsimile: **[REDACTED: PERSONAL INFORMATION]**
Attention: **[REDACTED: PERSONAL INFORMATION]**

[REDACTED: SENSITIVE BUSINESS AND PRICING INFORMATION]

Royal Bank of Canada
11th Floor, 888 - 3 Street SW
Calgary, Alberta, T2P 5C5
Facsimile: **[REDACTED: PERSONAL INFORMATION]**
Attention: **[REDACTED: PERSONAL INFORMATION]**

[REDACTED: SENSITIVE BUSINESS AND PRICING INFORMATION]

Alberta Treasury Branches
ATB Financial Energy Group
600, 444-7th Avenue S.W.
Calgary, Alberta T2P 0X8
Facsimile: **[REDACTED: PERSONAL INFORMATION]**
Attention: **[REDACTED: PERSONAL INFORMATION]**

[REDACTED: SENSITIVE BUSINESS AND PRICING INFORMATION]

Union Bank, Canada Branch
730, 440 – 2nd Street S.W.
Calgary, Alberta T2P 5E9
Attention: **[REDACTED: PERSONAL INFORMATION]**
Telecopier: **[REDACTED: PERSONAL INFORMATION]**

[REDACTED: SENSITIVE BUSINESS AND PRICING INFORMATION]

HSBC Bank Canada
407-8th Avenue S.W.
Calgary, Alberta T2P 1E5
Telecopier: **[REDACTED: PERSONAL INFORMATION]**
Attention: **[REDACTED: PERSONAL INFORMATION]**

[REDACTED: SENSITIVE BUSINESS AND PRICING INFORMATION]

Barclays Bank PLC
745 Seventh Avenue
New York, NY 10019
Facsimile: **[REDACTED: PERSONAL INFORMATION]**
Attention: **[REDACTED: PERSONAL INFORMATION]**

[REDACTED: SENSITIVE BUSINESS AND PRICING INFORMATION]

Citibank N.A., Canadian Branch
3420 Canterra Tower
400 3rd Ave SW
Calgary, AB T2P 4H2
Facsimile: [REDACTED: PERSONAL
INFORMATION]
Attention: [REDACTED: PERSONAL
INFORMATION]

[REDACTED: SENSITIVE BUSINESS AND
PRICING INFORMATION]

Total: Cdn. \$625,000,000

Facility B

FACILITY B LENDER

Canadian Imperial Bank of Commerce
855 – 2nd Street S.W., 9th Floor
(East Tower, Bankers Hall)
Calgary, Alberta T2P 2P2
Facsimile: [REDACTED: PERSONAL
INFORMATION]
Attention: [REDACTED: PERSONAL
INFORMATION]

FACILITY B COMMITMENT AMOUNT

[REDACTED: SENSITIVE BUSINESS AND
PRICING INFORMATION]