

\$350,000,000

CREDIT AGREEMENT

among

EAGLE HYDROCARBONS INC.

as Borrower,

CERTAIN AFFILIATES AND SUBSIDIARIES THEREOF,

as Guarantors,

THE LENDERS PARTY HERETO FROM TIME TO TIME

as Lenders,

and

THE BANK OF NOVA SCOTIA

as Administrative Agent, Issuing Bank, and Swing Line Lender

June 16, 2014

THE BANK OF NOVA SCOTIA

as Lead Arranger and Sole Bookrunner

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EXHIBITS:

Exhibit A	-	Form of Assignment and Acceptance
Exhibit B	-	Form of Compliance Certificate
Exhibit C	-	Form of Mortgage
Exhibit D	-	Form of Revolving Note
Exhibit E-1	-	Form of Notice of Revolving Borrowing
Exhibit E-2	-	Form of Notice of Term Borrowing
Exhibit F	-	Form of Notice of Conversion or Continuation
Exhibit G	-	Form of Pledge Agreement
Exhibit H	-	Form of Security Agreement
Exhibit I	-	Form of Transfer Letters
Exhibit J	-	Form of Swing Line Loan Notice
Exhibit K	-	Form of Swing Line Note
Exhibit L	-	Form of Term Note

SCHEDULES:

Schedule I	-	Notice Information
Schedule II	-	Commitments
Schedule 2.07(i)	-	Existing Letter of Credit
Schedule 4.18	-	Security Interests
Schedule 4.20	-	Insurance
Schedule 4.21	-	Hedge Contracts
Schedule 4.22	-	Material Agreements
Schedule 6.02	-	Debt, Guaranties and Other Obligations
Schedule 6.08	-	Affiliate Transactions

CREDIT AGREEMENT

This Credit Agreement, dated as of June 16, 2014 (this “Agreement”), is among Eagle Hydrocarbons Inc., a Delaware corporation (the “Borrower”), the Guarantors, the Lenders, and The Bank of Nova Scotia, as administrative agent for such Lenders, as the Issuing Bank and as the Swing Line Lender.

The parties hereto hereby agree as follows:

ARTICLE I

DEFINITIONS AND ACCOUNTING TERMS

1.01 Certain Defined Terms. As used in this Agreement, the terms defined above shall have the meanings set forth therein and the following terms shall have the following meanings:

“Acceptable Security Interest” in any Property means a Lien which (a) exists in favor of the Administrative Agent for the benefit of the Secured Parties, (b) is superior to all Liens or rights of any other Person in the Property encumbered thereby, other than Permitted Liens, (c) secures the Obligations, and (d) is perfected and enforceable.

“Account Control Agreement” shall mean, if any deposit account of any Loan Party is held with a financial institution that is not the Administrative Agent or a Lender, an agreement or agreements in form and substance reasonably acceptable to the Administrative Agent among the Administrative Agent, the applicable Loan Party and such other financial institution governing any such deposit accounts of such Loan Party.

“Acquisition” means any transaction or series of related transactions that result in, directly or indirectly, the purchase by any Loan Party or any of its Subsidiaries of any Person or business or division of a Person, including the purchase of all or substantially all the associated assets or operations or of Equity Interests of a Person (other than of a wholly-owned Subsidiary of the Borrower) and including the purchase of more than fifty percent (50%) of any class of Voting Securities or similar ownership combination.

“Adjusted Base Rate” means, for any day, the fluctuating rate per annum of interest equal to the greatest of (a) the Base Rate in effect on such day, (b) the Federal Funds Rate in effect on such day plus [REDACTED] and (c) the One-Month LIBOR in effect on such day plus [REDACTED]%. Any change in the Adjusted Base Rate due to a change in the Base Rate, Eurodollar Rate or the Federal Funds Rate shall be effective on the effective date of such change in the Base Rate, Eurodollar Rate or the Federal Funds Rate.

“Administrative Agent” means The Bank of Nova Scotia, in its capacity as administrative agent pursuant to Article IX, and any successor agent pursuant to Section 9.06.

“Administrative Questionnaire” means an administrative questionnaire in a form supplied by or acceptable to the Administrative Agent.

“Administrative Services Agreement” means the administrative services agreement dated as of September 14, 2010, as amended, modified or supplemented from time to time, among the trustee of EET, which at the closing of the Offering will be Computershare Trust Company of Canada, and the Administrator pursuant to which the Administrator will agree to provide administrative services to EET and pursuant to which the Administrator will be delegated certain duties in connection with the governance of EET.

“Administrator” means EEI, or such other party as may be appointed as administrator from time to time pursuant to the Administrative Services Agreement.

“Advance” means any advance by a Lender or the Swing Line Lender to the Borrower as a part of a Borrowing.

“Affiliate” means, as to any Person, any other Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person or any Subsidiary of such Person.

“Agent Parties” has the meaning specified in Section 10.02(d).

“Aggregate Commitments” means the Commitments of all the Lenders.

“Aggregate Revolving Commitments” means the Revolving Commitments of all the Lenders.

“Agreement” has the meaning specified in the Preamble.

“Allocable Amount” has the meaning specified in Section 8.17(b).

“Applicable Margin” means,

(a) with respect to any Revolving Advance, the applicable rate per annum set forth below for the relevant Type of such Advance based on the relevant Utilization Level applicable from time to time

Utilization Level	Base Rate Advances	Eurodollar Rate Advances
Level I	[REDACTED] %	[REDACTED] %
Level II	[REDACTED] %	[REDACTED] %
Level III	[REDACTED] %	[REDACTED] %
Level IV	[REDACTED] %	[REDACTED] %
Level V	[REDACTED] %	[REDACTED] %

; and

(b) with respect to any Term Advance, the applicable rate per annum set forth below for the relevant Type of such Advance based on the relevant Utilization Level applicable from time to time

Utilization Level	Base Rate Advances	Eurodollar Rate Advances
Level I	[REDACTED] %	[REDACTED] %
Level II	[REDACTED] %	[REDACTED] %
Level III	[REDACTED] %	[REDACTED] %
Level IV	[REDACTED] %	[REDACTED] %
Level V	[REDACTED] %	[REDACTED] %

The Applicable Margin for any Advance shall change when and as the relevant Utilization Level changes.

“Approved Fund” means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender, or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

“Arranger” means The Bank of Nova Scotia in its capacity as lead arranger and sole bookrunner.

“Asset Disposition” means any sale, lease, transfer, assignment, farm-out, conveyance or other disposition of the Property (including, without limitation, any working interest, overriding royalty interest, production payments, net profits interest, royalty interest, or mineral fee interest) of any Loan Party to any other Person that is not a Loan Party.

“Assignment and Acceptance” means an assignment and acceptance entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 10.06), and accepted by the Administrative Agent, in substantially the form of Exhibit A or any other form approved by the Administrative Agent in its sole discretion.

“Attributable Indebtedness” means, on any date, (a) in respect of any Capital Lease of any Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with IFRS and (b) in respect of any Synthetic Lease Obligation, the capitalized amount of the remaining lease payments under the relevant lease that would appear on a balance sheet of such Person prepared as of such date in accordance with IFRS if such lease were accounted for as a capital lease.

“Autoborrow Agreement” means a Money Management Services Positioning Service Request agreement between the Borrower and the Swing Line Lender, or any other agreement providing for automatic borrowing services between the Borrower and the Swing Line Lender.

“Automatic Swing Line Loan Notice” shall have the meaning assigned such term in Section 2.17(b).

“Available Distributable Cash Flow” means, for any fiscal quarter, (a) Consolidated EBITDAX for such fiscal quarter less (b) (i) one quarter of the annual capital expenditure

requirements with respect to Proved Developed Producing Production of the Borrower and its Subsidiaries as reflected in the most recently delivered Engineering Report under Section 2.02(b) or (c), (ii) Consolidated Interest Expense for such fiscal quarter, and (iii) charges against income for foreign, federal, state, and local taxes for such fiscal quarter.

“Banking Service Provider” means any Lender or Affiliate of a Lender that provides Banking Services to any Loan Party.

“Banking Services” means each and any of the following bank services: (a) commercial credit cards, (b) stored value cards and (c) treasury management services (including, without limitation, controlled disbursement, automated clearinghouse transactions, return items, overdrafts and interstate depository network services).

“Banking Services Obligations” means any and all obligations of any Loan Party owing to Banking Service Providers, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor) in connection with Banking Services.

“Base Rate” means for any day a fluctuating interest rate per annum as shall be in effect from time to time equal to the rate of interest publicly announced by the Administrative Agent as its “prime rate”, whether or not the Borrower has notice thereof. The “prime rate” is a rate set by the Administrative Agent based upon various factors including the Administrative Agent’s costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such prime rate announced by the Administrative Agent shall take effect at the opening of business on the day specified in the public announcement of such change.

“Base Rate Advance” means an Advance which bears interest at a rate determined by reference to the Adjusted Base Rate.

“Borrower” has the meaning specified in the Preamble.

“Borrower Materials” means all Information and documentation related to the Loan Parties provided to the Lenders by the Agent Parties.

“Borrowing” means a Revolving Borrowing, a Swing Line Borrowing or a Term Borrowing.

“Borrowing Base” means, initially Eighty Million Dollars (\$80,000,000), as set forth in Section 2.02, or such other Dollar amount determined in accordance with Section 2.02 on account of Proven Reserves attributable to Oil and Gas Properties of the Borrower and its Subsidiaries described in the most recent Independent Engineering Report or Internal Engineering Report, as applicable, delivered to the Administrative Agent and the Lenders pursuant to Section 2.02.

“Borrowing Base Deficiency” has the meaning set forth in Section 2.05(c).

“Borrowing Base Deficiency Rate” means (a) when used with respect to Obligations other than fees payable pursuant to Section 2.08(b), an interest rate equal to (i) the Adjusted Base Rate plus (ii) the Applicable Margin applicable to Base Rate Advances plus (iii) [REDACTED] percent ([REDACTED]%) per annum; provided, however, that with respect to a Eurodollar Rate Advance, the Default Rate shall be an interest rate equal to the interest rate (including any Applicable Margin) otherwise applicable to such Advance plus [REDACTED] percent ([REDACTED]%) per annum and (b) when used with respect to fees payable pursuant to Section 2.08(b) with respect to any Letter of Credit, a rate equal to the Letter of Credit Fee Rate otherwise applicable to such Letter of Credit plus [REDACTED] percent ([REDACTED]%) per annum.

“Borrowing Base Hedge” means any hedge position or Hedge Contract considered by the Administrative Agent in determining the then effective Borrowing Base.

“Business Day” means a day of the year on which banks are not required or authorized to close in Houston, Texas, Toronto, Ontario and Calgary, Alberta and, if the applicable Business Day relates to any Eurodollar Rate Advances, on which dealings are carried on by banks in the London interbank market.

“Can Holdco” means Eagle Energy Holdings Inc., an Alberta corporation.

“Canadian Loan Party” means any Loan Party incorporated, formed or otherwise organized under the laws of Canada or any province or territory thereof.

“Capital Leases” means, as applied to any Person, any lease of any Property by such Person as lessee which would, in accordance with IFRS, be required to be classified and accounted for as a capital lease on the balance sheet of such Person; provided that any lease that would be treated as an operating lease under IFRS in effect on December 31, 2013 (whether entered into before or after the Closing Date, including any renewal thereof) shall be treated as an operating lease for all purposes under this Agreement.

“Cash Collateral Account” means a special interest bearing cash collateral account pledged by the Borrower to the Issuing Bank containing cash deposited pursuant to Sections 2.05(c), 7.02(b), or 7.03(b) to be maintained with the Issuing Bank in accordance with Section 2.07(g).

“CERCLA” means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. §9601 et seq.

“Change in Law” means the occurrence, after the Closing Date, of any of the following: (a) the adoption or taking effect of any Legal Requirement, (b) any change in any Legal Requirement or in the administration, interpretation or application thereof by any Governmental Authority, or (c) the making or issuance of any request, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided, however, for purposes of this Agreement, the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, guidelines or directives in connection therewith are deemed to have gone into effect and to have been adopted after the Closing Date.

“Change of Control” means the occurrence of any of the following:

(a) the Borrower ceases to own, either directly or indirectly, one hundred percent (100%) of the Equity Interest in any Subsidiary other than as a result of a transaction permitted under Section 6.04,

(b) EET ceases to own, either directly or indirectly, one hundred percent (100%) of the Equity Interests in the Borrower and Can Holdco,

(c) after June 17, 2014, Can Holdco ceases to own, either directly or indirectly, one hundred percent (100%) of the Equity Interests in the Borrower,

(d) any person or persons, acting jointly or in concert (within the meaning ascribed to such phrase in the Securities Act (Alberta)), directly or indirectly, acquires: (i) shares or units of capital stock in EET which, together with all other shares or units of capital stock in EET held by such persons, constitute in the aggregate fifty percent (50%) or more of all outstanding shares or units of capital stock in EET (regardless of whether such person or persons are owned or controlled by the same persons which owned or controlled such shares or units); or (ii) sufficient number of shares or units of capital stock of EET such that the votes attached to those shares or units are sufficient, if exercised, to elect fifty percent (50%) or more of the directors of EET, or

(e) during any period of twelve (12) consecutive months, a majority of the members of the board of directors or other equivalent governing body of EET cease to be composed of individuals (i) who were members of that board or equivalent governing body on the first day of such period, (ii) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (i) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (iii) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body (excluding, in the case of both clause (ii) and clause (iii), any individual whose initial nomination for, or assumption of office as, a member of that board or equivalent governing body occurs as a result of an actual or threatened solicitation of proxies or consents for the election or removal of one or more directors by any person or group other than a solicitation for the election of one or more directors by or on behalf of the board of directors).

“Closing Date” means June 16, 2014.

“Code” means the Internal Revenue Code of 1986.

“Collateral” means (a) all “Collateral”, “Pledged Collateral” and “Mortgaged Properties” (as defined in each of the Mortgages, the Security Agreements, and the Pledge Agreement, as applicable) or similar terms used in the Security Instruments, and (b) all amounts contained in the Loan Parties’ Deposit Accounts other than Excluded Accounts.

“Commitment” means, as to each Lender, its Revolving Commitment and its Term Commitments, if applicable.

“Commitment Fee Rate” means the applicable rate per annum set forth below based on the relevant Utilization Level applicable from time to time.

Utilization Level	Commitment Fee Rate
Level I	[REDACTED] %
Level II	[REDACTED] %
Level III	[REDACTED] %
Level IV	[REDACTED] %
Level V	[REDACTED] %

The Commitment Fee Rate shall change when and as the relevant Utilization Level changes.

“Commodity Exchange Act” means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

“Compliance Certificate” means a compliance certificate in the form of the attached Exhibit B signed by a Responsible Officer of the Borrower.

“Consolidated EBITDAX” means, for any period for any Person, without duplication, the sum of the following for such Person and its Subsidiaries on a consolidated basis, each calculated for such period:

- (a) Consolidated Net Income for such period of determination plus
- (b) to the extent deducted in determining Consolidated Net Income, Consolidated Interest Expense, charges against income for foreign, federal, state, and local taxes, depreciation, amortization, depletion and exploration expense and other non-recurring expenses that do not represent a cash item in such period or any future period minus
- (c) extraordinary or non-recurring gains for such period minus
- (d) any gain realized upon an Asset Disposition of any assets of such Person or any of its Subsidiaries for such period (other than in the ordinary course of business) minus
- (e) non-cash gains, losses or adjustments under Financial Accounting Standards Board (FASB) Statement 133 as a result of changes in the fair market value of derivatives; minus
- (f) Federal, state, local and foreign income tax credits of such Person and its Subsidiaries for such period

Consolidated EBITDAX shall be calculated after giving effect, on a pro forma basis in accordance with IFRS or such other method of adjustment reasonably satisfactory to the

Administrative Agent for the four (4) consecutive fiscal quarters most recently completed (x) to any Permitted Acquisition or Permitted Investment in excess of One Million Dollars (\$1,000,000), as if such Permitted Acquisition or Permitted Investment occurred on the first day of such period and (y) to any Asset Disposition (in one transaction or a series of transactions) in excess of One Million Dollars (\$1,000,000) for the four (4) consecutive fiscal quarters most recently completed, as if such Asset Disposition occurred on the first day of such period, and such pro forma adjustments shall be subject to the consent of the Administrative Agent in its reasonable discretion.

“Consolidated Funded Debt” means, as of any date of determination, for any Person, the sum of (without duplication) (a) Debt referred to in clauses (a) (other than Debt in respect of Convertible Debentures permitted under this Agreement), (b), (c), (d), and (e) of the definition of “Debt”, (b) all Guarantees with respect to outstanding Debt of the types specified above of Persons other than the Loan Parties, and (c) all Debt of the types referred to above of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) other than the Loan Parties in which such Person is a general partner or joint venturer, unless such Debt is expressly made non-recourse to such Person.

“Consolidated Interest Expense” means, for any period for any Person and its Subsidiaries calculated on a consolidated basis in accordance with IFRS for such period, the sum of (a) all interest, premium payments, debt discount, fees, charges and related expenses of such Person and its Subsidiaries in connection with Debt (including capitalized interest and amortization of debt discount) to the extent treated as interest in accordance with IFRS, and (b) the portion of rent expense of such Person and its Subsidiaries with respect to such period under capital leases that is treated as interest in accordance with IFRS.

“Consolidated Net Income” means, for any period for any Person, the net income of such Person and its Subsidiaries calculated on a consolidated basis for such period after taxes, as determined in accordance with IFRS.

“Continue”, “Continuation”, and “Continued” each refers to a continuation of Advances for an additional Interest Period upon the expiration of the Interest Period then in effect for such Advances.

“Control”, “controlled by” or “under common control with” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of a Control Percentage, by contract, or otherwise. Without limiting the generality of the foregoing, a Person shall be deemed to be controlled by another Person if such other Person possesses, directly or indirectly, the power to vote ten percent (10%) or more of the securities having ordinary voting power for the election of directors, managing general partners or the equivalent.

“Control Percentage” means, with respect to any Person, the percentage of the outstanding Equity Interest (including any options, warrants or similar rights to purchase such Equity Interest) of such Person having ordinary voting power which gives the direct or indirect holder of such Equity Interest the power to elect a majority of the board of directors (or other applicable governing body) of such Person.

“Convert”, “Conversion”, and “Converted” each refers to a conversion of Advances of one Type into Advances of another Type pursuant to Section 2.03(b).

“Convertible Debentures” has the meaning set forth in Section 6.02(b).

“Credit Agreement Obligations” means all principal, interest, fees, reimbursements, indemnifications, and other amounts payable by any Loan Party to the Administrative Agent, the Issuing Bank or the Lenders under the Loan Documents, including without limitation, the Letter of Credit Obligations.

“Credit Extensions” means (a) an Advance made by any Lender, (b) a Swing Line Loan made by the Swing Line Lender, and (c) the issuance, increase or extension of any Letter of Credit by the Issuing Bank.

“CT Notes” means collectively, the CT Note Series 5 and CT Note Series 6.

“CT Note Series 5” means the Canadian Dollar CAD\$95,145,625 principal amount 10.96% promissory note, to be issued by ECT in favor of ELP.

“CT Note Series 6” means the Canadian Dollar CAD\$95,145,625 principal amount 10.96% promissory note, to be issued by ECT in favor of ELP.

“Debt” for any Person, means, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with IFRS:

- (a) all obligations of such Person for borrowed money;
- (b) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;
- (c) all obligations of such Person to pay the deferred purchase price of Property or services (other than trade accounts payable and accrued obligations in the ordinary course of business and, in each case, not past due for more than ninety (90) days after the date on which such trade account payable or accrued obligation was created);
- (d) Capital Leases;
- (e) all obligations of such Person in respect of letters of credit, bankers’ acceptances, bank guarantees, surety bonds or similar instruments which are issued upon the application of such Person or upon which such Person is an account party or for which such Person is in any way liable;
- (f) net obligations of such Person under any Hedge Contract;
- (g) Off-Balance Sheet Liabilities;
- (h) obligations of such Person due and payable in respect of redeemable preferred stock or other preferred Equity Interest of such Person;

(i) any obligations of such Person owing in connection with any volumetric or production prepayments;

(j) all Guarantees of such Person in respect of any of the foregoing (including indebtedness arising under conditional sales or other title retention agreements); and

(k) indebtedness or obligations of others of the kinds referred to in clauses (a) through (i) above secured by any Lien on or in respect of any Property of such Person (including indebtedness arising under conditional sales or other title retention agreements).

For all purposes hereof, the Debt of any Person shall include the Debt of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or a joint venturer, unless such Debt is expressly made non-recourse to such Person. The amount of any net obligation under any Hedge Contract on any date shall be deemed to be the Swap Termination Value thereof as of such date. The amount of any Capital Lease or Off-Balance Sheet Liability as of any date shall be deemed to be the amount of Attributable Indebtedness in respect thereof as of such date. Notwithstanding the foregoing, the term “Debt” shall not include amounts that any member of management, the employees or consultants of any Person may become entitled to under any incentive plan in existence from time to time.

“Debt Incurrence” means (a) any incurrence, issuance or sale by the Borrower or any of its Subsidiaries of any Debt and (b) any increase in the Borrowing Base.

“Debt Incurrence Proceeds” means, (a) with respect to any Debt Incurrence described in clause (a) of the definition of Debt Incurrence, all cash and cash equivalent investments received by any Loan Party or any of its Subsidiaries from such Debt Incurrence after payment of, or provision for, all underwriter fees and expenses, original issue discount, fees payable to a Governmental Authority, printing costs, fees and expenses of accountants, lawyers and other professional advisors, brokerage commissions and other out-of-pocket fees and expenses actually incurred in connection with such Debt Incurrence; provided that, an original issue discount shall not reduce the amount of such Debt Incurrence Proceeds unless such discount is due and payable at or immediately following the closing of such Debt Incurrence and such discount has not already been taken into account to reduce the amount of proceeds received by the Loan Party or such Subsidiary from such Debt Incurrence, and (b) with respect to any Debt Incurrence described in clause (b) of the definition of Debt Incurrence, the amount of the increase in the Borrowing Base less the amount of any Borrowing Base increase fee paid in connection therewith.

“Debtor Relief Laws” means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally, including, in the case of the Canadian Loan Parties, The Bankruptcy and Insolvency Act (Canada) and the Companies’ Creditors Arrangements Act (Canada).

“Default” means (a) an Event of Default or (b) any event or condition which with notice or lapse of time or both would become an Event of Default.

“Default Rate” means (a) when used with respect to Obligations other than fees payable pursuant to Section 2.08(b), an interest rate equal to (i) the Adjusted Base Rate plus (ii) the Applicable Margin then applicable to Base Rate Advances plus (iii) [REDACTED] percent ([REDACTED]%) per annum; provided, however, that with respect to a Eurodollar Rate Advance, the Default Rate shall be an interest rate equal to the interest rate (including any Applicable Margin) otherwise applicable to such Advance plus [REDACTED] percent ([REDACTED]%) per annum and (b) when used with respect to fees payable pursuant to Section 2.08(b) with respect to any Letter of Credit, a rate equal to the Letter of Credit Fee Rate otherwise applicable to such Letter of Credit plus [REDACTED] percent ([REDACTED]%) per annum.

“Defaulting Lender” means, subject to Section 2.16(b), any Lender that, as determined by the Administrative Agent, (a) has failed to perform any of its funding obligations hereunder, including in respect of its Advances or participations in respect of Letters of Credit within three (3) Business Days of the date required to be funded by it hereunder, unless such obligation is the subject of a good faith dispute, (b) has notified the Borrower, the Administrative Agent or any Lender that it does not intend to comply with its funding obligations or has made a public statement to that effect with respect to its funding obligations hereunder or under other agreements in which it commits to extend credit, (c) has failed, within three (3) Business Days after request by the Administrative Agent, to confirm in a manner satisfactory to the Administrative Agent that it will comply with its funding obligations, or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, (ii) had a receiver, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or a custodian appointed for it, or (iii) taken any action in furtherance of, or indicated its consent to, approval of or acquiescence in any such proceeding or appointment; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority.

“Deposit Account” shall have the meaning given to the term in the Uniform Commercial Code (or any successor statute), as adopted and in force in the State of Texas or, when the laws of any other state govern the method or manner of the perfection or enforcement of any Lien in any of the Collateral, the Uniform Commercial Code (or any successor statute) of such other state.

“Dollars” and “\$” means lawful money of the United States of America.

“ECT” means Eagle Energy Commercial Trust, an unincorporated open-ended limited purpose trust established under the laws of the Province of Alberta.

“ECT Trust Indenture” means the trust indenture establishing ECT dated September 27, 2010, as amended, modified or supplemented from time to time.

“EET” means Eagle Energy Inc., a corporation formed under the laws of the Province of Alberta.

“EET” means Eagle Energy Trust, an unincorporated open-ended limited purpose trust established under the laws of the Province of Alberta.

“EET Trust Indenture” means the trust indenture establishing EET dated as of July 20, 2010, as amended, modified or supplemented from time to time.

“Eligible Assignee” means any Person that meets the requirements to be an assignee under Section 10.06(b)(iii) and (v) (subject to such consents, if any, as may be required under Section 10.06(b)(iii)).

“ELP” means Eagle Energy Acquisitions LP, a Delaware limited partnership.

“Engineering Report” means either an Independent Engineering Report or an Internal Engineering Report.

“Environmental Claim” means any allegation, notice of violation, action, lawsuit, claim, demand, judgment, order or proceeding by any Governmental Authority or any Person for liability or damage, including, without limitation, personal injury, property damage, contribution, indemnity, direct or consequential damages, damage to the environment, nuisance, pollution, or contamination, or for fines, penalties, fees, costs, expenses or restrictions arising under or otherwise related to an obligation under Environmental Law.

“Environmental Law” means all applicable former, current and future Federal, state, local and foreign laws (including common law), treaties, regulations, rules, ordinances, codes, decrees, judgments, directives, orders (including consent orders), and agreements in each case, relating to protection of the environment, natural resources, human health and safety or the presence, Release of, or exposure to, Hazardous Materials, or the generation, manufacture, processing, distribution, use, treatment, storage, transport, recycling or handling of, or the arrangement for such activities with respect to, Hazardous Materials.

“Environmental Liability” shall mean all liabilities, obligations, damages, losses, claims, actions, suits, judgments, orders, fines, penalties, fees, expenses and costs (including administrative oversight costs, natural resource damages and remediation costs), whether contingent or otherwise, arising out of or relating to (a) compliance or non-compliance with any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the Release of any Hazardous Materials or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“Environmental Permit” means any permit, license, order, approval or other authorization under any Environmental Law.

“Equity Interests” means, with respect to any Person, all of the shares of capital stock of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership

or profit interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

"Equity Issuance" means any issuance of equity securities or any other Equity Interests (including any preferred equity securities) by any Loan Party or any of its Subsidiaries other than equity securities issued to any Loan Party or one of its Subsidiaries.

"Equity Issuance Proceeds" means, with respect to any Equity Issuance, all cash and cash equivalent investments received by a Loan Party or any of its Subsidiaries from such Equity Issuance (other than from any other Loan Party) after payment of, or provision for, all underwriter fees and expenses, fees payable to Governmental Authorities, printing costs, fees and expenses of accountants, lawyers and other professional advisors, brokerage commissions and other out-of-pocket fees and expenses actually incurred in connection with such Equity Issuance.

"ERISA" means the Employee Retirement Income Security Act of 1974.

"ERISA Affiliate" means any trade or business (whether or not incorporated) under common control with the Borrower within the meaning of Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code).

"ERISA Event" means (a) a Reportable Event with respect to a Pension Plan; (b) a withdrawal by the Borrower or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer (as defined in Section 4001(a)(2) of ERISA) or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by the Borrower or any ERISA Affiliate from a Multiemployer Plan or a notification that a Multiemployer Plan is in reorganization; (d) the filing of a notice of intent to terminate, the treatment of a Pension Plan amendment as a termination under Section 4041 or 4041A of ERISA, or the commencement of proceedings by the PBGC to terminate a Pension Plan or Multiemployer Plan; (e) an event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan or Multiemployer Plan; or (f) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon the Borrower or any ERISA Affiliate.

"Eurocurrency Liabilities" has the meaning assigned to that term in Regulation D of the Federal Reserve Board (or any successor), as in effect from time to time.

"Eurodollar Base Rate" means (a) in determining Eurodollar Rate for purposes of the "One Month LIBOR", the rate per annum for Dollar deposits quoted by the Administrative Agent as the inter-bank offered rate in effect from time to time for delivery of funds for one (1) month in amounts approximately equal to the principal amount of the applicable Advances;

provided that, the Administrative Agent may base its quotation of the inter-bank offered rate upon such offers or other market indicators of the inter-bank market as the Administrative Agent in its reasonable discretion deems appropriate including the rate determined under the following clause (b), and (b) in determining Eurodollar Rate for all other purposes, the rate per annum (rounded to the nearest whole multiple of 1/100th of 1%) equal to the interest rate per annum set forth on the Reuters Reference LIBOR1 page as the London Interbank Offered Rate, for deposits in Dollars at 11:00 a.m. (London, England time) two (2) Business Days before the first day of the applicable Interest Period and for a period equal to such Interest Period; provided that, if such quotation is not available for any reason, then for purposes of this clause (b), Eurodollar Base Rate shall then be the rate determined by the Administrative Agent to be the rate at which deposits in Dollars for delivery on the first day of such Interest Period in immediately available funds in the approximate amount of the Advances being made, continued or converted by the Lenders and with a term equivalent to such Interest Period would be offered by the Administrative Agent's London Branch (or other branch or Affiliate of the Administrative Agent, or in the event that the Administrative Agent does not have a London branch, the London branch of a Lender chosen by the Administrative Agent) to major banks in the London or other offshore inter-bank market for Dollars at their request at approximately 11:00 a.m. (London time) two (2) Business Days prior to the commencement of such Interest Period.

"Eurodollar Rate" means for purposes of determining the rate applicable for any Interest Period with respect to any Eurodollar Rate Advance and for purposes of determining the Adjusted Base Rate, a rate per annum determined by the Administrative Agent (which determination shall be conclusive in the absence of manifest error) pursuant to the following formula:

$$\text{Eurodollar Rate} = \frac{\text{Eurodollar Base Rate}}{1.00 - \text{Eurodollar Rate Reserve Percentage}}$$

"Eurodollar Rate Advance" means an Advance which bears interest based on the Eurodollar Rate.

"Eurodollar Rate Reserve Percentage" of any Lender for the Interest Period for any Eurodollar Rate Advance means the reserve percentage applicable during such Interest Period (or if more than one such percentage shall be so applicable, the daily average of such percentages for those days in such Interest Period during which any such percentage shall be so applicable) under regulations issued from time to time by the Federal Reserve Board for determining the maximum reserve requirement (including, without limitation, any emergency, supplemental, or other marginal reserve requirement) for such Lender with respect to liabilities or assets consisting of or including Eurocurrency Liabilities having a term equal to such Interest Period.

"Event of Default" has the meaning specified in Section 7.01.

"Exchange Act Swap Obligation" means, with respect to any Loan Party other than the Borrower, any obligation to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of section 1a(47) of the Commodity Exchange Act.

“Excluded Accounts” means any deposit accounts that are payroll, employee benefit and similar trust accounts and any other trust accounts pursuant to which any Loan Party receives deposits on behalf of third parties.

“Excluded Exchange Act Swap Obligations” means, with respect to any Loan Party other than the Borrower, any Exchange Act Swap Obligation if, and to the extent that, all or a portion of the guarantee of such Loan Party of, or the grant by such Loan Party of a security interest to secure, such Exchange Act Swap Obligation (or any guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Loan Party’s failure for any reason to constitute an “eligible contract participant” as defined in the Commodity Exchange Act and the regulations thereunder at the time the guarantee of such Loan Party or the grant of such security interest becomes effective with respect to such Exchange Act Swap Obligation. If an Exchange Act Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Exchange Act Swap Obligation that is attributable to swaps for which such guarantee or security interest is or becomes illegal.

“Excluded Taxes” means, with respect to the Administrative Agent, any Lender, the Issuing Bank or any other recipient of any payment to be made by or on account of any obligation of the Borrower hereunder, (a) Taxes imposed on or measured by its net income or profits (however denominated), franchise Taxes imposed on it, by the jurisdiction (or any political subdivision thereof) under the laws of which such recipient is organized, conducts business or is otherwise subject to tax, or in which its principal office is located or, in the case of any Lender, in which its applicable Lending Office is located, (b) any branch profits Taxes imposed by the United States of America or any similar Tax imposed by any other jurisdiction in which the Borrower is located, (c) in the case of a Foreign Lender (other than an assignee pursuant to a request by the Borrower under Section 2.15 (other than as a result of Section 10.01(f)), any U.S. federal withholding Tax that is imposed on amounts payable to such Foreign Lender at the time such Foreign Lender becomes a party hereto (or designates a new Lending Office), (d) U.S. federal withholding Taxes attributable to such Foreign Lender’s failure or inability (other than as a result of a Change in Law) to comply with Sections 2.14(e) or 2.14(f), except to the extent that such Foreign Lender (or its assignor, if any) was entitled, at the time of designation of a new Lending Office (or assignment), to receive additional amounts from the Borrower with respect to such withholding Tax pursuant to Section 2.14(a); and (e) U.S. federal withholding Taxes imposed under FATCA.

“Existing Credit Agreement” means the Credit Agreement dated as of November 24, 2010 among ECT as Borrower, the guarantors party thereto, the financial institutions party thereto as lenders, and The Bank of Nova Scotia, as administrative agent, as amended or otherwise modified from time to time.

“Existing Letter of Credit” means the letters of credit outstanding on the date of this Agreement, issued by the Issuing Bank for the account of a Loan Party which are described on Schedule 2.07(i).

“Expiration Date” means, with respect to any Letter of Credit, the date on which such Letter of Credit will expire or terminate in accordance with its terms.

“FATCA” shall mean Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code and any intergovernmental agreements entered into by the United States that implement or modify the foregoing (together with the portions of any law implementing such intergovernmental agreements).

“Federal Funds Rate” means, for any period, a fluctuating interest rate per annum equal for each day during such period to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for any such day on such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

“Federal Reserve Board” means the Board of Governors of the Federal Reserve System or any of its successors.

“Fee Letter” means the letter agreement dated June 16, 2014 from The Bank of Nova Scotia to the Borrower and EET.

“Financial Officer” for any Person means the chief financial officer, treasurer or senior financial officer of such Person, as applicable.

“Financial Statements” means the financial statements required to be delivered pursuant to Sections 5.06(a) and (b).

“Flow of Funds” means the Funds Flow Statement dated as of the date hereof evidencing the initial Borrowings under this Agreement and the repayment of the Existing Credit Agreement.

“Foreign Government Scheme or Arrangement” has the meaning specified in Section 4.11(d).

“Foreign Lender” means any Lender that is organized under the laws of a jurisdiction other than that in which the Borrower is resident for tax purposes. For purposes of this definition, the United States of America, each state thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

“Foreign Plan” has the meaning specified in Section 4.11(d).

“Fronting Exposure” means, at any time there is a Defaulting Lender, (a) with respect to the Issuing Bank, such Defaulting Lender’s Revolving Pro Rata Share of the outstanding Letter

of Credit Obligations other than Letter of Credit Obligations as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders or cash collateralized in accordance with the terms hereof, and (b) with respect to the Swing Line Lender, such Defaulting Lender's Revolving Pro Rata Share of Swing Line Loans other than Swing Line Loans as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders in accordance with the terms hereof.

"Fund" means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business.

"General Partner" means Eagle Hydrocarbons LLC, a Delaware limited liability company (successor by name change to Eagle Energy US GP LLC, a Delaware limited liability company).

"Governmental Authority" means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"Gross Working Interest Total Proved Production" means the total Proven Reserves of the Borrower and its Subsidiaries calculated on a gross working interest basis for the Oil and Gas Properties evaluated in the Engineering Report most recently delivered pursuant to Section 2.02(b) or (c).

"Gross Working Interest Proved Developed Production" means the Proven Reserves of the Borrower and its Subsidiaries described as "proved developed producing" and calculated on a gross working interest basis for the Oil and Gas Properties evaluated in the Engineering Report most recently delivered pursuant to Section 2.02(b) or (c).

"Guarantee" means, as to any Person, any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Debt or other obligation payable or performable by another Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Debt or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Debt or other obligation, (d) entered into for the purpose of assuring in any other manner the owner of such Debt or other obligation of the payment or performance thereof or to protect such owner against loss in respect thereof (in whole or in part), or (e) as an account party of applicant in respect of any letter of credit or letter of guaranty issued to support such Debt or other obligation; provided, however, that the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary course of business. The amount of any Guarantee shall be

deemed to be the lower of (i) an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith or (ii) the maximum amount for which such guaranteeing person may be liable pursuant to the terms of the instrument embodying such Guarantee. The term “Guarantee” as a verb has a corresponding meaning.

“Guarantor” means the Borrower, EET, ECT, EEI, ELP, the General Partner, Can Holdco and any other Person that becomes or is required to be a guarantor of all or a portion of the Obligations.

“Guarantor Claims” has the meaning specified in Section 8.09(a).

“Guarantor Payment” has the meaning specified in Section 8.17(a).

“Hazardous Material” means (a) any petroleum products or byproducts and all other hydrocarbons, coal ash, radon gas, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, chlorofluorocarbons and all other ozone-depleting substances and (b) any chemical, material, substance or waste that is prohibited, limited or regulated by or pursuant to any Environmental Law.

“Hedge Contract” means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, puts, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a “Master Agreement”), including any such obligations or liabilities under any Master Agreement; provided that a “Hedge Contract” shall not include any “Master Agreement” or other agreement that provides solely for the sale by the Borrower or its Subsidiaries of physical Hydrocarbons in exchange for cash in the ordinary course of its business.

“Hydrocarbon Hedge Agreement” means a Hedge Contract which is intended to reduce or eliminate the risk of fluctuations in the price of Hydrocarbons.

“Hydrocarbons” means oil, gas, coal seam gas, casinghead gas, drip gasoline, natural gasoline, condensate, distillate, and all other liquid and gaseous hydrocarbons produced or to be produced in conjunction therewith from a well bore and all products, by-products, and other substances derived therefrom or the processing thereof, and all other minerals and substances produced in conjunction with such substances, including, but not limited to, sulfur, geothermal

steam, water, carbon dioxide, helium, and any and all minerals, ores, or substances of value and the products and proceeds therefrom.

“IFRS” means international financial reporting standards adopted by the International Accounting Standards Board as in effect from time to time.

“Inactive Subsidiary” shall mean any Subsidiary of the Borrower that does not conduct any business operations and has no assets or Debt in an amount greater than \$100,000; provided however that the combined assets of all Inactive Subsidiaries may not exceed one percent (1%) the Borrowing Base then in effect.

“Indemnified Liabilities” has the meaning specified in Section 10.05.

“Indemnified Taxes” means Taxes other than Excluded Taxes.

“Indemnitees” has the meaning specified in Section 10.05.

“Independent Engineer” means GLJ Petroleum Consultants Ltd. or any other engineering firm reasonably acceptable to the Administrative Agent.

“Independent Engineering Report” means a report, in form and substance reasonably satisfactory to the Administrative Agent, prepared by an Independent Engineer, addressed to the Administrative Agent and the Lenders with respect to the Oil and Gas Properties owned by the Borrower or its Subsidiaries (or to be acquired by the Borrower or any of its Subsidiaries, as applicable) which are or are to be included in the Borrowing Base, which report shall (a) specify the location, quantity, and type of the estimated Proven Reserves attributable to such Oil and Gas Properties, (b) contain a projection of the rate of production of such Oil and Gas Properties, (c) contain an estimate of the net operating revenues to be derived from the production and sale of Hydrocarbons from such Proven Reserves based on customary product price and cost escalation assumptions reasonably acceptable to the Administrative Agent, and (d) contain such other information as is customarily obtained from and provided in such reports as reasonably requested by or through the Administrative Agent.

“Information” has the meaning specified in Section 10.07.

“Interest Hedge Agreement” means a Hedge Contract between any Loan Party and one or more financial institutions providing for the exchange of nominal interest obligations between such Loan Party and such financial institution or the cap of the interest rate on any Debt of such Loan Party.

“Interest Period” means, for each Eurodollar Rate Advance comprising part of the same Borrowing, the period commencing on the date of such Eurodollar Rate Advance or the date of the Conversion of any Base Rate Advance into a Eurodollar Rate Advance and ending on the last day of the period selected by the Borrower pursuant to the provisions below and Section 2.03 and, thereafter, each subsequent period commencing on the last day of the immediately preceding Interest Period and ending on the last day of the period selected by the Borrower pursuant to the provisions below and Section 2.03. The duration of each such Interest Period shall be one, two, three or six months (or nine or twelve months if, at the time of the relevant

Advance, all Lenders participating therein agree to make an interest period of such duration available) in each case as the Borrower may select; provided, however, that:

(a) the Borrower may not select any Interest Period which ends after the Revolving Maturity Date;

(b) Interest Periods commencing on the same date for Advances comprising part of the same Borrowing shall be of the same duration;

(c) whenever the last day of any Interest Period would otherwise occur on a day other than a Business Day, the last day of such Interest Period shall be extended to occur on the next succeeding Business Day, provided that if such extension would cause the last day of such Interest Period to occur in the next following calendar month, the last day of such Interest Period shall occur on the next preceding Business Day; and

(d) any Interest Period which begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month in which it would have ended if there were a numerically corresponding day in such calendar month.

“Internal Engineering Report” means a report, in form and substance reasonably satisfactory to the Administrative Agent, prepared by the Borrower and certified by a Responsible Officer of the Borrower, addressed to the Administrative Agent and the Lenders with respect to the Oil and Gas Properties owned by the Borrower or any of its Subsidiaries (or to be acquired by the Borrower or any of its Subsidiaries, as applicable) which are or are to be included in the Borrowing Base, which report shall (a) specify the location, quantity, and type of the estimated Proven Reserves attributable to such Oil and Gas Properties, (b) contain a projection of the rate of production of such Oil and Gas Properties, (c) contain an estimate of the net operating revenues to be derived from the production and sale of Hydrocarbons from such Proven Reserves based on customary product prices and cost escalation assumptions reasonably acceptable to the Administrative Agent, and (d) contain such other information as is customarily obtained from and provided in such reports as reasonably requested by or through the Administrative Agent.

“Investment” means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of capital stock or other securities of another Person, (b) a loan, advance or capital contribution to, Guarantee or assumption of debt of, or purchase or other acquisition of any other debt or equity participation or interest in, another Person, including any partnership or joint venture interest in such other Person and any arrangement pursuant to which the investor Guarantees Debt of such other Person, or (c) the purchase or other acquisition (in one transaction or a series of transactions) of assets of another Person that constitute a business unit. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment.

“Irrevocable Direction” means that certain Irrevocable Direction and Promise to Pay dated as of the date hereof by ECT, ELP and the General Partner and acknowledged and Agreed by the Administrative Agent.

“Issuing Bank” means The Bank of Nova Scotia and any successor issuing bank pursuant to Section 9.06.

“Leases” means all oil and gas leases, oil, gas and mineral leases, oil, gas and casinghead gas leases or any other instruments, agreements, or conveyances under and pursuant to which the owner thereof has or obtains the right to enter upon lands and explore for, drill, and develop such lands for the production of Hydrocarbons.

“Legal Requirements” means, collectively, all international, foreign, Federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

“Lenders” means each lender from time to time party hereto, and, unless the context otherwise requires, references the Revolving Lenders, the Term Lenders, and the Swing Line Lender.

“Lending Office” means, as to any Lender, the office or offices of such Lender described as such in such Lender’s Administrative Questionnaire, or such other office or offices as a Lender may from time to time notify the Borrower and the Administrative Agent.

“Letter of Credit” means, individually, any standby letter of credit issued by the Issuing Bank for the account of a Loan Party in connection with the Revolving Commitments and that is subject to this Agreement, and “Letters of Credit” means all such letters of credit collectively.

“Letter of Credit Fee Rate” means (a) for each performance Letter of Credit, an amount equal to [REDACTED]% of the Applicable Margin then in effect for Eurodollar Rate Advances and (b) for each Letter of Credit other than a performance Letter of Credit, an amount equal to [REDACTED]% of the Applicable Margin then in effect for Eurodollar Rate Advances.

“Letter of Credit Sublimit” means One Million Dollars (\$1,000,000).

“Letter of Credit Application” means the Issuing Bank’s standard form letter of credit application for standby letters of credit that has been executed by the Borrower (for the account of the Borrower or another Loan Party) and accepted by the Issuing Bank in connection with the issuance of a Letter of Credit.

“Letter of Credit Documents” means all Letters of Credit, Letter of Credit Applications, and agreements, documents, and instruments entered into in connection with or relating thereto.

“Letter of Credit Exposure” means, at any time, the sum of (a) the aggregate undrawn maximum face amount of each Letter of Credit at such time plus (b) the aggregate unpaid amount of all Reimbursement Obligations at such time.

“Letter of Credit Obligations” means any obligations of any Loan Party under this Agreement in connection with the Letters of Credit, including the Reimbursement Obligations.

“Lien” means, with respect to any asset, any mortgage, lien, pledge, assignment, charge, deed of trust, security interest, hypothecation, preference, deposit arrangement or encumbrance (or other type of arrangement having the practical effect of the foregoing) to secure or provide for the payment of any obligation of any Person, whether arising by contract, operation of law, or otherwise (including, without limitation, the interest of a vendor or lessor under any conditional sale agreement, synthetic lease, Capital Lease, or other title retention agreement).

“Liquid Investments” means:

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States maturing within one hundred eighty (180) days from the date of any acquisition thereof;

(b) (i) negotiable or nonnegotiable certificates of deposit, time deposits, or other similar banking arrangements maturing within one hundred eighty (180) days from the date of acquisition thereof (“bank debt securities”), issued by (A) any Lender (or any Affiliate of any Lender) or (B) any other bank or trust company so long as such certificate of deposit is pledged to secure the Borrower’s or any Subsidiaries’ ordinary course of business bonding requirements, or any other bank or trust company which has primary capital of not less than Five Hundred Million Dollars (\$500,000,000), if at the time of deposit or purchase, such bank debt securities are rated not less than “AA” (or the then equivalent) by the rating service of Standard & Poor’s Ratings Group or of Moody’s Investors Service, Inc., and (ii) commercial paper issued by (A) any Lender (or any Affiliate of any Lender) or (B) any other Person if at the time of purchase such commercial paper is rated not less than “A-1” (or the then equivalent) by the rating service of Standard & Poor’s Ratings Group or not less than “P-1” (or the then equivalent) by the rating service of Moody’s Investors Service, Inc., or upon the discontinuance of both of such services, such other nationally recognized rating service or services, as the case may be, as shall be selected by the Borrower with the consent of the Majority Lenders;

(c) deposits in money market funds investing exclusively in investments described in clauses (a) and (b) above;

(d) repurchase agreements relating to investments described in clauses (a) and (b) above with a market value at least equal to the consideration paid in connection therewith, with any Person who regularly engages in the business of entering into repurchase agreements and has a combined capital surplus and undivided profit of not less than Five Hundred Million Dollars (\$500,000,000), if at the time of entering into such agreement the debt securities of such Person are rated not less than “AA” (or the then equivalent) by the rating service of Standard & Poor’s Ratings Group or of Moody’s Investors Service, Inc.; and

(e) such other instruments (within the meaning of Article 9 of the Texas Business and Commerce Code) as the Borrower may request and the Administrative Agent may approve in writing.

“Liquidity” means, as of any date of determination, (a) the amount that the Borrower is entitled to borrow as Revolving Advances hereunder plus (b) the amount of unrestricted cash and unrestricted Liquid Investments of the Loan Parties.

“Loan Documents” means this Agreement, any Notes issued pursuant to Section 2.01(b), the Letter of Credit Documents, the Security Instruments, the Fee Letter, and each other agreement, instrument, or document executed by any Loan Party or any of their respective Subsidiaries or any of their officers at any time in connection with this Agreement; provided, however, that in no event shall any Hedging Agreement or any agreement in respect of Banking Services Obligations constitute a Loan Document hereunder.

“Loan Parties” means the Borrower and the Guarantors, and “Loan Party” means any one of them.

“Majority Lenders” means, as of any date of determination, (a) at any time that there are fewer than three Lenders, both Lenders, and (b) at any time that there are three or more Lenders, (i) before the Aggregate Commitments terminate, Lenders holding more than sixty six and two thirds percent (66 2/3%) of the then Aggregate Commitments and (ii) thereafter, Lenders holding more than sixty six and two thirds percent (66 2/3%) of the aggregate unpaid principal amount of the Advances and participation interests in the Letter of Credit Exposure at such time (with the aggregate amount of each Lender’s risk participation and funded participation in Letter of Credit Exposure being deemed to be “held” by such Lender for purposes of this definition); provided that, if no such principal amount or Letter of Credit Obligation is then outstanding, “Majority Lenders” for purposes of clauses (b)(i) and (ii) above shall mean Lenders having at least sixty six and two thirds percent (66 2/3%) of the Aggregate Commitments at such time; provided further that, the Commitment of, and the portion of the Advances, participations in Swing Line Loans and Letter of Credit Exposure held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Majority Lenders unless all of the Lenders are Defaulting Lenders.

“Management Services Agreement” means the Management Services Agreement, dated as of June 16, 2014 between EEI and the Borrower.

“Master Agreement” has the meaning specified in the definition of “Hedge Contract.”

“Material Adverse Change” means any event, development or circumstance that has had or could reasonably be expected to have a material adverse effect on (a) the assets or properties (including the Oil and Gas Properties of the Borrower or any of its Subsidiaries), financial condition, business or operations the Borrower or any of its Subsidiaries, taken as a whole, (b) the ability of the Loan Parties, taken as a whole, to carry out their business as of the Closing Date or as proposed as of such date to be conducted, (c) the ability of the Loan Parties, taken as a whole, to perform fully and on a timely basis their respective obligations under the Loan Documents to which they are a party, (d) the legality, validity, binding effect or enforceability

against a Borrower or any other Loan Party of any Loan Documents or the rights or remedies of the Administrative Agent or the Lenders under the Loan Documents.

“Material Contracts” means (a) the EET Trust Indenture, (b) the US Opco Notes, (c) the Specified Acquisition Documents, (d) the Management Services Agreement and (e) other agreements of the Loan Parties relating to the purchase, transportation by pipeline, gas processing, marketing, sale and supply of natural gas and other Hydrocarbons and which either (i) has a term longer than 6 months or (ii) provides for liabilities of the Borrower and the Guarantors in excess of One Million Dollars (\$1,000,000).

“Maximum Rate” means the maximum nonusurious interest rate under applicable law (determined under such laws after giving effect to any items which are required by such laws to be construed as interest in making such determination, including without limitation if required by such laws, certain fees and other costs).

“Mortgage” means each of the mortgages or deeds of trust executed by the Borrower or any other Loan Party in favor of the Administrative Agent for the ratable benefit of the Secured Parties in substantially the form of the attached Exhibit C or such other form as may be reasonably requested by the Administrative Agent, together with any assumptions or assignments of the obligations thereunder by the Borrower or such Loan Party and all supplements, assignments, amendments, and restatements thereto (or any agreement in substitution therefore), and “Mortgages” shall mean all of such Mortgages collectively.

“Multiemployer Plan” means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which the Borrower or any ERISA Affiliate makes or is obligated to make contributions, or during the preceding five plan years, has made or been obligated to make contributions.

“Multiple Employer Plan” means a Pension Plan which has two or more contributing sponsors (including the Borrower or any ERISA Affiliate) at least two of whom are not under common control, as such a plan is described in Section 4064 of ERISA.

“Net Cash Proceeds” means with respect to any sale, transfer, or other disposition of any Property belonging to any Person (including the sale or transfer of stock or other Equity Interest and property insurance proceeds) all cash and Liquid Investments received from such sale, transfer or other disposition after (a) payment of, or provision for, all brokerage commissions and other reasonable out-of-pocket fees and expenses actually incurred and (b) payment of any outstanding obligations relating to such Property paid in connection with any such sale, transfer, or other disposition.

“Non-Consenting Lender” has the meaning set forth in Section 10.01(f).

“Note” means a promissory note of the Borrower payable to the order of any Lender, in substantially the form of the attached Exhibit D, Exhibit K, or Exhibit L, evidencing indebtedness of the Borrower to such Lender resulting from Advances owing to such Lender, or Swing Line Loans made by the Swing Line Lender, as the case may be.

“Notice of Borrowing” means a Notice of Revolving Borrowing or a Notice of Term Borrowing.

“Notice of Revolving Borrowing” means a notice of borrowing in the form of the attached Exhibit E-1 (with such changes thereto as may be agreed by the Administrative Agent) signed by a Responsible Officer of the Borrower.

“Notice of Term Borrowing” means a notice of borrowing in the form of the attached Exhibit E-2 (with such changes thereto as may be agreed by the Administrative Agent) signed by a Responsible Officer of the Borrower.

“Notice of Conversion or Continuation” means a notice of conversion or continuation in the form of the attached Exhibit F (with such changes thereto as may be agreed by the Administrative Agent) signed by a Responsible Officer of the Borrower.

“Obligations” means, collectively, (a) Credit Agreement Obligations, (b) Swap Obligations and (c) Banking Services Obligations, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any Loan Party or any Affiliate thereof of any proceeding under Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding; provided that the “Obligations” shall not include any Excluded Exchange Act Swap Obligations.

“Off-Balance Sheet Liability” of a Person means (a) any repurchase obligation or liability of such Person with respect to accounts or notes receivable sold by such Person, (b) Synthetic Lease Obligations, or (c) any obligation arising with respect to any other transaction which is the functional equivalent of or takes the place of borrowing but which does not constitute a liability on the balance sheets of such Person, other than any lease that constitutes an operating lease.

“Offering” means the initial public distribution of trust units of EET pursuant to the prospectus dated November 16, 2010.

“Oil and Gas Properties” means fee mineral interests, term mineral interests, Leases, subleases, farm-outs, royalties, overriding royalties, net profit interests, carried interests, production payments and similar mineral interests, and all unsevered and unextracted Hydrocarbons in, under, or attributable to such oil and gas Properties and interests.

“One Month LIBOR” means, for any day, the rate of interest equal to the Eurodollar Rate then in effect for delivery of funds for a one (1) month period.

“Other Taxes” means all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or under any other Loan Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document.

“Participant” has the meaning specified in Section 10.06(d).

“Patriot Act” means the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)).

“Payment in Full of the Obligations” means termination of all Commitments and satisfaction in full of all the Obligations (other than contingent indemnity obligations, Letter of Credit Exposure that is cash collateralized, and obligations in respect of Hedging Contracts and Banking Service Obligations).

“PBGC” means the Pension Benefit Guaranty Corporation or any entity succeeding to any or all of its functions under ERISA.

“Pension Act” means the Pension Protection Act of 2006.

“Pension Funding Rules” means the rules of the Code and ERISA regarding minimum required contributions (including any installment payment thereof) to Pension Plans and set forth in, with respect to plan years ending prior to the effective date of the Pension Act, Section 412 of the Code and Section 302 of ERISA, each as in effect prior to the Pension Act and, thereafter, Section 412, 430, 431, 432 and 436 of the Code and Sections 302, 303, 304 and 305 of ERISA.

“Pension Plan” means any “employee pension benefit plan” (as such term is defined in Section 3(2) of ERISA), other than a Multiemployer Plan, that is subject to Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code and is sponsored or maintained by the Borrower or any ERISA Affiliate or to which the Borrower or any ERISA Affiliate contributes or has an obligation to contribute, or in the case of a multiple employer or other plan described in Section 4064(a) of ERISA, has made contributions at any time during the immediately preceding five (5) plan years.

“Permit” means any approval, certificate of occupancy, consent, waiver, exemption, variance, franchise, order, permit, authorization, right or license of or from any Governmental Authority, including without limitation, an Environmental Permit.

“Permitted Acquisitions” means Investments permitted under Section 6.06(1).

“Permitted Investments” means Investments permitted under Section 6.06.

“Permitted Liens” means the Liens permitted under Section 6.01.

“Person” means an individual, partnership, corporation (including a business trust), joint stock company, limited liability corporation or company, limited liability partnership, trust, unincorporated association, joint venture or other entity, or a government or any political subdivision or agency thereof or any trustee, receiver, custodian or similar official.

“Pledge Agreement” means a Pledge Agreement in substantially the form of the attached Exhibit G, executed by the Loan Parties.

“PPSA” means the Personal Property Security Act (Alberta), R.S.A. 2000, c. P-7, and the regulations enacted pursuant thereto, as the same may from time to time be amended, reenacted or replaced.

“Property” of any Person means any property or assets (whether real, personal, or mixed, tangible or intangible) of such Person.

“Process Agent” has the meaning specified in Section 10.09(e).

“Prospectus” means the Prospectus dated as of November 12, 2010 (together with all supplements thereto) the terms of which the Offering is being conducted.

“Proven Reserves” means, at any particular time, the estimated quantities of Hydrocarbons which geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs attributable to Oil and Gas Properties included or to be included in the Borrowing Base under then existing economic and operating conditions (i.e., prices and costs as of the date the estimate is made).

“Qualified ECP Guarantor” means, in respect of any Exchange Act Swap Obligation, each Loan Party that has total assets exceeding \$10,000,000 at the time the relevant Guarantee or grant of the relevant security interest becomes effective with respect to such Exchange Act Swap Obligation or such other person as constitutes an “eligible contract participant” under the Commodity Exchange Act or any regulations promulgated thereunder and can cause another person to qualify as an “eligible contract participant” at such time by entering into a keepwell under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

“Register” has the meaning specified in Section 10.06(c).

“Regulations D, T, U, and X” mean Regulations D, T, U, and X of the Federal Reserve Board, as the same is from time to time in effect, and all official rulings and interpretations thereunder or thereof.

“Reimbursement Obligations” means all of the obligations of any Loan Party to reimburse the Issuing Bank for amounts paid by the Issuing Bank under Letters of Credit as established by the Letter of Credit Applications and Section 2.07(d).

“Related Parties” means, with respect to any Person, such Person’s Affiliates and the partners, directors, officers, employees, agents and advisors of such Person and of such Person’s Affiliates.

“Release” shall have the meaning set forth in CERCLA or under any other applicable Environmental Law.

“Reportable Event” means any of the events set forth in Section 4043(c) of ERISA, other than events for which the thirty (30) day notice period has been waived.

“Request for Credit Extension” means, with respect to an Advance, a Notice of Borrowing, and, with respect to a Swing Line Loan, a Swing Line Loan Notice.

“Response” shall have the meaning set forth in CERCLA or under any other applicable Environmental Law.

“Responsible Officer” means (a) with respect to any Person that is a corporation, such Person’s Chief Executive Officer, President, Chief Financial Officer, or Vice President, (b) with respect to any Person that is a limited liability company, such Person’s Chief Executive Officer, President, Chief Financial Officer, or Vice President, if applicable, or a manager or the Responsible Officer of such Person’s managing member or manager, and (c) with respect to any Person that is a general partnership or a limited liability partnership, such Person’s Chief Executive Officer, President, Chief Financial Officer, or Vice President, if applicable or a Responsible Officer of such Person’s general partner or partners.

“Restricted Payment” means: (a) the declaration or making by the Borrower or any Subsidiary of any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interest of such Person; (b) any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any Equity Interests in the Borrower or any Subsidiary or any option, warrant or other right to acquire any such Equity Interests in the Borrower or any Subsidiary; (c) any payment or prepayment (scheduled or otherwise) of principal of, premium, if any, or interest on, any Subordinated Debt; and (d) any payment, loan, contribution or other transfer of funds or property to any holder of Equity Interests of the Borrower or any Subsidiary other than payment of compensation in the ordinary course of business to holders of Equity Interests who are employees, directors or advisors of the Borrower or any Subsidiary.

“Returns” means any federal, state, local, or foreign report, declaration of estimated Tax, information statement or return relating to, or required to be filed in connection with, any Taxes, including any information return or report with respect to backup withholding or other payments of third parties.

“Revolving Advance” means (a) an advance by a Lender to the Borrower pursuant to Section 2.01(a)(i) as part of a Revolving Borrowing and refers to a Base Rate Advance or a Eurodollar Rate Advance or (b) a Swing Line Loan, as the context may require.

“Revolving Borrowing” means a borrowing consisting of Revolving Advances made on the same Business Day by the Lenders pursuant to Section 2.01(a)(i), and, in the case of Eurodollar Rate Advances, as to which a single Interest Period is in effect.

“Revolving Commitment” means, as to each Lender, its obligation to (a) make Revolving Advances to the Borrower pursuant to Section 2.01(a)(i), (b) purchase participations in Swing Line Loans, and (c) purchase participations in Letter of Credit Obligations pursuant to Section 2.07(b), in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Lender’s name on Schedule II or in the Assignment and Acceptance pursuant to which such Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement. The aggregate amount of the Revolving Commitments as of the Closing Date is Three Hundred Fifty Million Dollars (\$350,000,000).

“Revolving Commitment Termination Date” means the earlier of (a) the Revolving Maturity Date and (b) the earlier termination in whole of the Commitments pursuant to Section 2.04 or Article VII.

“Revolving Lender” means Lenders having a Revolving Commitment or if such Revolving Commitments have terminated, Lenders that are owed Revolving Advances, and, unless the context otherwise requires, includes the Swing Line Lender.

“Revolving Maturity Date” means May 27, 2016.

“Revolving Note” means a promissory note of the Borrower payable to the order of a Revolving Lender in the amount of such Lender’s Revolving Commitment, in substantially the same form as Exhibit D, evidencing indebtedness of the Borrower to such Revolving Lender resulting from Revolving Advances owing to such Revolving Lender.

“Revolving Pro Rata Share” means, with respect to any Lender at any time, the percentage of the Aggregate Revolving Commitments represented by such Lender’s Revolving Commitment at such time subject to adjustment as provided in Section 2.16. If the Aggregate Revolving Commitments have terminated or expired, then the Revolving Pro Rata Shares shall be determined based upon the Revolving Commitments most recently in effect, giving effect to any subsequent assignments. The initial Revolving Pro Rata Share of each Lender is set forth opposite the name of such Lender on Schedule II or in the Assignment and Acceptance pursuant to which such Lender becomes a party hereto, as applicable.

“Secured Parties” means the Administrative Agent, the Issuing Bank, the Lenders, the Swap Counterparties, and the Banking Service Providers.

“Security Agreement” means the Security Agreement in substantially the form of Exhibit H among one or more of the Loan Parties and the Administrative Agent for the benefit of the Secured Parties, and each other document, instrument or agreement executed by any Loan Party in connection therewith in order to comply with the Legal Requirements of any jurisdiction other than the United States of America or any state thereof.

“Security Instruments” means, collectively, (a) the Mortgages, (b) the Transfer Letters, (c) the Pledge Agreements, (d) the Security Agreements, (e) each other agreement, instrument or document executed at any time in connection with the Pledge Agreements, the Security Agreements, or the Mortgages by any of the Loan Parties in favor of the Administrative Agent for the benefit of the Secured Parties, (f) each agreement, instrument or document executed in connection with the Cash Collateral Account by any of the Loan Parties in favor of the Administrative Agent for the benefit of the Secured Parties; (g) each other agreement, instrument or document executed in favor of the Administrative Agent for the benefit of the Secured Parties at any time in connection with securing the Obligations; and (h) all supplements, assignments, amendments and restatements thereto.

“SFAS” means the Statement of Financial Accounting Standards issued by the Financial Accounting Standards Board.

“Solvent” means, with respect to any Person as of the date of any determination, that on such date (a) the fair value of the Property of such Person is greater than the total liabilities, including contingent liabilities, of such Person, (b) the present fair saleable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured, (c) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person’s ability to pay as such debts and liabilities mature, and (d) such Person is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which such Person’s Property would constitute unreasonably small capital.

“Specified Acquisition” means the acquisition by the Borrower pursuant to the Specified Purchase and Sale Agreement of the Oil and Gas Properties described therein for a purchase price described therein.

“Specified Acquisition Documents” means the Specified Purchase and Sale Agreement, and all schedules, certificates and exhibits relating thereto and ancillary agreements executed and delivered by the Specified Acquisition Seller, the Borrower or any Loan Party in connection with the Specified Purchase and Sale Agreement and the Specified Acquisition.

“Specified Acquisition Seller” means ELP.

“Specified Purchase and Sale Agreement” means the Purchase and Sale Agreement dated effective as of June 16, 2014 between the Specified Acquisition Seller and the Borrower.

“Subject Lender” has the meaning specified in Section 2.15.

“Subordinated Debt” means any Debt of the Borrower or any of its Subsidiaries which is subordinated to their respective obligations under the Loan Documents in a manner reasonably satisfactory to the Administrative Agent and which is otherwise on terms and conditions reasonably satisfactory to the Administrative Agent.

“Subsidiary” means, with respect to any Person (the “parent”) at any date, any other Person the accounts of which would be consolidated with those of the parent in the parent’s consolidated financial statements if such financial statements were prepared in accordance with IFRS as of such date, as well as any Person, a majority of whose outstanding Voting Securities (other than directors’ qualifying shares) shall at any time be owned by such parent or one or more Subsidiaries of such parent. Unless otherwise specified, all references herein to a “Subsidiary” or to “Subsidiaries” shall refer to a Subsidiary or Subsidiaries of the Borrower.

“Swap Counterparty” means any counterparty to a Hedge Contract with any Loan Party or any Subsidiary; provided that (a) such counterparty is a Lender or an Affiliate of a Lender at the time such Hedge Contract is entered into or (b) such Hedge Contract existed on the Closing Date and such counterparty was a Lender or an Affiliate of a Lender on the Closing Date. For the avoidance of doubt, “Swap Counterparty” shall not include any Participant of a Lender pursuant to Section 10.06(e) other than to the extent such Participant is otherwise a Lender or an Affiliate of a Lender.

“Swap Obligations” means the obligations of any Loan Party or any Subsidiary owing to any Swap Counterparty under any Hedge Contract; provided that (a) when any Swap Counterparty assigns or otherwise transfers any interest held by it under any Hedge Contract to any other Person pursuant to the terms of such agreement, the obligations thereunder shall constitute Obligations only if such assignee or transferee is also then a Lender or an Affiliate of a Lender and (b) if a Swap Counterparty ceases to be a Lender hereunder or an Affiliate of a Lender hereunder, obligations owing to such Swap Counterparty shall be included as Obligations only to the extent such obligations arise from transactions under such individual Hedge Contracts (and not the Master Agreement between such parties) entered into prior to the time such Swap Counterparty ceases to be a Lender hereunder or an Affiliate of a Lender hereunder, without giving effect to any extension, increases, or modifications thereof which are made after such Swap Counterparty ceases to be a Lender hereunder or an Affiliate of a Lender hereunder.

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

“Swing Line Borrowing” means a borrowing of a Swing Line Loan pursuant to Section 2.17.

“Swing Line Lender” means The Bank of Nova Scotia in its capacity as provider of Swing Line Loans, or any successor swing line lender hereunder.

“Swing Line Loan” has the meaning specified in Section 2.17(a).

“Swing Line Loan Notice” means a notice of a Swing Line Borrowing pursuant to Section 2.17(b), which, if in writing, shall be substantially in the form of Exhibit J.

“Swing Line Sublimit” means an amount equal to the lesser of (a) \$10,000,000 and (b) the Revolving Commitments. The Swing Line Sublimit is part of, and not in addition to, the Revolving Commitments.

“Synthetic Lease Obligation” means the monetary obligation of a Person under (a) a so-called synthetic, off-balance sheet or tax retention lease, or (b) an agreement for the use or possession of Property creating obligations that do not appear on the balance sheet of such Person but which, upon the insolvency or bankruptcy of such Person, would be characterized as the indebtedness of such Person (without regard to accounting treatment). The amount of any Synthetic Lease Obligation as of any date shall be deemed to be the amount of Attributable Indebtedness in respect thereof as of such date.

“Taxes” means all present or future charges, fees, levies, or other assessments in the nature of taxes imposed by any federal, state, local, or foreign taxing authority, including without limitation, income, gross receipts, excise, real or personal property, sales, occupation, use,

service, leasing, environmental, value added, transfer, payroll, and franchise taxes (and including any interest, penalties, or additions to tax attributable to or imposed on with respect to any such assessment) imposed by any Governmental Authority.

“Term Advance” means an advance by a Lender to the Borrower pursuant to Section 2.01(a)(ii) as part of a Term Borrowing and refers to a Base Rate Advance or a Eurodollar Rate Advance.

“Term Borrowing” means a borrowing consisting of the Term Advance made on the same Business Day by the Lenders pursuant to Section 2.01(a)(ii), and, in the case of Eurodollar Rate Advances, as to which a single Interest Period is in effect.

“Term Commitment” means, as to each Lender, its obligation to make the Term Advance to the Borrower pursuant to Section 2.01(a)(ii), in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Lender’s name on Schedule II or in the Assignment and Acceptance pursuant to which such Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement; provided that, after the Closing Date, the Term Commitment shall be zero. The aggregate amount of the Term Commitment as of the Closing Date, but prior to making the Term Advance, is Ten Million Dollars (\$10,000,000).

“Term Lender” means Lenders having a Term Commitment or if such Term Commitments have terminated, Lenders that are owed Term Advances.

“Term Maturity Date” means November 25, 2014.

“Term Note” means a promissory note of the Borrower payable to the order of a Term Lender in the amount of such Term Lender’s Revolving Commitment, in substantially the same form as Exhibit L, evidencing indebtedness of the Borrower to such Term Lender resulting from Term Advances owing to such Term Lender.

“Transactions” means, collectively, (a) the entering by the Loan Parties into Loan Documents to which they are to be a party, (b) the consummation of the Specified Acquisition, and (c) the payment of the fees and expenses incurred in connection with the consummation of the foregoing.

“Transitory Note” means the Canadian Dollar CAD\$329,514,500 principal amount 10.96% promissory note, to be issued by Borrower in favor of ELP.

“Transfer Letters” means, collectively, the letters in lieu of transfer orders in substantially the form of the attached Exhibit I and executed by the Borrower or any Subsidiary executing a Mortgage.

“Type” has the meaning specified in Section 1.04.

“Unused Revolving Commitment Amount” means, with respect to a Lender at any time, the lesser of (a) such Lender’s Revolving Commitment at such time and (b) such Lender’s Revolving Pro Rata Share of the Borrowing Base then in effect at such time minus, in each

case, the sum of (i) the aggregate outstanding principal amount of all Revolving Advances owed to such Lender at such time plus (ii) such Lender's Revolving Pro Rata Share of the aggregate Letter of Credit Exposure and Swing Line Loans at such time.

"US Opco Notes" means collectively, the US Opco Note Series 1 and US Opco Note Series 3.

"US Opco Note Series 1" means the Canadian Dollar \$92,644,000 principal amount 11.5% promissory note, to be issued by Borrower in favor of EET.

"US Opco Note Series 3" means the Canadian Dollar \$51,452,875 principal amount 10.0% promissory note, to be issued by Borrower in favor of EET.

"Utilization" means, at any time of its determination, the percentage obtained by dividing (a) the outstanding principal amount of the Revolving Advances and the Letter of Credit Exposure at such time by (b) the lesser of the Revolving Commitments and the Borrowing Base in effect at such time.

"Utilization Level" means the applicable category (being Level I, Level II, Level III, Level IV, or Level V) based on the Utilization set forth below.

Utilization Level	Utilization
Level I	less than 25%
Level II	greater than or equal to 25% but less than 50%
Level III	greater than or equal to 50% but less than 75%
Level IV	greater than or equal to 75% but less than 90%
Level V	greater than or equal to 90%

"Voting Securities" means (a) with respect to any corporation (including any unlimited liability company), capital stock of such corporation having general voting power under ordinary circumstances to elect directors of such corporation (irrespective of whether at the time stock of any other class or classes shall have or might have special voting power or rights by reason of the happening of any contingency), (b) with respect to any partnership, any partnership interest or other ownership interest having general voting power to elect the general partner or other management of the partnership or other Person, and (c) with respect to any limited liability company, membership certificates or interests having general voting power under ordinary circumstances to elect managers of such limited liability company.

"Wells" has the meaning specified in Section 2.02(b)(iv).

1.02 Computation of Time Periods. In this Agreement, with respect to the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each means "to but excluding".

1.03 Accounting Terms; Changes in IFRS. Except as otherwise expressly provided herein, all accounting terms used herein shall be interpreted, and all financial statements and certificates and reports as to financial matters required to be delivered to the Lenders hereunder shall (unless otherwise disclosed to the Lenders in writing at the time of delivery thereof) be prepared, in accordance with IFRS applied on a basis consistent with those used in the preparation of the latest financial statements furnished to the Lenders hereunder. All calculations made for the purposes of determining compliance with this Agreement shall (except as otherwise expressly provided herein) be made by application of IFRS applied on a basis consistent with those used in the preparation of the annual or quarterly financial statements furnished to the Lenders pursuant to Section 5.06 hereof most recently delivered prior to or concurrently with such calculations. If at any time any change in IFRS would affect the computation of any financial ratio or requirement set forth herein, and either the Borrower or the Majority Lenders shall so request, the Administrative Agent, the Lenders and the Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in IFRS (subject to the approval of the Majority Lenders); provided that, until so amended, (a) such ratio or requirement shall continue to be computed in accordance with IFRS prior to such change therein, and (b) the Borrower shall provide to the Administrative Agent and the Lenders financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in IFRS. In addition, all calculations and defined accounting terms used herein shall, unless expressly provided otherwise, when referring to any Person, refer to such Person on a consolidated basis and mean such Person and its consolidated subsidiaries.

1.04 Classes and Types of Advances. Advances are distinguished by “Class” and “Type.” The “Class” of an Advance refers to the determination of whether such Advance is a Revolving Advance, a Term Advance, or a Swing Line Advance. The “Type” of an Advance refers to the determination whether such Advance is a Eurodollar Rate Advance or Base Rate Advance.

1.05 Miscellaneous. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” The word “will” shall be construed to have the same meaning and effect as the word “shall.” Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (c) the words “herein,” “hereof” and “hereunder,” and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (e) any reference to any law or regulation herein shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time and (f) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any

and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

1.06 Permitted Liens. Any reference in any of the Loan Documents to a Permitted Lien is not intended to subordinate or postpone, and shall not be interpreted as subordinating or postponing, or as any agreement to subordinate or postpone, any Lien created by any of the Loan Documents to any Permitted Lien.

ARTICLE II

CREDIT FACILITIES

2.01 Commitment for Advances.

(a) Advances.

(i) Revolving Advances. Each Lender severally agrees, on the terms and conditions set forth in this Agreement, to make Revolving Advances to the Borrower from time to time on any Business Day during the period from the Closing Date until the Revolving Commitment Termination Date in an amount for each Lender not to exceed such Lender's Unused Revolving Commitment Amount. Each Revolving Borrowing shall, in the case of Revolving Borrowings consisting of Base Rate Advances, be in an aggregate amount not less than Fifty Thousand Dollars (\$50,000) and in integral multiples of Fifty Thousand Dollars (\$50,000) in excess thereof, and in the case of Revolving Borrowings consisting of Eurodollar Rate Advances, be in an aggregate amount not less than Five Hundred Thousand Dollars (\$500,000) and in integral multiples of One Hundred Fifty Thousand Dollars (\$150,000) in excess thereof, and in each case shall consist of Revolving Advances of the same Type made on the same day by the Lenders ratably according to their respective Revolving Commitments. Within the limits of each Lender's Revolving Commitment, and subject to the terms of this Agreement, the Borrower may from time to time borrow, prepay, and reborrow Revolving Advances.

(ii) Term Advances. Each Lender severally agrees, on the terms and conditions set forth in this Agreement, to make to the Borrower on the Closing Date, a Term Advance in an amount not to exceed such Lender's Term Commitment. The Borrower may not reborrow any Term Advance that has been repaid.

(b) Noteless Agreement; Evidence of Indebtedness.

(i) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from the Advances made by such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(ii) The Administrative Agent shall also maintain the Register pursuant to Section 10.06 and accounts (taken together) in which it will record (A) the amount of

each Advance made hereunder, the Type thereof and the Interest Period with respect thereto, (B) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (C) the amount of any sum received by the Administrative Agent hereunder from the Borrower and each Lender's share thereof.

(iii) The entries maintained in the Register and accounts maintained pursuant to paragraphs (i) and (ii) above and the Notes delivered pursuant to paragraph (iv) shall be prima facie evidence of the existence and amounts of the Obligations therein recorded; provided, however, that the failure of the Administrative Agent or any Lender to maintain such accounts or Notes or such Register, or any error therein, shall not in any manner affect the obligation of the Borrower to repay the Obligations in accordance with their terms.

(iv) Any Lender may request that the Advances owing to such Lender be evidenced by a Note. In such event, the Borrower shall execute and deliver to such Revolving Lender a Revolving Note payable to the order of such Revolving Lender and its registered assigns, and shall execute and deliver to such Term Lender a Term Note payable to the order of such Term Lender and its registered assigns. Thereafter, the Advances evidenced by such Note and interest thereon shall at all times (including after any assignment pursuant to Section 10.06) be represented by one or more Notes payable to the order of the payee named therein or any assignee pursuant to Section 10.06, except to the extent that any such Lender or assignee subsequently returns any such Note for cancellation and requests that such Advances once again be evidenced as described in paragraphs (i) and (ii) above. Each Lender that has received a Note shall return such Note to Borrower upon Payment in Full of the Obligations, and, to the extent that it is not able to do so, such Lender shall, if requested by Borrower, provide a lost note affidavit containing customary indemnification provisions in favor of the Borrower.

2.02 Borrowing Base.

(a) Borrowing Base. The Borrowing Base in effect as of the Closing Date has been set by the Administrative Agent and the Lenders and acknowledged by the Borrower as \$80,000,000. Such Borrowing Base shall remain in effect until the next redetermination made pursuant to this Section 2.02. The Borrowing Base shall be determined in accordance with the standards set forth in Section 2.02(d) and is subject to periodic redetermination pursuant to Sections 2.02(b), 2.02(c) and 2.02(e).

(b) Calculation of Borrowing Base.

(i) The Borrower shall deliver to the Administrative Agent, and the Administrative Agent shall promptly thereafter deliver to each of the Lenders, on or before each March 31, beginning March 31, 2015, an Independent Engineering Report dated effective as of the immediately preceding January 1, and such other information as may be reasonably requested by or through the Administrative Agent with respect to the Oil and Gas Properties included or to be included in the Borrowing Base. Within thirty (30) days after the Administrative Agent's receipt of such Independent Engineering

Report and other information, the Administrative Agent shall deliver to each Lender the Administrative Agent's recommendation for the redetermined Borrowing Base. Within fifteen (15) days following their receipt of the proposed amount of the redetermined Borrowing Base, all Lenders (in the case of a proposed increase in the Borrowing Base) or Majority Lenders (in the case of decrease or a reaffirmation of the Borrowing Base) shall approve or reject the Administrative Agent's proposed redetermination of the Borrowing Base by written notice to the Administrative Agent and any such rejection shall be accompanied by a proposal for an alternate Borrowing Base, which alternate Borrowing Base shall be accompanied by an explanation for any changes thereto and shall in any event be determined in accordance with Section 2.02(d); provided, however, that failure by any Lender to reject in writing the Administrative Agent's proposed redetermination within such fifteen (15) day period shall be deemed an acceptance of such proposed redetermination by such Lender. If all Lenders (in the case of a proposed increase in the Borrowing Base) or Majority Lenders (in the case of decrease or a reaffirmation of the Borrowing Base), as applicable, fail to approve any such determination of the Borrowing Base by the Administrative Agent hereunder, then the Borrowing Base shall be set at the highest amount on which all Lenders or Majority Lenders, as appropriate, can agree (in any event determined in accordance with Section 2.02(d)), it being understood that a Lender is deemed to have agreed to any and all amounts that are lower than the amount actually determined by such Lender to be the appropriate amount for the Borrowing Base. Upon approval or deemed approval of all Lenders or Majority Lenders, as appropriate, of the Borrowing Base, the Administrative Agent shall by written notice to Borrower, designate the new Borrowing Base available to the Borrower.

(ii) The Borrower shall deliver to the Administrative Agent, on or before September 1, beginning September 1, 2014, an Internal Engineering Report dated effective as of the immediately preceding July 1 and such other information as may be reasonably requested by or through the Administrative Agent with respect to the Oil and Gas Properties included or to be included in the Borrowing Base. Within thirty (30) days after the Administrative Agent's receipt of such Internal Engineering Report and other information, the Administrative Agent shall deliver to each Lender the Administrative Agent's recommendation for the redetermined Borrowing Base. Within fifteen (15) days following their receipt of the proposed amount of the redetermined Borrowing Base, all Lenders (in the case of a proposed increase in the Borrowing Base) or Majority Lenders (in the case of decrease or a reaffirmation of the Borrowing Base) shall approve or reject the Administrative Agent's proposed redetermination of the Borrowing Base by written notice to the Administrative Agent and any such rejection shall be accompanied by a proposal for an alternate Borrowing Base, which alternate Borrowing Base shall be accompanied by an explanation for any changes thereto and shall in any event be determined in accordance with Section 2.02(d); provided, however, that failure by any Lender to reject in writing the Administrative Agent's proposed redetermination within such fifteen (15) day period shall be deemed an acceptance of such proposed redetermination by such Lender. If all Lenders (in the case of a proposed increase in the Borrowing Base) or Majority Lenders (in the case of decrease or a reaffirmation of the Borrowing Base), as applicable, fail to approve any such determination of the Borrowing Base by the Administrative Agent hereunder, then the Borrowing Base shall be set at the

highest amount on which all Lenders or Majority Lenders, as appropriate, can agree (in any event determined in accordance with Section 2.02(d)), it being understood that a Lender is deemed to have agreed to any and all amounts that are lower than the amount actually determined by such Lender to be the appropriate amount for the Borrowing Base. Upon approval or deemed approval of all Lenders or Majority Lenders, as appropriate, of the Borrowing Base, the Administrative Agent shall by written notice to Borrower, designate the new Borrowing Base available to the Borrower.

(iii) In the event that the Borrower does not furnish to the Administrative Agent the Independent Engineering Report, Internal Engineering Report or other information specified in clauses (i) and (ii) above by the date specified therein, the Administrative Agent and the Lenders or the Majority Lenders, as the case may be, may nonetheless redetermine the Borrowing Base and redesignate the Borrowing Base from time-to-time thereafter in their sole discretion until the Administrative Agent receives the relevant Independent Engineering Report, Internal Engineering Report, or other information, as applicable, whereupon the Administrative Agent and the Lenders or the Majority Lenders, as the case may be, shall redetermine the Borrowing Base as otherwise specified in this Section 2.02.

(iv) Each delivery of an Engineering Report by the Borrower to the Administrative Agent shall constitute a representation and warranty by the Borrower to the Administrative Agent and the Lenders that (A) the Borrower and its Subsidiaries, as applicable, own the Oil and Gas Properties specified therein with at least eighty percent (80%) (by value) of the Proven Reserves covered therein subject to an Acceptable Security Interest and free and clear of any Liens (except Permitted Liens), (B) on and as of the date of such Engineering Report each Oil and Gas Property described as “proved developed” therein was developed for oil and gas, and the wells pertaining to such Oil and Gas Properties that are described therein as producing wells (“Wells”), were each producing oil and/or gas in paying quantities, except for Wells that were utilized as water or gas injection wells, carbon dioxide wells or as water disposal wells (each as noted in such Engineering Report), (C) the descriptions of quantum and nature of the record title interests of the Borrower and its Subsidiaries, as applicable, set forth in such Engineering Report include the entire record title interests of the Borrower and its Subsidiaries in such Oil and Gas Properties, are complete and accurate in all respects, and take into account all Permitted Liens, (D) there are no “back-in” or “reversionary” interests held by third parties which could reduce the interests of the Borrower or any of its Subsidiaries in such Oil and Gas Properties except as set forth in Engineering Report, (E) no operating or other agreement to which the Borrower or any of its Subsidiaries is a party or by which the Borrower or any of its Subsidiaries is bound affecting any part of such Oil and Gas Properties requires the Borrower or any of its Subsidiaries to bear any of the costs relating to such Oil and Gas Properties greater than the record title interest of the Borrower or any of its Subsidiaries in such portion of the such Oil and Gas Properties as set forth in such Engineering Report, except in the event the Borrower or any of its Subsidiaries is obligated under an operating agreement to assume a portion of a defaulting party’s share of costs, and (F) the Borrower’s and the Subsidiaries’ ownership of the Hydrocarbons and the undivided interests in the Oil and Gas Properties as specified in such Engineering Report (i) will, after giving full effect to all Permitted Liens, afford

the Borrower or the applicable Subsidiary not less than those net interests (expressed as a fraction, percentage or decimal) in the production from or which is allocated to such Hydrocarbons specified as net revenue interest in such Engineering Report and (ii) will cause the Borrower or the applicable Subsidiary to bear not more than that portion (expressed as a fraction, percentage or decimal), specified as working interest in such Engineering Report, of the costs of drilling, developing and operating the wells identified in such Engineering Report or identified in the exhibits to the Mortgages encumbering such Oil and Gas Properties (except for any increases in working interest with a corresponding increase in the net revenue interest in such Oil and Gas Property).

(c) Interim Redetermination. In addition to the Borrowing Base redeterminations provided for in Section 2.02(b), (i) the Administrative Agent and the Lenders (A) may in their sole discretion make one additional redetermination of the Borrowing Base during any six-month period between scheduled redeterminations and (B) shall at the request of the Borrower make one additional redetermination of the Borrowing Base during any six-month period between scheduled redeterminations, and in each case, based on such information as the Administrative Agent and the Lenders deem relevant (but in accordance with Section 2.02(d)), and (ii) the Administrative Agent and the Lenders may make additional redeterminations of the Borrowing Base in connection with (A) any Asset Disposition of Oil and Gas Properties of the Borrower or any Subsidiary which are attributable to Proven Reserves included in the Borrowing Base having a fair market value which, when taken together with (1) the aggregate fair market value of all Asset Dispositions of Oil and Gas Properties of the Borrower or any Subsidiary which are attributable to Proven Reserves and (2) the aggregate Borrowing Base value attributed by the Administrative Agent to Borrowing Base Hedges that have been subject to novations, assignments, amendments, modifications or terminations, in each case, occurring since the date of the most recent scheduled Borrowing Base redetermination, equals or exceeds an amount equal to five percent (5%) the Borrowing Base then in effect, and (B) any novation, assignment, modification, amendment or termination of a Borrowing Base Hedge if the Borrowing Base value attributed by the Administrative Agent to such Borrowing Base Hedge, when taken together with (1) the aggregate Borrowing Base value attributed by the Administrative Agent to all other Borrowing Base Hedges that have been subject to novations, assignments, amendments, modifications or terminations and (2) the aggregate fair market value of Asset Dispositions of Oil and Gas Properties of the Borrower or any Subsidiary which are attributable to Proven Reserves, in each case, occurring since the date of the most recent scheduled Borrowing Base redetermination, equals or exceeds an amount equal to five percent (5%) the Borrowing Base then in effect. For the avoidance of doubt, such additional redeterminations of the Borrowing Base shall not constitute nor be construed as a consent to any transaction or proposed transaction that would not be permitted under the terms of this Agreement. The party requesting the redetermination under this paragraph (c) shall give the other party at least ten (10) days' prior written notice that a redetermination of the Borrowing Base pursuant to this paragraph (c) is to be performed; provided that no such prior written notice shall be required for any redetermination made by the Lenders during the existence of an Event of Default. In connection with any redetermination of the Borrowing Base under this Section 2.02(c), the Borrower shall provide the Administrative Agent or any Lender, through the request of the Administrative Agent, with such information regarding the Borrower and its Subsidiaries' business (including, without limitation, its Oil and Gas Properties, the Proven Reserves, and production relating thereto) as the Administrative Agent or any Lender, through the request of the Administrative

Agent, may reasonably request, including an updated Independent Engineering Report. The Administrative Agent shall promptly notify the Borrower in writing of each redetermination of the Borrowing Base pursuant to this Section 2.02(c) and the amount of the Borrowing Base as so redetermined.

(d) Standards for Redetermination. Each redetermination of the Borrowing Base by the Administrative Agent and the Lenders pursuant to this Section 2.02 shall be made (i) in the sole discretion of the Administrative Agent and the Lenders (but in accordance with the other provisions of this Section 2.02(d)), (ii) in accordance with the Administrative Agent's and the Lenders' customary internal standards and practices for valuing and redetermining the value of Oil and Gas Properties in connection with reserve based oil and gas loan transactions, (iii) in conjunction with the most recent Independent Engineering Report or Internal Engineering Report, as applicable, or other information received by the Administrative Agent and the Lenders relating to the Proven Reserves of the Borrower and its Subsidiaries, and (iv) based upon the estimated value of the Proven Reserves owned by the Borrower and its Subsidiaries as determined by the Administrative Agent and the Lenders. In valuing and redetermining the Borrowing Base, the Administrative Agent and the Lenders may also consider the business, financial condition, and Debt obligations of the Borrower and its Subsidiaries and such other factors as the Administrative Agent and the Lenders customarily deem appropriate, including without limitation, commodity price assumptions, projections of production, operating expenses, general and administrative expenses, capital costs, working capital requirements, liquidity evaluations, dividend payments, environmental costs, and legal costs. In that regard, the Borrower acknowledges that the determination of the Borrowing Base contains an equity cushion (market value in excess of loan value), which is essential for the adequate protection of the Administrative Agent and the Lenders. No Proven Reserves shall be included or considered for inclusion in the Borrowing Base unless the Administrative Agent shall have received, at the Borrower's expense, (A) evidence of title reasonably satisfactory in form and substance to the Administrative Agent covering at least eighty percent (80%) (by value) of the Proven Reserves and the Oil and Gas Properties relating thereto and (B) Mortgages and such other Security Instruments reasonably requested by the Administrative Agent to the extent necessary to cause the Administrative Agent to have an Acceptable Security Interest in at least eighty percent (80%) (by value) of the Proven Reserves and the Oil and Gas Properties relating thereto. At all times after the Administrative Agent has given the Borrower notification of a redetermination of the Borrowing Base under this Section 2.02, the Borrowing Base shall be equal to the redetermined amount or such lesser amount designated by the Borrower and disclosed in writing to the Administrative Agent and the Lenders until the Borrowing Base is subsequently redetermined in accordance with this Section 2.02; provided that the Borrower shall not request that the Borrowing Base be reduced to a level that would result in a Borrowing Base deficiency under Section 2.05.

(e) Voting. Any changes in, or renewals of, the Borrowing Base (other than increases in the Borrowing Base) must be consented to in writing by the Majority Lenders. Any increases in the Borrowing Base must be consented to in writing by all of the Lenders.

2.03 Method of Borrowing.

(a) Notice. Each Borrowing shall be made pursuant to a Request for Credit Extension (sent by hand delivery, fax or sent by electronic communication (e-mail) (or by telephone notice promptly confirmed by a written, fax or electronic communication (e-mail)) given not later than (i) 11:00 a.m. (Houston, Texas time) on the third Business Day before the date of the proposed Borrowing, in the case of a Borrowing comprised of Eurodollar Rate Advances or (ii) 11:00 a.m. (Houston, Texas time) on the date of the proposed Borrowing, in the case of a Borrowing comprised of Base Rate Advances, by the Borrower to the Administrative Agent. Promptly after receipt of a Request for Credit Extension under this Section 2.03(a), the Administrative Agent shall provide each Lender with a copy thereof and, in the case of a proposed Borrowing comprised of Eurodollar Rate Advances, the Administrative Agent shall promptly notify each Lender of the applicable interest rate under Section 2.09(b). Each Lender shall, before 2:00 pm (Houston, Texas time) on the date of such Borrowing, make available for the account of its Lending Office to the Administrative Agent at its address referred to in Section 10.02, or such other location as the Administrative Agent may specify by notice to the Lenders, in same day funds, in the case of a Borrowing, such Lender's Revolving Pro Rata Share of such Borrowing. Subject to Section 2.03(e), after the Administrative Agent's receipt of such funds and upon fulfillment of the applicable conditions set forth in Article III, the Administrative Agent shall make such funds available to the Borrower at such account as the Borrower shall specify in writing to the Administrative Agent.

(b) Conversions and Continuations. The Borrower may elect to Convert or continue any Borrowing under this Section 2.03 by delivering an irrevocable Notice of Conversion or Continuation to the Administrative Agent at the Administrative Agent's office (sent by hand delivery, fax or sent by electronic communication (e-mail) (or by telephone notice promptly confirmed by a written, fax or electronic communication (e-mail)) no later than (i) 11:00 a.m. (Houston, Texas time) on the date which is at least three (3) Business Days in advance of the proposed Conversion or continuation date in the case of a Conversion to or a continuation of a Borrowing comprised of Eurodollar Rate Advances and (ii) 11:00 a.m. (Houston, Texas time) on the date of the proposed Conversion in the case of a Conversion to a Borrowing comprised of Base Rate Advances. Promptly after receipt of a Notice of Conversion or Continuation under this Section 2.03(b), the Administrative Agent shall provide each Lender with a copy thereof and, in the case of a Conversion to or a continuation of a Borrowing comprised of Eurodollar Rate Advances, notify each Lender of the applicable interest rate under Section 2.09(b). Notwithstanding anything in this Agreement to the contrary, Conversions of Eurodollar Rate Advances may only be made at the end of the applicable Interest Period for such Advances; provided, however, that Conversions of Base Rate Advances may be made at any time. The portion of Advances comprising part of the same Borrowing that are converted to Advances of another Type shall constitute a new Borrowing. Notwithstanding anything to the contrary herein, a Swing Line Loan may not be converted to a Eurodollar Rate Advance.

(c) Certain Limitations. Notwithstanding anything to the contrary contained in paragraphs (a) and (b) above:

(i) at no time shall there be more than four (4) Interest Periods applicable to outstanding Eurodollar Rate Advances and, upon the request of the Majority Lenders, the Borrower may not select Eurodollar Rate Advances for any Borrowing at any time that an Event of Default has occurred and is continuing;

(ii) if any Lender shall, at least one (1) Business Day before the date of any requested Borrowing, Conversion, or continuation, notify the Administrative Agent and the Borrower that the introduction of or any change in or in the interpretation of any law or regulation makes it unlawful, or that any central bank or other Governmental Authority asserts that it is unlawful, for such Lender or its Lending Office to perform its obligations under this Agreement to make Eurodollar Rate Advances or to fund or maintain Eurodollar Rate Advances, the right of the Borrower to select Eurodollar Rate Advances from such Lender shall be suspended until such Lender shall notify the Administrative Agent that the circumstances causing such suspension no longer exist, and the Advance made by such Lender in respect of such Borrowing, Conversion, or continuation shall be a Base Rate Advance (and each Lender agrees to designate a different Lending Office if such designation will avoid the need for such notice and will not, in the good faith judgment of such Lender, otherwise be materially disadvantageous to such Lender);

(iii) if the Administrative Agent determines in connection with any request for a Eurodollar Rate Advance or a Conversion or Continuation thereof that (a) Dollar deposits are not being offered to banks in the applicable offshore Dollar market for the applicable amount and Interest Period of such Eurodollar Rate Advance, or adequate and reasonable means do not exist for determining the Eurodollar Rate for such Eurodollar Rate Advance, or (b) if the Majority Lenders determine for any reason adequate and reasonable means do not exist for determining the Eurodollar Rate for Eurodollar Rate Advances comprising any requested Borrowing, the right of the Borrower to select Eurodollar Rate Advances for such Borrowing or for any subsequent Borrowing shall be suspended until the Administrative Agent shall notify the Borrower and the Lenders that the circumstances causing such suspension no longer exist, and each Advance comprising such Borrowing shall be a Base Rate Advance;

(iv) if the Majority Lenders shall, by 11:00 a.m. (Houston, Texas time) at least one Business Day before the date of any requested Borrowing, notify the Administrative Agent that the Eurodollar Rate for Eurodollar Rate Advances comprising such Borrowing will not adequately reflect the cost to such Lenders of making or funding their respective Eurodollar Rate Advances, as the case may be, for such Borrowing, the right of the Borrower to select Eurodollar Rate Advances for such Borrowing or for any subsequent Borrowing shall be suspended until the Administrative Agent shall notify the Borrower and the Lenders that the circumstances causing such suspension no longer exist, and each Advance comprising such Borrowing shall be a Base Rate Advance;

(v) if the Borrower shall fail to select the duration or Continuation of any Interest Period for any Eurodollar Rate Advances in accordance with the provisions contained in the definition of "Interest Period" in Section 1.01 and paragraphs (a) and (b) above or shall fail to deliver a Notice of Conversion or Continuation, the Administrative Agent will forthwith so notify the Borrower and the Lenders and such Advances will be made available to the Borrower on the date of such Borrowing as Base Rate Advances or, if such Advance is an existing Eurodollar Rate Advance, Convert into Base Rate Advances; and

(vi) if an Event of Default has occurred and is continuing and the Administrative Agent, at the request of the Majority Lenders, so notifies the Borrower, then, so long as an Event of Default is continuing, no Advance may be Converted or Continued as a Eurodollar Rate Advance.

(d) Notices Irrevocable. Each Request for Credit Extension and Notice of Conversion or Continuation shall be irrevocable and binding on the Borrower. In the case of any Borrowing for which the related Notice of Borrowing specifies is to be comprised of Eurodollar Rate Advances, the Borrower shall compensate each Lender for the loss, cost or expense incurred by such Lender as a result of any failure by the Borrower to borrow, Convert, Continue or prepay any Loan on the date specified in any notice delivered pursuant hereto, including, without limitation, any loss (including any loss of anticipated profits), cost, or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Lender to fund the Advance to be made by such Lender as part of such Advance. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section 2.03(d) shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within fifteen (15) days after receipt thereof.

(e) Administrative Agent Reliance. Unless the Administrative Agent shall have received notice from a Lender before the Borrowing date that such Lender will not make available to the Administrative Agent such Lender's Revolving Pro Rata Share of the Borrowing, the Administrative Agent may assume that such Lender has made its Revolving Pro Rata Share of such Borrowing available to the Administrative Agent on the Borrowing date in accordance with paragraph (a) of this Section 2.03 and the Administrative Agent may, in reliance upon such assumption, make available to the Borrower on the Borrowing date a corresponding amount. If and to the extent that such Lender shall not have so made its Revolving Pro Rata Share of such Borrowing available to the Administrative Agent, such Lender and the Borrower severally agree to immediately repay to the Administrative Agent on demand such corresponding amount, together with interest on such amount, for each day from the date such amount is made available to the Borrower until the date such amount is repaid to the Administrative Agent, at (i) in the case of the Borrower, the interest rate applicable on such day to Base Rate Advances and (ii) in the case of such Lender, a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation. If such Lender shall repay to the Administrative Agent such corresponding amount and interest as provided above, such corresponding amount so repaid shall constitute such Lender's Advance as part of such Borrowing for purposes of this Agreement even though not made on the same day as the other Advances comprising such Borrowing. If such Lender's Advance as part of such Borrowing is not made available by such Lender within three (3) Business Days of the Borrowing date, the Borrower shall repay such Lender's share of such Borrowing (together with interest thereon at the interest rate applicable during such period to Base Rate Advances) to the Administrative Agent not later than three (3) Business Days after receipt of written notice from the Administrative Agent specifying such Lender's share of such Borrowing that was not made available to the Administrative Agent.

(f) Lender Obligations Several. The failure of any Lender to make the Advance to be made by it as part of any Borrowing shall not relieve any other Lender of its

obligation, if any, to make its Advance on the date of such Borrowing. No Lender shall be responsible for the failure of any other Lender to make the Advance to be made by such other Lender on the date of any Borrowing.

2.04 Reduction of the Commitments.

(a) Revolving Commitment. The Borrower shall have the right, upon at least three (3) Business Days' irrevocable notice to the Administrative Agent, to terminate in whole or reduce ratably in part the unused portion of the Revolving Commitments, the Letter of Credit Sublimit or the Swing Line Sublimit; provided that each partial reduction shall be in the aggregate amount of Five Hundred Thousand Dollars (\$500,000) or in integral multiples of One Hundred Thousand Dollars (\$100,000) in excess thereof; and provided further that (A) the aggregate amount of the Revolving Commitments may not be reduced below the aggregate principal amount of the outstanding Revolving Advances and Letter of Credit Exposure, (B) the Letter of Credit Sublimit may not be terminated or reduced if, after giving effect thereto, the Letter of Credit Exposure not fully cash collateralized hereunder would exceed the Letter of Credit Sublimit, and (C) the Swing Line Sublimit may not be terminated or reduced if, after giving effect thereto and to any concurrent prepayments hereunder, the aggregate outstanding amount of Swing Line Loans would exceed the Swing Line Sublimit.

(b) Term Commitment. After giving effect to the making of the initial Term Advance on the Closing Date, each Lender's Term Commitment shall be reduced to zero. Any Term Commitment that is not drawn by the Borrower as a Term Advance on the Closing Date shall be permanently reduced and terminated. The Lenders shall have no obligation to reinstate any Term Commitment.

(c) Any reduction and termination of the Commitments pursuant to this Section 2.04 shall be applied ratably to each Lender's Commitment and shall be permanent, with no obligation of the Lenders to reinstate such Commitments. The Administrative Agent shall give each Lender prompt notice of any commitment reduction or termination.

2.05 Prepayment of Advances.

(a) Right to Prepay. The Borrower shall have no right to prepay any principal amount of any Advance except as provided in this Section 2.05.

(b) Optional.

(i) The Borrower may elect to prepay at any time from time to time, in whole or in part, the Advances, after giving by 1:00 p.m. (Houston, Texas time) (i) in the case of Eurodollar Rate Advances, at least three (3) Business Days' or (ii) in the case of Base Rate Advances, at least one Business Day's irrevocable (unless the notice is conditioned on a refinancing, in which case such notice may be revoked on or prior to such date) prior written notice to the Administrative Agent stating the proposed date and aggregate principal amount of such prepayment. If any such notice is given, the Administrative Agent shall give prompt notice thereof to each Lender and the Borrower shall prepay the Advances comprising part of the same Borrowing in whole or ratably in part in an aggregate principal amount equal to the amount specified in such notice,

together with accrued interest to the date of such prepayment on the principal amount prepaid and amounts, if any, required to be paid pursuant to Section 2.12 as a result of such prepayment being made on such date (unless the notice is conditioned on a refinancing, in which case such notice may be revoked on or prior to such date); provided, however, that each partial prepayment with respect to: (A) any amounts prepaid in respect of Eurodollar Rate Advances shall be applied to Eurodollar Rate Advances comprising part of the same Borrowing; (B) any prepayments made in respect of Base Rate Advances shall be made in a minimum amounts of Fifty Thousand Dollars (\$50,000) and in integral multiples of Fifty Thousand Dollars (\$50,000) in excess thereof, and (C) any prepayments made in respect of any Borrowing comprised of Eurodollar Rate Advances shall be made in an aggregate principal amount of at least Five Hundred Thousand Dollars (\$500,000) and in integral multiples of One Hundred Thousand Dollars (\$100,000) in excess thereof, and in an aggregate principal amount such that after giving effect thereto such Borrowing shall have a remaining principal amount outstanding with respect to such Borrowing of at least Five Hundred Thousand Dollars (\$500,000). Full prepayments of any Borrowing are permitted without restriction of amounts.

(ii) The Borrower may, upon notice to the Swing Line Lender (with a copy to the Administrative Agent), at any time or from time to time, voluntarily prepay Swing Line Loans in whole or in part without premium or penalty; provided that (A) such notice must be received by the Swing Line Lender and the Administrative Agent not later than 1:00 p.m. (Houston time) on the date of the prepayment, and (B) any such prepayment shall be in a minimum principal amount of \$50,000. Each such notice shall specify the date and amount of such prepayment. If such notice is given by the Borrower, the Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein.

(c) Borrowing Base Deficiency.

(i) Other than as provided in clause (c)(ii) and subsection (d) below, if the aggregate outstanding amount of the Revolving Advances plus the Letter of Credit Exposure ever exceeds the lesser of (y) the Borrowing Base and (z) the aggregate Revolving Commitments (such excess, a “Borrowing Base Deficiency”), the Borrower shall, after receipt of written notice from the Administrative Agent regarding such deficiency, take any of the following actions (and the failure of the Borrower to take such actions to remedy such Borrowing Base Deficiency within the time periods specified below shall constitute an Event of Default) and the Borrower shall notify the Administrative Agent of its election of the following actions within ten (10) days after receipt of the deficiency notice from the Administrative Agent:

(A) prepay Revolving Advances or, if the Revolving Advances have been repaid in full, make deposits into the Cash Collateral Account to provide cash collateral for the Letter of Credit Exposure, such that the Borrowing Base Deficiency is cured within ten (10) days after the date such deficiency notice is received by the Borrower from the Administrative Agent;

(B) pledge as Collateral for the Obligations additional Oil and Gas Properties reasonably acceptable to the Administrative Agent and each of the Lenders such that the Borrowing Base Deficiency is cured within thirty (30) days after the date such deficiency notice is received by the Borrower from the Administrative Agent;

(C) (i) deliver, within ten (10) days after the date such deficiency notice is received by the Borrower from the Administrative Agent, written notice to the Administrative Agent indicating the Borrower's election to repay the Revolving Advances and make deposits into the Cash Collateral Account to provide cash collateral for the Letters of Credit, each in six monthly installments equal to one-sixth of such Borrowing Base Deficiency with the first such installment due thirty (30) days after the date such deficiency notice is received by the Borrower from the Administrative Agent and each following installment due thirty (30) days after the preceding installment and (ii) make such payments and deposits within such time periods; provided that the Borrowing Base Deficiency cure permitted under this clause (C) shall not be available to the Borrower unless, concurrent with the written notice delivered to the Administrative Agent electing this option, the Borrower shall have delivered to the Administrative Agent a calculation of the Borrower's consolidated cash flow forecast and financial projections which demonstrates, to the Administrative Agent's reasonable satisfaction, the Borrower's ability to make each such installment payments and to otherwise pay its other Debt and trade accounts payable as they become due; or

(D) (i) deliver, within ten (10) days after the date such deficiency notice is received by the Borrower from the Administrative Agent, written notice to the Administrative Agent indicating the Borrower's election to combine the options provided in clause (B) and clause (C) above, and also indicating the amount to be prepaid in installments and the amount to be provided as additional Collateral, and (ii) make such six (6) equal consecutive monthly installments and deliver such additional Collateral within the time required under clause (B) and clause (C) above.

(ii) Upon each reduction of the Borrowing Base, if any, resulting from a Borrowing Base redetermination made under Section 2.02(c)(ii), if the aggregate outstanding amount of the Revolving Advances plus the Letter of Credit Exposure exceeds the lesser of (y) the Borrowing Base and (z) the Aggregate Revolving Commitments, then the Borrower shall, on the date set forth in the notice of the redetermined Borrowing Base delivered by the Administrative Agent, which date shall be no earlier than ten (10) days after the date such notice was delivered to Borrower, prepay the Revolving Advances, or if the Revolving Advances have been repaid in full, make deposits into the Cash Collateral Account to provide cash collateral for the Letter of Credit Exposure, in an amount equal to (A) such portion of the Borrowing Base deficiency resulting from such reduction plus (B) if a Borrowing Base Deficiency exists prior to such reduction, an amount equal to the lesser of (i) the net cash proceeds of the

transaction that triggered such Borrowing Base reduction and (ii) such portion of such Borrowing Base Deficiency in existence immediately prior to such election.

(iii) Each prepayment pursuant to this Section 2.05 shall be accompanied by accrued interest on the amount prepaid to the date of such prepayment and amounts, if any, required to be paid pursuant to Section 2.12 as a result of such prepayment being made on such date. Each prepayment under this Section 2.05 shall be applied to the Advances as determined by the Administrative Agent and agreed to by the Lenders in their sole discretion. The failure of the Borrower to provide a notice of its election within the required ten (10) days as required in clause (i) above shall be deemed to be an election by the Borrower to take the actions provided in clause (i)(A) above.

(d) Reduction of Revolving Commitments. On the date of each reduction of the aggregate Revolving Commitments pursuant to Section 2.04(a), the Borrower agrees to make a prepayment in respect of the outstanding amount of the Revolving Advances to the extent, if any, that the aggregate unpaid principal amount of all Revolving Advances plus the Letter of Credit Exposure exceeds the lesser of (i) the aggregate Revolving Commitments, as so reduced and (ii) the Borrowing Base. Each prepayment pursuant to this Section 2.05(d) shall be accompanied by accrued interest on the amount prepaid to the date of such prepayment and amounts, if any, required to be paid pursuant to Section 2.12 as a result of such prepayment being made on such date. Each prepayment under this Section 2.05(d) shall be applied to the Revolving Advances as directed by the Borrower or, if the Borrower fails to give such direction on the date such prepayment is made, as determined by the Administrative Agent and agreed to by the Lenders in their sole discretion.

(e) Illegality. If any Lender shall notify the Administrative Agent and the Borrower that any Change in Law makes it unlawful for such Lender or its Lending Office to perform its obligations under this Agreement to make or maintain any Eurodollar Rate Advances of such Lender then outstanding hereunder, (i) the Borrower shall, no later than 10:00 a.m. (Houston, Texas time) (A) if not prohibited by any Legal Requirement to maintain such Eurodollar Rate Advances for the duration of the Interest Period, on the last day of the Interest Period for each outstanding Eurodollar Rate Advance made by such Lender or (B) if prohibited by any Legal Requirement to maintain such Eurodollar Rate Advances for the duration of the Interest Period, on the second Business Day following its receipt of such notice, prepay all of the Eurodollar Rate Advances made by such Lender then outstanding, together with accrued interest on the principal amount prepaid to the date of such prepayment and amounts, if any, required to be paid pursuant to Section 2.12 as a result of such prepayment being made on such date, (ii) such Lender shall simultaneously make a Base Rate Advance to the Borrower on such date in an amount equal to the aggregate principal amount of the Eurodollar Rate Advances prepaid to such Lender, and (iii) the right of the Borrower to select Eurodollar Rate Advances from such Lender for any subsequent Borrowing shall be suspended until such Lender giving notice referred to above shall notify the Administrative Agent that the circumstances causing such suspension no longer exist. Each Lender agrees to use commercially reasonable efforts (consistent with its internal policies and subject to legal and regulatory restrictions) to designate a different Lending Office if the making of such designation would avoid the effect of this paragraph and would not, in the reasonable judgment of such Lender, be otherwise disadvantageous to such Lender.

(f) Mandatory Prepayment of Term Advances.

(i) Equity Issuance Proceeds. If any Loan Party or any Subsidiary receives Equity Issuance Proceeds or receives cash capital contributions on account of then existing Equity Interests of such Loan Party, then not later than one Business Day following the receipt of such proceeds by such Loan Party or Subsidiary, the Borrower shall prepay the Term Advances in an amount equal to 100% of such Equity Issuance Proceeds.

(ii) Debt Incurrence Proceeds. If any Loan Party or any Subsidiary receives Debt Incurrence Proceeds (other than in connection with the Transitory Note and the US Opco Notes), then not later than one Business Day following the receipt of such proceeds, the Borrower shall prepay the Term Advances in an amount equal to 100% of the amount of such Debt Incurrence Proceeds.

(iii) Asset Disposition. If any Loan Party or any Subsidiary completes an Asset Disposition (other than Asset Dispositions of Hydrocarbons in the ordinary course of business) whether in one transaction or in a series of related transactions, then the Borrower shall, no later than one Business Day following the completion of such Asset Sale, prepay the Term Advances in an amount equal to the excess if any of (A) 100% of the Net Cash Proceeds generated from such Asset Sale (whether one transaction or a series of related transactions) over (B) \$5,000,000.

(g) No Additional Right; Ratable Prepayment. The Borrower shall have no right to prepay any principal amount of any Advance except as provided in this Section 2.05, and all notices given pursuant to this Section 2.05 shall be irrevocable and binding upon the Borrower (unless the notice is conditioned on a refinancing, in which case such notice may be revoked on or prior to such date). Each payment of any Advance pursuant to this Section 2.05 shall be made in a manner such that all Advances comprising part of the same Borrowing are paid in whole or ratably in part.

2.06 Repayment of Advances.

(a) The Borrower shall repay to the Administrative Agent for the ratable benefit of the Lenders the outstanding principal amount of each Revolving Advance, together with any accrued interest thereon, on the Revolving Maturity Date or such earlier date pursuant to Section 7.02 or Section 7.03.

(b) The Borrower shall repay each Swing Line Loan on the Revolving Maturity Date or such earlier date pursuant to Section 7.02 or Section 7.03.

(c) The Borrower shall repay to the Administrative Agent for the ratable benefit of the Lenders the outstanding principal amount of each Term Advance, together with any accrued interest thereon, on the Term Maturity Date or such earlier date pursuant to Section 7.02 or Section 7.03.

2.07 Letters of Credit.

(a) Commitment. From time to time from the Closing Date until the earlier of thirty (30) days prior to the Revolving Maturity Date and the Revolving Commitment Termination Date, at the request of the Borrower, the Issuing Bank shall, on the terms and conditions hereinafter set forth, issue, amend, increase, renew or extend the Expiration Date of, Letters of Credit for the account of the Borrower or for the account of any other Loan Party (in which case the Borrower and such other Loan Party shall be co-applicants with respect to such Letter of Credit) on any Business Day. No Letter of Credit will be issued, amended increased, renewed or extended:

(i) if such issuance, amendment, increase, renewal or extension would cause the Letter of Credit Exposure to exceed the lesser of (A) the Letter of Credit Sublimit and (B) the lesser of (1) the aggregate Revolving Commitments minus the aggregate outstanding principal amount of all Revolving Advances and (2) the Borrowing Base minus the aggregate outstanding principal amount of all Revolving Advances;

(ii) if such Letter of Credit has an Expiration Date later than the earlier of (A) one year after the date of issuance thereof (or, in the case of any extension thereof, one year after the date of such extension), except to the extent otherwise approved by each Lender, and (B) thirty (30) days prior to the Revolving Maturity Date; provided that, any such Letter of Credit with a one-year tenor may expressly provide that it is renewable at the option of the Issuing Bank for additional one-year periods (which shall in no event extend beyond the Revolving Maturity Date) so long as such Letter of Credit is subject to a right of the Issuing Bank to prevent any such renewal from occurring by giving notice to the beneficiary of such Letter of Credit at least thirty (30) days in advance of such renewal;

(iii) unless such Letter of Credit Documents are in form and substance reasonably acceptable to the Issuing Bank;

(iv) unless such Letter of Credit is a standby letter of credit not supporting the repayment of indebtedness for borrowed money of any Person;

(v) unless the Borrower has delivered to the Issuing Bank a completed and executed Letter of Credit Application; provided that, if the terms of any such Letter of Credit Application conflicts with the terms of this Agreement, the terms of this Agreement shall control;

(vi) unless such Letter of Credit is governed by (A) the Uniform Customs and Practice for Documentary Credits (2007 Revision), International Chamber of Commerce Publication No. 600, or (B) the International Standby Practices (ISP98), International Chamber of Commerce Publication No. 590, in either case, including any subsequent revisions thereof approved by a Congress of the International Chamber of Commerce and adhered to by the Issuing Bank;

(vii) if any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain the Issuing Bank from issuing such Letter of Credit, or any Legal Requirement applicable to the Issuing Bank or any

request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over the Issuing Bank shall prohibit, or request that the Issuing Bank refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon the Issuing Bank with respect to such Letter of Credit any restriction, reserve or capital requirement (for which the Issuing Bank is not otherwise compensated hereunder) not in effect on the Closing Date, or shall impose upon the Issuing Bank any unreimbursed loss, cost or expense which was not applicable on the Closing Date and which the Issuing Bank in good faith deems material to it;

(viii) if the issuance of such Letter of Credit would violate one or more policies of the Issuing Bank applicable to letters of credit generally;

(ix) except as otherwise agreed by the Issuing Bank, if such Letter of Credit is to be denominated in a currency other than Dollars; or

(x) any Lender is at that time a Defaulting Lender, unless the Issuing Bank has entered into arrangements, including the delivery of cash collateral, reasonably satisfactory to the Issuing Bank with the Borrower or such Lender to eliminate the Issuing Bank's actual or potential Fronting Exposure (after giving effect to Section 2.16(a)(iv)) with respect to the Defaulting Lender arising from either the Letter of Credit then proposed to be issued or that Letter of Credit and all other Letter of Credit Obligations as to which the Issuing Bank has actual or potential Fronting Exposure, as it may elect in its sole discretion.

(b) Participations. Upon the date of the issuance or increase of a Letter of Credit, the Issuing Bank shall be deemed to have sold to each other Lender having a Revolving Commitment and each other Lender having a Revolving Commitment shall have been deemed to have purchased from the Issuing Bank a participation in the related Letter of Credit Obligations equal to such Lender's Revolving Pro Rata Share at such date and such sale and purchase shall otherwise be in accordance with the terms of this Agreement. In consideration and in furtherance of the foregoing, each Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for the account of the Issuing Bank, such Lender's Revolving Pro Rata Share of each payment or disbursement made by an Issuing Bank pursuant to a Letter of Credit and not reimbursed by the Borrower (or, if applicable, another party pursuant to its obligations under any other Loan Document) forthwith on the date due as provided in Section 2.07(c). Each Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including the occurrence and continuance of a Default or an Event of Default, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever. The Issuing Bank shall, promptly following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. The Issuing Bank shall as promptly as possible give telephonic notification, confirmed by fax, to the Administrative Agent and the Borrower of such demand for payment and whether the Issuing Bank has made or will make disbursement thereunder; provided that any failure to give or delay in giving such notice shall not relieve the Borrower of its obligation to reimburse the Issuing Bank and the Lenders with respect to any such payment or disbursement. The Administrative Agent shall promptly give each Lender notice thereof.

(c) Issuing. Each Letter of Credit shall be issued, amended, increased, renewed or extended pursuant to a Letter of Credit Application (or by telephone notice promptly confirmed in writing by a Letter of Credit Application), given not later than noon (Houston, Texas time) on the third Business Day before the date of the proposed issuance, increase, or extension of the Letter of Credit (or such shorter time period as is acceptable to the Issuing Bank in its sole discretion), and the Issuing Bank shall give the Administrative Agent and the Administrative Agent shall give each other Lender prompt notice thereof by telex, telephone, or telecopy of each Letter of Credit issued, increased, or extended or converted and the actual dollar amount of such Lender's participation in such Letter of Credit. Each Letter of Credit Application shall be delivered by facsimile or by mail specifying the information required therein; provided that if such Letter of Credit Application is delivered by facsimile, the Borrower shall follow such facsimile with an original by mail. After the Issuing Bank's receipt of such Letter of Credit Application (by facsimile or by mail) and subject to the terms and conditions set forth herein, the Issuing Bank shall issue, amend, increase, renew or extend such Letter of Credit for the account of the Borrower. Each Letter of Credit Application shall be irrevocable and binding on the Borrower. In the event of any inconsistency between the terms and conditions of this Agreement and (A) the terms and conditions of any form of Letter of Credit Application or other agreement submitted by the Borrower to, or entered into by the Borrower with, the Issuing Bank relating to any Letter of Credit, or (B) any terms and conditions (including any representations, covenants or events of default) supplemental to the terms and conditions of this Agreement contained in any such form of Letter of Credit Application or such other agreement, in each case, the terms and conditions of this Agreement shall control and such supplemental terms and conditions shall be ignored.

(d) Reimbursement. If the Issuing Bank makes any payment in respect of any Letter of Credit, the Borrower shall reimburse such payment by paying to the Issuing Bank an amount equal to such amount paid by the Issuing Bank under any Letter of Credit not later than noon (Houston, Texas time) on (i) the Business Day that the Borrower receives a notice of such payment by the Issuing Bank in respect of any Letter of Credit from the Issuing Bank, if such notice is received prior to 10:00 a.m. (Houston, Texas time), on the day of receipt, or (ii) the Business Day immediately following the day that the Borrower receives a notice of such payment by the Issuing Bank in respect of any Letter of Credit from the Issuing Bank, if such notice is not received prior to such time on the day of receipt; provided, that, with respect to any such payment owing by the Borrower prior to the Revolving Commitment Termination Date, the Borrower may, subject to the conditions to an Revolving Advance set forth herein request in accordance with Section 2.03 that such payment be financed with a Base Rate Advance in an equivalent amount and, to the extent so finance, the Borrower's obligation to make such payment shall be discharged and replaced by the resulting Revolving Advance. In the event the Issuing Bank makes a payment pursuant to a request for draw presented under a Letter of Credit and such payment is not promptly reimbursed by the Borrower as set forth above, the Issuing Bank shall give the Administrative Agent notice of the Borrower's failure to make such reimbursement and the Administrative Agent shall promptly notify each Lender of the amount necessary to reimburse the Issuing Bank. Upon such notice from the Administrative Agent, each Lender shall promptly reimburse the Issuing Bank for such Lender's Revolving Pro Rata Share of such amount, and such reimbursement shall be deemed for all purposes of this Agreement to be an Revolving Advance to the Borrower transferred at the Borrower's request to the Issuing Bank. If such reimbursement is not made by any Lender to the Issuing Bank on the same day on which

the Administrative Agent notifies such Lender to make reimbursement to the Issuing Bank hereunder, such Lender shall pay interest on its Revolving Pro Rata Share thereof to the Issuing Bank at a rate per annum equal to a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation. The Borrower hereby unconditionally and irrevocably authorizes, empowers, and directs the Administrative Agent and the Lenders to record and otherwise treat such reimbursements to the Issuing Bank as Base Rate Advances under a Revolving Borrowing requested by the Borrower to reimburse the Issuing Bank which have been transferred to the Issuing Bank at the Borrower's request.

(e) Obligations Unconditional. The obligations of the Borrower under this Agreement in respect of each Letter of Credit shall be unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including, without limitation, the following circumstances:

(i) any lack of validity or enforceability of any Letter of Credit Documents, any Loan Document, or any term or provision therein;

(ii) any amendment or waiver of, or any consent to or departure from, any Letter of Credit Documents or any Loan Document;

(iii) the existence of any claim, set-off, defense or other right which the Borrower, any other party guaranteeing, or otherwise obligated with, the Borrower, any subsidiary or other Affiliate thereof or any other Person may have at any time against any beneficiary or transferee of such Letter of Credit (or any Persons for whom any such beneficiary or any such transferee may be acting), the Issuing Bank, any Lender or any other Person, whether in connection with this Agreement, any other Loan Document, the transactions contemplated in this Agreement or in any Letter of Credit Documents or any unrelated transaction;

(iv) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect;

(v) payment by the Issuing Bank under such Letter of Credit against presentation of a draft or certificate which does not strictly comply with the terms of such Letter of Credit; or

(vi) any other act or omission to act or delay of any kind of the Issuing Bank, the Administrative Agent, the Lenders or any other Person or any other event, circumstance or happening whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section 2.07(e), constitute a legal or equitable discharge of the Borrower's obligations hereunder.

provided, however, that nothing contained in this paragraph (e) shall be deemed to constitute a waiver of any remedies of the Borrower in connection with the Letters of Credit or the Borrower's rights under Section 2.07(f) below. Without limiting the generality of the foregoing, it is expressly understood and agreed that the absolute and unconditional obligation of the Borrower hereunder to reimburse each payment or disbursement made by an Issuing Bank

pursuant to a Letter of Credit will not be excused by the gross negligence or willful misconduct of the Issuing Bank.

(f) Liability of Issuing Bank. The Borrower assumes all risks of the acts or omissions of any beneficiary or transferee of any Letter of Credit with respect to its use of such Letter of Credit. Neither the Issuing Bank nor any of its officers or directors shall be liable or responsible for:

(i) the use which may be made of any Letter of Credit or any acts or omissions of any beneficiary or transferee in connection therewith;

(ii) the validity, sufficiency, or genuineness of documents, or of any endorsement thereon, even if such documents should prove to be in any or all respects invalid, insufficient, fraudulent, or forged;

(iii) payment by the Issuing Bank against presentation of documents which do not comply with the terms of a Letter of Credit, including failure of any documents to bear any reference or adequate reference to the relevant Letter of Credit; or

(iv) any other circumstances whatsoever in making or failing to make payment under any Letter of Credit **(INCLUDING THE ISSUING BANK'S OWN NEGLIGENCE)**,

except that the Borrower shall have a claim against the Issuing Bank, and the Issuing Bank shall be liable to the Borrower, to the extent of any direct, as opposed to consequential (claims in respect of which are hereby waived by the Borrower to the extent permitted by applicable law), damages suffered by the Borrower which a court determines in a final, non-appealable judgment were caused by the Issuing Bank's willful misconduct or gross negligence in determining whether documents presented under a Letter of Credit comply with the terms of such Letter of Credit. In furtherance and not in limitation of the foregoing, the Issuing Bank may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary and, in making any payment under any Letter of Credit (A) the Issuing Bank's exclusive reliance on the documents presented to it under such Letter of Credit as to any and all matters set forth therein, including reliance on the amount of any draft presented under such Letter of Credit, whether or not the amount due to the beneficiary thereunder equals the amount of such draft and whether or not any document presented pursuant to such Letter of Credit proves to be insufficient in any respect, if such document on its face appears to be in order, and whether or not any other statement or any other document presented pursuant to such Letter of Credit proves to be forged or invalid or any statement therein proves to be inaccurate or untrue in any respect whatsoever and (B) any noncompliance in any immaterial respect of the documents presented under such Letter of Credit with the terms thereof shall, in each case, be deemed not to constitute willful misconduct or gross negligence of the Issuing Bank.

(g) Cash Collateral Account.

(i) In the event that any Letters of Credit shall be drawn and not reimbursed on the Revolving Maturity Date, the Borrower shall pay prior to the

Revolving Maturity Date to the Administrative Agent an amount equal to one hundred five percent (105%) of the Letter of Credit Exposure allocable to such Letters of Credit to be held in the Cash Collateral Account and applied in accordance with this Section 2.07(g).

(ii) If the Borrower is required to deposit funds in the Cash Collateral Account pursuant to Sections 2.05(c), 2.07(a)(ii), 2.07(g)(i), 7.02(b), or 7.03(b), then the Borrower and the Administrative Agent shall establish the Cash Collateral Account and the Borrower shall execute any documents and agreements, including the Administrative Agent's standard form deposit account control agreement, that the Administrative Agent requests in connection therewith to establish the Cash Collateral Account and grant the Administrative Agent a first priority security interest in such account and the funds therein. The Borrower hereby pledges to the Administrative Agent and grants the Administrative Agent a security interest in the Cash Collateral Account, whenever established, all funds held in the Cash Collateral Account from time to time and all proceeds thereof as security for the payment of the Obligations.

(iii) So long as no Event of Default exists, (A) the Administrative Agent may apply the funds held in the Cash Collateral Account only to the reimbursement of any Letter of Credit Obligations, and (B) the Administrative Agent shall release to the Borrower at the Borrower's written request any funds held in the Cash Collateral Account in an amount up to but not exceeding the excess, if any (immediately prior to the release of any such funds), of the total amount of funds held in the Cash Collateral Account over the Letter of Credit Exposure. During the existence of any Event of Default, the Administrative Agent may apply any funds held in the Cash Collateral Account to the Obligations in any order determined by the Administrative Agent, regardless of any Letter of Credit Exposure that may remain outstanding. The Administrative Agent may in its sole discretion at any time release to the Borrower any funds held in the Cash Collateral Account.

(iv) The Administrative Agent shall exercise reasonable care in the custody and preservation of any funds held in the Cash Collateral Account and shall be deemed to have exercised such care if such funds are accorded treatment substantially equivalent to that which the Administrative Agent accords its own Property, it being understood that the Administrative Agent shall not have any responsibility for taking any necessary steps to preserve rights against any parties with respect to any such funds.

(h) Defaulting Lender. If, at any time, a Defaulting Lender exists hereunder, then, at the request of the Issuing Bank, the Borrower shall deposit funds with the Administrative Agent into the Cash Collateral Account in an amount equal to such Defaulting Lender's Revolving Pro Rata Share of the Letter of Credit Exposure.

(i) Existing Letter of Credit. As of the Closing Date, the Existing Letters of Credit shall be deemed "Letters of Credit" hereunder and shall be subject to the terms and provisions set forth herein.

2.08 Fees.

(a) Commitment Fees. Subject to Section 2.16, the Borrower agrees to pay to the Administrative Agent for the account of each Lender a commitment fee at a per annum rate equal to the Commitment Fee Rate on the daily Unused Revolving Commitment Amount of such Lender, from the Closing Date until the Revolving Commitment Termination Date; provided that no commitment fee shall accrue on the Revolving Commitment of a Defaulting Lender during the period such Lender remains a Defaulting Lender. The commitment fees shall be due and payable quarterly in arrears on the last day of each March, June, September, and December, commencing on June 30, 2014, and continuing thereafter through and including the Revolving Commitment Termination Date.

(b) Letter of Credit Fees.

(i) The Borrower agrees to pay to the Administrative Agent for the pro rata benefit of the Lenders a per annum letter of credit fee for each Letter of Credit equal to the Letter of Credit Fee Rate applicable to such Letter of Credit multiplied by the daily maximum amount available to be drawn under such Letter of Credit. The fees required under this clause (i) shall be payable quarterly in arrears on the last day of each March, June, September, and December, commencing on June 30, 2014, and continuing thereafter through and including the Revolving Commitment Termination Date.

(ii) The Borrower agrees to pay to the Issuing Bank a fronting fee for each Letter of Credit equal to the greater of (A) [REDACTED]% per annum times on the face amount of such Letter of Credit and (2) [REDACTED] Dollars (\$[REDACTED]). The fees required under this clause (ii) shall be payable quarterly in arrears on the last day of each March, June, September, and December, commencing on June 30, 2014, and continuing thereafter through and including the Revolving Commitment Termination Date.

(iii) In addition, the Borrower agrees to pay to the Issuing Bank all customary transaction costs and fees charged by the Issuing Bank in connection with the issuance of a Letter of Credit for the Borrower's account, such costs and fees to be due and payable on the date specified by the Issuing Bank in the invoice for such costs and fees (which date shall not be any earlier than fifteen (15) days following receipt of such invoice).

(iv) Notwithstanding the first sentence of Section 2.08(b)(i) above, during a Borrowing Base Deficiency, the letter of credit fee payable pursuant to Section 2.08(b)(i) shall be calculated using the Borrowing Base Deficiency Rate rather than the otherwise applicable Letter of Credit Fee Rate, to the fullest extent permitted by Legal Requirements.

(v) Notwithstanding the first sentence of Section 2.08(b)(i) above or Section 2.08(b)(iv) above, (x) after acceleration of the Obligations, (y) after a payment default under Section 7.01(a) and (z) upon the request of the Majority Lenders at any time of any Event of Default, the letter of credit fee payable pursuant to Section 2.08(b)(i) shall be calculated using the Default Rate rather than the otherwise applicable Letter of Credit Fee Rate, to the fullest extent permitted by Legal Requirements. Accrued

and unpaid fees, including any letter of credit fees, shall be due and payable upon demand.

(c) Borrowing Base Interim Redetermination Fee. The Borrower agrees to pay to the Administrative Agent a fee upon each interim redetermination of the Borrowing Base pursuant to Section 2.02(c) in an amount equal to [REDACTED] Dollars (\$[REDACTED]).

(d) Other Fees. The Borrower agrees to pay to the Administrative Agent and The Bank of Nova Scotia the fees provided for in the Fee Letter.

2.09 Interest. The Borrower shall pay interest on the unpaid principal amount of each Advance made by each Lender from the date of such Advance until such principal amount shall be paid in full, at the following rates per annum:

(a) Base Rate Advances and Swing Line Loans. Subject to Section 2.09(c), if such Advance is a Base Rate Advance or a Swing Line Loan, a rate per annum equal at all times to the Adjusted Base Rate in effect from time to time plus the Applicable Margin in effect from time to time, payable quarterly in arrears on the last day of each March, June, September, and December, commencing on June 30, 2014.

(b) Eurodollar Rate Advances. Subject to Section 2.09(c), if such Advance is a Eurodollar Rate Advance, a rate per annum equal at all times during the Interest Period for such Advance to the Eurodollar Rate for such Interest Period plus the Applicable Margin in effect from time to time, payable on the last day of such Interest Period; provided, however, that if any Interest Period for a Eurodollar Rate Advances exceeds three months, interest shall also be payable on the respective dates that fall every three months after the beginning of such Interest Period.

(c) Default Interest. (i) After acceleration of the Obligations, (ii) after payment default under Section 7.01(a), and (iii) upon the request of the Majority Lenders at any time during the existence of any Event of Default the Borrower shall pay interest on the principal amount of all outstanding Obligations hereunder at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by Legal Requirements. Accrued and unpaid interest on past due amounts (including interest on past due interest) shall be due and payable upon demand.

(d) Borrowing Base Deficiency Interest. Upon the occurrence and during the continuation of a Borrowing Base Deficiency, the Borrower shall pay interest on the principal amount of all outstanding Obligations hereunder at a fluctuating interest rate per annum at all times equal to the Borrowing Base Deficiency Rate to the fullest extent permitted by Legal Requirements.

(e) Usury Recapture. Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the Maximum Rate. If the Administrative Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Advances or, if it exceeds such unpaid principal, refunded to the Borrower. In determining whether the interest contracted for, charged, or received by the Administrative

Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by applicable Legal Requirements, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

(i) In the event, upon payment in full of the Advances, the total amount of interest paid or accrued under the terms of this Agreement and the Advances is less than the total amount of interest which would have been paid or accrued if the rates of interest set forth in this Agreement had, at all times, been in effect, then the Borrower shall, to the extent permitted by applicable law, pay the Administrative Agent for the account of the Lenders an amount equal to the difference between (A) the lesser of (1) the amount of interest which would have been charged on its Advances if the Maximum Rate had, at all times, been in effect and (2) the amount of interest which would have accrued on its Advances if the rates of interest set forth in this Agreement had at all times been in effect and (B) the amount of interest actually paid under this Agreement on its Advances.

(ii) In the event the Lenders ever receive, collect or apply as interest any sum in excess of the Maximum Rate, such excess amount shall, to the extent permitted by law, be applied to the reduction of the principal balance of the Advances, and if no such principal is then outstanding, such excess or part thereof remaining shall be paid to the Borrower.

(iii) For the purposes of the *Interest Act* (Canada) (R.S.C. 1985, c. I-5, as amended) and disclosure thereunder, (i) whenever any interest or fee under this Agreement is calculated on the basis of a period of time other than a calendar year, such rate used in such calculation, when expressed as an annual rate, is equivalent to (x) such rate, multiplied by (y) the actual number of days in the calendar year in which the period for which such interest or fee is calculated ends, and divided by (z) the number of days in such period of time, and (ii) all calculations of interest payable by any Canadian Loan Party under this Agreement or any other Loan Document are to be made on the basis of the nominal interest rate described herein and therein and not on the basis of effective yearly rates or on any other basis which gives effect to the principle of deemed reinvestment of interest.

2.10 Payments and Computations.

(a) Payment Procedures. The Borrower shall make each payment under this Agreement and under the Notes not later than 1:00 p.m. (Houston, Texas time) on the day when due in Dollars to the Administrative Agent at such location as the Administrative Agent shall designate in writing to the Borrower in same day funds without deduction, setoff, or counterclaim of any kind, except as may be applicable to any Defaulting Lender. Subject to Section 2.16 the Administrative Agent shall promptly thereafter cause to be distributed like funds relating to the payment of principal, interest or fees ratably (other than amounts payable solely to the Administrative Agent, or Issuing Bank, or a specific Lender pursuant to Section 2.08(b)(ii) and (iii), 2.08(c), 2.12, 2.13, 2.14, or 9.08, but after taking into account payments effected pursuant to Section 10.04) in accordance with each Lender's Revolving Pro Rata Share to the

Lenders for the account of their respective Lending Offices, and like funds relating to the payment of any other amount payable to any Lender or the Issuing Bank to such Lender for the account of its Lending Office, in each case to be applied in accordance with the terms of this Agreement.

(b) Computations. All computations of interest based on the Base Rate shall be made by the Administrative Agent on the basis of a year of three hundred sixty-five (365) or three hundred sixty-six (366) days, as the case may be, and all computations of interest based on the Eurodollar Rate and the Federal Funds Rate and of fees shall be made by the Administrative Agent, on the basis of a year of three hundred sixty (360) days, in each case for the actual number of days (including the first day, but excluding the last day) occurring in the period for which such interest or fees are payable. Each determination by the Administrative Agent of an interest rate or fee shall be conclusive and binding for all purposes, absent manifest error.

(c) Non-Business Day Payments. Whenever any payment shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of interest or fees, as the case may be; provided, however, that if such extension would cause payment of interest on or principal of Eurodollar Rate Advances to be made in the next following calendar month, such payment shall be made on the next preceding Business Day.

(d) Administrative Agent Reliance. Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or the Issuing Bank hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the Issuing Bank, as the case may be, the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders or the Issuing Bank, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or the Issuing Bank, with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

2.11 Sharing of Payments. If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Advances or other obligations hereunder resulting in such Lender's receiving payment of a proportion of the aggregate amount of its Advances and accrued interest thereon or other such obligations greater than its pro rata share thereof as provided herein, then the Lender receiving such greater proportion shall (a) notify the Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the Advances and such other obligations of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Advances and other amounts owing them, provided that:

(a) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(b) the provisions of this paragraph shall not be construed to apply to (i) any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or (ii) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Advances or participations in Letter of Credit Obligations or Swing Line Loans to any assignee or participant, other than to the Borrower or any Subsidiary thereof (as to which the provisions of this paragraph shall apply).

Each Loan Party consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against each Loan Party rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of each Loan Party in the amount of such participation.

2.12 Breakage Costs. If any payment of principal or interest of any Eurodollar Rate Advance is made other than on the date such payment is due and payable, whether as a result of any payment pursuant to Section 2.05, the acceleration of the maturity of the Credit Agreement Obligations pursuant to Article VII, or otherwise, the Borrower shall compensate each Lender for the loss, cost and or expense incurred by such Lender as a result of such event, including, without limitation, any loss (including loss of anticipated profits), cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by any Lender to fund or maintain such Advance. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section 2.12 shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within fifteen (15) days after receipt thereof.

2.13 Increased Costs.

(a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (except any reserve requirement reflected in the Eurodollar Rate) or against any Letters of Credit issued by the Issuing Bank;

(ii) subject any Lender or the Issuing Bank to any tax of any kind whatsoever with respect to this Agreement, any Letter of Credit, any participation in a Letter of Credit or any Eurodollar Rate Advance made by it, or change the basis of taxation of payments to such Lender or the Issuing Bank in respect thereof (except for Indemnified Taxes or Other Taxes covered by Section 2.14 and the imposition of, or any change in the rate of, any Excluded Tax payable by such Lender or the Issuing Bank); or

(iii) impose on any Lender or the Issuing Bank or the London interbank market any other condition, cost or expense affecting this Agreement or Eurodollar Rate Advances made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any Eurodollar Rate Advance (or of maintaining its obligation to make any such Loan), or to increase the cost to such Lender or the Issuing Bank of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by such Lender or the Issuing Bank hereunder (whether of principal, interest or any other amount) then, upon request of such Lender or the Issuing Bank, the Borrower will pay to such Lender or the Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or the Issuing Bank, as the case may be, for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If any Lender or the Issuing Bank determines that any Change in Law affecting such Lender or the Issuing Bank or any Lending Office of such Lender or such Lender's or the Issuing Bank's holding company, if any, regarding capital requirements has or would have the effect of reducing the rate of return on such Lender's or the Issuing Bank's capital or on the capital of such Lender's or the Issuing Bank's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Advances made by, or participations in Letters of Credit or Swing Line Loans held by, such Lender, or the Letters of Credit issued by the Issuing Bank, to a level below that which such Lender or the Issuing Bank or such Lender's or the Issuing Bank's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or the Issuing Bank's policies and the policies of such Lender's or the Issuing Bank's holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender or the Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or the Issuing Bank or such Lender's or the Issuing Bank's holding company for any such reduction suffered.

(c) Delay in Requests. Failure or delay on the part of any Lender or the Issuing Bank to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or the Issuing Bank's right to demand such compensation, provided that the Borrower shall not be required to compensate a Lender or the Issuing Bank pursuant to this Section for any increased costs incurred or reductions suffered more than nine (9) months prior to the date that such Lender or the Issuing Bank, as the case may be, notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's or the Issuing Bank's intention to claim compensation therefore (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the nine-month period referred to above shall be extended to include the period of retroactive effect thereof).

(d) Mitigation. If any Lender requests compensation under this Section 2.13, or requires the Borrower to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.14, then such Lender shall use reasonable efforts to designate a different Lending Office for funding or booking its Advances hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate

or reduce amounts payable pursuant to Sections 2.13 or 2.14, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable and documented out-of pocket costs and expenses incurred by any Lender in connection with any such designation or assignment.

(e) Certificates for Reimbursement. A certificate of a Lender or the Issuing Bank setting forth the amount or amounts necessary to compensate such Lender or the Issuing Bank or its holding company, as the case may be, as specified in paragraph (a), (b) or (c) of this Section 2.13 and delivered to the Borrower shall be conclusive absent manifest error. The Borrower shall pay such Lender or the Issuing Bank, as the case may be, the amount shown as due on any such certificate within fifteen (15) days after receipt thereof.

2.14 Taxes.

(a) No Deduction for Certain Taxes. Any and all payments by or on account of any obligation of the Borrower hereunder or under any other Loan Document shall be made free and clear of and without reduction or withholding for any Indemnified Taxes or Other Taxes, provided that if the Borrower shall be required by applicable law to deduct any Indemnified Taxes or Other Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.14) the Administrative Agent, Lender or Issuing Bank, as the case may be, receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall timely pay the full amount deducted to the relevant Governmental Authority in accordance with applicable Legal Requirements.

(b) Other Taxes. Without limiting the provisions of paragraph (a) above, the Borrower shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable Legal Requirements.

(c) Indemnification. The Borrower shall indemnify the Administrative Agent, each Lender and the Issuing Bank, within fifteen (15) days after demand therefore, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section 2.14) paid by the Administrative Agent, such Lender or the Issuing Bank, as the case may be, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority; provided, however, that indemnification shall be payable under this Section 2.14(c) only if the Administrative Agent, such Lender or the Issuing Bank, as the case may be, seeks indemnification from the Borrower in writing within nine (9) months of payment of such Indemnified Taxes or Other Taxes by the Administrative Agent, such Lender or the Issuing Bank, as applicable (except that, if the imposition of any such Taxes or Other Taxes is retroactive, then the nine (9) months referred to above shall be extended to include the period of retroactive effect thereof). A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender or the Issuing Bank (with a copy to the Administrative Agent), or

by or through the Administrative Agent on its own behalf or on behalf of a Lender or the Issuing Bank, shall be conclusive absent manifest error.

(d) Evidence of Payments. As soon as practicable after any payment of Indemnified Taxes or Other Taxes by the Borrower to a Governmental Authority, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Status of Lenders. Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which the Borrower is resident for tax purposes, or any treaty to which such jurisdiction is a party, with respect to payments hereunder or under any other Loan Document shall deliver to the Borrower (with a copy to the Administrative Agent), at the time or times prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation prescribed by applicable law as will permit the Borrower or Administrative Agent, as the case may be, to determine (i) whether or not payments made hereunder are subject to Taxes, (ii) if applicable, the required rate of withholding or deduction, and (iii) such Lender's entitlement to any available exemption from, or reduction of, applicable Taxes in respect of all payments to be made to such Lender by Borrower pursuant to this Agreement or otherwise to establish any such Lender's status for withholding tax purposes in the applicable jurisdiction. In addition, any Lender, if requested by the Borrower or the Administrative Agent, shall promptly deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Without limiting the generality of the foregoing, in the event that the Borrower is resident for Tax purposes in the United States of America, any Foreign Lender shall deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the request of the Borrower or the Administrative Agent, but only if such Foreign Lender is legally entitled to do so), whichever of the following is applicable:

(i) duly completed copies of Internal Revenue Service Form W-8BEN or Internal Revenue Service Form W-8BEN-E claiming eligibility for benefits of an income tax treaty to which the United States of America is a party,

(ii) duly completed copies of Internal Revenue Service Form W-8ECI or W-8IMY (as applicable),

(iii) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under section 881(c) of the Code, (x) a certificate to the effect that such Foreign Lender is not (A) a "bank" within the meaning of section 881(c)(3)(A) of the Code, (B) a "10 percent shareholder" of the Borrower within the meaning of section 881(c)(3)(B) of the Code, or (C) a "controlled foreign corporation" described in section 881(c)(3)(C) of the Code and (y) duly completed copies of Internal Revenue Service Form W-8BEN or Internal Revenue Service Form W-8BEN-E, or

(iv) any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in United States Federal withholding Tax duly completed together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower to determine the withholding or deduction required to be made; *provided that* other than the Internal Revenue Service Forms and documents described in clauses (i) through (iii) and the FATCA documentation described below, a Foreign Lender shall not be required to provide any other form prescribed by applicable law that would subject such Foreign Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Foreign Lender.

Any Lender that is a U.S. Person, as defined in Section 7701(a)(30) of the Code, shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of Internal Revenue Service Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding Tax.

If a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause, "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Each Lender shall promptly (i) provide new documentation to Borrower and Administrative Agent upon the expiration or obsolescence of previously delivered documentation, (ii) notify Borrower and Administrative Agent of any change in circumstances which would modify or render invalid any claimed exemption or reduction, and (iii) take such steps as shall not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender, and as may be reasonably necessary (including the re-designation of its Lending Office) to avoid any requirement of applicable Legal Requirements of any jurisdiction that Borrower or the Administrative Agent make any withholding or deduction for Taxes from amounts payable to such Lender. The Borrower hereby agrees to pay all reasonable and documented out-of pocket costs and expenses incurred by any Lender in connection with any such designation or assignment.

(f) Treatment of Certain Refunds. If the Administrative Agent, a Lender or the Issuing Bank receives a refund of any Taxes or Other Taxes as to which it has been indemnified by the Borrower or with respect to which the Borrower has paid additional amounts pursuant to this Section 2.14, it shall pay to the Borrower an amount equal to such refund (but

only to the extent of indemnity payments made, or additional amounts paid, by the Borrower under this Section 2.14 with respect to the Taxes or Other Taxes giving rise to such refund), net of all reasonable third party out-of-pocket expenses of the Administrative Agent, such Lender or the Issuing Bank, as the case may be, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund), provided that the Borrower, upon the request of the Administrative Agent, such Lender or the Issuing Bank, agrees to repay the amount paid over to the Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent, such Lender or the Issuing Bank in the event the Administrative Agent, such Lender or the Issuing Bank is required to repay such refund to such Governmental Authority. This paragraph shall not be construed to require the Administrative Agent, any Lender or the Issuing Bank to make available its tax returns (or any other information relating to its taxes that it deems confidential) to the Borrower or any other Person.

2.15 Replacement of Lender. If (i) any Lender (or its holding company, if any) requests compensation under Section 2.13(a) or (b) or Section 2.14, (ii) any Lender suspends its obligation to continue, or Convert Advances into, Eurodollar Rate Advances pursuant to Section 2.03(c)(ii), Section 2.05(e) or Section 2.11, or (iii) any Lender becomes a Defaulting Lender, or (iv) any Lender is a Non-Consenting Lender (any such Lender, a “Subject Lender”), then (A) in the case of a Defaulting Lender, the Administrative Agent may, upon notice to the Subject Lender and the Borrower, require such Subject Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 10.06), all of its interests, rights and obligations under this Agreement and the related Loan Documents to an Eligible Assignee that shall assume such obligations (which Eligible Assignee may be another Lender, if a Lender accepts such assignment) and (B) in the case of any Subject Lender, including a Defaulting Lender, the Borrower may, upon notice to the Subject Lender and the Administrative Agent and at the Borrower’s sole cost and expense, require such Subject Lender to assign, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 10.06), all of its interests, rights and obligations under this Agreement and the related Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that:

(A) as to assignments required by the Borrower, the Borrower shall have paid to the Administrative Agent the assignment fee specified in Section 10.06;

(B) such Subject Lender shall have received payment of an amount equal to the outstanding principal of its Advances and participations in outstanding Letter of Credit Obligations, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 2.12) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts);

(C) in the case of any such assignment resulting from a claim for compensation under Section 2.13, such assignment will result in a reduction in such compensation or payments thereafter;

(D) such assignment does not conflict with applicable Legal Requirements; and

(E) with respect to a Non-Consenting Lender, the proposed agreement, amendment, waiver, consent or release with respect to this Agreement or any other Loan Document (including any increases to the Borrowing Base) has been approved by the Majority Lenders and such agreement, amendment, waiver, consent or release can be effected as a result of the assignment contemplated by this Section 2.15.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply. Solely for purposes of effecting the assignment required for a Defaulting Lender under this Section 2.15 and to the extent permitted under applicable Legal Requirements, each Lender hereby designates and appoints the Administrative Agent as true and lawful agent and attorney-in-fact, with full power and authority, for and on behalf of and in the name of such Lender to execute, acknowledge and deliver the Assignment and Acceptance required hereunder if such Lender was a Defaulting Lender and such Lender shall be bound thereby as fully and effectively as if such Lender had personally executed, acknowledged and delivered the same.

2.16 Defaulting Lenders.

(a) Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as that Lender is no longer a Defaulting Lender, to the extent permitted by applicable Legal Requirements:

(i) Waivers and Amendments. That Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in Section 10.01.

(ii) Reallocation of Payments. Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of that Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article VII or otherwise, and including any amounts made available to the Administrative Agent by that Defaulting Lender pursuant to Section 7.04), shall be applied at such time or times as may be determined by the Administrative Agent as follows: *first*, to the payment of any amounts owing by that Defaulting Lender to the Administrative Agent hereunder; *second*, to the payment on a pro rata basis of any amounts owing by that Defaulting Lender to the Issuing Bank or Swing Line Lender hereunder; *third*, if so determined by the Administrative Agent or requested by the Issuing Bank, to be held as cash collateral for future funding obligations of that Defaulting Lender of any participation in any Letter of Credit; *fourth*, as the Borrower may request (so long as no Default or Event of Default

exists), to the funding of any Advance in respect of which that Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; *fifth*, if so determined by the Administrative Agent and the Borrower, to be held in a non-interest bearing deposit account and released in order to satisfy obligations of that Defaulting Lender to fund Advances under this Agreement; *sixth*, to the payment of any amounts owing to the Lenders, the Issuing Bank or the Swing Line Lender as a result of any judgment of a court of competent jurisdiction obtained by any Lender, the Issuing Bank or the Swing Line Lender against that Defaulting Lender as a result of that Defaulting Lender's breach of its obligations under this Agreement; *seventh*, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against that Defaulting Lender as a result of that Defaulting Lender's breach of its obligations under this Agreement; and *eighth*, to that Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Advances in respect of which that Defaulting Lender has not fully funded its appropriate share and (y) such Advances were made at a time when the conditions set forth in Section 3.02 were satisfied or waived, such payment shall be applied solely to pay the Advances owed to all non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Advances owed to that Defaulting Lender. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post cash collateral pursuant to this Section 2.16(a)(ii) shall be deemed paid to and redirected by that Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) Certain Fees. That Defaulting Lender shall not be entitled to receive any commitment fee pursuant to Section 2.08(a) for any period during which that Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender). Any fees payable for the account of a Defaulting Lender with respect to any Letter of Credit as to which such Defaulting Lender has not provided cash collateral satisfactory to the Issuing Bank pursuant to Section 2.07 shall be payable, to the maximum extent permitted by applicable Legal Requirements, to the other Lenders in accordance with the upward adjustments in their respective Revolving Pro Rata Shares allocable to such Letter of Credit pursuant to Section 2.16(a)(iv), with the balance of such fee, if any, payable to the Issuing Bank for its own account.

(iv) Reallocation of Applicable Percentages to Reduce Fronting Exposure. During any period in which there is a Defaulting Lender, for purposes of computing the amount of the obligation of each non-Defaulting Lender to acquire, refinance or fund participations in Letters of Credit pursuant to Section 2.07, the "Revolving Pro Rata Share" of each non-Defaulting Lender shall be computed without giving effect to the Revolving Commitment of that Defaulting Lender; provided, that, (i) each such reallocation shall be given effect only if, at the date the applicable Lender becomes a Defaulting Lender, no Default or Event of Default exists; and (ii) the aggregate obligation of each non-Defaulting Lender to acquire, refinance or fund participations in Letters of Credit shall not exceed the positive difference, if any, of (1)

the Revolving Commitment of that non-Defaulting Lender minus (2) the aggregate outstanding principal amount of the Revolving Advances of that Lender.

(v) Cash Collateral, Repayment of Swing Line Loans. If the reallocation described in clause (a)(iv) above cannot, or can only partially, be effected, the Borrower shall, without prejudice to any right or remedy available to it hereunder or under applicable Law, (x) first, prepay Swing Line Loans in an amount equal to the Swing Line Lenders' Fronting Exposure and (y) second, deposit cash collateral in the Cash Collateral Account in the amount of the Issuing Bank's Fronting Exposure in accordance with the procedures set forth in Section 2.07(g).

(b) Defaulting Lender Cure. If the Borrower, the Administrative Agent, the Swing Line Lender and the Issuing Bank agree in writing in their sole discretion that a Defaulting Lender should no longer be deemed to be a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any cash collateral), that Lender will, to the extent applicable, purchase that portion of outstanding Revolving Advances of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Revolving Advances and funded and unfunded participations in Letters of Credit and Swing Line Loans to be held on a pro rata basis by the Lenders in accordance with their Revolving Pro Rata Shares (without giving effect to Section 2.16(a)(iv)), whereupon that Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

(c) Replacement of Defaulting Lender. The Borrower shall have the right to replace a Defaulting Lender in accordance with Section 2.15.

2.17 Swing Line Loans.

(a) The Swing Line. Subject to the terms and conditions set forth herein, and if an Autoborrow Agreement is in effect, subject to the terms and conditions of such Autoborrow Agreement, the Swing Line Lender, in reliance upon the agreements of the other Lenders set forth in this Section 2.17, may in its sole discretion make loans (each such loan, a "Swing Line Loan") to the Borrower from time to time on any Business Day prior to the Revolving Maturity Date in an aggregate amount not to exceed at any time outstanding the amount of the Swing Line Sublimit, notwithstanding the fact that such Swing Line Loans, when aggregated with the Revolving Pro Rata Share of the aggregate outstanding amount of Revolving Advances and Letter of Credit Exposure of the Lender acting as Swing Line Lender, may exceed the amount of such Lender's Revolving Commitment; provided, however, that (x) after giving effect to any Swing Line Loan, (i) the aggregate outstanding amount of Credit Extensions shall not exceed the aggregate Revolving Commitments, and (ii) the outstanding amount of Credit Extensions of any Lender (other than the Lender acting as the Swing Line Lender to the extent described above) shall not exceed such Lender's Revolving Commitment, (y) the Borrower shall not use the

proceeds of any Swing Line Loan to refinance any outstanding Swing Line Loan, and (z) the Swing Line Lender shall not be under any obligation to make any Swing Line Loan if it shall determine (which determination shall be conclusive and binding absent manifest error) that it has, or by such Credit Extension may have, Fronting Exposure. Within the foregoing limits, and subject to the other terms and conditions hereof, the Borrower may borrow under this Section 2.17, prepay under Section 2.05, and reborrow under this Section 2.17. Each Swing Line Loan shall be a Base Rate Advance. Immediately upon the making of a Swing Line Loan, each Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the Swing Line Lender a risk participation in such Swing Line Loan in an amount equal to the product of such Lender's Revolving Pro Rata Share times the amount of such Swing Line Loan.

(b) Borrowing Procedures. Each Swing Line Borrowing shall be made upon the Borrower's irrevocable notice to the Swing Line Lender and the Administrative Agent, which may be given by telephone (subject to the Swing Line Lender's standard authentication procedures), or an Automatic Swing Line Loan Notice. Each such notice must be received by the Swing Line Lender and the Administrative Agent not later than 2:00 p.m. (Houston, Texas time) on the requested borrowing date or, in the case of a Swing Line Loan made pursuant to the Autoborrow Agreement, such Swing Line Loan Notice shall be deemed to have been made when such Swing Line Loan is made pursuant to the Autoborrow Agreement (any such Swing Line Loan Notice, an "Automatic Swing Line Loan Notice"). Each Swing Line Loan Notice (other than an Automatic Swing Line Loan Notice) shall specify (i) the amount to be borrowed, which shall be a minimum of \$50,000, and (ii) the requested borrowing date, which shall be a Business Day. Each such telephonic notice must be confirmed promptly by delivery to the Swing Line Lender and the Administrative Agent of a written Swing Line Loan Notice, appropriately completed and signed by a Responsible Officer of the Borrower. Promptly after receipt by the Swing Line Lender of any telephonic Swing Line Loan Notice, the Swing Line Lender will confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has also received such Swing Line Loan Notice and, if not, the Swing Line Lender will notify the Administrative Agent (by telephone or in writing) of the contents thereof. With respect to any Swing Line Borrowing other than a Swing Line Borrowing made pursuant to an Autoborrow Agreement, unless the Swing Line Lender has received notice (by telephone or in writing) from the Administrative Agent (including at the request of any Lender) prior to 12:00 p.m. (Houston, Texas time) on the date of the proposed Swing Line Borrowing (A) directing the Swing Line Lender not to make such Swing Line Loan as a result of the limitations set forth in the first proviso to the first sentence of Section 2.17(a), or (B) that one or more of the applicable conditions specified in Article III is not then satisfied, then, subject to the terms and conditions hereof, the Swing Line Lender will, not later than 2:00 p.m. (Houston, Texas time) on the borrowing date specified in such Swing Line Loan Notice, make the amount of its Swing Line Loan available to the Borrower.

(c) Refinancing of Swing Line Loans.

(i) The Swing Line Lender at any time in its sole and absolute discretion may request, on behalf of the Borrower (which hereby irrevocably authorizes the Swing Line Lender to so request on its behalf), that each Lender make a Base Rate Advance in an amount equal to such Lender's Revolving Pro Rata Share of the amount of Swing Line Loans then outstanding. Such request shall be made in writing (which

written request shall be deemed to be a Loan Notice for purposes hereof) and in accordance with the requirements of Section 2.03, without regard to the minimum and multiples specified therein for the principal amount of Base Rate Advances, but subject to the unutilized portion of the Revolving Commitments and the conditions set forth in Section 3.02. The Swing Line Lender shall furnish the Borrower with a copy of the applicable Notice of Borrowing promptly after delivering such notice to the Administrative Agent. Each Lender shall make an amount equal to its Revolving Pro Rata Share of the amount specified in such Notice of Borrowing available to the Administrative Agent in immediately available funds (and the Administrative Agent may apply amounts in the Cash Collateral Account available with respect to the applicable Swing Line Loan) for the account of the Swing Line Lender at the Administrative Agent's Office not later than 2:00 p.m. (Houston, Texas time) on the day specified in such Notice of Borrowing, whereupon, subject to Section 2.17(c)(ii), each Lender that so makes funds available shall be deemed to have made a Base Rate Advance to the Borrower in such amount. The Administrative Agent shall remit the funds so received to the Swing Line Lender.

(ii) If for any reason any Swing Line Loan cannot be refinanced by such a Borrowing in accordance with Section 2.17(c)(i), the request for Base Rate Advances submitted by the Swing Line Lender as set forth herein shall be deemed to be a request by the Swing Line Lender that each of the Lenders fund its risk participation in the relevant Swing Line Loan and each Lender's payment to the Administrative Agent for the account of the Swing Line Lender pursuant to Section 2.17(c)(i) shall be deemed payment in respect of such participation.

(iii) If any Lender fails to make available to the Administrative Agent for the account of the Swing Line Lender any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.17(c) by the time specified in Section 2.17(c)(i), the Swing Line Lender shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the Swing Line Lender at a rate per annum equal to the greater of the Federal Funds Rate and a rate determined by the Swing Line Lender in accordance with banking industry rules on interbank compensation, plus any administrative, processing or similar fees customarily charged by the Swing Line Lender in connection with the foregoing. If such Lender pays such amount (with interest and fees as aforesaid), the amount so paid shall constitute such Lender's Revolving Advance included in the relevant Revolving Borrowing or funded participation in the relevant Swing Line Loan, as the case may be. A certificate of the Swing Line Lender submitted to any Lender (through the Administrative Agent) with respect to any amounts owing under this clause (iii) shall be conclusive absent manifest error.

(iv) Each Lender's obligation to make Revolving Advances or to purchase and fund risk participations in Swing Line Loans pursuant to this Section 2.17(c) shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right which such Lender may have against the Swing Line Lender, the Borrower or any other

Person for any reason whatsoever, (B) the occurrence or continuance of a Default, or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing; provided, however, that each Lender's obligation to make Revolving Advances pursuant to this Section 2.17(c) is subject to the conditions set forth in Section 3.02. No such funding of risk participations shall relieve or otherwise impair the obligation of the Borrower to repay Swing Line Loans, together with interest as provided herein.

(d) Repayment of Participations.

(i) At any time after any Lender has purchased and funded a risk participation in a Swing Line Loan, if the Swing Line Lender receives any payment on account of such Swing Line Loan, the Swing Line Lender will distribute to such Lender its Revolving Pro Rata Share thereof in the same funds as those received by the Swing Line Lender.

(ii) If any payment received by the Swing Line Lender in respect of principal or interest on any Swing Line Loan is required to be returned by the Swing Line Lender under any of the circumstances described in Section 10.12 (including pursuant to any settlement entered into by the Swing Line Lender in its discretion), each Lender shall pay to the Swing Line Lender its Revolving Pro Rata Share thereof on demand of the Administrative Agent, plus interest thereon from the date of such demand to the date such amount is returned, at a rate per annum equal to the Federal Funds Rate. The Administrative Agent will make such demand upon the request of the Swing Line Lender. The obligations of the Lenders under this clause shall survive the payment in full of the Obligations and the termination of this Agreement.

(e) Interest for Account of Swing Line Lender. The Swing Line Lender shall be responsible for invoicing the Borrower for interest on the Swing Line Loans. Until each Lender funds its Base Rate Advance or risk participation pursuant to this Section 2.17 to refinance such Lender's Revolving Pro Rata Share of any Swing Line Loan, interest in respect of such Revolving Pro Rata Share shall be solely for the account of the Swing Line Lender.

(f) Payments Directly to Swing Line Lender. The Borrower shall make all payments of principal and interest in respect of the Swing Line Loans directly to the Swing Line Lender.

ARTICLE III

CONDITIONS

3.01 Conditions Precedent to Effectiveness. The effectiveness of this Agreement on the Closing Date is subject to satisfaction or waiver of the following conditions precedent:

(a) Documentation. The Administrative Agent shall have received the following duly executed by all the parties thereto, in form and substance reasonably satisfactory to the Administrative Agent, the Issuing Bank and the Lenders:

(i) this Agreement and all attached Exhibits and Schedules;

(ii) any Note requested by a Lender pursuant to Section 2.01(b) payable to the order of such requesting Lender in the amount of its Commitment;

(iii) the Security Agreements executed by each Loan Party together with UCC-1 financing statements and any other documents, agreements or instruments necessary to create an Acceptable Security Interest in the Collateral described therein;

(iv) the Pledge Agreements executed by each Loan Party together with UCC-1 financing statements, letters of consent from each owner of Equity Interests issued by the Borrower, and any other documents, agreements or instruments necessary to create an Acceptable Security Interest in such Equity Interests;

(v) Mortgages encumbering at least 80% (by value) of the Borrower's and its Subsidiaries' Proven Reserves and Oil and Gas Properties in connection therewith;

(vi) copies, certified as of the Closing Date by a Responsible Officer of the Borrower of (A) the resolutions of the Board of Directors of the Borrower approving the Transactions to be entered into by the Borrower, (B) the certificate of incorporation of the Borrower, and (C) the bylaws of the Borrower;

(vii) certificates of a Responsible Officer of the Borrower certifying the names and true signatures of the officers of the Borrower authorized to, on behalf of the Borrower, sign this Agreement, the Notes, Notices of Borrowing, Notices of Conversion or Continuation, and the other Loan Documents to which the Borrower is a party;

(viii) copies, certified as of the Closing Date by a Responsible Officer or the secretary or an assistant secretary of each Guarantor of (A) the resolutions of the Board of Directors (or other applicable governing body) of such Guarantor approving the Transactions to which it is a party, and (B) the organizational documents of such Guarantor;

(ix) a certificate of a Responsible Officer or the secretary or an assistant secretary of each Guarantor certifying the names and true signatures of officers of such Guarantor authorized to sign the Loan Documents to which such Guarantor is a party;

(x) certificates of good standing for the Borrower in each state in which each such Person is organized or qualified to do business, which certificate shall be dated a date not sooner than fourteen days prior to the Closing Date;

(xi) (A) a favorable opinion of DLA Piper, the Borrower's and the Guarantors' U.S. counsel, (B) a favorable opinion of Bennett Jones, the Borrower's and the Guarantors' Canadian counsel, and (C) a favorable opinion of Gowlings, Canadian counsel to the Administrative Agent, in each case dated as of the Closing Date covering such matters as any Lender through the Administrative Agent may reasonably request;

(xii) insurance certificates naming the Administrative Agent as an additional insured and evidencing insurance which meets the requirements of this Agreement and the Security Instruments, and which is otherwise satisfactory to the Administrative Agent;

(xiii) the initial Independent Engineer's Report dated effective as of a date acceptable to the Administrative Agent;

(xiv) a certificate dated as of the Closing Date from the Responsible Officer of the Borrower stating that (A) all representations and warranties of the Borrower and each Guarantor set forth in the Loan Documents are true and correct in all material respects as of such date (provided that to the extent any representation and warranty is qualified as to "Material Adverse Change" or otherwise as to "materiality", such representation and warranty is true and correct in all respects and except in the case of representations and warranties that are made solely as of an earlier date or time, which representations and warranties shall be true and correct in all material respects as of such earlier date or time); (B) no Default has occurred and is continuing; and (C) the conditions in this Section 3.01 have been met;

(xv) a certificate dated as of the Closing Date from a Responsible Officer of the Borrower certifying that each of the Loan Parties on a consolidated basis, after giving effect to the initial Borrowing contemplated hereunder and the Transactions contemplated hereby, is or will be Solvent;

(xvi) Copies of all Specified Acquisition Documents, together with all amendments, supplements, waivers or other modifications thereto, in each case certified by a Responsible Officer of the Borrower as true, correct and complete, and such amendments, supplements, waivers or other modifications thereto shall be in form and substance reasonably acceptable to Administrative Agent;

(xvii) evidence reasonably satisfactory to the Administrative Agent that all Liens revealed by the Lien, tax and judgment searches conducted on the Loan Parties by the Administrative Agent are Permitted Liens or have been, or substantially contemporaneously with the initial funding of the Advances on such date will be, released;

(xviii) Reserved;

(xix) one or more Requests for Credit Extension in an amount sufficient to pay down the Advances and Swing Line Loans of ECT under the Existing Credit Facility; and

(xx) such other documents, governmental certificates, agreements and lien searches as the Administrative Agent or any Lender may reasonably request.

(b) Payment of Fees. On the Closing Date, the Borrower shall have paid the fees required by Section 2.08(d) and all costs and expenses that have been invoiced prior to the Closing Date and are payable pursuant to Section 10.04.

(c) Due Diligence; Corporate Structure. The Administrative Agent and the Lenders shall have completed satisfactory due diligence review of the assets, liabilities, business, operations and condition (financial or otherwise) of the Borrower and its Subsidiaries, and all legal, financial, accounting, governmental, tax and regulatory matters, and fiduciary aspects of the proposed financing and the terms and conditions of all material obligations of the Loan Parties. The documentation reflecting the ownership, capital, corporate, tax, organizational and legal structure of the Loan Parties shall be reasonably acceptable to the Administrative Agent.

(d) Funds Flow Memorandum/Direction of Payment. The Administrative Agent shall have received Flow of Funds and the Irrevocable Direction from the Borrower in form and substance reasonably satisfactory to the Agent and evidencing the payoff of the Existing Credit Agreement.

(e) Security Instruments. The Administrative Agent shall have received all appropriate evidence required by the Administrative Agent and the Lenders in their reasonable discretion necessary to determine that the Administrative Agent (for its benefit and the benefit of the Secured Parties) shall have an Acceptable Security Interest in the Collateral and that all actions or filings necessary to protect, preserve and validly perfect such Liens have been made, taken or obtained, as the case may be, and are in full force and effect.

(f) Title. The Administrative Agent shall be satisfied in its sole discretion with the title to the Oil and Gas Properties included in the Borrowing Base and that such Oil and Gas Properties constitute at least eighty percent of the present value of the Proven Reserves of the Borrower and its Subsidiaries, as determined by the Administrative Agent in its sole discretion.

(g) Specified Acquisition. The Administrative Agent shall have received evidence reasonably satisfactory to it that the Specified Acquisition shall be consummated on such date pursuant to and in accordance with the provisions of the Specified Acquisition Documents, in each case under this clause (g) without giving effect to any waiver or modification of any provision of such Specified Acquisition Documents that is materially adverse to the interest of the Lenders and that is not approved by the Administrative Agent.

(h) Material Adverse Change. No event or circumstance that could cause a Material Adverse Change shall have occurred.

(i) No Proceeding or Litigation; No Injunctive Relief. No action, suit, investigation or other proceeding (including, without limitation, the enactment or promulgation of a statute or rule) by or before any arbitrator or any Governmental Authority shall be threatened or pending and no preliminary or permanent injunction or order by a state or federal court shall have been entered (i) in connection with this Agreement or the Transactions or (ii) which, in any case, in the judgment of the Administrative Agent, could reasonably be expected to result in a Material Adverse Change.

(j) Consents, Licenses, Approvals, etc. All Governmental Authorities and Persons shall have approved or consented to the Transactions, including, without limitation, those required in connection with the continued operation of the Borrower and its Subsidiaries,

to the extent required, and such approvals shall be in full force and effect, and all applicable waiting periods shall have expired without any action being taken or threatened that would restrain, prevent or otherwise impose adverse conditions on this Agreement and the actions contemplated hereby and thereby.

(k) USA Patriot Act. The Borrower has delivered to each Lender that is subject to the Patriot Act such information requested by such Lender in order to comply with the Patriot Act.

(l) Additional Information. The Administrative Agent shall have received such additional information which the Administrative Agent shall have reasonably requested, and such information shall be reasonably satisfactory in form and substance to the Administrative Agent and its counsel.

3.02 Conditions Precedent to All Borrowings. The obligation of each Lender to make an Advance on the occasion of each Borrowing, including the initial Borrowing, and of the Issuing Bank to issue, increase, or extend any Letter of Credit shall be subject to the further conditions precedent that on the date of such Borrowing or the date of the issuance, increase, or extension of such Letter of Credit:

(a) the following statements shall be true (and each of the giving of the applicable Request for Credit Extension or Letter of Credit Application and the acceptance by the Borrower of the proceeds of such Borrowing or the issuance, increase, or extension of such Letter of Credit shall constitute a representation and warranty by the Borrower that on the date of such Borrowing or on the date of such issuance, increase, or extension of such Letter of Credit, as applicable, such statements are true):

(i) the representations and warranties contained in Article IV of this Agreement and the representations and warranties contained in the other Loan Documents are true and correct in all material respects (provided that to the extent any representation and warranty is qualified as to “Material Adverse Change” or otherwise as to “materiality”, such representation and warranty is true and correct in all respects) on and as of the date of such Borrowing or the date of the issuance, increase, or extension of such Letter of Credit, before and after giving effect to such Borrowing or to the issuance, increase, or extension of such Letter of Credit and to the application of the proceeds from such Borrowing, as though made on and as of such date except to the extent that any such representation or warranty expressly relates solely to an earlier date, in which case it shall have been true and correct in all material respects as of such earlier date (provided that to the extent any representation and warranty is qualified as to “Material Adverse Change” or otherwise as to “materiality”, such representation and warranty is true and correct in all respects); and

(ii) no Default has occurred and is continuing or would result from such Borrowing or from the application of the proceeds therefrom, or would result from the issuance, increase, or extension of such Letter of Credit.

3.03 Determinations Under Sections 3.01. For purposes of determining compliance with the conditions specified in Section 3.01, each Lender shall be deemed to have consented to, approved or accepted or to be satisfied with each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to the Lenders unless an officer of the Administrative Agent responsible for the transactions contemplated by the Loan Documents shall have received written notice from such Lender prior to the Borrowings hereunder specifying its objection thereto and such Lender shall not have made available to the Administrative Agent such Lender's ratable portion of such Borrowings.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

Each Loan Party jointly and severally represents and warrants as follows:

4.01 Existence; Subsidiaries.

(a) The Borrower is (i) a corporation duly organized, validly existing and in good standing under the laws of Delaware and (ii) except where the failure to be so qualified could not reasonably be expected to cause a Material Adverse Change, in good standing and qualified to do business in each other jurisdiction where its ownership or lease of Property or conduct of its business requires such qualification.

(b) Each of EET and ECT is (i) an unincorporated open-ended limited purpose trust established under the laws of the Province of Alberta duly organized, validly existing, and in good standing under the laws of its jurisdiction of formation and (ii) except where the failure to be so qualified could not reasonably be expected to cause a Material Adverse Change, in good standing and qualified to do business in each jurisdiction where its ownership or lease of Property or conduct of its business requires such qualification.

(c) Each of EEI and Can Holdco, is (i) a corporation formed under the laws of the Province of Alberta duly organized, validly existing, and in good standing under the laws of its jurisdiction of incorporation and (ii) except where the failure to be so qualified could not reasonably be expected to cause a Material Adverse Change, in good standing and qualified to do business in each jurisdiction where its ownership or lease of Property or conduct of its business requires such qualification.

(d) Each Loan Party other than the Borrower, EET, ECT, EEI and Can Holdco, if any, is (i) duly organized, validly existing, and in good standing under the laws of its jurisdiction of formation and (ii) except where the failure to be so qualified could not reasonably be expected to cause a Material Adverse Change, in good standing and qualified to do business in each jurisdiction where its ownership or lease of Property or conduct of its business requires such qualification.

4.02 Power. Each of the Loan Parties has the requisite power and authority to (a) own its assets and carry on its business, and (b) execute, deliver and perform its obligations under the Loan Documents to which it is a party and to perform its obligations thereunder. The execution, delivery, and performance by each Loan Party of this Agreement and the other Loan Documents

to which it is a party and the consummation of the Transactions (i) have been duly authorized by all necessary organizational action of such Loan Party, (ii) do not and will not (x) contravene the terms of any such Person's organizational documents, (y) violate any Legal Requirement, or (z) conflict with or result in any breach or contravention of, or the creation of any Lien under (A) the provisions of any Material Contract or material indenture, instrument or agreement to which such Loan Party is a party or is subject, or by which it, or its Property, is bound or (B) any material order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Person or its property is subject.

4.03 Authorization and Approvals. No authorization, approval, consent, exemption, or other action by, or notice to or filing with, any Governmental Authority or any other Person is necessary or required on the part of any Loan Party in connection with the execution, delivery and performance by any Loan Party of this Agreement and the other Loan Documents to which it is a party or the consummation of the Transactions or the transactions contemplated hereby or thereby, except the filing of financing statements, the recordation of the Mortgages, and other actions, notices or filings that may be required in the ordinary course of business from time to time or that may be required to comply with the requirements of the Loan Documents (including, without limitation, to release existing Liens on the Collateral or to comply with requirements to perfect, and/or maintain the perfection of, Liens created for the benefit of the Secured Parties).

4.04 Enforceable Obligations. This Agreement has been, and each other Loan Document, when delivered hereunder, will have been, duly executed and delivered by each Loan Party that is a party thereto. This Agreement constitutes, and each other Loan Document when so delivered will constitute, a legal, valid and binding obligation of such Loan Party, enforceable against each Loan Party that is party thereto in accordance with its terms, except as such enforceability may be limited by any Debtor Relief Laws or general principles of equity.

4.05 Financial Statements.

(a) The Financial Statements are accurate and complete in all material respects and present fairly the financial condition of EET and its consolidated Subsidiaries for their respective period in accordance with IFRS (in the case of quarterly Financial Statements, subject to the absence of footnotes and to normal year-end audit adjustments).

(b) Since the December 31, 2013, no event or circumstance that could reasonably be expected to cause a Material Adverse Change has occurred.

(c) As of the Closing Date, upon consummation of the Transactions, the Loan Parties have no Debt for borrowed money other than the Debt of the Loan Parties under the Loan Documents and the Debt under the Transitory Note, the CT Notes and the US OPCO Notes.

4.06 True and Complete Disclosure. None of (a) the Prospectus or (b) any other reports, financial statements, certificates or other information (other than information of general economic or industry nature) furnished by or on behalf of any Loan Party to the Administrative Agent or any Lender in connection with the negotiation of any Loan Document or included therein or delivered pursuant thereto contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances

under which they were, are or will be made, not misleading, when taken as a whole; provided that, with respect to any projections, projected financial information or other forecasts or forward looking statements, the Loan Parties represent only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time delivered.

4.07 Litigation; Compliance with Laws. There are no actions, suits, proceedings, claims or disputes pending or, to the knowledge of any Responsible Officer of a Loan Party, threatened, at law, in equity, in arbitration or before any Governmental Authority, by or against any Loan Party or any of their Subsidiaries or against any of their properties or revenues that (a) affect or pertain to any of the Loan Documents or any of the Transactions, or (b) either individually or in the aggregate, if determined adversely, could reasonably be expected to cause a Material Adverse Change. No regulatory commission is currently conducting an investigation of the Borrower or any of its Subsidiaries which could reasonably be expected to cause a Material Adverse Change, other than an investigation conducted by such regulatory commission in its routine general administrative practice.

4.08 Compliance with Laws. None of the Loan Parties or any of the Subsidiaries or any of their respective material properties is in violation of any Legal Requirement (other than Environmental Law which is address in Section 4.14) or is in default with respect to any judgment, writ, injunction, decree or order of any Governmental Authority, except where such violation or default could not reasonably be expected to cause a Material Adverse Change.

4.09 Use of Proceeds. The proceeds of the Advances will be used by the Borrower for the purposes described in Section 5.10. Neither the Borrower nor any Guarantor is engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U). No proceeds of any Advance will be used to purchase or carry any margin stock in violation of Regulation T, U or X.

4.10 Taxes. All Returns required to be filed by or on behalf of the Loan Parties have been duly filed on a timely basis or appropriate extensions have been obtained and such Returns are and will be true, complete and correct, except where the failure to so file would not be reasonably expected to cause a Material Adverse Change; and all material Taxes shown to be payable on the Returns or on subsequent assessments with respect thereto will have been paid in full on a timely basis, and no other material Taxes will be payable by any Loan Party with respect to items or periods covered by such Returns, except in each case to the extent of (a) reserves reflected in the Financial Statements and the Interim Financial Statements, or (b) Taxes that are being contested in good faith.

4.11 ERISA Compliance. (a) Each Pension Plan is in compliance in all material respects with the applicable provisions of ERISA, the Code and other Federal or state laws.

(b) There are no pending or, to the best knowledge of the Borrower, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Pension Plan that could reasonably be expected to cause a Material Adverse Change. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Pension Plan that has resulted or could reasonably be expected to result in a Material Adverse Change.

(c) Except as could not reasonably be expected to cause a Material Adverse Change, (i) no ERISA Event has occurred within the last six years, and neither the Borrower nor any ERISA Affiliate is aware of any fact, event or circumstance that could reasonably be expected to constitute or result in an ERISA Event with respect to any Pension Plan; (ii) the Borrower and each ERISA Affiliate has met all applicable requirements under the Pension Funding Rules in respect of each Pension Plan, and no waiver of the minimum funding standards under the Pension Funding Rules has been applied for or obtained; (iii) as of the most recent valuation date for any Pension Plan, the funding target attainment percentage (as defined in Section 430(d)(2) of the Code) is sixty percent (60%) or higher and neither the Borrower nor any ERISA Affiliate knows of any facts or circumstances that could reasonably be expected to cause the funding target attainment percentage for any such plan to drop below sixty percent (60%) as of the most recent valuation date; (iv) neither the Borrower nor any ERISA Affiliate has incurred any liability to the PBGC other than any liability that has been satisfied and other than for the payment of premiums, and there are no premium payments which have become due that are unpaid; (v) neither the Borrower nor any ERISA Affiliate has engaged in a transaction that could be subject to Section 4069 or Section 4212(c) of ERISA; and (vi) no Pension Plan has been terminated by the plan administrator thereof nor by the PBGC, and no event or circumstance has occurred or exists that could reasonably be expected to cause the PBGC to institute proceedings under Title IV of ERISA to terminate any Pension Plan.

(d) With respect to each scheme or arrangement mandated by a government other than the United States with respect to any Loan Party or any Subsidiary (a “Foreign Government Scheme or Arrangement”) and with respect to each employee benefit plan maintained or contributed to by any Loan Party or any Subsidiary of any Loan Party that is not subject to United States law (a “Foreign Plan”), each such Foreign Government Scheme or Arrangement or Foreign Plan is in compliance in all material respects with the applicable Legal Requirements.

4.12 Condition of Property; Casualties. Each Loan Party has good and indefeasible title to or a valid leasehold interest in all of its material Properties (including its Oil and Gas Properties), except for such defects in title as would not cause a Material Adverse Change, free and clear of all Liens except for Permitted Liens. The material Properties necessary to the continuing operations of each Loan Party are in good repair, working order and condition, normal wear and tear excepted. Except as would not reasonably be expected to cause a Material Adverse Change, since the date of the most recent Financial Statements, neither the business nor the material Properties of the Loan Parties, taken as a whole, has been materially and adversely affected as a result of any fire, explosion, earthquake, flood, drought, windstorm, accident, strike or other labor disturbance, embargo, requisition or taking of Property or cancellation of contracts, Permits, or concessions by a Governmental Authority, riot, activities of armed forces, or acts of God or of any public enemy.

4.13 No Defaults. No Default has occurred and is continuing.

4.14 Environmental Condition.

(a) Permits. The Loan Parties (i) have obtained all material Environmental Permits necessary for the ownership and operation of their respective material Properties and the

conduct of their respective businesses; (ii) have been and are in compliance with all material terms and conditions of such Environmental Permits and with all other material requirements of applicable Environmental Laws; (iii) have not received notice of any material violation or alleged material violation of any Environmental Law or Environmental Permit; and (iv) are not subject to any material actual or contingent Environmental Claim, in each case that, could reasonably be expected to result in a liability of the Loan Parties in an aggregate amount exceeding the greater of (A) \$500,000 and (B) five percent (5%) of the Borrowing Base.

(b) Certain Liabilities. None of the present or previously owned or operated Properties of the Loan Parties or of any of their present or former Subsidiaries, wherever located, (i) has been placed on or formally proposed to be placed on the National Priorities List, CERCLIS, or their state or local analogs, nor has the Borrower or any of its Subsidiaries been otherwise notified of the designation, listing or identification by a Governmental Authority of any Property of such Loan Party or any of its present or former Subsidiaries as a potential site for removal, remediation, cleanup, closure, restoration, reclamation, or other response activity under any Environmental Laws (except as such activities may be required by permit conditions); (ii) is subject to a Lien, arising under or in connection with any Environmental Laws, that attaches to any revenues or to any Property owned or operated by the Loan Parties or any of their Subsidiaries, wherever located; or (iii) has been the site of any Release of Hazardous Materials from present or past operations which has caused at the site or at any third-party site any condition that has resulted in or could reasonably be expected to result in the need for Response (as defined under any Environmental Law) and none of the Loan Parties or any of their present or former Subsidiaries has generated or transported or has caused to be generated or transported Hazardous Materials to any third party site which could reasonably be expected to result in the need for Response by Borrower, in each case that, could reasonably be expected to result in a liability of the Loan Parties in an aggregate amount exceeding the greater of (A) Five Hundred Thousand Dollars (\$500,000) and (B) five percent (5%) of the Borrowing Base.

(c) Certain Actions. Without limiting the foregoing, (i) all necessary notices have been properly filed, and no further action is required under current Environmental Law as to each Response or other restoration or remedial project undertaken by any Loan Party or its Subsidiaries on any of their presently or formerly owned, leased or operated Property and (ii) there are no facts, circumstances, conditions or occurrences with respect to any Property owned, leased or operated by the Borrower or any of its Subsidiaries that could reasonably be expected to form the basis of an Environmental Claim under Environmental Laws that could reasonably be expected to result in a Material Adverse Change.

4.15 Permits and Intellectual Property. The Loan Parties possess all Permits, patents, patent rights or licenses, trademarks, trademark rights, trade names rights and copyrights which are necessary to the conduct of their business, except where the failure to do so could not reasonably be expected to result in a Material Adverse Change.

4.16 Gas Contracts. No Loan Party, as of the Closing Date, (a) is obligated in any material respect by virtue of any prepayment made under any contract containing a “take-or-pay” or “prepayment” provision or under any similar agreement to deliver Hydrocarbons produced from or allocated to any of the Loan Parties’ and its Subsidiaries’ Oil and Gas Properties at some future date without receiving full payment therefor at the time of delivery or (b) except as has

been disclosed to the Administrative Agent, has produced gas, in any material amount, subject to balancing rights of third parties or subject to balancing duties under Legal Requirements.

4.17 Intentionally Omitted.

4.18 Security Interests.

(a) The Pledge Agreement is effective to create in favor of the Administrative Agent, for the ratable benefit of the Secured Parties, a legal, valid and enforceable security interest in the Collateral (as defined in such Pledge Agreement) and, when financing statements in appropriate form are filed in the offices specified on Schedule 4.18, such Pledge Agreement shall constitute a fully perfected first priority Lien on, and security interest in, all right, title and interest of the pledgors thereunder in such Collateral, in each case prior and superior in right to any other person.

(b) The Security Agreement is effective to create in favor of the Administrative Agent, for the ratable benefit of the Secured Parties, a legal, valid and enforceable security interest in the Collateral (as defined in such Security Agreement) and, when financing statements in appropriate form are filed in the offices specified on Schedule 4.18, such Security Agreement shall constitute a fully perfected Lien on, and security interest in, all right, title and interest of the grantors thereunder in such portion of the Collateral in which a security interest may be perfected by the filing of a financing statement under the applicable Uniform Commercial Code or the PPSA, in each case prior and superior in right to any other person, other than Permitted Liens.

(c) Each Mortgage is effective to create in favor of the Administrative Agent, for the benefit of the Secured Parties, a legal, valid and enforceable Lien in the Collateral (as defined in such Mortgage) and, when appropriate filings or registrations are made as specified in such Mortgage, such Mortgage shall constitute a fully perfected Lien on all right, title and interest of the mortgagor thereunder in such Collateral, prior and superior in right to any other Person, other than Permitted Liens.

4.19 Solvency. Before and after giving effect to the making of the initial Advances, the Loan Parties on a consolidated basis are Solvent.

4.20 Insurance.

(a) Schedule 4.20 sets forth a true, complete and correct description of all insurance maintained by each of the current operators of the Oil and Gas Properties included in the Borrowing Base as of the Closing Date. As of such date, such insurance is in full force and effect and all premiums have been duly paid.

(b) The properties of the Loan Parties and, to the knowledge of the Loan Parties, each of the current operators of the Oil and Gas Properties included in the Borrowing Base are insured with financially sound and reputable insurance companies not Affiliates of any Loan Party, in such amounts, with such deductibles and covering such risks as are customarily carried by companies engaged in similar businesses and owning similar properties in localities where applicable Loan Party operates.

4.21 Hedging Agreements. Schedule 4.21 sets forth, as of the Closing Date, a true and complete list of all Interest Hedge Agreements, Hydrocarbon Hedge Agreements, and Hedge Contracts of the any Loan Party or any of its Subsidiaries, the material terms thereof (including the type, term, effective date, termination date and notional amounts or volumes), the net mark to market value thereof, all credit support agreements relating thereto (including any margin required or supplied), and the counterparty to each such agreement.

4.22 Material Agreements. Schedule 4.22 sets forth a complete and correct list of all Debt of any Loan Party that is to remain outstanding after the Closing Date other than pursuant to the Loan Documents, and such list correctly sets forth the names of the debtor and creditor with respect to the Debt to be outstanding and the Property subject to any Lien securing such Debt. Also set forth on Schedule 4.22 hereto is a complete and correct list, as of the Closing Date, of all Material Contracts. The Borrower has heretofore delivered to the Administrative Agent and the Lenders a complete and correct copy of all documentation evidencing such Debt and all such Material Contracts, including any modifications or supplements thereto, as in effect on the Closing Date. As of the Closing Date, there exists no default or event of default or circumstance which with the giving of notice or lapse of time or both would give rise to a default by the Borrower or any Guarantor, or to the Borrower's knowledge, by any of the other parties thereto.

4.23 Investment Company Act. Neither the Borrower nor any of the Guarantors is an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

ARTICLE V

AFFIRMATIVE COVENANTS

Until Payment in Full of the Obligations, each Loan Party agrees to comply with the following covenants.

5.01 Compliance with Laws. Each Loan Party shall comply, and cause each of its Subsidiaries to comply, with all applicable Legal Requirements (including, without limitation, Environmental Laws), except where the non-compliance with which would not reasonably be expected to cause a Material Adverse Change. Without limitation of the foregoing, the Loan Parties shall, and shall cause each of its Subsidiaries to, maintain and possess all authorizations, Permits, licenses, trademarks, trade names, rights and copyrights which are necessary to the conduct of its business.

5.02 Maintenance of Insurance.

(a) Each Loan Party shall, and shall cause each of its Subsidiaries to, and, in the case of Oil and Gas Properties included in the Borrowing Base that are not operated by a Loan Party or a Subsidiary thereof, use its commercially reasonable efforts to cause each of the current operators of the Oil and Gas Properties included in the Borrowing Base to, procure and maintain or shall cause to be procured and maintained continuously in effect policies of insurance in form and amounts and issued by companies, associations or organizations

reasonably satisfactory to the Administrative Agent covering such casualties, risks, perils, liabilities and other hazards reasonably required by the Administrative Agent.

(b) Copies of all such policies or certificates, and endorsements and renewals thereof shall be delivered to the Administrative Agent upon its request. All policies of insurance maintained in the name of a Loan Party or its Subsidiaries (but for purposes of clarity, not insurance maintained by an operator of such Person's Property) shall either have attached thereto a Lender's loss payable endorsement for the benefit of the Administrative Agent, as loss payee in form reasonably satisfactory to the Administrative Agent or shall name the Administrative Agent as an additional insured, as applicable. All policies or certificates of insurance shall set forth the coverage, the limits of liability, the name of the carrier, the policy number, and the period of coverage. In addition each Loan Party shall use commercially reasonable efforts to cause all policies of insurance required under the terms hereof to contain an endorsement or agreement by the insurer that any loss shall be payable in accordance with the terms of such policy notwithstanding any act of negligence of any Loan Party, a Subsidiary thereof or any party holding under such Loan Party or Subsidiary which might otherwise result in a forfeiture of the insurance and the further agreement of the insurer waiving all rights of setoff, counterclaim or deductions against the Loan Parties and their Subsidiaries. Each Loan Party shall use commercially reasonable efforts to cause all such policies to contain a provision that notwithstanding any contrary agreements between the Loan Parties, their Subsidiaries, and the applicable insurance company, such policies will not be canceled, allowed to lapse without renewal, surrendered or amended (which provision shall include any reduction in the scope or limits of coverage) without at least thirty (30) days' prior written notice to the Administrative Agent. In the event that, notwithstanding the "lender's loss payable endorsement" requirement of this Section 5.02, the proceeds of any insurance policy described above are paid to a Loan Party or a Subsidiary, such Loan Party or Subsidiary shall, solely to the extent that there is a Borrowing Base Deficiency or an Event of Default has occurred and is continuing, deliver such proceeds to the Administrative Agent promptly (and in any event within five (5) Business Days) upon receipt.

5.03 Preservation of Existence. Except as otherwise permitted under Section 6.04, each Loan Party shall (a) preserve, renew and maintain in full force and effect its legal existence and good standing under the Legal Requirements of the jurisdiction of its formation, (b) take all reasonable action to obtain, preserve, renew, extend, maintain and keep in full force and effect all rights, privileges, permits, licenses, authorizations and franchises necessary or desirable in the normal conduct of its business, and (c) qualify and remain qualified as a foreign entity in each jurisdiction in which qualification is necessary in view of its business and operations or the ownership of its Properties, except where the failure to comply with items (b) or (c) above could not reasonably be expected to cause a Material Adverse Change.

5.04 Payment of Taxes. Each Loan Party shall pay and discharge, and cause each of its Subsidiaries to pay and discharge, before the same shall become delinquent, all Taxes imposed upon it or upon its income or profits or Property that are material in amount, prior to the date on which penalties attach thereto; provided, however, that no Loan Party shall be required to pay or discharge any such Tax which is being contested in good faith and by appropriate proceedings, and with respect to which reserves in conformity with IFRS have been provided.

5.05 Maintenance of Property. Each Loan Party shall, and shall cause its Subsidiaries to, maintain and preserve all Property material to the conduct of its business and keep such Property in good repair, working order and condition, ordinary wear and tear and casualty events excepted.

5.06 Reporting Requirements. The Loan Parties shall furnish to the Administrative Agent (and the Administrative Agent shall notify the Lenders):

(a) Annual Financials. As soon as available and in any event not later than ninety (90) days after the end of each fiscal year of EET, copies of the audited consolidated balance sheets of EET and its Subsidiaries as at the end of such fiscal year, together with the related audited consolidated statements of income or operations, shareholders' equity and cash flows for such fiscal year, and the notes thereto, all in reasonable detail and setting forth in each case in comparative form the audited consolidated figures as of the end of and for the previous fiscal year, all in reasonable detail and prepared in accordance with IFRS and accompanied by a report and opinion of PricewaterhouseCoopers LLP or another independent certified public accountant of nationally recognized standing reasonably acceptable to the Administrative Agent, which report and opinion shall be prepared in accordance with generally accepted auditing standards and shall not be subject to any "going concern" or like qualification or exception or any qualification or exception as to the scope of such audit and shall state that such consolidated financial statements present fairly, in all material respects, the consolidated financial position of EET and its respective Subsidiaries as at the end of such fiscal year and their consolidated results of operations and cash flows for such fiscal year in conformity with IFRS; or words substantially similar to the foregoing and that the examination by such accountants in connection with such consolidated financial statements has been made in accordance with generally accepted auditing standards.

(b) Quarterly Financials. As soon as available and in any event not later than forty-five (45) days after the end of each of the first three fiscal quarters in each fiscal year, (i) a consolidated balance sheet of EET and its Subsidiaries as at the end of such fiscal quarter, and the related consolidated statements of income or operations, and cash flows for such fiscal quarter and for the portion of EET's fiscal year then ended, and setting forth in comparative form the consolidated figures for the corresponding fiscal quarter of the previous fiscal year and the corresponding portion of the previous fiscal year, all in reasonable detail and certified by a Financial Officer of EET as fairly presenting the financial condition, results of operations, shareholders' equity and cash flows of EET and its Subsidiaries in accordance with IFRS, subject only to normal year-end audit adjustments and the absence of footnotes.

(c) Compliance Certificates. (i) Concurrently with the delivery of the financial statements referred to in Sections 5.06(a) and (b), a duly completed Compliance Certificate signed by a Financial Officer of EET and the Borrower.

(d) Management Letters. Promptly upon receipt thereof, copies of any detailed audit reports, management letters and any reports as to material inadequacies in accounting controls (including reports as to the absence of any such inadequacies) or recommendations submitted to the board of directors (or the audit committee of the board of

directors) of EET by independent accountants in connection with the accounts or books of EET or any Subsidiary thereof, or any audit of any of them.

(e) Securities Disclosure. Promptly after the same are available, copies of all reports, material change reports, notices and other non-confidential information that EET is required by applicable law to file with any securities commission or stock exchange, furnish to its shareholders or publicly disclose (whether by way by advertisement or otherwise), except for insider reports and other filings which are of an administrative nature and do not contain any material information with respect to the business, affairs or financial condition of EET and its Subsidiaries. The Loan Parties shall be deemed to have satisfied its obligations under this Section 5.06(e) if and to the extent the registration materials, material change reports, circulars, reports, notices and other information, as the case may be, shall have been filed with the Canadian Securities Administrators (and are accessible to the Administrative Agent and the Lenders) in the SEDAR filing system at www.sedar.com.

(f) Oil and Gas Engineering Reports.

(i) As soon as available but in any event on or before September 1st of each year, an Internal Engineering Report dated effective as of the immediately preceding July 1st;

(ii) As soon as available but in any event on or before March 31st of each year an Independent Engineering Report dated effective as of the immediately preceding January 1st;

(iii) Promptly, such other information as may be reasonably requested by or through the Administrative Agent with respect to the Oil and Gas Properties included or to be included in the Borrowing Base; and

(iv) With the delivery of each Engineering Report, a certificate from a Responsible Officer of the Borrower certifying that, to his or her knowledge and in all material respects: (A) the information contained in the Engineering Report and any other information delivered in connection therewith is true and correct, (B) except as set forth on an exhibit to the certificate, on a net basis there are no gas imbalances, take or pay or other prepayments with respect to its Oil and Gas Properties evaluated in such Engineering Report which would require the Borrower or any of its Subsidiaries to deliver Hydrocarbons produced from such Oil and Gas Properties at some future time without then or thereafter receiving full payment therefor, (C) none of its Oil and Gas Properties have been sold since the date of the last Borrowing Base determination except as set forth on an exhibit to the certificate, which certificate shall list all of its Oil and Gas Properties sold and in such detail as reasonably required by or through the Administrative Agent, (D) attached to the certificate is a list of its Oil and Gas Properties added to and deleted from the immediately prior Engineering Report and a list showing any change in working interest or net revenue interest in its Oil and Gas Properties occurring and the reason for such change, (E) attached to the certificate is a list of all Persons disbursing proceeds to the Borrower or to its Subsidiary, as applicable, from its Oil and Gas Properties, (F) except as set forth on a schedule attached to the certificate, all of the Oil

and Gas Properties evaluated by such Engineering Report are pledged as Collateral for the Obligations, and (G) attached to the certificate is a quarterly cash flow budget for the four quarters following the delivery of such certificate setting forth the Borrower's projections for production volumes, revenues, expenses, taxes and budgeted capital expenditures during such period.

(g) Production and Hedging Reports. Concurrently with the delivery of the financial statements referred to in Section 5.06(b), a quarterly report certified by a Responsible Officer of the Borrower in form and substance satisfactory to the Administrative Agent prepared by the Borrower (i) covering each of the Oil and Gas Properties of the Borrower and its Subsidiaries and detailing on a monthly basis (A) the production, revenue, and price information and associated operating expenses for each such month, (B) any changes to any producing reservoir, production equipment, or producing well during each such month, which changes could reasonably be expected to cause a Material Adverse Change, and (C) any Asset Dispositions of the Borrower's or any Subsidiaries' Oil and Gas Properties during each such month, and (ii) setting forth a true and complete list of all Hedge Contracts of the Borrower and its Subsidiaries and detailing the material terms thereof (including the type, term, effective date, termination date and notional amounts or volumes), the net mark to market value thereof, all credit support agreements relating thereto (including any margin required or supplied), and the counterparty to each such agreement; provided that, such required listing shall, in no event, be construed as permitting any such credit support which is not permitted under the terms of this Agreement.

(h) Annual Budget. As soon as available and in any event prior to March 31st of each year, an annual operating, cash flow and capital budget for such fiscal year.

(i) Press Releases. Until such time as they may be accessed electronically on one of (A) EET's website on the Internet at the website address listed on Schedule I, (B) the website of the Canadian Securities Administrators at <http://www.sedar.com> or (C) IntraLinks/IntraAgency or another website, if any, in each case to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent), to the extent not otherwise provided for herein, as soon as available, any press release by any Loan Party.

(j) USA Patriot Act. Promptly, following a request by any Lender, all documentation and other information that such Lender reasonably requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the Patriot Act.

(k) Other Information. Such other information respecting the business, Properties or Collateral, or the condition or operations, financial or otherwise, of the Loan Parties and their respective Subsidiaries as the Administrative Agent may from time to time reasonably request.

Documents required to be delivered pursuant this Section 5.06 may be delivered electronically and, in the case of Sections 5.06(a), (b), (e), or (i) shall be deemed to have been delivered if such documents, or one or more annual, quarterly or other reports or filings

containing such documents, (i) shall have been posted or provided a link to on EET's website on the Internet at the website address listed on Schedule I, (ii) shall be available on the website of the Canadian Securities Administrators at <http://www.sedar.com> or (iii) shall have been posted on EET's behalf on IntraLinks/IntraAgency or another website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent). The Administrative Agent shall not have an obligation to request the delivery or to maintain copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by the Loan Parties with any such request for delivery, and each Lender shall be solely responsible for requesting delivery to it or maintaining its copies of such documents.

Each of the Loan Parties hereby acknowledges that (a) the Administrative Agent will make available to the Lenders and the Issuing Bank the Borrower Materials by posting the Borrower Materials on IntraLinks/IntraAgency or another similar electronic system (the "Platform") and (b) certain of the Lenders may be "public-side" Lenders (i.e., Lenders that do not wish to receive material non-public information with respect to any Loan Party or its securities) (each, a "Public Lender"). If any Borrower Materials are designated by the Loan Parties as "PRIVATE", such Borrower Materials will not be made available to that portion of the Platform designated "Public Investor," which is intended to contain only information that is either publicly available or not material information (though it may be sensitive and proprietary) with respect to such Loan Party or its securities for purposes of applicable securities laws. The Administrative Agent shall be entitled to treat any Borrower Materials that are not marked "PRIVATE" or "CONFIDENTIAL" as not containing any material non-public information with respect to the Loan Parties or any securities for purposes of applicable securities laws (provided, however, that to the extent such Borrower Materials constitute Information, they shall be treated as set forth in Section 10.07).

5.07 Other Notices. The Loan Parties shall furnish to the Administrative Agent (and the Administrative Agent shall notify the Lenders) written notice of the following as soon as possible but in any event within ten (10) days after the occurrence or knowledge thereof,:

(a) Defaults. The occurrence of (i) any Default or Event of Default or (ii) any other Debt of any Loan Party in excess of Two Hundred Fifty Thousand Dollars (\$250,000) being declared due and payable before its expressed maturity, or any holder of such Debt having the right to declare such Debt due and payable before its expressed maturity, because of the occurrence of any default (or any event which, with notice and/or the lapse of time, shall constitute any default) under such Debt;

(b) Material Litigation. Any claims, legal or arbitration proceedings, proceedings before any Governmental Authority, or disputes pending, or to the knowledge of any Loan Party threatened, or affecting any Loan Party, or any of their Subsidiaries which, if adversely determined, could reasonably be expected to cause a Material Adverse Change, or any material labor controversy of which any Loan Party or any of its Subsidiaries has knowledge resulting in or reasonably considered to be likely to result in a strike against any Loan Party or any of its respective Subsidiaries and any claim, judgment, Lien or other encumbrance (other than a Permitted Lien) affecting any Property of any Loan Party or any Subsidiary thereof if the value of the claim, judgment, Lien, or other encumbrance affecting such Property shall exceed

the greater of (A) Five Hundred Thousand Dollars (\$500,000) and (B) five percent (5%) of the Borrowing Base;

(c) ERISA Events. The occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred, could reasonably be expected to result in liability of the Borrower in an aggregate amount exceeding the greater of (A) Five Hundred Thousand Dollars (\$500,000) and (B) five percent (5%) of the Borrowing Base;

(d) Environmental Notices. A copy of any form of request, notice, summons or citation received from the Environmental Protection Agency, or any other Governmental Authority, concerning (i) violations or alleged violations of Environmental Laws, which seeks to impose liability therefor in an aggregate amount exceeding the greater of (A) Five Hundred Thousand Dollars (\$500,000) and (B) five percent (5%) of the Borrowing Base, (ii) any action or omission on the part of any Loan Party or any Subsidiary thereof or any of their former Subsidiaries in connection with Hazardous Materials which could reasonably result in the imposition of liability therefor in an aggregate amount exceeding the greater of (A) Five Hundred Thousand Dollars (\$500,000) and (B) five percent (5%) of the Borrowing Base, including without limitation any information request related to, or notice of, potential responsibility under CERCLA, or (iii) concerning the filing of a Lien upon, against or in connection with any Loan Party, any of their former or current Subsidiaries, or any of their leased or owned Property, wherever located;

(e) Material Changes. Any condition or event of which a Loan Party has knowledge, which condition or event has resulted or may reasonably be expected to result in a Material Adverse Change or (ii) has resulted in a breach of or noncompliance with any material term, condition, or covenant of any Material Contract;

(f) Material Contracts. (i) Copies of all amendments, waivers and other modifications so received under or pursuant to any of the Specified Acquisition Documents and the Management Services Agreement and (ii) written notice of any breach or non-performance of, or any default under, any such document by any party thereto, including a description of such breach, non-performance, default, violation or non-compliance;

(g) Collateral.

(i) any change of its legal name, corporate structure, jurisdiction of organization or formation or its organizational identification number, if applicable, within fifteen (15) days before the occurrence thereof (or such shorter period as the Administrative Agent may agree);

(ii) any notice with respect to a decrease in coverage, termination or cancellation received by any Loan Party from any insurer with respect to any insurance maintained in accordance with Section 5.02 promptly and in any event with five (5) Business Days after the receipt thereof; and

(iii) from time to time upon request, statements and schedules further identifying, updating, and describing the Collateral and such other information, reports

and evidence concerning the Collateral, as the Administrative Agent may reasonably request on behalf of any Lender, all in reasonable detail;

(h) Casualties and Takings. Any actual or constructive loss by reason of fire, explosion, theft or other casualty, of any Property of any Loan Party or any taking of title to, or the use of, any Property of any Loan Party pursuant to eminent domain or condemnation proceedings or any settlement or compromise thereof, in each case, with a value equal to or greater than the greater of (A) Five Hundred Thousand Dollars (\$500,000) and (B) five percent (5%) of the Borrowing Base, and a certificate of a Responsible Officer of the Borrower describing the nature and status of such occurrence;

Each notice pursuant to this Section 5.07 shall be accompanied by a statement of a Responsible Officer of the Borrower setting forth details of the occurrence referred to therein and stating what actions such Loan Party has taken and proposes to take with respect thereto. Each notice pursuant to Section 5.07(a) shall describe with particularity any and all provisions of this Agreement and any other Loan Document that have been breached.

5.08 Books and Records; Inspection. Each Loan Party shall (a) keep proper records and books of account in which full, true and correct entries will be made in accordance with IFRS and all Legal Requirements in all material respects, reflecting material financial transactions and matters involving the assets and business of the Loan Parties and their Subsidiaries; (b) maintain such books of record and account in material conformity with all applicable requirements of any Governmental Authority having regulatory jurisdiction over the Loan Parties and their Subsidiaries, as the case may be; and (c) from time-to-time during regular business hours upon reasonable prior notice, (i) permit duly authorized representatives or agents of the Administrative Agent and each Lender to visit and inspect any of its Properties, (ii) to examine its corporate, financial and operating records, and make copies thereof or abstracts therefrom and (iii) to discuss its affairs, finances and accounts with its officers and independent public accountants, all at the expense of the Borrower and at such reasonable times during normal business hours and as often as may be reasonably desired, upon reasonable advance notice to the applicable Loan Party or Subsidiary; provided, however, that so long as no Event of Default shall have occurred and be continuing, the Loan Parties shall not be responsible for the costs of more than one (1) inspection visit per calendar year.

5.09 Agreement to Pledge. Each Loan Party shall, and shall cause each Subsidiary to, grant to the Administrative Agent an Acceptable Security Interest in any Property of any Loan Party or any Subsidiary now owned or hereafter acquired promptly after receipt of a written request from the Administrative Agent.

5.10 Use of Proceeds. The Borrower shall use the proceeds of the Revolving Advances exclusively (a) to develop and acquire Oil and Gas Properties, (b) for the purposes contemplated on the Flow of Funds and Irrevocable Direction and (c) for general corporate purposes, including working capital needs, capital expenditures, acquisitions and investments. The Borrower shall use the Letters of Credit for general corporate purposes. In no event shall the proceeds of any Advance or Letters of Credit be used to purchase or carry margin stock (within the meaning of Regulation U) or to extend credit to others for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U).

5.11 Title Evidence and Opinions. The Borrower shall from time to time upon the reasonable request of the Administrative Agent, take such actions and execute and deliver such documents and instruments as the Administrative Agent shall reasonably require to ensure that the Administrative Agent shall, at all times, have received reasonably satisfactory title opinions (including, if requested, supplemental or new title opinions addressed to it) or, to the extent acceptable to the Administrative Agent in its reasonable discretion, other title evidence, which title opinions or other title evidence (a) shall collectively cover eighty percent (80%) of the present value of the Proven Reserves of the Borrower and its Subsidiaries shown on the most recently delivered Engineering Report (and together with any Proven Reserves acquired since the date of such report), (b) shall be in form and substance acceptable to the Administrative Agent in its reasonable discretion, (c) shall include opinions or, to the extent acceptable to the Administrative Agent in its reasonable discretion, other title evidence regarding the before payout and after payout ownership interests held by the Borrower and its Subsidiaries for all wells located on the Oil and Gas Properties covered thereby as to the ownership of Oil and Gas Properties of the Borrower and its Subsidiaries. The parties hereto acknowledge and agree that, if the title of the Borrower or any of its Subsidiaries to any of the Oil and Gas Properties reviewed and accepted by the Administrative Agent as satisfactory to meet the preceding eighty percent (80%) requirement shall become the subject matter of litigation before any Governmental Authority or arbitrator which could reasonably be expected to result in a Material Adverse Change with respect to the Borrower's and the Subsidiaries' title to such Oil and Gas Properties, taken as a whole, then, at the election of the Administrative Agent, such title shall no longer be considered satisfactory for purposes of meeting the eighty percent (80%) requirement set forth in this Section 5.11.

5.12 Additional Guarantors. Each Loan Party shall notify the Administrative Agent at the time that any Person becomes a Subsidiary of such Loan Party (other than any Inactive Subsidiary) or is no longer an Inactive Subsidiary, and promptly thereafter (and in any event within thirty (30) days or such later period as the Administrative Agent may agree), (a) cause such Person to (i) become a Guarantor by executing and delivering to the Administrative Agent a counterpart to this Agreement or such other document as the Administrative Agent shall deem appropriate for such purpose, (ii) deliver to the Administrative Agent documents of the types referred to in clauses Section 3.01(a)(vii), (viii) and (xi), as applicable, (iii) if requested by the Administrative Agent, a favorable opinion of counsel to such Person (which shall cover, among other things, the legality, validity, binding effect and enforceability of the documentation referred to in clause (i) above), all in form, content and scope reasonably satisfactory to the Administrative Agent, and (iv) execute such other Security Instruments as the Administrative Agent may reasonably request, in each case to secure the Obligations, provided such Person shall only be required to execute a Mortgage and grant a security interest in its Oil and Gas Properties to the extent necessary for the Administrative Agent to have an Acceptable Security Interest in eighty percent (80%) (by value) of the Loan Parties' and such Person's Proven Reserves and (b) cause any Loan Party who is a stockholder or equityholder of such Person to execute a Pledge Agreement pledging one hundred percent (100%) of its interests in the Equity Interest of such Person to secure the Obligations and such evidence of corporate authority to enter into and such legal opinion in relation to such Pledge Agreement as the Administrative Agent may reasonably request, along with share certificates pledged thereby, if any, and appropriately executed stock powers in blank, if applicable; provided, however, that if such Person is a direct or indirect Subsidiary of Borrower and is organized or incorporated outside of the United States of America,

no more than sixty-five percent (65%) of the outstanding Voting Securities of such Person shall be pledged to secure the Obligations.

5.13 Further Assurances; Cure of Title Defects.

(a) Upon the reasonable request of the Administrative Agent, each Loan Party shall, and shall cause each Subsidiary to, work with the Administrative Agent and the Lenders to promptly cure any defects in the creation, execution and delivery of the Security Instruments and the other Loan Documents. The Loan Parties hereby authorize the Administrative Agent to file any financing statements to the extent permitted by applicable law in order to perfect or maintain the perfection of any security interest granted under any of the Loan Documents. Each Loan Party at its expense will, and will cause each Subsidiary to, promptly execute and deliver to the Administrative Agent upon reasonable request by the Administrative Agent all such other documents, agreements and instruments to fully consummate all of the transactions contemplated by the Security Instruments and this Agreement, or to further evidence and more fully describe the collateral intended as security for the Obligations, or to correct any omissions in the Security Instruments, or to state more fully the security obligations set out herein or in any of the Security Instruments, or to perfect, protect or preserve any Liens created pursuant to any of the Security Instruments, or to make any recordings, to file any notices or obtain any consents, all as may be necessary or appropriate in connection therewith or to enable the Administrative Agent to exercise and enforce its rights and remedies with respect to any Collateral.

(b) Within thirty (30) days (or such later period as the Administrative Agent may agree) after (i) a reasonable request by the Administrative Agent to cure any title defects or exceptions which are not Permitted Liens raised by such information or (ii) a notice by the Administrative Agent that a Loan Party has failed to comply with Section 5.11 above, the Borrower shall (A) cure such title defects or exceptions which are not Permitted Liens or substitute acceptable Oil and Gas Properties with no title defects or exceptions except for Permitted Liens covering Collateral of an equivalent value and (B) deliver to the Administrative Agent reasonably satisfactory title evidence (including supplemental or new title opinions meeting the foregoing requirements) in form and substance acceptable to the Administrative Agent in its reasonable business judgment as to the Borrower's and its Subsidiaries' ownership of such Oil and Gas Properties and the Administrative Agent's Liens and security interests therein as are required to maintain compliance with Section 5.11.

5.14 Holding Company. EET shall remain qualified as a "mutual fund trust" under the Income Tax Act (Canada) and comply at all times with the investment restrictions that prevent EET from investing in any entity other than a "portfolio investment entity", holding any "non-portfolio property" (each as defined in the Income Tax Act (Canada)) or carrying on business in Canada.

5.15 Post-Closing Requirements.

(a) On or before June 20, 2014 (or such later date as the Administrative Agent may agree in its sole discretion), the Loan Parties shall deliver all certificates or instruments, if any, representing the Pledged Collateral (as defined in the Pledge Agreement) in suitable form for transfer by delivery, or shall be accompanied by duly executed instruments of transfer or

assignment in blank, all in form and substance reasonably satisfactory to the Administrative Agent.

(b) On or before June 20, 2014 (or such later date as the Administrative Agent may agree in its sole discretion), the Loan Parties shall deliver to the Administrative Agent an acknowledgment from CT Corporation System with respect to its irrevocable appointment as registered agent by each Loan Party that is organized outside of the United States.

ARTICLE VI

NEGATIVE COVENANTS

Until Payment in Full of the Obligations, each Loan Party agrees to comply with the following covenants.

6.01 Liens. No Loan Party shall, nor shall it permit any of its Subsidiaries to, create, assume, incur, or suffer to exist, or permit any of its Subsidiaries to create, assume, incur, or suffer to exist, any Lien on or in respect of any of its Property whether now owned or hereafter acquired, or assign any right to receive income, except that the Loan Parties and their Subsidiaries may create, incur, assume, or suffer to exist:

(a) Liens granted pursuant to the Security Instruments securing the Obligations;

(b) purchase money Liens or purchase money security interests or Liens in connection with Capital Leases, in each case, upon or in any equipment constructed, acquired, improved or held by the Borrower or any of its Subsidiaries, and extensions, renewals and replacements thereof; provided that the Debt secured by such Liens (i) was incurred solely for the purpose of financing the acquisition of such equipment, and does not exceed the aggregate purchase price or cost of constructing or improving such equipment (plus accrued interest and premium thereon), (ii) is secured only by such equipment and not by any other assets of the Borrower and its Subsidiaries, and (iii) is not increased in amount (other than accrued interest and premium thereon);

(c) Liens for taxes, assessments, or other governmental charges or levies not yet due or that (provided foreclosure, sale, or other similar proceedings shall not have been initiated) are being contested in good faith by appropriate proceedings, and such reserve as may be required by IFRS shall have been made therefor;

(d) Liens in favor of vendors, carriers, warehousemen, repairmen, mechanics, workmen, materialmen, construction, or similar Liens arising by operation of law in the ordinary course of business in respect of obligations that are not yet due or that are being contested in good faith by appropriate proceedings, provided such reserve as may be required by IFRS shall have been made therefor;

(e) Liens to operators and non-operators under joint operating agreements arising in the ordinary course of the business of the Borrower or the relevant Subsidiary to secure amounts owing, which amounts are not yet due or are being contested in good faith by

appropriate proceedings, if such reserve as may be required by IFRS shall have been made therefor;

(f) royalties, overriding royalties, net profits interests, production payments, reversionary interests, calls on production, preferential purchase rights and other burdens on or deductions from the proceeds of production, that do not secure Debt for borrowed money and that are taken into account in computing the net revenue interests and working interests of such Loan Party or any of its Subsidiaries;

(g) Liens arising in the ordinary course of business out of pledges or deposits under workers' compensation laws, unemployment insurance, old age pensions or other social security or retirement benefits, or similar legislation or to secure public or statutory obligations of any Loan Party;

(h) Liens arising under operating agreements, joint venture agreements, oil and gas partnership agreements, unitization and pooling agreements and orders, farm-out agreements, gas balancing agreements and other agreements, in each case that are customary in the oil, gas and mineral production business and that are entered into in the ordinary course of business that are taken into account in computing the net revenue interests and working interests of such Loan Party or any of its Subsidiaries, to the extent that any such Lien referred to in this clause does not materially impair the use of the Property covered by such Lien for the purposes for which such Property is held by the applicable Loan Party or any Subsidiary or materially impair the value of such Property subject thereto;

(i) easements, rights-of-way, surface leases, restrictions, and other similar encumbrances and rights in respect of surface operations, and minor defects or irregularities in the chain of title imposed by law or arising in the ordinary course of business that are customarily accepted in the oil and gas industry, none of which materially interfere with the ordinary conduct of the business of such Loan Party or any Subsidiary or materially detract from the value or use of the Property to which they apply;

(j) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature;

(k) judgment liens in respect of judgments that do not constitute an Event of Default under paragraph (f) of Section 7.01;

(l) landlords' and lessors' and other like Liens in respect of rent not in default;

(m) Liens of a collecting bank arising in the ordinary course of business under Section 4-208 of the Uniform Commercial Code (or comparable provision under the PPSA or under applicable law) in effect in the relevant jurisdiction covering only the items being collected upon;

(n) licenses, sublicenses, leases or subleases granted to others not interfering in any material respect with the business of any Loan Party or any Subsidiary;

(o) any increase in lessor's royalty occasioned by the repeal or suspension of any Legal Requirement providing for the reduction of royalty for Wells producing below defined threshold amounts;

(p) preferential rights and required third party consents to assignment and similar agreements which make exception for or do not otherwise apply to transfers by mortgage or other security arrangements;

(q) conventional rights of reassignment prior to release or surrender requiring notice to the holders of the rights;

(r) all rights reserved to or vested in any Governmental Authority to control or regulate Oil and Gas Properties in any manner, and all applicable Legal Requirements; and

(s) the filing of Uniform Commercial Code or PPSA financing statements solely as a precautionary measure in connection with operating leases, consignment of goods or other similar transactions.

6.02 Debts, Guaranties, and Other Obligations. No Loan Party shall, nor shall it permit any of its Subsidiaries to, create, assume, suffer to exist, or in any manner become or be liable in respect of, any Debt except:

(a) Debt of the Loan Parties under the Loan Documents;

(b) Debt consisting of convertible unsecured subordinated debentures issued by EET (the "Convertible Debentures"); provided that:

(i) such Debt is not secured by any Lien;

(ii) no principal amount of such Debt matures earlier than 6 months after the Revolving Maturity Date;

(iii) no Default or Event of Default exists at the time of, or would occur as a result of, the incurrence of such Debt;

(iv) the terms of any agreement or indenture governing any such Debt (A) shall have not contain covenants or restrictions that are more restrictive than those set forth in the Credit Documents, (B) shall not have any restriction on the ability of the Loan Parties to guarantee the Obligations or to pledge assets as Collateral for the Obligations, (C) shall be subordinated to the Obligations on terms satisfactory to the Administrative Agent, and (D) shall otherwise be reasonably acceptable to the Administrative Agent; and

(v) the aggregate principal amount of the Convertible Debentures outstanding at any time shall not exceed \$100,000,000;

(c) Debt of the Borrower or any of its Subsidiaries secured by the Liens permitted under paragraph (b) of Section 6.01 and any renewal, refinancing or extension of such

Debt; provided that (i) no Lien existing at the time of such renewal, refinancing or extension shall be extended to cover any property not already subject to such Lien, (ii) the principal amount of any Debt renewed, refinanced or extended shall not exceed the amount of such Debt outstanding immediately prior to such renewal, refinancing or extension; and (iii) in any event, the aggregate amount of such Debt at any time shall not exceed the greater of (A) Five Hundred Thousand Dollars (\$500,000) and (B) five percent (5%) of the Borrowing Base;

(d) Debt of any Loan Party or any of their Subsidiaries under Hydrocarbon Hedge Agreements which are not prohibited by the terms of Section 6.15; provided that (i) such Debt shall not be secured other than pursuant to the Security Instruments, (ii) such Debt shall not obligate such Loan Party or any of its Subsidiaries to any margin call requirements including any requirement to post cash collateral, property collateral or a letter of credit, and (iii) such Debt shall not include any deferred premium payments associated with such Hedge Contracts;

(e) Debt of the Borrower or any of its Subsidiaries consisting of sureties or bonds provided to any Governmental Authority or other Person and assuring payment of contingent liabilities of the Borrower or any of its Subsidiaries in connection with the operation of the Oil and Gas Properties, including with respect to plugging, facility removal and abandonment of its Oil and Gas Properties;

(f) Debt of the Borrower to Guarantors (including the Transitory Note and the US OPCO Notes), and of Guarantors to the Borrower or other Guarantors (including the CT Notes); provided that (i) with respect to Debt under the Transitory Note, the CT Notes and the US OPCO Notes, such Debt remains subordinated to the Obligations on the subordination terms in effect on the Closing Date, with such modifications as may be acceptable to the Administrative Agent; (ii) with respect to Debt other than Debt under the Transitory Note, the CT Notes and the US OPCO Notes, such Debt is subordinated to the Obligations on terms reasonably acceptable to the Administrative Agent; and (ii) any such loans and advances made by a Loan Party shall be evidenced by a promissory note pledged to the Administrative Agent for the ratable benefit of the Secured Parties;

(g) Debt of any Loan Party or any Subsidiary which may exist as a result of post-closing adjustments, earn-outs, non-compete payouts, and similar items relating to one or more Permitted Acquisitions;

(h) Debt of any Loan Party or any Subsidiary existing on the Closing Date and set forth on Schedule 6.02 and extensions, renewals and replacements of any such Debt, provided that such extending, renewal or replacement Debt (i) shall not be in a principal amount that exceeds the principal amount of the Debt being extended, renewed or replaced (plus accrued interest and premium thereon), and (ii) shall not have an earlier maturity date than the Debt being extended, renewed or replaced;

(i) Debt owed to any Person (including obligations in respect of letters of credit for the benefit of such Person) providing workers' compensation, health, disability or other employee benefits or property, casualty or liability insurance pursuant to reimbursement or indemnification obligations to such Person in respect thereof, in each case incurred in the ordinary course of business;

(j) Debt owed to any person with respect to premiums payable for property, casualty or liability insurance for any Loan Party, so long as such Debt shall not be in excess of the amount of the unpaid cost of, and shall be incurred only to defer the cost of, such insurance for the year in which such Debt is incurred and such Debt shall be outstanding only during such year;

(k) Debt representing deferred compensation to employees of any Loan Party or any Subsidiary incurred in the ordinary course of business;

(l) Other unsecured Debt in an aggregate amount outstanding at any time not to exceed One Hundred Thousand Dollars (\$100,000); and

(m) Any guaranty of any Debt permitted to be incurred under this Section 6.02.

6.03 Agreements Restricting Liens and Distributions. No Loan Party shall, nor shall it permit any of its Subsidiaries to, create, incur, assume or permit to exist any contract, agreement or understanding (other than this Agreement or Security Instruments) which in any way prohibits or restricts (a) the granting, conveying, creation or imposition of any Lien on any of its Property, whether now owned or hereafter acquired, to secure the Obligations, (b) restricts any Subsidiary from making Restricted Payments or otherwise transferring Property to the Borrower, or which requires the consent of or notice to other Persons in connection therewith, or (c) restricts the ability of any Subsidiary to Guarantee the Credit Agreement Obligations; provided, that the foregoing shall not apply to (a) customary restrictions imposed on the granting, conveying, creation or imposition of any Lien on any Property of the Borrower or its Subsidiaries imposed by any contract, agreement or understanding related to the Liens permitted under clause (b) of Section 6.01 so long as such restriction only applies to the Property permitted under such clause to be encumbered by such Liens, (b) customary non-assignment provisions or other restrictions on Liens contained in licenses, joint venture agreements, lease agreements or other contracts entered in the ordinary course of business, and (c) documents governing an Asset Disposition may contain restrictions with respect to the assets being disposed.

6.04 Merger or Consolidation; Asset Sales. No Loan Party shall, nor shall it permit any of its Subsidiaries to:

(a) merge, consolidate, dissolve, liquidate or consolidate with or into any other Person; provided that, so long as no Default or Event of Default exists or would result therefrom (x) any Subsidiary may merge or consolidate with (i) the Borrower, provided that the Borrower shall be the continuing or surviving Person, or (ii) any one or more other wholly-owned Subsidiaries, provided that when any Guarantor is merging or consolidating with another wholly-owned Subsidiary, the Guarantor shall be the continuing or surviving Person and when any wholly-owned Subsidiary is merging or consolidating with another Subsidiary, the wholly-owned Subsidiary shall be the continuing or surviving Person, (y) any Subsidiary may liquidate or dissolve if the Borrower determines in good faith that such liquidation or dissolution is in the best interest of the Borrower and is not materially disadvantageous to the Lenders and (z) any Asset Disposition permitted hereunder may be effected through the merger of a Subsidiary of the Borrower with a third party. Notwithstanding anything herein provided, it is acknowledged that

each of ELP and the General Partner will, and ECT may, wind-up and/or dissolve after the Closing Date; provided that at the time of such wind-up or dissolution, ELP or the General Partner, as applicable, (1) is a wholly owned Subsidiary of a Loan Party and (2) owns no material assets; and

(b) enter into or otherwise effect an Asset Disposition other than:

(i) Asset Dispositions of Hydrocarbons or liquidation of Liquid Investments in the ordinary course of business;

(ii) Asset Dispositions of equipment or real property to the extent that (A) Asset Disposition is in the ordinary course of business and (B) (x) such property is exchanged for credit against the purchase price of similar replacement property or (y) the proceeds of such Asset Disposition are reasonably promptly applied to the purchase price of such replacement property;

(iii) Asset Dispositions of property or intellectual property that is (A) obsolete, worn out, depleted, surplus or uneconomic and disposed of in the ordinary course of business, or (B) no longer necessary for the business of such Person;

(iv) Asset Dispositions of property by the Borrower or any wholly-owned Subsidiary to the Borrower or to a wholly-owned Subsidiary in the ordinary course of business; provided that if the transferor of such property is the Borrower or a Guarantor, the transferee thereof must either be the Borrower or a Guarantor;

(v) Asset Dispositions of Oil and Gas Properties which are not attributable to Proven Reserves so long as, both before and after giving effect to such Asset Disposition, no Borrowing Base deficiency under Section 2.05 or Default exists; provided that the aggregate fair market value of Oil and Gas Properties subject to Asset Dispositions in any fiscal year shall not exceed the greater of (A) Five Hundred Thousand Dollars (\$500,000) and (B) five percent (5%) of the Borrowing Base;

(vi) Asset Dispositions of Oil and Gas Properties which are attributable to Proven Reserves (or the sale of any Subsidiary owning such Oil and Gas Properties); provided that (A) one hundred percent (100%) of the consideration received in respect of such Asset Disposition shall be cash, Liquid Investments or like-kind exchange, (B) the consideration received in respect of such Asset Disposition shall be equal to or greater than the fair market value of the such Oil and Gas Property, which is the subject of such Asset Disposition (as reasonably determined by the Board of Directors of the Borrower and, if requested by the Administrative Agent, the Borrower shall deliver a certificate of a Responsible Officer of the Borrower certifying to that effect), (C) if any such Asset Disposition is of a Subsidiary owning Oil and Gas Properties, such Asset Disposition shall include all the Equity Interests of such Subsidiary; and (D) the sum of (1) the aggregate fair market value of Oil and Gas Properties subject to such Asset Dispositions consummated since the immediately preceding scheduled redetermination of the Borrowing Base plus (2) the aggregate Borrowing Base value attributed by the Administrative Agent to all Borrowing Base Hedges that have been novated, assigned,

amended, modified or terminated since the immediately preceding scheduled redetermination of the Borrowing Base shall not exceed an amount equal to five percent (5%) of the Borrowing Base then in effect;

(vii) Asset Dispositions or the compromise or settlement of accounts receivable in connection with the compromise, settlement or collection thereof in the ordinary course of business (and not as part of a bulk sale or receivables financing);

(viii) Asset Dispositions resulting from any casualty or other insured damage to, or any taking under power of eminent domain or by condemnation or similar proceeding of, any Property of the Borrower or any Subsidiary;

(ix) leases of real or personal property in the ordinary course of business and in accordance with the applicable Security Instruments;

(x) assignments or licenses of intellectual property of any Loan Party or any Subsidiary in the ordinary course of business;

(xi) Asset Dispositions of assets other than Oil and Gas Properties for fair market value so long as, both before and after giving effect to such Asset Disposition, no Default exists and the aggregate fair market value of such assets subject to Asset Dispositions in any fiscal year shall not exceed One Hundred Thousand Dollars (\$100,000); and

(xii) if no Event of Default then exists, farm-outs in the ordinary course of business of undeveloped acreage or undrilled depths and assignments in connection with such farm-outs.

6.05 Restricted Payments. No Loan Party shall, nor shall it permit any of its Subsidiaries to, make any Restricted Payments, except that:

(a) each wholly-owned Subsidiary of the Borrower may make Restricted Payments to any other wholly-owned Subsidiaries;

(b) the Borrower may make cash distributions to the extent permitted by its articles of incorporation and bylaws to Can Holdco, Can Holdco may make cash distributions of such Restricted Payments to EET and EET may make cash distributions of such Restricted Payments to the holders of its Equity Interests; provided, however that (i) no Default, Event of Default, or Borrowing Base deficiency under Section 2.05 has occurred and is continuing or would result therefrom and (ii) such cash distributions made in any fiscal quarter may not exceed Available Distributable Cash Flow of the Borrower and its Subsidiaries for the most recently ended fiscal quarter for which financial statements are available;

(c) any Loan Party may declare and pay dividends or other distributions with respect to its Equity Interests payable solely in additional shares or units of its Equity Interests;

(d) any Loan Party may make cashless repurchases of Equity Interests deemed to occur upon the exercise of stock options or warrants if such Equity Interests represent a portion of the exercise price of such options or warrants;

(e) the Borrower and any Guarantor may make redemptions of, or purchase Equity Interests in, the Borrower or any Guarantor from employees, consultants or directors of the Borrower or such Guarantor upon such Person's death, disability, retirement or termination of employment; provided that at the time any purchase or redemption is made no Default exists or would result therefrom;

(f) ELP shall be permitted to make the distribution to ECT contemplated by the Irrevocable Direction;

(g) Payments under Subordinated Debt permitted pursuant to the terms of a subordination agreement between the Subordinated Debt holder, Administrative Agent and Borrower;

(h) so long as no Default or Event of Default has occurred and is continuing, or would result therefrom, EET may make any scheduled payments of interest required under the Convertible Debentures;

(i) payments of interest, principal and other amounts in connection with the Transitory Note, the CT Notes and the US Opco Notes; and

(j) so long as no Default or Event of Default has occurred and is continuing, or would result therefrom, EET may make payments in connection with or with respect to the Convertible Debentures (x) in the form of trust units of EET, or (y) from the proceeds of sale of newly issued trust units of EET.

6.06 Investments. No Loan Party shall, nor shall it permit any of its Subsidiaries to, make or permit to exist any loans, advances, or capital contributions to, or make any investment in (including, without limitation, the making of any Acquisition), or purchase or commit to purchase any stock or other securities or evidences of indebtedness of or interests in any Person or any Oil and Gas Properties or activities related to Oil and Gas Properties, except:

(a) Liquid Investments;

(b) Investments consisting of extensions of credit in the nature of accounts receivable, other trade payables or notes receivable arising from the grant of trade credit in the ordinary course of business, and Investments received in satisfaction or partial satisfaction thereof from financially troubled account debtors to the extent reasonably necessary in order to prevent or limit loss;

(c) Investments of a Loan Party in another Loan Party;

(d) Investments by the Borrower in newly-formed domestic Subsidiaries that become Guarantors pursuant to Section 5.12;

(e) Investments in direct ownership interests in additional Oil and Gas Properties and gas gathering systems related thereto or related to farm-out, farm-in, joint operating, joint venture or area of mutual interest agreements, gathering systems, pipelines or other similar arrangements which are usual and customary in the oil and gas exploration and production business located within the geographic boundaries of the United States of America; provided that such assets are pledged as Collateral pursuant to, and to the extent required by, Section 5.09;

(f) Investments by any Loan Party or any Subsidiary in payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business;

(g) Investments of any Person existing at the time such Person becomes a Subsidiary or consolidates or merges with any Loan Party or any Subsidiary, including in connection with an Acquisition permitted hereunder, so long as such investment were not made in contemplation of such Person becoming a Subsidiary or of such consolidation or merger;

(h) Investments constituting deposits described in clauses (g) and (j) of Section 6.01;

(i) Guarantees permitted by Section 6.02;

(j) Hedge Contracts to the extent permitted under Section 6.15;

(k) Acquisitions by the Borrower or its Subsidiaries of Oil and Gas Property including Proven Reserves (other than Acquisitions permitted pursuant to clause (e)) resulting in ownership of assets inside the United States, or of Equity Interests in a Person organized or incorporated in the United States; provided, however, that the following requirements have been satisfied:

(i) if such Acquisition results in the Borrower's ownership of a direct or indirect Subsidiary, the Borrower and such Subsidiary shall have complied with the requirements of Section 5.12 within the time periods specified therein;

(ii) with respect to Acquisitions involving acquisitions of an Equity Interest, such Acquisition shall have been approved or consented to by the board of directors or similar governing entity of the Person being acquired;

(iii) as of the closing of such Acquisition no Default shall exist or occur as a result of, and after giving effect to, such Acquisition; and

(iv) with respect to any Acquisition whereby the total consideration paid in connection with such acquisition exceeds \$5,000,000, the Loan Party making such Acquisition shall certify (and provide the Administrative Agent with a pro forma calculation in form and substance reasonably satisfactory to the Administrative Agent) to the Administrative Agent and the Lenders that, after giving effect to completion of such acquisition EET and the Borrower would be in compliance with Sections 6.17, 6.18 and 6.19 on a pro forma basis, in each case which includes all consideration given in

connection with such acquisition, other than Capital Stock of EET delivered to the seller(s) in such acquisition, as having been paid in cash at the time of making such acquisition; and other Investments in an aggregate amount not to exceed the greater of (A) Five Hundred Thousand Dollars (\$500,000) and (B) five percent (5%) of the Borrowing Base.

6.07 Change in Nature of Business. No Loan Party shall, nor shall it permit any of its Subsidiaries to, engage in any line of business substantially different from those lines of business conducted by the Loan Parties on the Closing Date or any business substantially related or incidental thereto.

6.08 Affiliate Transactions. No Loan Party shall, nor shall it permit any of its Subsidiaries to, enter into any transaction of any kind with any Affiliate of any Loan Party, whether or not in the ordinary course of business, including, without limitation, any payment by the Borrower or any of its wholly-owned Subsidiaries of any management, consulting or similar fees to any Affiliate, whether pursuant to a management agreement or otherwise, other than on fair and reasonable terms substantially as favorable or more favorable to such Loan Party or Subsidiary as would be obtainable by such Loan Party or Subsidiary at the time in a comparable arm's length transaction with a Person other than an Affiliate, other than (a) transactions between Loan Parties, (b) otherwise expressly provided for in this Agreement, (c) the payment of fees, compensation (including bonuses) and other benefits to, and indemnity and reimbursement provided on behalf of, employees, officers, directors or consultants of any Loan Party or any of their respective Subsidiaries in the ordinary course of business, (d) reimbursement of employee travel and lodging costs incurred in the ordinary course of business, (e) employment agreements, equity incentive agreements, benefit programs, collective bargaining agreements and other employee and management arrangements in the ordinary course of business, (f) issuances of Equity Interests in EET, and (g) arrangements existing on the Closing Date and set forth on Schedule 6.08.

6.09 Intentionally Omitted.

6.10 Sale-and-Leaseback. No Loan Party shall, nor shall it permit any of its Subsidiaries to, sell or transfer to a Person any Property, whether now owned or hereafter acquired, if at the time or thereafter any Loan Party or a Subsidiary thereof shall lease as lessee such Property or any part thereof or other Property which such Loan Party or Subsidiary intends to use for substantially the same purpose as the Property sold or transferred.

6.11 Accounting Change. No Loan Party shall, nor shall it permit any of its Subsidiaries to, make a change in the method of accounting employed in the preparation of the financial statements referred to in Section 4.05 or change the fiscal year end of the Loan Parties unless required to conform to IFRS or approved in writing by the Administrative Agent.

6.12 Organizational Documents. No Loan Party shall, nor shall it permit any of its Subsidiaries to, amend, supplement, modify or restate their articles or certificate of incorporation, bylaws, limited liability company agreements, or other equivalent organizational documents where such amendment, supplement, modification or restatement would be materially adverse to the Lenders.

6.13 Use of Proceeds; Letters of Credit. The Borrower will not permit the proceeds of any Advance or Letters of Credit to be used for any purpose other than those permitted by Section 5.10. The Borrower will not engage in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U). Neither the Borrower nor any Person acting on behalf of the Borrower has taken or shall take, nor permit any of the Borrower's Subsidiaries to take any action which might cause any of the Loan Documents to violate Regulation T, U or X or to violate Section 7 of the Securities Exchange Act of 1934 or any rule or regulation thereunder, including without limitation, the use of the proceeds of any Advance or Letters of Credit to purchase or carry any margin stock in violation of Regulation T, U or X.

6.14 Gas Imbalances, Take-or-Pay or Other Prepayments. The Borrower shall not, nor shall it permit any of its Subsidiaries to, allow gas imbalances, take-or-pay or other prepayments with respect to the Oil and Gas Properties of the Borrower or any Subsidiary which would require the Borrower or any Subsidiary to deliver their respective Hydrocarbons produced on a monthly basis from such Oil and Gas Properties at some future time without then or thereafter receiving full payment therefor other than those which do not result in the Borrower or any Subsidiary having net aggregate liability in excess of two percent (2%) of the Borrowing Base then in effect.

6.15 Hedging Requirements. No Loan Party shall, nor shall it permit any of its Subsidiaries to:

(a) purchase, assume, or hold a speculative position in any commodities market or futures market or enter into any Hydrocarbon Hedge Agreement, Interest Hedge Agreement or similar hedge arrangement for speculative purposes; or

(b) be party to or otherwise enter into:

(i) any Hedge Contract which is entered into for reasons other than as a part of its normal business operations as a risk management strategy and/or hedge against changes resulting from market conditions related to the Borrower's operations; or

(ii) any Hedge Contract with a term longer than five (5) years in duration from the date such Hedge Contract is entered into; or

(iii) any Hedge Contract under which neither the counterparty nor any guarantor of all of the obligations of the counterparty (A) is a Lender or an Affiliate of a Lender, or (B) has, at the time the Hedge Contract is made, a rating for its long-term obligations of BBB- or Baa3 or better, respectively, by either Standard & Poor's Ratings Group or Moody's Investors Service, Inc., or (C) is an investment grade-rated industry participant; or

(iv) any Hedge Contract which, at the time of entry or execution and after giving effect thereto, together with all other Hedge Contracts of the Loan Parties, covers notional volumes in excess of (A) during the first three years after the date of entry or execution of such Hedge Contract, 60% of the then anticipated Gross Working Interest Total Proved Production of the Borrower and its Subsidiaries as reflected in the

most recently delivered Engineering Report under Section 2.02(b) or (c) (or, in the discretion of the Administrative Agent, in any internal updated written estimate of Gross Working Interest Total Proved Production of the Borrower and its Subsidiaries delivered to the Administrative Agent); or (B) during the fourth or fifth year after the date of entry or execution of such Hedge Contract, 60% of the then anticipated Gross Working Interest Proved Developed Producing Production of the Borrower and its Subsidiaries as reflected in the most recently delivered Engineering Report under Section 2.02(b) or (c) (or, in the discretion of the Administrative Agent, in any internal updated written estimate of Gross Working Interest Proved Developed Producing Production of the Borrower and its Subsidiaries delivered to the Administrative Agent); provided that:

(A) the Loan Parties may enter into Hedge Contracts in excess of such 60% thresholds after the execution of definitive documentation regarding an Investment permitted under Section 6.06(e) (each a "Contemplated Acquisition"), so long as:

(1) at the time of entry or execution of any such Hedge Contract and after giving effect thereto, the sum of (i) the Unused Revolving Commitment Amount and (ii) available cash on hand is at least 10% of the lesser of (x) the Aggregate Revolving Commitments and (y) the Borrowing Base then in effect; and

(2) at the time of entry or execution of any such Hedge Contract and after giving effect thereto, the Loan Parties' Hedge Contracts cover aggregate notional volumes less than or equal to (x) during the first three years after the definitive documentation for such Contemplated Acquisition has been executed, 75% of the then anticipated Gross Working Interest Total Proved Production of the Borrower and its Subsidiaries (excluding Oil and Gas Properties and other assets to be acquired in the Contemplated Acquisition (the "Acquisition Assets")) as reflected in the most recently delivered Engineering Report under Section 2.02(b) or (c) (or, in the discretion of the Administrative Agent, in any internal updated written estimate of Gross Working Interest Total Proved Production of the Borrower and its Subsidiaries delivered to the Administrative Agent); and (y) during the fourth and fifth year after the definitive documentation for such Contemplated Acquisition has been executed, 70% of the then anticipated Gross Working Interest Proved Developed Producing Production of the Borrower and its Subsidiaries (excluding the Acquisition Assets) as reflected in the most recently delivered Engineering Report under Section 2.02(b) or (c) (or, in the discretion of the Administrative Agent, in any internal updated written estimate of Gross Working Interest Proved Developed Producing Production of the Borrower and its Subsidiaries delivered to the Administrative Agent); and

(3) any Hedge Contract entered into in reliance on this clause (A) (to the extent exceeding the limits set forth in the first

paragraph of this clause (iv)) shall be unwound upon the earlier to occur of (x) 30 days following the termination of such definitive documentation governing the Contemplated Acquisition, and (y) if the Contemplated Acquisition has not been consummated by such time, 60 days following the execution of such definitive documentation governing the Contemplated Acquisition; and

(4) after the closing of any such Contemplated Acquisition, the Loan Parties would be and are in compliance with the 60% thresholds set forth in the first paragraph of this clause (iv), giving effect to the Acquisition Assets, as evidenced by an Engineering Report for such assets delivered to Administrative Agent and the Lenders in connection with such Contemplated Acquisition; and

(B) for purposes of put option contracts that are not related to corresponding calls, collars or swaps shall not be included in calculating all thresholds in this clause (iv); and

(C) with regard to a “costless collar” that involves the purchase of a put and the sale of a call for the same volumes, dates and commodities, only the volumes associated with the put or the call (but not both) will be included in calculating all thresholds in this clause (iv).

6.16 Intentionally Omitted.

6.17 Current Ratio. As of each fiscal quarter end, commencing with the fiscal quarter ending June 30, 2014, EET and the Borrower shall not permit the ratio of (a) their respective current assets to (b) their respective current liabilities, to be less than 1.00 to 1.00. For purposes of this calculation, (i) “current assets” shall include, as of the date of calculation, the aggregate Unused Revolving Commitment Amounts of the Lenders but shall exclude, as of the date of calculation, (A) any cash that is subject to restriction and (B) any assets representing a valuation account arising from the application of SFAS 133 and 143, and (ii) “current liabilities” shall exclude, as of the date of calculation, (A) the current portion of long-term Debt existing under this Agreement and (B) any liabilities representing a valuation account arising from the application of SFAS 133 and 143.

6.18 Maximum Consolidated Funded Debt to Consolidated EBITDAX Ratio. As of each fiscal quarter ended, commencing with the fiscal quarter ending June 30, 2014, EET and the Borrower shall not permit the ratio, determined in each case on a consolidated basis for EET and its Subsidiaries or the Borrower and its Subsidiaries, as the case may be, of (a) Consolidated Funded Debt as of such fiscal quarter end to (b) the Consolidated EBITDAX for the four (4) fiscal quarters most recently ended, to be greater than 3.00 to 1.00.

6.19 Minimum Consolidated EBITDAX to Consolidated Interest Expense. As of each fiscal quarter, commencing with the fiscal quarter ending June 30, 2014, EET and the Borrower shall not permit the ratio, determined in each case on a consolidated basis for EET and its Subsidiaries or the Borrower and its Subsidiaries, as the case may be, of (a) the Consolidated

EBITDAX for the four fiscal quarters most recently ended to (b) Consolidated Interest Expense for such quarter, to be less than 3.00 to 1.00.

6.20 Deposit Accounts. No Loan Party shall, nor shall it permit any of its Subsidiaries to, open or maintain any Deposit Accounts except for (a) Deposit Accounts with The Bank of Nova Scotia; (b) Deposit Accounts which are subject to account control agreements reasonably acceptable in form and substance to the Administrative Agent; (c) Excluded Accounts; and (d) Deposit Accounts with aggregate balances of less than Fifty Thousand Dollars (\$50,000).

6.21 Holding Company. Neither EET, ECT or Can Holdco shall engage in any business or activity other than (a) the ownership of all outstanding Equity Interests in ECT, Can Holdco and the Borrower, as applicable, (b) maintaining its trust existence in the case of EET or ECT, (c) participating in tax, accounting and other administrative activities as the parent of the consolidated group of companies, including the Loan Parties, (d) the execution and delivery of the Loan Documents to which it is a party and the performance of its obligations thereunder, (e) the making of distributions not otherwise prohibited hereby, and (f) activities incidental to the businesses or activities described in clauses (a) through (e).

ARTICLE VII

EVENTS OF DEFAULT; REMEDIES

7.01 Events of Default. The occurrence of any of the following events shall constitute an “Event of Default” under any Loan Document:

(a) Payment. The Borrower shall fail to pay (i) any principal of any Advance, including any mandatory prepayment, or reimburse any drawing under any Letter of Credit when the same becomes due and payable, or (ii) any interest on the Advances, any fees, reimbursements, indemnifications, or other amounts payable in connection with the Obligations, this Agreement or under any other Loan Document within three (3) Business Days after the same becomes due and payable;

(b) Representation and Warranties. Any representation or statement made or deemed to be made by the Borrower or any other Loan Party in this Agreement, in any other Loan Document, or in connection with this Agreement or any other Loan Document (other than a representation or warranty relating to a security interest creation or validity matter that does not give rise to Event of Default pursuant to Section 7.01(i) below) shall prove to have been incorrect in any material respect when made or deemed to be made;

(c) Covenant Breaches. Any Loan Party shall (i) fail to perform or observe any covenant contained in Sections 5.02, 5.03, 5.06, 5.07(a), 5.12, 5.13, 5.14, 5.15 and Article VI of this Agreement or (ii) fail to perform or observe any other term or covenant set forth in this Agreement or in any other Loan Document which is not covered by clause (i) above or any other provision of this Section 7.01 (other than a covenant or agreement relating to a security interest creation or validity matter that does not give rise to an Event of Default pursuant to Section 7.01(i) below) if such failure shall remain unremedied for thirty (30) days after notice thereof

from the Administrative Agent to the Borrower (which notice will be given at the request of any Lender);

(d) Cross-Defaults. (i) Any Loan Party shall fail to pay any principal of or premium or interest on any of its Debt which, individually or in the aggregate, is outstanding in a principal amount of at least the greater of (A) Five Hundred Thousand Dollars (\$500,000) and (B) five percent (5%) of the Borrowing Base (or the equivalent in any other currency) (but excluding Debt evidenced by the Advances) when the same becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), (ii) any other event shall occur or condition shall exist under any agreement or instrument relating to Debt which is outstanding in a principal amount of at least the greater of (X) Five Hundred Thousand Dollars (\$500,000) and (Y) five percent (5%) of the Borrowing Base (or the equivalent in any other currency) individually or when aggregated with all such Debt of the Person so in default (but excluding Debt evidenced by the Advances), if the effect of such event or condition is to accelerate, or to permit the acceleration of, the maturity of such Debt; or (iii) any such Debt shall be declared to be due and payable, or required to be prepaid (other than by a regularly scheduled required prepayment), prior to the stated maturity thereof; provided that, for purposes of this Section 7.01(d), the “principal amount” of the obligations in respect of any Hedge Contracts at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that would be required to be paid if such Hedge Contracts were terminated at such time;

(e) Insolvency. Any Loan Party shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against any Loan Party seeking to adjudicate it as a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any Debtor Relief Law, or seeking the entry of an order for relief or the appointment of a receiver, receiver-manager, trustee or other similar official for it or for any substantial part of its property and, in the case of any such proceeding instituted against such Person, either such proceeding shall remain undismissed for a period of sixty (60) days or any of the actions sought in such proceeding shall occur; or such Person shall take any action to authorize any of the actions set forth above in this paragraph (e) or any analogous procedure or step is taken in any jurisdiction.

(f) Judgments. Any final judgment, decree or order for the payment of money shall be rendered against any Loan Party in an amount in excess of the greater of (A) Five Hundred Thousand Dollars (\$500,000) and (B) five percent (5%) of the Borrowing Base (or the equivalent in any other currency) (to the extent not covered by third-party insurance as to which the insurer does not dispute coverage) and either (i) enforcement proceedings shall have been commenced by any creditor upon such judgment or order or (ii) there shall be any period of thirty (30) consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect;

(g) ERISA. (i) An ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan which has resulted or could reasonably be expected to result in liability of the Borrower under Title IV of ERISA to the Pension Plan, Multiemployer Plan or the PBGC in an aggregate amount in excess of the greater of (A) Five Hundred Thousand Dollars (\$500,000)

and (B) five percent (5%) of the Borrowing Base, or (ii) the Borrower or any ERISA Affiliate fails to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan in an aggregate amount in excess of Two Hundred Fifty Thousand Dollars (\$250,000); or

(h) Loan Documents. Any Loan Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or upon Payment in Full of the Obligations, ceases to be in full force and effect; or any Loan Party or any other Person contests in any manner the validity or enforceability of any Loan Document; or any Loan Party denies that it has any or further liability or obligation under any Loan Document, or purports to revoke, terminate or rescind any Loan Document; or

(i) Security Instruments. Any Security Instrument shall for any reason (other than pursuant to the terms thereof) cease to create a valid security interest in Collateral with a fair value in excess of the greater of (A) Five Hundred Thousand Dollars (\$500,000) and (B) five percent (5%) of the Borrowing Base purported to be covered thereby or the security interest in such Collateral for any reason cease to be a perfected first priority security instrument to the extent required by the applicable Security Instrument, except as a result of an Asset Disposition of the applicable Collateral in a transaction permitted under the Loan Documents;

(j) Change of Control. A Change of Control shall have occurred;

(k) Borrowing Base Deficiency. Any failure to cure any Borrowing Base deficiency in accordance with Section 2.05; or

(l) Material Contracts. The EET Trust Indenture, the Specified Acquisition Documents or the Management Services Agreement at any time cease to be in full force and effect or any party thereto contests in any manner the validity or enforceability thereof or denies that it has any or further liability or obligation thereunder or purports to revoke, terminate or rescind such Material Contract, or any party to such Material Contract shall fail to comply in any material respect with respect to such Material Contract.

7.02 Optional Acceleration of Maturity. If any Event of Default (other than an Event of Default pursuant to paragraph (e) of Section 7.01) shall have occurred and be continuing, then, and in any such event,

(a) the Administrative Agent (i) shall at the request, or may with the consent, of the Majority Lenders, by notice to the Borrower, declare the Commitments and the obligation of each Lender and the Issuing Bank to make extensions of credit hereunder, including making Advances and issuing Letters of Credit, to be terminated, whereupon the same shall forthwith terminate, and (ii) shall at the request, or may with the consent, of the Majority Lenders, by notice to the Borrower, declare all principal, interest, fees, reimbursements, indemnifications, and all other amounts payable under this Agreement and the other Loan Documents to be forthwith due and payable, whereupon all such amounts shall become and be forthwith due and payable in full, without notice of intent to demand, demand, presentment for payment, notice of nonpayment, protest, notice of protest, grace, notice of dishonor, notice of intent to accelerate,

notice of acceleration, and all other notices, all of which are hereby expressly waived by the Borrower;

(b) the Borrower shall, on demand of the Administrative Agent at the request or with the consent of the Majority Lenders, deposit with the Administrative Agent into the Cash Collateral Account an amount of cash in Dollars equal to one hundred five percent (105%) of the outstanding Letter of Credit Exposure as security for the Obligations to the extent the Letter of Credit Obligations are not otherwise paid at such time; and

(c) the Administrative Agent shall at the request of, or may with the consent of, the Majority Lenders proceed to enforce its rights and remedies under the Security Instruments, this Agreement, and any other Loan Document for the ratable benefit of the Lenders by appropriate proceedings.

7.03 Automatic Acceleration of Maturity. If any Event of Default pursuant to paragraph (e) of Section 7.01 shall occur,

(a) (i) the Commitments and the obligation of each Lender and the Issuing Bank to make extensions of credit hereunder, including making Advances and issuing Letters of Credit, shall terminate, and (ii) all principal, interest, fees, reimbursements, indemnifications, and all other amounts payable under this Agreement and the other Loan Documents shall become and be forthwith due and payable in full, without notice of intent to demand, demand, presentment for payment, notice of nonpayment, protest, notice of protest, grace, notice of dishonor, notice of intent to accelerate, notice of acceleration, and all other notices, all of which are hereby expressly waived by the Borrower;

(b) the Borrower shall deposit with the Administrative Agent into the Cash Collateral Account an amount of cash in Dollars equal to one hundred five percent (105%) of the outstanding Letter of Credit Exposure as security for the Obligations to the extent the Letter of Credit Obligations are not otherwise paid at such time; and

(c) the Administrative Agent shall at the request of, or may with the consent of, the Majority Lenders proceed to enforce its rights and remedies under the Security Instruments, this Agreement, and any other Loan Document for the ratable benefit of the Lenders by appropriate proceedings.

7.04 Right of Set-off. If an Event of Default shall have occurred and be continuing, each Lender, the Issuing Bank, and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender, the Issuing Bank or any such Affiliate to or for the credit or the account of the Borrower or any other Loan Party against any and all of the obligations of the Borrower or such Loan Party now or hereafter existing under this Agreement or any other Loan Document to such Lender or the Issuing Bank, irrespective of whether or not such Lender or the Issuing Bank shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Borrower or such Loan Party may be contingent or unmatured or are owed to a

branch or office of such Lender or the Issuing Bank different from the branch or office holding such deposit or obligated on such indebtedness. The rights of each Lender, the Issuing Bank and their respective Affiliates under this Section 7.04 are in addition to other rights and remedies (including other rights of setoff) that such Lender, the Issuing Bank or their respective Affiliates may have. Each Lender and the Issuing Bank agrees to notify the Borrower and the Administrative Agent promptly after any such setoff and application, provided that the failure to give such notice shall not affect the validity of such setoff and application.

7.05 Non-exclusivity of Remedies. No remedy conferred upon the Administrative Agent, the Issuing Bank or the Lenders is intended to be exclusive of any other remedy, and each remedy shall be cumulative of all other remedies existing by contract, at law, in equity, by statute or otherwise.

7.06 Application of Proceeds. From and during the continuance of any Event of Default, any monies or property actually received by the Administrative Agent or the Administrative Agent pursuant to this Agreement or any other Loan Document, the exercise of any rights or remedies under any Security Instrument or any other agreement with any Loan Party which secures any of the Obligations, shall be applied in the following order:

(a) First, to payment of the reasonable expenses, liabilities, losses, costs, duties, fees, charges or other moneys whatsoever (together with interest payable thereon) as may have been paid or incurred in, about or incidental to any sale or other realization of Collateral, including reasonable compensation to the Administrative Agent and its agents and counsel, and to the ratable payment of any other unreimbursed reasonable expenses and indemnities for which the Administrative Agent or any Secured Party is to be reimbursed pursuant to this Agreement or any other Loan Document, in each case that are then due and payable;

(b) Second, to the ratable payment of accrued but unpaid fees of the Administrative Agent, commitment fees, letter of credit fees, and fronting fees owing to the Administrative Agent, the Issuing Bank, and the Lenders in respect of the Advances and Letters of Credit under this Agreement;

(c) Third, to the payment of all accrued interest constituting part of the Obligations (the amounts so applied to be distributed ratably among the Lenders (and with respect to Swap Obligations and Banking Services Obligations, Swap Counterparties or Banking Service Providers, as applicable) pro rata in accordance with the amounts of the Obligations owed to them on the date of any such distribution);

(d) Fourth, to the payment of any then due and owing principal constituting part of the Obligations (the amounts so applied to be distributed ratably among the Lenders (and with respect to Swap Obligations and Banking Services Obligations, Swap Counterparties or Banking Service Providers, as applicable) pro rata in accordance with the principal amounts of the Obligations owed to them on the date of any such distribution), and when applied to make distributions by the Administrative Agent to pay the principal amount of the outstanding Advances, pro rata to the Lenders;

(e) Fifth, to the payment of any then due and owing other amounts constituting part of the Obligations (the amounts so applied to be distributed ratably among the Lenders (and with respect to Swap Obligations and Banking Services Obligations, Swap Counterparties or Banking Service Providers, as applicable) pro rata in accordance with such amounts owed to them on the date of any such distribution), and applied to make distributions by the Administrative Agent to pay such amounts payable to the Lenders under the Loan Documents, pro rata to the Lenders; and

(f) Sixth, any excess after Payment in Full of the Obligations shall be paid to the Borrower or any other Loan Party as appropriate or to such other Person who may be lawfully entitled to receive such excess.

ARTICLE VIII

THE GUARANTY

8.01 Liabilities Guaranteed. Each Guarantor hereby, joint and severally, irrevocably and unconditionally guarantees the prompt payment at maturity of the Obligations.

8.02 Nature of Guaranty. This guaranty is an absolute, irrevocable, completed and continuing guaranty of payment and not a guaranty of collection, and no notice of the Obligations or any extension of credit already or hereafter contracted by or extended to the Borrower need be given to any Guarantor. This guaranty may not be revoked by any Guarantor and shall continue to be effective with respect to the Obligations arising or created after any attempted revocation by such Guarantor and shall remain in full force and effect until Payment in Full of the Obligations, notwithstanding that from time to time prior thereto no Obligations may be outstanding. The Borrower and the Lenders may modify, alter, rearrange, extend for any period and/or renew from time to time, the Obligations, and the Lenders may waive any Default or Events of Default without notice to any Guarantor and in such event each Guarantor will remain fully bound hereunder on the Obligations. This guaranty shall continue to be effective or be reinstated, as the case may be, if at any time any payment of the Obligations is rescinded or must otherwise be returned by any of the Lenders upon the insolvency, bankruptcy or reorganization of the Borrower or otherwise, all as though such payment had not been made. This guaranty may be enforced by the Administrative Agent and any subsequent holder of any of the Obligations and shall not be discharged by the assignment or negotiation of all or part of the Obligations. Each Guarantor hereby expressly waives presentment, demand, notice of non-payment, protest and notice of protest and dishonor, notice of Default or Event of Default, and also notice of acceptance of this guaranty, acceptance on the part of the Lenders being conclusively presumed by the Lenders' request for this guaranty and the Guarantors' being party to this Agreement.

8.03 Agent's Rights. Each Guarantor authorizes the Administrative Agent, without notice or demand and without affecting any Guarantor's liability hereunder, to take and hold security for the payment of its obligations under this Article VIII and/or the Obligations, and exchange, enforce, waive and release any such security; and to apply such security and direct the order or manner of sale thereof as the Administrative Agent in its discretion may determine, and to obtain a guaranty of the Obligations from any one or more Persons and at any time or times to

enforce, waive, rearrange, modify, limit or release any of such other Persons from their obligations under such guaranties.

8.04 Guarantor's Waivers.

(a) General. Each Guarantor waives any right to require any of the Lenders to (i) proceed against the Borrower or any other person liable on the Obligations, (ii) enforce any of their rights against any other guarantor of the Obligations, (iii) proceed or enforce any of their rights against or exhaust any security given to secure the Obligations, (iv) have the Borrower joined with any Guarantor in any suit arising out of this Article VIII and/or the Obligations, or (v) pursue any other remedy in the Lenders' powers whatsoever. It is agreed between the Guarantors and the Lenders that the foregoing waivers are of the essence of the transaction contemplated by this Agreement and the other Loan Documents and that, but for this guaranty and such waivers, the Lenders would not extend or continue to extend credit under this Agreement. The Lenders shall not be required to mitigate damages or take any action to reduce, collect or enforce the Obligations. Each Guarantor waives any defense arising by reason of any disability, lack of corporate authority or power, or other defense of the Borrower or any other guarantor of the Obligations, and shall remain liable hereon regardless of whether the Borrower or any other guarantor be found not liable thereon for any reason. Whether and when to exercise any of the remedies of the Lenders under any of the Loan Documents shall be in the sole and absolute discretion of the Administrative Agent, and no delay by the Administrative Agent in enforcing any remedy, including delay in conducting a foreclosure sale, shall be a defense to any Guarantor's liability under this Article VIII.

(b) In addition to the waivers contained in Section 8.04(a) hereof, the Guarantors waive, and agree that they shall not at any time insist upon, plead or in any manner whatsoever claim or take the benefit or advantage of, any appraisal, valuation, stay, extension, marshaling of assets or redemption laws, or exemption, whether now or at any time hereafter in force, which may delay, prevent or otherwise affect the performance by the Guarantors of their obligations under, or the enforcement by any Agent or the Lenders of, this guaranty. The Guarantors hereby waive diligence, presentment and demand (whether for nonpayment or protest or of acceptance, maturity, extension of time, change in nature or form of the Obligations, acceptance of further security, release of further security, composition or agreement arrived at as to the amount of, or the terms of, the Obligations, notice of adverse change in the Borrower's financial condition or any other fact which might materially increase the risk to the Guarantors) with respect to any of the Obligations or all other demands whatsoever and waive the benefit of all provisions of law which are or might be in conflict with the terms of this Article VIII. The Guarantors, jointly and severally, represent, warrant and agree that, as of the date of this guaranty, their obligations under this guaranty are not subject to any offsets or defenses of any kind against any Agent Party, the Lenders, the Borrower or any other Person that executes a Loan Document. The Guarantors further jointly and severally agree that their obligations under this guaranty shall not be subject to any counterclaims, offsets or defenses of any kind which may arise in the future against any Agent, the Lenders, the Borrower or any other Person that executes a Loan Document.

(c) Subrogation. Until Payment in Full of the Obligations, each Guarantor waives all rights of subrogation or reimbursement against the Borrower, whether arising by

contract or operation of law (including, without limitation, any such right arising under any federal, state or other applicable bankruptcy or insolvency laws) and waives any right to enforce any remedy which the Lenders now have or may hereafter have against the Borrower, and waives any benefit or any right to participate in any security now or hereafter held by the Administrative Agent or any Lender.

8.05 Maturity of Obligations, Payment. Each Guarantor agrees that if the maturity of any of the Obligations is accelerated by bankruptcy or otherwise, such maturity shall also be deemed accelerated for the purpose of this Article VIII without demand or notice to any Guarantor. Each Guarantor will, forthwith upon notice from the Administrative Agent, jointly and severally pay to the Administrative Agent the amount due and unpaid by the Borrower and guaranteed hereby. The failure of the Administrative Agent to give this notice shall not in any way release any Guarantor hereunder.

8.06 Agent's Expenses. If any Guarantor fails to pay the Obligations after notice from the Administrative Agent of the Borrower's failure to pay any Obligations at maturity, and if the Administrative Agent obtains the services of an attorney for collection of amounts owing by any Guarantor hereunder, or obtaining advice of counsel in respect of any of their rights under this Article VIII, or if suit is filed to enforce this Article VIII, or if proceedings are had in any bankruptcy, probate, receivership or other judicial proceedings for the establishment or collection of any amount owing by any Guarantor hereunder, or if any amount owing by any Guarantor hereunder is collected through such proceedings, each Guarantor jointly and severally agrees to pay to the Administrative Agent the Administrative Agent's reasonable attorneys' fees.

8.07 Liability. It is expressly agreed that the liability of each Guarantor for the payment of the Obligations guaranteed hereby shall be primary and not secondary.

8.08 Events and Circumstances Not Reducing or Discharging any Guarantor's Obligations. Each Guarantor hereby consents and agrees to each of the following to the fullest extent permitted by law, and agrees that each Guarantor's obligations under this Article VIII shall not be released, diminished, impaired, reduced or adversely affected by any of the following, and waives any rights (including without limitation rights to notice) which each Guarantor might otherwise have as a result of or in connection with any of the following:

(a) Modifications. Any renewal, extension, modification, increase, decrease, alteration or rearrangement of all or any part of the Obligations, or this Agreement or any instrument executed in connection therewith, or any contract or understanding between the Borrower and any of the Lenders, or any other Person, pertaining to the Obligations, or the waiver or consent by any Agent or the Lenders with respect to any of the provisions hereof or thereof, or any modification or termination of the terms of any intercreditor or subordination agreement pursuant to which claims of other creditors against any Guarantor or Borrower are subordinated to the claims of the Lenders or pursuant to which the Obligations are subordinated to claims of other creditors;

(b) Adjustments. Any adjustment, indulgence, forbearance or compromise that might be granted or given by any of the Lenders to the Borrower or any Guarantor or any Person liable on the Obligations;

(c) Condition of the Borrower or any Guarantor. The insolvency, bankruptcy arrangement, adjustment, composition, liquidation, disability, dissolution, death or lack of power of the Borrower or any other Guarantor or any other Person at any time liable for the payment of all or part of the Obligations; or any dissolution of the Borrower or any other Guarantor, or any Asset Disposition of any or all of the assets of the Borrower or any other Guarantor, or any changes in the shareholders, partners, or members of the Borrower or any other Guarantor; or any reorganization of the Borrower or any other Guarantor;

(d) Invalidity of Obligations. The invalidity, illegality or unenforceability of all or any part of the Obligations, or any document or agreement executed in connection with the Obligations, for any reason whatsoever, including without limitation the fact that the Obligations, or any part thereof, exceed the amount permitted by law, the act of creating the Obligations or any part thereof is ultra vires, the officers or representatives executing the documents or otherwise creating the Obligations acted in excess of their authority, the Obligations violate applicable usury laws, the Borrower has valid defenses, claims or offsets (whether at law, in equity or by agreement) which render the Obligations wholly or partially uncollectible from the Borrower, the creation, performance or repayment of the Obligations (or the execution, delivery and performance of any document or instrument representing part of the Obligations or executed in connection with the Obligations, or given to secure the repayment of the Obligations) is illegal, uncollectible, legally impossible or unenforceable, or this Agreement or other documents or instruments pertaining to the Obligations have been forged or otherwise are irregular or not genuine or authentic;

(e) Release of Obligors. Any full or partial release of the liability of the Borrower on the Obligations or any part thereof, of any co-guarantors, or any other Person now or hereafter liable, whether directly or indirectly, jointly, severally, or jointly and severally, to pay, perform, guarantee or assure the payment of the Obligations or any part thereof, it being recognized, acknowledged and agreed by any Guarantor that such Guarantor may be required to pay the Obligations in full without assistance or support of any other Person, and no Guarantor has been induced to enter into this Article VIII on the basis of a contemplation, belief, understanding or agreement that other parties other than the Borrower will be liable to perform the Obligations, or the Lenders will look to other parties to perform the Obligations;

(f) Other Security. The taking or accepting of any other security, collateral or guaranty, or other assurance of payment, for all or any part of the Obligations;

(g) Release of Collateral. Any release, surrender, exchange, subordination, deterioration, waste, loss or impairment (including without limitation negligent, willful, unreasonable or unjustifiable impairment) of any collateral, property or security, at any time existing in connection with, or assuring or securing payment of, all or any part of the Obligations;

(h) Care and Diligence. The failure of the Lenders or any other Person to exercise diligence or reasonable care in the preservation, protection, enforcement, sale or other handling or treatment of all or any part of such collateral, property or security;

(i) Status of Liens. The fact that any collateral, security, security interest or lien contemplated or intended to be given, created or granted as security for the repayment of the Obligations shall not be properly perfected or created, or shall prove to be unenforceable or subordinate to any other security interest or lien, it being recognized and agreed by each Guarantor that no Guarantor is entering into this Article VIII in reliance on, or in contemplation of the benefits of, the validity, enforceability, collectability or value of any of the collateral for the Obligations;

(j) Payments Rescinded. Any payment by the Borrower to the Lenders is held to constitute a preference under the bankruptcy laws, or for any reason the Lenders are required to refund such payment or pay such amount to the Borrower or someone else; or

(k) Other Actions Taken or Omitted. Any other action taken or omitted to be taken with respect to this Agreement, the Obligations, or the security and collateral therefor, whether or not such action or omission prejudices any Guarantor or increases the likelihood that any Guarantor will be required to pay the Obligations pursuant to the terms hereof, it being the unambiguous and unequivocal intention of each Guarantor that each Guarantor shall be obligated to joint and severally pay the Obligations when due, notwithstanding any occurrence, circumstance, event, action, or omission whatsoever, whether contemplated or un contemplated, and whether or not otherwise or particularly described herein, except for the full and final payment and satisfaction of the Obligations.

8.09 Subordination of All Guarantor Claims.

(a) As used herein, the term “Guarantor Claims” shall mean all debts and liabilities of the Borrower or any Subsidiary of the Borrower to any Guarantor, whether such debts and liabilities now exist or are hereafter incurred or arise, or whether the obligation of the Borrower or such Subsidiary thereon be direct, contingent, primary, secondary, several, joint and several, or otherwise, and irrespective of whether such debts or liabilities be evidenced by note, contract, open account, or otherwise, and irrespective of the person or persons in whose favor such debts or liabilities may, at their inception, have been, or may hereafter be created, or the manner in which they have been or may hereafter be acquired by any Guarantor. The Guarantor Claims shall include without limitation all rights and claims of any Guarantor against the Borrower or any Subsidiary of the Borrower arising as a result of subrogation or otherwise as a result of such Guarantor’s payment of all or a portion of the Obligations. Until Payment in Full of the Obligations, no Guarantor shall receive or collect, directly or indirectly, from the Borrower or any Subsidiary of the Borrower or any other party any amount upon the Guarantor Claims.

(b) The Borrower and each Guarantor hereby (i) authorizes the Administrative Agent and the Lenders to demand specific performance of the terms of this Section 8.09, whether or not the Borrower or any Guarantor shall have complied with any of the provisions hereof applicable to it, at any time when it shall have failed to comply with any provisions of this Section 8.09 which are applicable to it and (ii) irrevocably waives any defense based on the adequacy of a remedy at law, which might be asserted as a bar to such remedy of specific performance.

(c) Upon any distribution of assets of any Loan Party in any dissolution, winding up, liquidation or reorganization (whether in bankruptcy, insolvency or receivership proceedings or upon an assignment for the benefit of creditors or otherwise):

(i) The Lenders shall first be entitled to receive payment in full in cash of the Obligations before the Borrower or any Guarantor is entitled to receive any payment on account of the Guarantor Claims.

(ii) Any payment or distribution of assets of any Loan Party of any kind or character, whether in cash, property or securities, to which the Borrower or any Guarantor would be entitled except for the provisions of this Section 8.09(c), shall be paid by the liquidating trustee or agent or other Person making such payment or distribution directly to the Lenders, to the extent necessary to make Payment in Full of the Obligations remaining unpaid after giving effect to any concurrent payment or distribution or provisions therefor to the Lenders.

(d) No right of the Lenders or any other present or future holders of any Obligations to enforce the subordination provisions herein shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of any Loan Party or by any act or failure to act, in good faith, by any such holder, or by any noncompliance by the Borrower or any Guarantor with the terms hereof, regardless of any knowledge thereof which any such holder may have or be otherwise charged with.

8.10 Claims in Bankruptcy. In the event of receivership, bankruptcy, reorganization, arrangement, debtor's relief, or other insolvency proceedings involving the Borrower or any Subsidiary of the Borrower, as debtor, the Lenders shall have the right to prove their claim in any proceeding, so as to establish their rights hereunder and receive directly from the receiver, trustee or other court custodian, dividends and payments which would otherwise be payable upon Guarantor Claims. Each Guarantor hereby assigns such dividends and payments to the Lenders. Should the Administrative Agent or any Lender receive, for application upon the Obligations, any such dividend or payment which is otherwise payable to any Guarantor, and which, as between the Borrower or any Subsidiary of the Borrower and any Guarantor, shall constitute a credit upon the Guarantor Claims, then upon Payment in Full of the Obligations, such Guarantor shall become subrogated to the rights of the Lenders to the extent that such payments to the Lenders on the Guarantor Claims have contributed toward the liquidation of the Obligations, and such subrogation shall be with respect to that proportion of the Obligations which would have been unpaid if the Administrative Agent or a Lender had not received dividends or payments upon the Guarantor Claims.

8.11 Payments Held in Trust. In the event that notwithstanding Sections 8.09 and 8.10 above, any Guarantor should receive any funds, payments, claims or distributions which is prohibited by such Sections, such Guarantor agrees to hold in trust for the Lenders an amount equal to the amount of all funds, payments, claims or distributions so received, and agrees that it shall have absolutely no dominion over the amount of such funds, payments, claims or distributions except to pay them promptly to the Administrative Agent, and each Guarantor covenants promptly to pay the same to the Administrative Agent.

8.12 Benefit of Guaranty. The provisions of this Article VIII are for the benefit of the Lenders, their successors, and their permitted transferees, endorsees and assigns. In the event all or any part of the Obligations are transferred, endorsed or assigned by the Lenders, as the case may be, to any Person or Persons in accordance with the terms of this Agreement, any reference to the “Lenders” herein, as the case may be, shall be deemed to refer equally to such Person or Persons.

8.13 Reinstatement. This Article VIII shall remain in full force and effect and continue to be effective in the event any petition is filed by or against the Borrower, any Guarantor or any other Loan Party for liquidation or reorganization, in the event that any of them becomes insolvent or makes an assignment for the benefit of creditors or in the event a receiver, trustee or similar Person is appointed for all or any significant part of any of their assets, and shall continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by the Lenders, whether as a “voidable preference,” “fraudulent conveyance,” or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

8.14 Liens Subordinate. Each Guarantor agrees that any liens, security interests, judgment liens, charges or other encumbrances upon the Borrower’s or any Subsidiary of the Borrower’s assets securing payment of the Guarantor Claims shall be and remain inferior and subordinate to any liens, security interests, judgment liens, charges or other encumbrances upon the Borrower’s or any Subsidiary of the Borrower’s assets securing payment of the Obligations, regardless of whether such encumbrances in favor of any Guarantor, the Administrative Agent or the Lenders presently exist or are hereafter created or attach.

8.15 Guarantor’s Enforcement Rights. Without the prior written consent of the Lenders, no Guarantor shall (a) exercise or enforce any creditor’s right it may have against the Borrower or any Subsidiary of the Borrower, or (b) foreclose, repossess, sequester or otherwise take steps or institute any action or proceeding (judicial or otherwise, including without limitation the commencement of or joinder in any liquidation, bankruptcy, rearrangement, debtor’s relief or insolvency proceeding) to enforce any lien, mortgages, deeds of trust, security interest, collateral rights, judgments or other encumbrances on assets of the Borrower or any Subsidiary of the Borrower held by Guarantor.

8.16 Limitation. It is the intention of the Guarantors and each Secured Party that the amount of the Obligations guaranteed by each Guarantor shall be in, but not in excess of, the maximum amount permitted by fraudulent conveyance, fraudulent transfer and similar Legal Requirement applicable to such Guarantor. Accordingly, notwithstanding anything to the contrary contained in this Article VIII or in any other agreement or instrument executed in connection with the payment of any of the Obligations guaranteed hereby, the amount of the Obligations guaranteed by a Guarantor under this Article VIII shall be limited to an aggregate amount equal to the largest amount that would not render such Guarantor’s obligations hereunder subject to avoidance under Section 548 of the United States Bankruptcy Code or any comparable provision of any other applicable law.

8.17 Contribution Rights.

(a) To the extent that any payment is made under this guaranty (a “Guarantor Payment”), by a Guarantor, which Guarantor Payment, taking into account all other Guarantor Payments then previously or concurrently made by all other Guarantors, exceeds the amount which such Guarantor would otherwise have paid if each Guarantor had paid the aggregate Obligations satisfied by such Guarantor Payment in the same proportion that such Guarantor’s Allocable Amount (in effect immediately prior to such Guarantor Payment) bore to the aggregate Allocable Amounts of all of the Guarantors in effect immediately prior to the making of such Guarantor Payment, then, following the date on which the Obligations shall be paid and satisfied in full and each Guarantor shall have performed all of its obligations hereunder, such Guarantor shall be entitled to receive contribution and indemnification payments from, and be reimbursed by, each of the other Guarantors for the amount of such excess, pro rata based upon their respective Allocable Amounts in effect immediately prior to such Guarantor Payment.

(b) As of any date of determination, the “Allocable Amount” of any Guarantor shall be equal to the maximum amount of the claim which could then be recovered from such Guarantor under this guaranty without rendering such claim voidable or avoidable under Section 548 of Chapter 11 of the Bankruptcy Code or under any applicable state Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act or similar statute or common law.

(c) This Section 8.17 is intended only to define the relative rights of the Guarantors and nothing set forth in this Section 8.17 is intended to or shall impair the obligations of the Guarantors, jointly and severally, to pay any amounts as and when the same shall become due and payable in accordance with the terms of this guaranty.

(d) The rights of the parties under this Section 8.17 shall be exercisable upon the date the Obligations shall be paid and satisfied in full and each Guarantor shall have performed all of its obligations hereunder.

(e) The parties hereto acknowledge that the right of contribution and indemnification hereunder shall constitute assets of any Guarantor to which such contribution and indemnification is owing.

8.18 Release of Guarantors. Upon the sale or disposition of any Guarantor pursuant to the terms of this Agreement to any Person other than the Borrower or any other Guarantor, the Administrative Agent shall, at the Borrower’s expense, execute and deliver to such Guarantor such documents as such Guarantor shall reasonably require and take any other actions reasonably required to evidence or effect the release of such Guarantor from this Agreement and the other Loan Documents.

8.19 Stay of Acceleration. If acceleration of the time for payment, or the liability of a Guarantor to make any payment, of any amount specified to be payable by a Guarantor in respect of the obligations guaranteed pursuant hereto is stayed, prohibited or otherwise affected upon the insolvency, bankruptcy, reorganization or winding-up of a Guarantor or other event affecting a Guarantor or affecting the payment of any of the obligations guaranteed by a Guarantor, all such amounts otherwise subject to acceleration or payment shall nonetheless be deemed for all

purposes of this Agreement to be and to have become due and payable by the Guarantor and shall be payable by the Guarantor under this Agreement immediately after demand therefore.

ARTICLE IX

THE ADMINISTRATIVE AGENT AND THE ISSUING BANK

9.01 Appointment and Authority. Each of the Lenders and the Issuing Bank hereby irrevocably (subject to Section 9.06) appoints The Bank of Nova Scotia to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article IX are solely for the benefit of the Administrative Agent, the Lenders and the Issuing Bank, and no Loan Party shall have rights as a third party beneficiary of any of such provisions, except Borrower's consent right set forth in Sections 9.06. Each of the Secured Parties hereby acknowledges and confirms their agreement that the Administrative Agent is subject to certain Security Instruments as trustee for and on behalf of the Lenders or the terms of the declaration of trust and other terms and conditions set forth in the applicable Security Instruments.

9.02 Rights as a Lender. The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

9.03 Exculpatory Provisions. The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, the Administrative Agent:

(a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that such Agent is required to exercise as directed in writing by the Majority Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), provided that such Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose such Agent to liability or that is contrary to any Loan Document or applicable law; and

(c) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Affiliates that is communicated to or obtained by the Person serving as Agent or any of its Affiliates in any capacity.

The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Majority Lenders (or such other number or percentage of the Lenders as shall be necessary, or as such Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 10.01) or (ii) in the absence of its own gross negligence or willful misconduct. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given to the Administrative Agent by the Borrower or the Borrower, a Lender or the Issuing Bank.

The Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in Article III or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

9.04 Reliance by the Administrative Agent. The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of an Advance, or the issuance of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or the Issuing Bank, the Administrative Agent may presume that such condition is satisfactory to such Lender or the Issuing Bank unless the Administrative Agent shall have received notice to the contrary from such Lender or the Issuing Bank prior to the making of such Advance or the issuance of such Letter of Credit. The Administrative Agent may consult with legal counsel (who may be counsel for a Loan Party), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

9.05 Delegation of Duties. The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article IX shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and

any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as the Administrative Agent.

9.06 Resignation of the Administrative Agent. The Administrative Agent may at any time give notice of its resignation to the Lenders, the Issuing Bank and the Borrower. Upon receipt of any such notice of resignation, the Majority Lenders shall have the right, and provided that no Event of Default exists, with the consent of the Borrower (which consent shall not be unreasonably withheld or delayed), to appoint a successor, which shall be a Lender with an office in New York, or an Affiliate of any such Lender with an office in New York. If no such successor shall have been so appointed by the Majority Lenders and shall have accepted such appointment within sixty (60) days after the retiring Agent gives notice of its resignation, then the retiring Administrative Agent may on behalf of the Lenders and the Issuing Bank, appoint a successor Administrative Agent meeting the qualifications set forth above provided and consented to by the Borrower (provided that no Event of Default exists and which consent shall not be unreasonably withheld or delayed) that if the Administrative Agent shall notify the Borrower and the Lenders that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (1) the retiring Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Administrative Agent on behalf of the Lenders or the Issuing Bank under any of the Loan Documents, the retiring Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed) and (2) all payments, communications and determinations provided to be made by, to or through such Administrative Agent shall instead be made by or to each Lender and the Issuing Bank directly, until such time as the Majority Lenders appoint a successor Administrative Agent as provided for above in this paragraph. If The Bank of Nova Scotia resigns as Issuing Bank, it shall retain all the rights, powers, privileges and duties of the Issuing Bank hereunder with respect to all Letters of Credit outstanding as of the effective date of its resignation as Issuing Bank and all Letter of Credit Exposure with respect thereto, including the right to require the Lenders to make Base Rate Advances or fund risk participations pursuant to Section 2.07(d). If The Bank of Nova Scotia resigns as Swing Line Lender, it shall retain all the rights of the Swing Line Lender provided for hereunder with respect to Swing Line Loans made by it and outstanding as of the effective date of such resignation, including the right to require the Lenders to make Base Rate Advances or fund risk participations in outstanding Swing Line Loans pursuant to Section 2.17(c). Upon the acceptance of a successor's appointment as Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) Administrative Agent, and the retiring Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this paragraph). The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring Administrative Agent's resignation hereunder and under the other Loan Documents, the provisions of this Article IX and Section 10.04 shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Administrative Agent was acting as Administrative Agent.

9.07 Non-Reliance on Administrative Agent and Other Lenders. Each Lender and the Issuing Bank acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender and the Issuing Bank also acknowledges that it will, independently and without reliance upon any Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

9.08 Indemnification. Whether or not the transactions contemplated hereby are consummated, the Lenders severally agree to indemnify upon demand the Administrative Agent, the Issuing Bank, the Swing Line Lender and each Related Party of any of the foregoing (to the extent not reimbursed by the Loan Parties), according to their respective Revolving Pro Rata Shares, and hold harmless such Indemnitee from and against any and all Indemnified Liabilities in all cases, whether or not caused by or arising, in whole or in part, out of the negligence of any Related Party; provided, however that no Lender shall be liable for the payment to any Related Party for any portion of such Indemnified Liabilities to the extent determined in a final, nonappealable judgment by a court of competent jurisdiction to have resulted from such Related Party's own gross negligence or willful misconduct; provided, however, that no action taken in accordance with the directions of the Majority Lenders shall be deemed to constitute gross negligence or willful misconduct for purposes of this Section 9.08. Without limitation of the foregoing, each Lender agrees to reimburse the Administrative Agent, the Swing Line Lender and the Issuing Bank promptly upon demand for its ratable share of any out-of-pocket expenses (including all fees, expenses and disbursements of any law firm or other external counsel and, without duplication, the allocated cost of internal legal services and all expenses and disbursements of internal counsel) incurred by the Administrative Agent, the Swing Line Lender, or the Issuing Bank in connection with the preparation, execution, delivery, administration, modification, amendment, or enforcement (whether through negotiations, legal proceedings, or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement or any other Loan Document, to the extent that the Administrative Agent, the Swing Line Lender, or the Issuing Bank is not reimbursed for such by the Loan Parties. The undertaking in this Section 9.08 shall survive termination of the Commitments, the payment of all other Obligations and the resignation of the Administrative Agent.

9.09 Collateral and Guaranty Matters.

(a) The Lenders irrevocably authorize the Administrative Agent, at its option and in its discretion, without the necessity of any notice to or further consent from the Secured Parties:

(i) to release any Lien on any property granted to or held by the Administrative Agent under any Security Instrument (A) upon Payment in Full of all Obligations (B) that is sold or to be sold as part of or in connection with any sale permitted hereunder or under any other Loan Document, (C) constituting property in which no Loan Party owned an interest at the time the Lien was granted or at any time

thereafter, (D) constituting property leased to a Loan Party under a lease which has expired or been terminated in a transaction permitted under the Loan Documents or is about to expire and which has not been, and is not intended by such Loan Party to be, renewed, (E) consisting of an instrument or other possessory collateral evidencing Debt or other obligations pledged to the Administrative Agent (for the benefit of the Secured Parties), if the Debt or obligations evidenced thereby has been paid in full or otherwise superseded; or (F) subject to Section 10.01, if approved, authorized or ratified in writing by the Majority Lenders;

(ii) to deliver instruments of assurance confirming the non-existence of any Lien under the Loan Documents with respect to assets of the Loan Parties described in Section 6.01(b) that are excluded from the Collateral;

(iii) to take any actions with respect to any Collateral or Security Instruments which may be necessary to perfect and maintain Acceptable Security Interests in and Liens upon the Collateral granted pursuant to the Security Instruments;

(iv) to execute instruments of release or to take other action necessary to release Liens upon any Collateral to the extent authorized in paragraph (a)(i) hereof; and

(v) to take any action in exigent circumstances as may be reasonably necessary to preserve any rights or privileges of the Secured Parties under the Loan Documents or applicable Legal Requirements.

(b) Upon the request of the Administrative Agent at any time, the Lenders will confirm in writing the Administrative Agent's authority to release particular types or items of Collateral pursuant to this Section 9.09.

(c) Each Loan Party hereby irrevocably appoints the Administrative Agent as such Loan Party's attorney-in-fact, with full authority to, after the occurrence and during the continuance of an Event of Default, act for such Loan Party and in the name of such Loan Party to, in the Administrative Agent's discretion upon the occurrence and during the continuance of an Event of Default, (i) file one or more financing or continuation statements, and amendments thereto, relative to all or any part of the Collateral without the signature of such Loan Party where permitted by law, (ii) to receive, endorse, and collect any drafts or other instruments, documents, and chattel paper which are part of the Collateral, (iii) to ask, demand, collect, sue for, recover, compromise, receive, and give acquittance and receipts for moneys due and to become due under or in respect of any of the Collateral, (iv) to file any claims or take any action or institute any proceedings which the Administrative Agent may reasonably deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of the Administrative Agent with respect to any of the Collateral and (v) if any Loan Party fails to perform any covenant contained in this Agreement or the other Security Instruments after the expiration of any applicable grace periods, the Administrative Agent may itself perform, or cause performance of, such covenant, and such Loan Party shall pay for the expenses of the Administrative Agent incurred in connection therewith in accordance with Section 10.04. The power of attorney granted hereby is coupled with an interest and is irrevocable.

(d) The powers conferred on the Administrative Agent under this Agreement and the other Security Instruments are solely to protect its interest in the Collateral and shall not impose any duty upon it to exercise any such powers. Beyond the safe custody thereof, the Administrative Agent and each Lender shall have no duty with respect to any Collateral in its possession or control (or in the possession or control of any agent or bailee) or with respect to any income thereon or the preservation of rights against prior parties or any other rights pertaining thereto. The Administrative Agent shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession if the Collateral is accorded treatment substantially equal to that which the Administrative Agent accords its own property. Neither the Administrative Agent nor any Lender shall be liable or responsible for any loss or damage to any of the Collateral, or for any diminution in the value thereof, by reason of the act or omission of any warehouseman, carrier, forwarding agency, consignee, broker or other agent or bailee selected by Borrower or selected by the Administrative Agent in good faith.

9.10 Administrative Agent May File Proofs of Claim. In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Loan Party, the Administrative Agent (irrespective of whether the principal of any Advance or Letter of Credit Obligation shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Advances, Letter of Credit Obligations and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, the Issuing Bank and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, the Issuing Bank and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders, the Issuing Bank and the Administrative Agent under Sections 2.05(c) and 10.04) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender and the Issuing Bank to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders and the Issuing Bank, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Sections 2.05 and 10.04.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender or the Issuing Bank any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or the Issuing Bank to authorize the Administrative Agent to vote in respect of the claim of any Lender or the Issuing Bank in any such proceeding.

9.11 No Other Duties. Anything herein to the contrary notwithstanding, none of the Arranger or Bookrunner listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent, a Lender or the Issuing Bank.

ARTICLE X

MISCELLANEOUS

10.01 Amendments, Etc.

(a) No amendment or waiver of any provision of this Agreement or any other Loan Document (other than the Fee Letter), and no consent to any departure by the Borrower or any other Loan Party therefrom, shall in any event be effective unless the same shall be in writing and signed by the Majority Lenders and the Borrower, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given and no amendment or waiver of any provision of any other Loan Document, and no consent to any departure by the Borrower or any other Loan Party therefrom, shall in any event be effective unless the same shall be in writing and signed by the Administrative Agent and the Borrower, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no amendment, waiver or consent shall:

(i) extend or increase the Commitment of any Lender (or reinstate any Commitment terminated pursuant to Section 7.02) without the written consent of such Lender;

(ii) increase the Borrowing Base without the written consent of each Lender;

(iii) postpone any date fixed by this Agreement or any other Loan Document for any payment or mandatory prepayment of principal, interest, fees or other amounts due to the Lenders (or any of them) hereunder or any scheduled or mandatory reduction of the Aggregate Commitments hereunder or under any other Loan Document without the written consent of each Lender directly affected thereby;

(iv) reduce the principal of, or the rate of interest specified herein (other than the reduction or waiver of the applicability of any post-default increase) on, any Advance or Reimbursement Obligation, or (subject to clause (C) of the first proviso to this Section 10.01) any fees or other amounts payable hereunder or under any other Loan Document without the prior written consent of each Lender directly affected thereby;

(v) change Section 2.11 or any other provision of this Agreement in a manner that would alter the pro rata sharing of payments required thereby without the written consent of each Lender;

(vi) change any provision of this Section 10.01, or the definition of “Majority Lenders” or any other provision hereof specifying the number or percentage of Lenders required to amend, waive or otherwise modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender directly affected thereby;

(vii) release any Guarantor from its obligations hereunder or all or any substantial portion of the Collateral without the written consent of each Lender; provided, however, that any Guarantor or Collateral may be released if they are sold or transferred as permitted hereunder;

and, provided further, that (A) no amendment, waiver or consent shall, unless in writing and signed by the Issuing Bank in addition to the Lenders required above, affect the rights or duties of the Issuing Bank under this Agreement or any Letter of Credit Application relating to any Letter of Credit issued or to be issued by it; (B) no amendment, waiver or consent shall, unless in writing and signed by the Swing Line Lender in addition to the Lenders required above, affect the rights or duties of the Swing Line Lender under this Agreement; (C) no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent in addition to the Lenders required above, affect the rights or duties of the Administrative Agent under this Agreement or any other Loan Document; and (D) the Fee Letter may be amended, or rights or privileges thereunder waived, in a writing executed only by the parties thereto.

(b) Upon any (i) Asset Disposition which is permitted pursuant to the Loan Documents, or (ii) occurrence of any event or circumstance described in Section 9.09(a) in respect of which a release of Property is authorized thereby), and upon five (5) Business Days’ prior written request (or such shorter period as may be permitted by the Administrative Agent in its sole discretion) by the Borrower (which request must, unless otherwise approved by the Administrative Agent, be accompanied by the following, to the extent applicable and available (A) true and correct copies of all material documents of transfer or disposition, including any contract of sale and (B) all requested release instruments in form and substance satisfactory to the Administrative Agent, the Administrative Agent shall (and is hereby irrevocably authorized by the Lenders to) execute such documents as may be necessary or reasonably requested to evidence the release of Liens granted to the Administrative Agent for the benefit of the Secured Parties pursuant to the Security Instruments in such Collateral. For clarity, in the case of a disposition of one hundred percent (100%) of the Equity Interests of a Loan Party which is permitted pursuant to the Loan Documents the releases under this Section 10.01(b) shall include a release of (x) the guaranty issued by such Loan Party and (y) the Liens granted to the Administrative Agent for the benefit of the Secured Parties pursuant to the Security Instruments in the Equity Interests in and any Property of such Loan Party. The Administrative Agent shall not be required to execute any release instruments on terms which, in the Administrative Agent’s reasonable opinion, would expose the Administrative Agent to liability or create any obligation or entail any consequence other than the release of Liens without recourse or warranty. No such release shall impair the Administrative Agent’s Lien on the proceeds of sale of such Collateral by a Loan Party.

(c) Upon the Payment in Full of the Obligations, and, unless the requirements of Section 10.01(d) have been satisfied, the termination and satisfaction of all obligations under

all Hedge Contracts with Swap Counterparties, the Administrative Agent agrees to, and the Lenders hereby instruct the Administrative Agent to, at the Borrower's expense, execute and authorize such releases of the Security Instruments as the Borrower shall reasonably request and this Agreement shall be deemed terminated except that such termination shall not relieve the Borrower of any obligation to make any payments to the Administrative Agent or any Lender required by any Loan Document to the extent accruing, or relating to an event occurring, prior to such termination.

(d) Notwithstanding any provision herein to the contrary, if, upon the Payment in Full of the Obligations, there are any amounts owed pursuant to any Hedge Contract with a Swap Counterparty, the Administrative Agent will and is hereby authorized to, (A) release the Liens created under the Loan Documents and (B) release all guarantees of the Guarantors; provided, that unless otherwise authorized by each Swap Counterparty to such Hedge Contract, contemporaneously with such release, (i) the Borrower (and, if applicable, the Subsidiary that is a party to such Hedge Contract) either takes such action as may be required to ensure that the obligations under such Hedge Contract continues to be secured by collateral that secures any concurrent refinancing of this Agreement or (A) executes a margin agreement in form and substance acceptable to such Swap Counterparty and (B), if required, provides collateral in the form of cash or a letter of credit having an aggregate value acceptable to such Swap Counterparties, and (ii) if such Hedge Contract is executed by a Subsidiary of the Borrower and the Borrower is not a party thereto, the Borrower executes a guaranty covering such Subsidiary's obligations thereunder, such guaranty to be in form and substance satisfactory to the Swap Counterparties.

(e) Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent which by its terms requires the consent of all Lenders or each affected Lender may be effected with the consent of the applicable Lenders other than Defaulting Lenders), except that (x) the Revolving Commitment of any Defaulting Lender may not be increased or extended without the consent of such Lender and (y) any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender that by its terms affects any Defaulting Lender more adversely than other affected Lenders shall require the consent of such Defaulting Lender.

(f) In the event that any Lender (a "Non-Consenting Lender") fails to consent to any proposed amendment, modification, termination, waiver or consent with respect to any provision hereof or of any other Loan Document that requires the approval of the Lenders directly affected thereby or the unanimous approval of all of the Lenders or Majority Lenders, as applicable, the Borrower shall be permitted to replace such Non-Consenting Lender pursuant to Section 2.15.

10.02 Notices, Effectiveness; Electronic Communication.

(a) General. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in paragraph (c) below), all notices and other communications provided for herein shall be in writing and shall be delivered

by hand or overnight courier service, mailed by certified or registered mail, sent by telecopier or (subject to subsection (c) below) electronic mail address as follows:

(i) if to the Borrower or any other Loan Party, the Administrative Agent or the Issuing Bank, to the address, facsimile number, electronic mail address or telephone number specified for such Person on Schedule I or to such other address, facsimile number, electronic mail address or telephone number as shall be designated by such party in a notice to the other parties; and

(ii) if to any other Lender, to the address, facsimile number, electronic mail address or telephone number specified in its Administrative Questionnaire or to such other address, facsimile number, electronic mail address or telephone number as shall be designated by such party in a notice to the Administrative Agent.

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by telecopier shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given on the next business day for the recipient) and confirmed received. Notices delivered through electronic communications to the extent provided in paragraph (c) below, shall be effective as provided in said paragraph (c). In no event shall a voicemail message be effective as a notice, communication or confirmation hereunder.

(b) Effectiveness of Facsimile Documents and Signatures. Loan Documents may be transmitted and/or signed by facsimile. The effectiveness of any such documents and signatures shall, subject to applicable Legal Requirements, have the same force and effect as manually-signed originals and shall be binding on all Loan Parties, the Administrative Agent and the Lenders. The Administrative Agent may also require that any such documents and signatures be confirmed by a manually-signed original thereof; provided, however, that the failure to request or deliver the same shall not limit the effectiveness of any facsimile document or signature.

(c) Limited Use of Electronic Mail. Notices and other communications to the Lenders and the Issuing Bank hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent in its sole discretion, provided that the foregoing shall not apply to notices to any Lender or the Issuing Bank pursuant to Article II if such Lender or the Issuing Bank, as applicable, has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications. Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient,

and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

(d) The Platform. THE PLATFORM IS PROVIDED “AS IS” AND “AS AVAILABLE.” THE AGENT PARTIES DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE BORROWER MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. In no event shall the Administrative Agent or any of its Related Parties (collectively, the “Agent Parties”) have any liability to the Borrower, any Lender, the Issuing Bank or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of the Borrower’s or the Administrative Agent’s transmission of Borrower Materials through the Internet, EXCEPT TO THE EXTENT THAT SUCH LOSSES, CLAIMS, DAMAGES, LIABILITIES OR EXPENSES ARE DETERMINED BY A COURT OF COMPETENT JURISDICTION BY A FINAL AND NONAPPEALABLE JUDGMENT TO HAVE RESULTED FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SUCH AGENT PARTY; provided, however, that in no event shall any Agent Party have any liability to the Borrower, any Lender, the Issuing Bank or any other Person for indirect, special, incidental, consequential or punitive damages (as opposed to direct or actual damages).

(e) Change of Address, Etc. Each of the Borrower, the Administrative Agent, the Issuing Bank, and the Swing Line Lender may change its address, telecopier or telephone number for notices and other communications hereunder by notice to the other parties hereto. Each other Lender may change its address, telecopier or telephone number for notices and other communications hereunder by notice to the Borrower, the Administrative Agent, the Swing Line Lender and the Issuing Bank. In addition, each Lender agrees to notify the Administrative Agent from time to time to ensure that the Administrative Agent has on record (i) an effective address, contact name, telephone number, telecopier number and electronic mail address to which notices and other communications may be sent and (ii) accurate wire instructions for such Lender.

(f) Reliance by Administrative Agent and Lenders. The Administrative Agent and the Lenders shall be entitled to rely and act upon any notices (including telephonic Notices of Borrowing) purportedly given by or on behalf of a Loan Party even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. **THE LOAN PARTIES SHALL INDEMNIFY THE ADMINISTRATIVE AGENT, THE ISSUING BANK, EACH LENDER AND THEIR RELATED PARTIES FROM ALL LOSSES, COSTS, EXPENSES AND LIABILITIES RESULTING FROM THE RELIANCE BY SUCH PERSON ON EACH NOTICE PURPORTEDLY GIVEN BY OR ON BEHALF OF THE BORROWER.** All telephonic notices to and other communications with the Administrative Agent may be

recorded by the Administrative Agent, and each of the parties hereto hereby consents to such recording.

10.03 No Waiver; Cumulative Remedies; Enforcement. No failure on the part of any Lender or the Administrative Agent to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided in this Agreement are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

Notwithstanding anything to the contrary contained herein or in any other Loan Document, the authority to enforce rights and remedies hereunder and under the other Loan Documents against the Loan Parties or any of them shall be vested exclusively in, and all actions and proceedings at law in connection with such enforcement shall be instituted and maintained exclusively by, the Administrative Agent for the benefit of all the Lenders and the Issuing Bank; provided, however, that the foregoing shall not prohibit (a) the Administrative Agent from exercising on its own behalf the rights and remedies that inure to its benefit (solely in its capacity as Administrative Agent) hereunder and under the other Loan Documents, (b) the Issuing Bank or the Swing Line Lender from exercising the rights and remedies that inure to its benefit (solely in its capacity as Issuing Bank or Swing Line Lender) hereunder and under the other Loan Documents, (c) any Lender from exercising setoff rights in accordance with Section 7.04 (subject to the terms of Section 2.11), or (d) any Lender from filing proofs of claim or appearing and filing pleadings on its own behalf during the pendency of a proceeding relative to any Loan Party under any Debtor Relief Law; and provided, further, that if at any time there is no Person acting as Administrative Agent hereunder and under the other Loan Documents, then (i) the Majority Lenders shall have the rights otherwise ascribed to the Administrative Agent and (ii) in addition to the matters set forth in clauses (b), (c) and (d) of the preceding proviso and subject to Section 2.11, any Lender may, with the consent of the Majority Lenders, enforce any rights and remedies available to it and as authorized by the Majority Lenders.

10.04 Costs and Expenses. The Borrower shall pay (a) all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent and their Affiliates (including the reasonable and documented out-of-pocket fees, charges and disbursements of one counsel for the Administrative Agent), in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (b) all reasonable and documented out-of-pocket expenses incurred by the Issuing Bank in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (c) all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent, any Lender or the Issuing Bank (including the reasonable and documented out-of-pocket fees, charges and disbursements of any counsel for the Administrative Agent, any Lender or the Issuing Bank), in connection with the enforcement or protection of its rights after and during the continuance of an Event of Default (i) in connection with this Agreement and the other Loan Documents, including its rights under this Section 10.04, or (ii) in connection with the Advances made or Letters of Credit issued

hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Advances or Letters of Credit. The foregoing costs and expenses shall include all search, filing, recording, title insurance and appraisal charges and fees and taxes related thereto, and other out-of-pocket expenses incurred by the Administrative Agent and the cost of independent public accountants and other outside experts retained by the Administrative Agent. All amounts due under this Section 10.04 shall be payable within ten (10) Business Days after Borrower's receipt of a reasonably detailed invoice therefor. The agreements in this Section 10.04 shall survive the Payment in Full of the Obligations.

10.05 Indemnification. The Loan Parties shall indemnify the Administrative Agent, each Lender and the Issuing Bank, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnatee") against, and hold each Indemnatee harmless from, any and all liabilities, obligations, losses, damages, penalties, claims, demands, actions, judgments, suits, costs, expenses, or disbursements (including all reasonable fees, expenses and disbursements of any law firm or other external counsel) of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against any Indemnatee in any way relating to or arising out of or in connection with (a) the execution, delivery, enforcement, performance, or administration of this Agreement, any Loan Document, or any other agreement, letter or instrument delivered in connection with the transactions contemplated thereby or the consummation of the transactions contemplated thereby, (b) any Commitment, Advance or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by the Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (c) any action taken or omitted by the Administrative Agent, the Swing Line Lender or the Issuing Bank under this Agreement or any other Loan Document (including the Administrative Agent's, Swing Line Lender's and the Issuing Bank's own negligence), (d) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Borrower, any Subsidiary or any other Loan Party, or any Environmental Liability related in any way to the Borrower, any Subsidiary or any other Loan Party, or (e) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory (including any investigation of, preparation for, or defense of any pending or threatened claim, investigation, litigation or proceeding) and regardless of whether any Indemnatee is a party thereto (all the foregoing, collectively, the "Indemnified Liabilities"); provided that such indemnity shall not, as to any Indemnatee, be available to the extent that such liabilities, obligations, losses, damages, penalties, claims, demands, actions, judgments, suits, costs, expenses or disbursements are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnatee, **in each case except to the extent such Environmental Liabilities (i) are incurred solely following foreclosure by the Administrative Agent or following the Administrative Agent or any Lender having become the successor-in-interest to any Loan Party or any Related Person of any Loan Party and (ii) are attributable solely to acts of such Indemnatee.**

TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, NO LOAN PARTY SHALL ASSERT, AND HEREBY WAIVES, ANY CLAIM AGAINST ANY INDEMNITEE, ON ANY THEORY OF LIABILITY, FOR SPECIAL, INDIRECT, CONSEQUENTIAL OR PUNITIVE DAMAGES (AS OPPOSED TO DIRECT OR ACTUAL DAMAGES) ARISING OUT OF, IN CONNECTION WITH, OR AS A RESULT OF,

THIS AGREEMENT, ANY OTHER LOAN DOCUMENT OR ANY AGREEMENT OR INSTRUMENT CONTEMPLATED HEREBY, THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, ANY LOAN OR LETTER OF CREDIT OR THE USE OF THE PROCEEDS THEREOF. NO INDEMNITEE SHALL BE LIABLE FOR ANY DAMAGES ARISING FROM THE USE BY UNINTENDED RECIPIENTS OF ANY INFORMATION OR OTHER MATERIALS DISTRIBUTED BY IT THROUGH TELECOMMUNICATIONS, ELECTRONIC OR OTHER INFORMATION TRANSMISSION SYSTEMS IN CONNECTION WITH THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

ALL AMOUNTS DUE UNDER THIS SECTION 10.05 SHALL BE PAYABLE WITHIN TEN (10) BUSINESS DAYS AFTER DEMAND THEREFOR. THE AGREEMENTS IN THIS SECTION 10.05 SHALL SURVIVE THE RESIGNATION OF THE ADMINISTRATIVE AGENT, THE ISSUING BANK, THE SWING LINE LENDER, THE REPLACEMENT OF ANY LENDER, THE TERMINATION OF THE COMMITMENTS AND THE REPAYMENT, SATISFACTION OR DISCHARGE OF ALL THE OTHER OBLIGATIONS.

10.06 Successors and Assigns.

(a) Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that neither the Borrower nor any other Loan Party may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of paragraph (b) of this Section 10.06, (ii) by way of participation in accordance with the provisions of paragraph (d) of this Section 10.06 or (iii) by way of pledge or assignment of a security interest subject to the restrictions of paragraph (f) of this Section 10.06 (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in paragraph (d) of this Section 10.06 and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Advances, Swing Line Loans and Letter of Credit Obligations at the time owing to it); provided that any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and the Advances at the time owing to it or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in paragraph (b)(i)(A) of this Section 10.06, the aggregate amount of the Commitment (which for this purpose includes Advances outstanding thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the Advances of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Administrative Agent or, if “Trade Date” is specified in the Assignment and Acceptance, as of the Trade Date) shall not be less than Five Million Dollars (\$5,000,000) unless each of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed).

(ii) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender’s rights and obligations under this Agreement with respect to the Advances or the Commitment assigned, except that this clause (ii) shall not apply to the Swing Line Lender’s rights and obligations in respect of Swing Line Loans.

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by paragraph (b)(i)(B) of this Section 10.06 and, in addition:

(A) the consent of the Borrower (such consent not to be unreasonably withheld) shall be required unless (x) an Event of Default has occurred and is continuing at the time of such assignment or (y) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; provided that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within ten (10) Business Days after having received notice thereof, provided that, if the Borrower reasonably requests additional information regarding the proposed assignee, the foregoing time period will be automatically extended until one (1) Business Day after the Borrower receives information regarding the proposed assignee responsive to the Borrower’s request;

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments if such assignment is to a Person that is not a Lender, an Affiliate of such Lender or an Approved Fund with respect to such Lender; and

(C) the consent of the Issuing Bank and the Swing Line Lender (such consent not to be unreasonably withheld or delayed) shall be required for any assignment.

(iv) Assignment and Acceptance. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Acceptance, together with a processing and recordation fee of Four Thousand Dollars (\$4,000); provided, however, that the Administrative Agent may, in its sole discretion, elect to waive such

processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(v) No Assignment to Borrower. No such assignment shall be made to any (x) Loan Party or any of the Loan Parties' Affiliates or Subsidiaries or (y) to any Defaulting Lender or any of its Subsidiaries.

(vi) No Assignment to Natural Persons. No such assignment shall be made to a natural person.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to paragraph (c) of this Section 10.06, from and after the effective date specified in each Assignment and Acceptance, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 2.13, 10.04 and 10.05 with respect to facts and circumstances occurring prior to the effective date of such assignment. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (d) of this Section 10.06.

(c) Register. The Administrative Agent, acting solely for this purpose as an agent of the Borrower, shall maintain at one of its offices in the United States a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts of the Advances owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, and the Borrower, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Participations. Any Lender may at any time, without the consent of, or notice to, the Borrower or the Administrative Agent, sell participations to any Person (other than a natural person or the Borrower or any of the Borrower's Affiliates or Subsidiaries) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment, the Advances and/or the Swing Line Loans owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Administrative Agent, the Lenders and the Issuing Bank shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement.

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in clauses (a), (c) and (d) of Section 10.01 that affects such Participant. Subject to paragraph (e) of this Section 10.06, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.13 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section 10.06. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 7.04 as though it were a Lender, provided such Participant agrees to be subject to Section 2.11 as though it were a Lender.

(e) Limitations upon Participant Rights. A Participant shall not be entitled to receive any greater payment under Sections 2.13 and 2.14 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 2.14 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 2.14(e) as though it were a Lender.

(f) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

10.07 Confidentiality. Each of the Administrative Agent, the Lenders and the Issuing Bank agrees to maintain the confidentiality of the Information, except that Information may be disclosed (a) to its Affiliates and to its and its Affiliates' respective partners, directors, officers, employees, agents, advisors and other representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority purporting to have jurisdiction over it (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable Legal Requirements, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section 10.07, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Borrower and its obligations, (g) with the consent of the Borrower or (h) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section 10.07 or (y) becomes available to the Administrative Agent, any Lender, the Issuing Bank or any of their respective Affiliates on a nonconfidential basis from a source other than the Borrower.

For purposes of this Section, “Information” means all information received from the Loan Parties or any of their Subsidiaries relating to the Loan Parties or any of their Subsidiaries or any of their respective businesses, other than any such information that is available to the Administrative Agent, any Lender or the Issuing Bank on a nonconfidential basis prior to disclosure by the Loan Parties or any of their Subsidiaries. Any Person required to maintain the confidentiality of Information as provided in this Section 10.07 shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information. Each of the Administrative Agent, the Lenders and the Issuing Bank acknowledges that (a) the Information may include material non-public information concerning the Loan Parties, (b) it has developed compliance procedures regarding the use of material non-public information and (c) it will handle such material non-public information in accordance with applicable Legal Requirements, including United States Federal and state securities laws.

10.08 Business Loans. The Borrower warrants and represents that the Credit Extension made hereunder are and shall be for business, commercial, investment, or other similar purposes and not primarily for personal, family, household, or agricultural use, as such terms are used in Chapter One (“Chapter One”) of the Texas Credit Code. At all such times, if any, as Chapter One shall establish a Maximum Rate, the Maximum Rate shall be the “indicated rate ceiling” (as such term is defined in Chapter One) from time to time in effect.

10.09 Governing Law; Jurisdiction; Etc.

(a) GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF TEXAS.

(b) SUBMISSION TO JURISDICTION. THE BORROWER AND EACH OTHER LOAN PARTY IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF TEXAS SITTING IN HARRIS COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF TEXAS, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH TEXAS STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT THE ADMINISTRATIVE AGENT, ANY LENDER OR THE L/C ISSUER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST THE BORROWER OR ANY OTHER LOAN PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(c) WAIVER OF VENUE. THE BORROWER AND EACH OTHER LOAN PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN PARAGRAPH (B) OF THIS SECTION 10.09. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(d) SERVICE OF PROCESS. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 10.02. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

(e) Each Loan Party has irrevocably appointed CT Corporation System (the “Process Agent”), with an office on the Closing Date at 1999 Bryan Street, Suite 900, Dallas, TX 75201-3136, phone: 214-979-1172, as its agent to receive on its behalf and on behalf of its property service of copies of any summons or complaint or any other process which may be served in any action. Such service may be made by mailing or delivering a copy of such process to such Loan Party in care of the Process Agent at the Process Agent’s above address, and each Loan Party hereby irrevocably authorizes and directs the Process Agent to accept such service on its behalf. As an alternative method of service, each Loan Party also irrevocably consents to the service of any and all process in any such action or proceeding by the mailing of copies of such process to it at the address specified for it on the signature pages of this Agreement.

10.10 WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

10.11 Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents, and any separate letter agreements with respect

to fees payable to the Administrative Agent, constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 3.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by telecopy shall be effective as delivery of a manually executed counterpart of this Agreement.

10.12 Payments Set Aside. To the extent that any payment by or on behalf of the Borrower is made to the Administrative Agent, the Swing Line Lender, the Issuing Bank or any Lender, or the Administrative Agent, the Swing Line Lender, the Issuing Bank or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Administrative Agent, the Swing Line Lender, the Issuing Bank or such Lender in its discretion) to be repaid to a trustee, receiver, receiver-manager or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender and the Issuing Bank severally agrees to pay to the Administrative Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the Administrative Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Rate from time to time in effect. The obligations of the Lenders and the Issuing Bank under clause (b) of the preceding sentence shall survive the Payment in Full of the Obligations and the termination of this Agreement.

10.13 Electronic Execution of Assignments and Certain Other Documents. The words “execution,” “signed,” “signature,” and words of like import in any Assignment and Acceptance or in any amendment or other modification hereof (including waivers and consents) shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act or any other similar state laws based on the Uniform Electronic Transactions Act.

10.14 Survival of Representations, Etc. All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Administrative Agent and each Lender, regardless of any investigation made by the Administrative Agent or any Lender or on their behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default at the time of any Credit Extension, and shall continue in full force and effect as long as any Loan or any other Obligation hereunder shall remain unpaid or unsatisfied or any Letter of Credit shall remain outstanding. All obligations of the Borrower provided for in Sections 2.12, 2.13, 2.14,

10.04, 10.05 and 10.07 and all of the obligations of the Lenders in Section 9.08 shall survive any termination of this Agreement and Payment in Full of the Obligations.

10.15 Severability. If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Without limiting the foregoing provisions of this Section 10.15, if and to the extent that the enforceability of any provisions in this Agreement relating to Defaulting Lenders shall be limited by Debtor Relief Laws, as determined in good faith by the Administrative Agent, the Swing Line Lender or the Issuing Bank, as applicable, then such provisions shall be deemed to be in effect only to the extent not so limited.

10.16 USA Patriot Act. Each Lender that is subject to the Patriot Act, and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Loan Parties that pursuant to the requirements of the Patriot Act it is required to obtain, verify and record information that identifies the Loan Parties, which information includes the name and address of such Loan Party and other information that will allow such Lender or the Administrative Agent, as applicable, to identify the each Loan Party in accordance with the Patriot Act.

10.17 Keepwell. Each Qualified ECP Guarantor hereby jointly and severally absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time by each other Loan Party to honor all of its obligations under this Agreement in respect of Exchange Act Swap Obligations (provided, however, that each Qualified ECP Guarantor shall only be liable under this Section 10.17 for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Section 10.17, or otherwise under this Agreement, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations of each Qualified ECP Guarantor under this Section shall remain in full force and effect until the termination of all Commitments and payment in full of all Obligations (other than contingent indemnification obligations) and the expiration or termination of all Letters of Credit (other than Letters of Credit as to which other arrangements satisfactory to the Administrative Agent and the Issuing Bank have been made). Each Qualified ECP Guarantor intends that this Section 10.17 constitute, and this Section 10.17 shall be deemed to constitute, a “keepwell, support, or other agreement” for the benefit of each other Loan Party for all purposes of Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

10.18 ORAL AGREEMENTS. THIS WRITTEN AGREEMENT AND THE LOAN DOCUMENTS, AS DEFINED IN THIS AGREEMENT, REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.

THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES.

[Remainder of this page intentionally left blank. Signature page follows.]

EXECUTED as of the date first above written.

BORROWER AND GUARANTOR:

EAGLE HYDROCARBONS INC.

By: "Robert Cunningham" (signed)
Name: Robert Cunningham
Title: [REDACTED]

GUARANTORS:

EAGLE ENERGY ACQUISITIONS LP

By: Eagle Hydrocarbons LLC, its general partner

By: "Robert Cunningham" (signed)
Name: Robert Cunningham
Title: [REDACTED]

EAGLE HYDROCARBONS LLC

By: "Robert Cunningham" (signed)
Name: Robert Cunningham
Title: [REDACTED]

EAGLE ENERGY TRUST

By: Eagle Energy Inc., its administrator

By: "Kelly Tomin" (signed)
Name: Kelly A. Tomin
Title: [REDACTED]

EAGLE ENERGY COMMERCIAL TRUST

By: Eagle Energy Inc., its trustee

By: "Kelly Tomin" (signed)
Name: Kelly A. Tomin
Title: [REDACTED]

EAGLE ENERGY INC.

By: "Kelly Tomin" (signed)
Name: Kelly A. Tomin
Title: [REDACTED]

EAGLE ENERGY HOLDINGS INC.

By: "Kelly Tomin" (signed)
Name: Kelly A. Tomin
Title: [REDACTED]

**ADMINISTRATIVE AGENT/ISSUING
BANK/LENDER:**

THE BANK OF NOVA SCOTIA,
as Administrative Agent

By: "Robert Boomhour" (signed)
Name: Robert Boomhour
Title: [REDACTED]

By: "Clement Yu" (signed)
Name: Clement Yu
Title: [REDACTED]

THE BANK OF NOVA SCOTIA,
as Swing Line Lender, Issuing Bank and a
Lender

By: "Albert Kwan" (signed)
Name: Albert Kwan
Title: [REDACTED]

By: "Dean Perry" (signed)
Name: Dean Perry
Title: [REDACTED]

LENDERS

CANADIAN IMPERIAL BANK OF
COMMERCE, as a Lender

By: "Amy Bellomo" (signed)
Name: Amy Bellomo
Title: [REDACTED]

By: "Brad Kay" (signed)
Name: Brad Kay
Title: [REDACTED]

SCHEDULE I

NOTICE INFORMATION

Administrative Agent/Issuing Bank:

Global Wholesale Services - Loan Operations

The Bank of Nova Scotia
720 King St. West, 2nd Floor
Toronto, Ontario M5V 2T3
Attention: [REDACTED]
Facsimile: [REDACTED]

and

The Bank of Nova Scotia
Global Loan Syndications - Canada
Scotia Plaza, 62nd Floor
40 King Street West
Toronto, Ontario M5W 2X6
Attention: [REDACTED]
Facsimile: [REDACTED]

Swingline Lender:

Corporate Lending Services
The Bank of Nova Scotia
2850 Sunridge Blvd NE
Calgary, AB T1Y 6G2
Transit# 12989
Attn: [REDACTED]
Facsimile: [REDACTED]

Borrower:

Eagle Hydrocarbons Inc.
333 Clay Street, Suite 3005
Houston, Texas, USA 77002
Attn: [REDACTED]
Facsimile: [REDACTED]

With a copy to:

500 – 4th Avenue SW, Suite 2710
Calgary, Alberta, Canada T2P 2V6
Attention: [REDACTED]
Telephone: [REDACTED]
Facsimile: [REDACTED]

SCHEDULE II

COMMITMENTS

Each of the commitments to lend set forth herein is governed by the terms of the Agreement which provides for, among other things, borrowing base limitations which may restrict the Borrower's ability to request (and the Lenders' obligation to provide) Credit Extensions to a maximum amount which is less than the commitments set forth in this Schedule II.

<u>Lenders:</u>	<u>Revolving Commitments</u>	<u>Term Commitments</u>	<u>Percentage of Commitments</u>
The Bank of Nova Scotia	[REDACTED]	[REDACTED]	[REDACTED]
Canadian Imperial Bank of Commerce	[REDACTED]	[REDACTED]	[REDACTED]
Total:	\$350,000,000	\$10,000,000	100%

SCHEDULE 2.07(i)

EXISTING LETTER OF CREDIT

1. Irrevocable Standby Letter of Credit No.: [REDACTED] issued by The Bank of Nova Scotia on February 10, 2014 for the account of Eagle Energy Commercial Trust and Eagle Energy Acquisitions LP for the benefit of Oklahoma Corporation Commission.

SCHEDULE 4.18

SECURITY INTERESTS

Loan Party	Filing Office
Eagle Hydrocarbons Inc.	Secretary of State of the State of Delaware
Eagle Energy Acquisitions LP	Secretary of State of the State of Delaware
Eagle Hydrocarbons LLC	Secretary of State of the State of Delaware
Eagle Energy Commercial Trust	Alberta Personal Property Registry
Eagle Energy Trust	Alberta Personal Property Registry
Eagle Energy Inc.	Alberta Personal Property Registry
Eagle Energy Holdings Inc.	Alberta Personal Property Registry

SCHEDULE 4.20

INSURANCE

[REDACTED]

Schedule 4.21

HEDGE AGREEMENTS

[REDACTED]

SCHEDULE 4.22

MATERIAL AGREEMENTS

(i) Debt

- 1) The US Opco Notes

(ii) Material Contracts

- 1) Administrative Services Agreement
- 2) Management Services Agreement
- 3) Specified Acquisition Documents
- 4) US Opco Notes
- 5) EET Trust Indenture

SCHEDULE 6.02

DEBT, GUARANTIES, AND OTHER OBLIGATIONS

Schedule 4.22(i) is incorporated herein by reference.

SCHEDULE 6.08

AFFILIATE TRANSACTIONS

The Voting Agreement, dated as of November 12, 2010, among EEI Holdings Inc., a corporation formed under the laws of the Province of Alberta, Canada and parent of EEI, Computershare Trust Company of Canada, as agent for the holders of EET's trust units, and EEI.

The Specified Acquisition Documents.

Administrative Services Agreement.

Management Services Agreement.

US Opco Notes.