SOLIMAR ENERGY LIMITED

- and -

COMPUTERSHARE TRUST COMPANY OF CANADA

AMENDED AND RESTATED CONVERTIBLE DEBENTURE INDENTURE

Amended and Restated Convertible Debenture Indenture made as of August 14, 2013
amending the Convertible Debenture Indenture dated June 26, 2012

Providing for the Terms of
20% Convertible Senior Unsecured Debentures due January 31, 2014

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THIS AMENDED AND RESTATED INDENTURE made as of the 14th day of August 2013, is an amendment and restatement of the indenture dated the 26th day of June, 2012.

BETWEEN:

SOLIMAR ENERGY LIMITED, (ACN 112 256 649), a corporation existing under the laws of Western Australia (hereinafter called the "**Corporation**")

AND

COMPUTERSHARE TRUST COMPANY OF CANADA, a trust company existing under the laws of Canada and authorized to carry on business in all provinces of Canada (hereinafter called the "**Trustee**")

WITNESSETH THAT:

WHEREAS an Event of Default occurred under the terms of the indenture dated June 26, 2012 and, as a result, the Corporation and the Debentureholders wish to amend the indenture dated June 26, 2012 in response thereto;

AND WHEREAS the Corporation and the Trustee have agreed to amend and restate the indenture dated June 26, 2012, pursuant to an extraordinary resolution of the Debentureholders;

AND WHEREAS the Corporation wishes to amend the terms of the Debentures in the manner and subject to the terms and conditions of this Indenture;

AND WHEREAS the Corporation, under the laws relating thereto, is duly authorized to amend the terms of the Debentures as herein provided;

AND WHEREAS, when certified by the Trustee as provided in this Indenture, all necessary steps in relation to the Corporation will have been duly enacted, passed and/or confirmed and other proceedings taken and conditions complied with to make the amendments to the Debentures issued hereunder legal, valid and binding on the Corporation with the benefits of and subject to the terms of this Indenture;

AND WHEREAS the foregoing recitals are made as representations and statements of fact by the Corporation and not by the Trustee;

NOW THEREFORE THIS INDENTURE WITNESSES that in consideration of the respective covenants and agreements contained herein and for other good and valuable consideration (the receipt and sufficiency of which are acknowledged), the Corporation and the Trustee covenant and agree, for the benefit of each other and for the equal and rateable benefit of the holders, as follows:

ARTICLE 1
INTERPRETATION

1.1. Definitions

In this Indenture and in the Debentures, unless there is something in the subject matter or context inconsistent therewith, the expressions following shall have the following meanings, namely:

(a) **"this Indenture", "this Convertible Debenture Indenture", "hereto", "herein", "hereby", "hereunder", "hereof"** and similar expressions refer to this Indenture and not to any particular Article, Section, subsection, clause, subdivision or other portion hereof and include any and every instrument supplemental or ancillary hereto;

(b) **"Accelerated Maturity"** means the exercise of the Corporation of its option to accelerate the Maturity Date in accordance with Section 2.1(d) or Section 10;

(c) **"Applicable Securities Legislation"** means the Australian Corporations Act as from time to time amended, the official listing rules of Australian Securities Exchange Limited as from time to time amended, the rules of the TSX-V as from time to time amended, any other applicable laws in force in Australia or any state or territory of Australia, any statute of Canada or a province thereof, and regulations, rules, instruments, notices and blanket orders under any such named or other statute, relating to agreements similar in nature to this Indenture or to the rights, duties and obligations of trustees, trusts and corporations under agreements similar in nature to this Indenture, to the extent that such provisions are at the time in force and applicable to this Indenture;

(d) **"Applicable Stock Exchange"** means each of the TSX-V and the Australian Securities Exchange (including any successor exchange thereto), for so long as the Common Shares of the Corporation are listed for trading thereon, or either of them, as the context requires;

(e) **"Auditors of the Corporation"** means an independent firm of chartered accountants duly appointed as auditors of the Corporation;

(f) **"Australian Corporations Act"** means the Australian *Corporations Act 2001* (Cth);

(g) **"Board of Directors"** means the board of directors of the Corporation or any committee thereof;

(h) **"Business Day"** means any day which is not a Saturday, Sunday or a statutory holiday in the cities of Calgary, Alberta, Toronto, Ontario and Melbourne, Australia;

(i) **"certificates"**, when used with respect to Common Shares, means the certificates, holding statements or other documents representing or evidencing the issue of such Common Shares;

(j) **"Change of Control"** means either (A) the acquisition by any Person, or group of Persons acting jointly or in concert (within the meaning of MI 62-104), directly or indirectly, in a single transaction or a series of transactions, of voting control or direction or voting power (as defined in the Australian Corporations Act) over 50% or more of the votes attaching to the Common Shares then outstanding; (B) the Corporation and/or its

Subsidiaries completes a sale, transfer or other disposition of all or substantially all of the assets of the Corporation on a consolidated basis, in a single transaction or a series of transactions; or (C) the election by the Corporation's shareholders of a number of persons representing a majority of the Board of Directors as directors of the Corporation who are not included in the slate for election as directors proposed to the Corporation's shareholders by management;

(k) **"Change of Control Notice"** has the meaning ascribed thereto in Section 7.7(a);

(l) **"Change of Control Purchase Date"** has the meaning ascribed thereto in Section 7.7(a);

(m) **"Change of Control Purchase Offer"** has the meaning ascribed thereto in Section 7.7(a);

(n) **"Change of Control Redemption Right"** has the meaning ascribed thereto in Section 7.7(b);

(o) **"Closing"** has the meaning ascribed thereto in Section 2.1(a);

(p) **"Common Shares"** means the ordinary shares in the capital of the Corporation, as such ordinary shares are constituted on the date of execution and delivery of this Indenture; provided that in the event of a change or a subdivision, redivision, reduction, combination or consolidation thereof, any reclassification, capital reorganization, consolidation, amalgamation, arrangement, merger, sale or conveyance or liquidation, dissolution or winding-up, or such successive changes, subdivisions, redivisions, reductions, combinations or consolidations, reclassifications, capital reorganizations, consolidations, amalgamations, arrangements, mergers, sales or conveyances or liquidations, dissolutions or windings-up, then, subject to adjustments, if any, having been made in accordance with the provisions of Section 5.6, **"Common Shares"** shall mean the shares or other securities or property resulting from such change, subdivision, redivision, reduction, combination or consolidation, reclassification, capital reorganization, consolidation, amalgamation, arrangement, merger, sale or conveyance or liquidation, dissolution or winding-up;

(q) **"Common Share Redemption Right"** has the meaning attributed thereto in Section 4.6(a);

(r) **"Common Share Repayment Notice"** has the meaning attributed thereto in Section 2.1(h);

(s) **"Common Share Repayment Right"** has the meaning attributed thereto in Section 4.10(a);

(t) **"Corporation"** means Solimar Energy Limited and includes any successor to or of the Corporation which shall have complied with the provisions of Article 9;

(u) **"Conversion Notice"** means the written notice of conversion in the form attached hereto as Schedule D;

(v) **"Conversion Price"** means $0.10, being the dollar amount for which each Common Share may be issued from time to time upon the conversion of the Debentures, as adjusted from time to time in accordance with the provisions of Article 5;

(w) **"Counsel"** means a barrister or solicitor or firm of barristers or solicitors retained or employed by the Trustee or retained or employed by the Corporation and acceptable to the Trustee;

(x) **"Current Market Price"** means the VWAP for the twenty-one (21) consecutive trading days ending on the fifth trading day preceding the applicable date;

(y) **"Date of Conversion"** has the meaning ascribed thereto in Section 5.5(b);

(z) **"Debentureholders"** or **"holders"** means the Persons for the time being entered in the register for Debentures as registered holders of Debentures or any transferees of such Persons by endorsement or delivery;

(aa) **"Debentures"** means the single series of debentures designated as "20% Convertible Senior Unsecured Debentures due January 31, 2014" issued and certified hereunder, or deemed to be issued and certified hereunder, and for the time being outstanding, whether in definitive or interim form;

(bb) **"Defeased Debentures"** has the meaning ascribed thereto in Section 8.6(b);

(cc) **"Deferred Interest"** has the meaning ascribed thereto in Section 2.1(c);

(dd) **"Discounted Market Price"** has the meaning ascribed thereto in Section 1.2 of Policy 1.1 of the TSX Venture Exchange Corporate Finance Manual;

(ee) **"Event of Default"** has the meaning ascribed thereto in Section 7.1;

(ff) "**Ex-Dividend Date**" means, with respect to any dividend, distribution or issuance on the Common Shares, the first date on which the Common Shares trade on the TSX-V (or, if the Common Shares are no longer listed and posted for trading on the TSX-V, such other Applicable Stock Exchange) without the right to receive such dividend, distribution or issuance;

(gg) **"Extraordinary Resolution"** has the meaning ascribed thereto in Section 11.12(a);

(hh) **"February 2012 Debentures"** means the convertible unsecured debentures designated as "10% Convertible Senior Unsecured Debentures due December 31, 2013" issued and certified pursuant to a debenture indenture dated February 10, 2012 among the Corporation and Computershare Trust Company of Canada, or deemed to be issued and certified thereunder, or any instrument supplemental or ancillary thereto;

(ii) **"Freely Tradeable"** means, in respect of shares of capital of any class of any corporation, shares which: (i) are issuable in Canada without the necessity of filing a prospectus or any other similar offering document (other than such prospectus or similar offering document that has already been filed) under Applicable Securities Legislation and such issue does not constitute a distribution (other than a distribution already qualified by prospectus or similar offering document) under Applicable Securities Legislation; (ii) provided such shares are not issued to persons in Australia other than Professional Investors or Sophisticated Investors (as such terms are defined in the Australian Corporations Act), would be freely tradeable in Australia upon the filing by the Corporation of a cleansing notice with the Australian Securities Exchange; and (iii) can be traded by the holder thereof in Canada without any restriction under Applicable Securities Legislation, such as hold periods, except in the case of a control distribution (as defined in National Instrument 45-102 – *Resale of Securities*), or a transaction or series of transactions incidental to a control distribution;

(jj) **"IFRS"** means the international financial reporting standards adopted by the International Accounting Standards Board, as amended from time to time;

(kk) **"Interest"** means interest (including default interest, and interest upon interest and default interest) which accrues on the Debentures from time to time;

(ll) **"Interest Obligation"** means the obligation of the Corporation to pay interest on the Debentures, as and when the same becomes due;

(mm) **"Interest Payment Date"** means a date specified in a Debenture as the date on which interest on such Debenture shall become due and payable;

(nn) "**Loan Modification Fee**" means a fee of $500,000 payable by the Corporation (rateably and proportionately) to the Debentureholers on the Maturity Date;

(oo) "**Material Subsidiaries**" means Solimar Australia Energy Pty Ltd., Solimar Energy LLC, and Livingstone Energy Inc.;

(pp) **"Maturity Account"** means an account or accounts required to be established by the Corporation (and which shall be maintained by and subject to the control of the Trustee) for Debentures issued pursuant to and in accordance with this Indenture;

(qq) **"Maturity Date"** means either: (i) January 31, 2014 or (ii) upon the Corporation and its Subsidiaries providing the Debentureholders first priority security on all of the Corporation's and its Subsidiaries' assets and payment of a $250,000 extension fee (payable rateably and proportionately to Debentureholers), July 31, 2014;

(rr) **"MI 62-104"** means Multilateral Instrument 62-104 – *Take-Over Bids and Issuer Bids*;

(ss) **"Offeror's Notice"** has the meaning ascribed thereto in Section 10.3;

(tt) **"Offering"** means the offering, by way of private placement, of up to 90 units, in one or more Closings prior to the Outside Date, each unit initially consisting of $50,000 in principal amount of Debentures and 250,000 Common Share purchase warrants;

(uu) **"Officer's Certificate"** means a certificate of the Corporation signed by any one authorized officer or director of the Corporation in his or her capacity as an officer or director of the Corporation, as the case may be, and not in his or her personal capacity;

(vv) **"Outside Date"** means August 31, 2012;

(ww) **"Person"** includes an individual, corporation, company, partnership, joint venture, association, trust, trustee, unincorporated organization or government or any agency or political subdivision thereof (and for the purposes of the definition of "Change of Control", in addition to the foregoing, "Person" shall include any syndicate or group that would be deemed to be a "Person" under MI 62-104);

(xx) **"Record Date"** has the meaning ascribed thereto in Section 2.1(c);

(yy) **"Redemption Date"** has the meaning ascribed thereto in Section 4.3;

(zz) **"Redemption Notice"** has the meaning ascribed thereto in Section 4.3;

(aaa) **"Redemption Price"** means in respect of a Debenture:

(i) in connection with a Redemption Notice provided to a holder pursuant to Section 2.1(d)(i), an amount equal to the principal amount thereof plus accrued and unpaid interest up to, but excluding, the Redemption Date fixed for such Debenture; or

(ii) in connection with a Redemption Notice provided to a holder pursuant to Section 2.1(d)(ii), an amount equal to 105% of the principal amount thereof plus accrued and unpaid interest up to, but excluding, the Redemption Date fixed for such Debenture;

(bbb) **"Regulation S"** means Regulation S under the 1933 Act;

(ccc) **"Regulatory Approval"** means the filing and acceptance of all documentation in accordance with the rules, policies and/or regulations of each Applicable Stock Exchange together with all requisite approvals, if any, pursuant to Applicable Securities Legislation;

(ddd) **"representing party"** has the meaning ascribed thereto in Section 13.17;

(eee) **"Share Interest Payment Notice"** has the meaning ascribed thereto in Section 4.10(b);

(fff) **"Share Interest Payment Right"** has the meaning ascribed thereto in Section 4.10(a);

(ggg) **"Subsidiary"** has the meaning ascribed thereto in National Instrument 45-106 – *Prospectus and Registration Exemptions*;

(hhh) **"Successor"** has the meaning ascribed thereto in Section 9.1(a);

(iii) **"Time of Expiry"** means the time of expiry of certain rights with respect to the conversion of Debentures under Article 5 as set out in Section 2.1(f);

(jjj) **"Total Change of Control Offer Price"** has the meaning ascribed thereto in Section 7.7(a);

(kkk) **"trading day"** means, with respect to the relevant Applicable Stock Exchange, any day on which such exchange or market is open for trading or quotation and the Common Shares actually trade on such exchange;

(lll) **"Trustee"** means Computershare Trust Company of Canada, or its successor or successors for the time being as trustee hereunder;

(mmm) **"TSX-V"** means the TSX Venture Exchange, which shall include any successor exchange thereto;

(nnn) **"Unclaimed Funds Return Date"** has the meaning ascribed thereto in Section 7.8;

(ooo) **"United States"** has the meaning ascribed thereto in Regulation S;

(ppp) "**U.S. Legend**" has the meaning ascribed thereto in Section 2.4(a);

(qqq) **"U.S. Person"** has the meaning ascribed thereto in Regulation S;

(rrr) **"VWAP"** means the volume weighted average trading price of the Common Shares for the applicable period (which must be calculated utilizing days in which at least one board lot of Common Shares actually trade) on the TSX-V (or, if the Common Shares are no longer listed and posted for trading on the TSX-V, such other Applicable Stock Exchange on which the Common Shares are then traded) or if no such prices are available for such applicable period, **"VWAP"** shall be the fair value per Common Share as reasonably determined by an independent investment bank selected by the Board of Directors for this purpose;

(sss) **"Written Direction of the Corporation"** means an instrument in writing signed by any one officer or director of the Corporation; and

(ttt) **"1933 Act"** means the *United States Securities Act* of 1933, as amended**.**

1.2. Meaning of "Outstanding"

Every Debenture certified and delivered by the Trustee hereunder shall be deemed to be outstanding until it is cancelled, converted or redeemed or delivered to the Trustee for cancellation, conversion or redemption for monies and/or Common Shares, as the case may be, or the payment thereof shall have been set aside under Section 8.2, provided that:

(a) Debentures which have been partially redeemed, purchased or converted shall be deemed to be outstanding only to the extent of the unredeemed, unpurchased or unconverted part of the principal amount thereof;

(b) when a new Debenture has been issued in substitution for a Debenture which has been lost, stolen or destroyed, only one of such Debentures shall be counted for the purpose of determining the aggregate principal amount of Debentures outstanding; and

(c) for the purposes of any provision of this Indenture entitling holders of outstanding Debentures to vote, sign consents, requisitions or other instruments or take any other action under this Indenture, or to constitute a quorum of any meeting of Debentureholders, Debentures owned directly or indirectly, legally or equitably, by the Corporation shall be disregarded except that:

(i) for the purpose of determining whether the Trustee shall be protected in relying on any such vote, consent, requisition or other instrument or action, or on the holders of Debentures present or represented at any meeting of Debentureholders, only the Debentures which the Trustee knows are so owned shall be so disregarded; and

(ii) Debentures so owned which have been pledged in good faith other than to the Corporation shall not be so disregarded if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Debentures, sign consents, requisitions or other instruments or take such other actions in his discretion free from the control of the Corporation or a Subsidiary of the Corporation.

1.3. Interpretation

In this Indenture:

(a) words importing the singular number or masculine gender shall include the plural number or the feminine or neuter genders, and vice versa;

(b) all references to Articles and Schedules refer, unless otherwise specified, to articles of and schedules to this Indenture;

(c) all references to Sections refer, unless otherwise specified, to Sections, subsections or clauses of this Indenture;

(d) words and terms denoting inclusiveness (such as **"include"** or **"includes"** or **"including"**), whether or not so stated, are not limited by and do not imply limitation of their context or the words or phrases which precede or succeed them;

(e) reference to any agreement or other instrument in writing means such agreement or other instrument in writing as amended, modified, replaced or supplemented from time to time;

(f) unless otherwise indicated, reference to a statute shall be deemed to be a reference to such statute as amended, re-enacted or replaced from time to time; and

(g) unless otherwise indicated, time periods within which a payment is to be made or any other action is to be taken hereunder shall be calculated by including the day on which the period commences and excluding the day on which the period ends.

1.4. Headings, Etc.

The division of this Indenture into Articles and Sections, the provision of a Table of Contents and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Indenture or of the Debentures.

1.5. Time of Essence

Time shall be of the essence of this Indenture.

1.6. Monetary References

Whenever any amounts of money are referred to herein, such amounts shall be deemed to be in lawful money of Canada unless otherwise expressed. Where it is necessary under this Indenture to calculate the price in Canadian dollars of the share price of the Common Shares traded on the ASX on a particular day, the rate of exchange to be used to convert the Australian price to Canadian dollars is the noon-spot rate of exchange published by the Bank of Canada, for conversion of Australian dollars into Canadian dollars, which corresponds with the aforementioned particular day.

1.7. Invalidity, Etc.

Any provision hereof which is prohibited or unenforceable shall be ineffective only to the extent of such prohibition or unenforceability, without invalidating the remaining provisions hereof.

1.8. Language

Each of the parties hereto hereby acknowledges that it has consented to and requested that this Indenture and all documents relating thereto, including, without limiting the generality of the foregoing, the form of Debenture attached hereto as Schedule A, be drawn up in the English language only.

1.9. Successors and Assigns

All covenants and agreements of the Corporation in this Indenture and the Debentures shall bind its successors and assigns, whether so expressed or not. All covenants and agreements of the Trustee in this Indenture shall bind its successors.

1.10. Severability

In case any provision in this Indenture or in the Debentures shall be invalid, illegal or unenforceable, such provision shall be deemed to be severed herefrom or therefrom and the validity, legality and

enforceability of the remaining provisions shall not in any way be affected, prejudiced or impaired thereby.

1.11. Entire Agreement

This Indenture and all supplemental indentures and Schedules hereto and thereto, and the Debentures issued hereunder and thereunder, together constitute the entire agreement between the parties hereto with respect to the indebtedness created hereunder and thereunder and under the Debentures and supersedes as of the date hereof all prior memoranda, agreements, negotiations, discussions and term sheets, whether oral or written, with respect to the indebtedness created hereunder or thereunder and under the Debentures.

1.12. Benefits of Indenture

Nothing in this Indenture or in the Debentures, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any paying agent, the holders of Debentures, and (to the extent provided in Section 7.13) each of the Persons referenced in Section 7.13, any benefit or any legal or equitable right, remedy or claim under this Indenture.

1.13. Applicable Law and Attornment

This Indenture, any supplemental indenture and the Debentures shall be governed by and interpreted in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein and shall be treated in all respects as Alberta contracts. With respect to any suit, action or proceedings relating to this Indenture, any supplemental indenture or any Debenture, the Corporation, the Trustee and each holder irrevocably submit and attorn to the non-exclusive jurisdiction of the courts of the Province of Alberta.

1.14. Currency of Payment

All payments to be made under this Indenture or any supplemental indenture shall be made in Canadian dollars.

1.15. Non-Business Days

Whenever any payment to be made hereunder shall be due, any period of time would begin or end, any calculation is to be made or any other action is to be taken on, or as of, or from a period ending on, a day other than a Business Day, such payment shall be made, such period of time shall begin or end, such calculation shall be made and such other action shall be taken, as the case may be, unless otherwise specifically provided herein, on or as of the next succeeding Business Day without any additional interest, cost or charge to the Corporation.

1.16. Accounting Terms

Except as hereinafter provided or as otherwise indicated in this Indenture, all calculations required or permitted to be made hereunder pursuant to the terms of this Indenture shall be made in accordance with IFRS.

1.17. Calculations

The Corporation shall be responsible for making all calculations called for hereunder including, without limitation, calculations of Current Market Price. The Corporation shall make such calculations in good faith and, absent manifest error, the Corporation's calculations shall be final and binding on holders and the Trustee. The Corporation will provide a schedule of its calculations to the Trustee and the Trustee shall be entitled to rely conclusively on the accuracy of such calculations without independent verification.

1.18. Schedules

The following Schedules are incorporated into and form part of this Indenture:

Schedule A – Form of Debenture

Schedule B – Form of Redemption Notice

Schedule C – **Form of Common Share Repayment Notice**

Schedule D – **Form of Notice of Conversion**

Schedule E – **Form of Declaration For Removal Of Legend;**

Schedule F – Share Interest Payment Notice

Schedule G – Common Share Legends

In the event of any inconsistency between the provisions of any Section of this Indenture and the provisions of the Schedules which form a part hereof, the provisions of this Indenture shall prevail to the extent of the inconsistency.

ARTICLE 2
THE DEBENTURES

2.1. Form and Terms of Debentures

(a) The Debentures are hereby authorized for issue solely under the Offering in a single series at one or more closings (each, a "**Closing**") occurring on or before the Outside Date, in the aggregate principal amount for all Debentures issued at all Closings of up to $4,500,000 and shall be designated as "20% Convertible Senior Unsecured Debentures due January 31, 2014". At each Closing, the Corporation shall request the Trustee to certify and deliver Debentures to be issued by the Issuer at such Closing by delivering to the Trustee the documents referred to below in form and substance satisfactory to the Trustee, whereupon the Trustee shall certify such Debentures and cause the same to be delivered in accordance with the Written Direction of the Corporation referred to below or pursuant to such procedures acceptable to the Trustee as may be specified from time to time by a Written Direction of the Corporation:

(i) a Written Direction of the Corporation:

A. stating the number and aggregate principal amount of Debentures to be issued at such Closing, the registration information for each holder thereof (and for the warrants issued in connection therewith) and the issue date (which shall be the date of the applicable Closing), and

B. requesting certification and delivery of such Debentures in accordance with this Indenture and setting forth delivery instructions;

(ii) an Officer's Certificate (which Officer's Certificate shall be in such form that satisfies all applicable laws) certifying that (a) the Corporation is not in default under this Indenture, (b) the terms and conditions for the issue, certification and delivery of Debentures to be issued at such Closing have been complied with (subject to the certification and delivery of such Debentures by the Trustee), and (c) no default or Event of Default exists or will exist upon such certification and delivery; and

(iii) an opinion of Counsel to the effect that all requirements imposed by this Indenture and by applicable law in connection with the proposed issue of Debentures at such Closing have been complied with, subject to the delivery of certain documents or instruments specified in such opinion.

(b) Each Debenture shall be dated as of the date of issue thereof and shall mature on the Maturity Date.

(c) Each Debenture shall bear interest from (i) the date of issue of such Debenture to June 30, 2013 at the rate of 11% per annum and (ii) July 1, 2013 at the rate of 20% per annum (with 16% thereof being payable on each Interest Payment Date and the remaining 4% thereof being accrued into the principal, payable on the Maturity Date and referred to herein as "**Deferred Interest**"), based on a year of 365 days (or 366 days in the case of a leap year), payable in equal (with the exception of the first interest payment which will include interest from and including the date of the applicable Closing as set forth below) quarterly payments in arrears on March 31, June 30, September 30 and December 31 in each year, the first such payment to fall due on September 30, 2012 and the last such payment to fall due on the Maturity Date (representing interest payable from the preceding Interest Payment Date to, but excluding, the Maturity Date), payable after as well as before maturity and after as well as before default, with interest on amounts in default at the same rate, compounded quarterly. Any payment required to be made on any day that is not a Business Day will be made on the next succeeding Business Day. The record dates for the payment of interest on the Debentures (each a "**Record Date**") will be March 15, June 15, September 15 and December 15 in each year (or the first Business Day prior to such date if not a Business Day). The Corporation may, at its option, and subject to and in accordance with the provisions of Section 4.11, and subject to Regulatory Approval, elect to satisfy its obligations to pay all accrued and unpaid Interest associated with the Debentures due on any Interest Payment Date by either (i) the payment of cash or (ii) by issuing and delivering to Debentureholders on such Interest Payment Date that number of Freely Tradeable Common Shares obtained by dividing the

amount of Interest due and payable on such Interest Payment Date by the greater of (y) the Discounted Market Price of the Common Shares calculated using the closing price of the Common Shares on the day prior to the deadline for delivery of the Share Interest Payment Notice; and (z) 90% of the VWAP for the 10 consecutive trading days ending on the day prior to the deadline for delivery of the Share Interest Payment Notice. If the Corporation elects to exercise such option, it shall so specify and provide details in the Share Interest Payment Notice.

(d) The Debentures will be redeemable, in accordance with the terms of Article 4, at any time either:

(i) prior to the Maturity Date, provided that, at the time of the Redemption Notice, the share price of the Common Shares on the TSX-V for 21 consecutive trading days is at least 200% of the Conversion Price, the Debentures may be redeemed at the option of the Corporation in whole or in part from time to time at any time between the 30th day and the 60th day after the relevant Redemption Notice as provided for in Article 4 for the Redemption Price; or

(ii) after the date that is 12 months prior to the Maturity Date, the Debentures may be redeemed at the option of the Corporation in whole or in part from time to time at any time between the 60th day and the 90th day after the relevant Redemption Notice as provided for in Article 4 for the Redemption Price, subject to a minimum repayment amount of $10,000 per Debenture and $5,000 multiples thereafter.

Subject to Article 10, the Debentures will not otherwise be redeemable prior to the Maturity Date at the option or election of the Corporation. The Redemption Notice for the Debentures shall be substantially in the form of Schedule B.

(e) The Debentures will rank *pari passu* with any other Debentures issued under this Indenture or under indentures supplemental to this Indenture (regardless of their actual date or terms of issue) and with the February 2012 Debentures, and, except as prescribed by law, will have their priority with respect to all future indebtedness of the Corporation determined in accordance with Section 6.4.

(f) Upon and subject to the provisions and conditions of Article 5 and Section 3.7, the holder of each Debenture shall have the right at such holder's option at any time prior to the close of business on the earlier of (i) on the Business Day immediately preceding the Maturity Date of the Debentures; (ii) if the Debentures are called for redemption, on the Business Day immediately preceding the date specified by the Corporation for redemption of the Debentures; or (iii) if subject to repurchase pursuant to a Change of Control, on the Business Day immediately preceding the Change of Control Purchase Date (the earlier of which will be the **"Time of Expiry"** for the purposes of Article 5 in respect of the Debentures), by notice to the Corporation in the form of the Conversion Notice attached hereto as Schedule D or any other written notice in a form satisfactory to the Trustee, to convert a Debenture into fully paid Freely Tradeable Common Shares at

the Conversion Price in effect on the Date of Conversion. To the extent a redemption is a redemption in part only of the Debentures, such right to convert, if not exercised prior to the applicable Time of Expiry, shall survive as to any Debentures not redeemed or converted and be applicable to the next succeeding Time of Expiry.

(g) The Conversion Price in effect on the date hereof for each Common Share to be issued upon the conversion of Debentures shall be equal to $0.10 such that 50,000 Common Shares shall be issued for each $5,000 principal amount of Debentures so converted. Except as provided below, no adjustment in the number of Common Shares to be issued upon conversion will be made for dividends or distributions on Common Shares issuable upon conversion, the record date for the payment of which precedes the date upon which the holder becomes a holder of Common Shares in accordance with Article 5, or for interest accrued on Debentures surrendered. No fractional Common Shares will be issued, and holders will receive a cash payment in satisfaction of any fractional interest based on the Current Market Price as of the Date of Conversion. The Conversion Price applicable to the Common Shares, securities or other property receivable on the conversion of the Debentures is subject to adjustment pursuant to the provisions of Section 7.7 and Section 5.6.

Holders converting their Debentures will receive, in addition to the applicable number of Common Shares, accrued and unpaid interest in respect of the Debentures surrendered for conversion up to but excluding the Date of Conversion from, and including, the most recent Interest Payment Date in accordance with Section 5.5(e). For clarity, payment of such interest, whether in cash or by delivery of Common Shares pursuant to the exercise of the Share Interest Payment Right, may, at the option of the Corporation, be paid on the next regularly scheduled Interest Payment Date following the Date of Conversion.

Notwithstanding the foregoing, holders of Debentures surrendered for conversion during the period from the close of business on any regular Record Date to the opening of business on the next succeeding Interest Payment Date will receive the quarterly interest payable on such Debentures on the corresponding Interest Payment Date notwithstanding the conversion. In the event that a holder of Debentures exercises their conversion right following a Redemption Notice by the Corporation and during the period from the close of business on any regular Record Date to the opening of business on the next succeeding Interest Payment Date, such holder will be entitled to receive accrued and unpaid interest, in addition to the applicable number of Common Shares to be received on conversion, for the period from the last Interest Payment Date to (but excluding) the Date of Conversion.

Notwithstanding any other provisions of this Indenture, if a Debenture is surrendered for conversion on an Interest Payment Date or during the five preceding Business Days, the Person or Persons entitled to receive Common Shares in respect of the Debenture so surrendered for conversion shall not become the holder or holders of record of such Common Shares until the Business Day following such Interest Payment Date.

A Debenture in respect of which a holder has accepted a notice in respect of a Change of Control Purchase Offer pursuant to the provisions of Section 7.7, may be surrendered for conversion only if such notice is withdrawn in accordance with this Indenture.

(h) On maturity of the Debentures, a holder may, at its option and subject to the provisions of Section 4.9, regulatory approval and Applicable Securities Legislation, require the Corporation to satisfy its obligation to pay all or a portion of the aggregate principal amount of the Debentures due on maturity, together with all accrued but unpaid interest thereon, by issuing and delivering to such holders of Debentures Freely Tradeable Common Shares. If the holder elects to exercise such option, it shall provide details in the common share repayment notice (the "**Common Share Repayment Notice**") to the Corporation in substantially the form of Schedule C and provide the necessary details.

(i) The Debentures shall be initially issued in denominations of $50,000 and integral multiples of $50,000; provided that Debentures issued upon exchange or in substitution for Debentures shall be issued in denominations of $25,000 and integral multiples thereof. Each Debenture and the certificate of the Trustee endorsed thereon shall be issued in substantially the form set out in Schedule A, with such insertions, omissions, substitutions or other variations as shall be required or permitted by this Indenture, and may have imprinted or otherwise reproduced thereon such legend or legends or endorsements, not inconsistent with the provisions of this Indenture, as may be required to comply with any law or with any rules or regulations pursuant thereto or with any rules or regulations of any securities exchange or securities regulatory authority or to conform with general usage, all as may be determined by the directors or officers of the Corporation in accordance with the Indenture, as conclusively evidenced by the execution of a Debenture.

Each Debenture shall additionally bear such distinguishing letters and numbers as the Trustee shall approve. Notwithstanding the foregoing, a Debenture may be in such other form or forms as may, from time to time, be approved by a resolution of the Board of Directors or as specified in an Officer's Certificate. The Debentures may be engraved, lithographed, printed, mimeographed or typewritten or partly in one form and partly in another.

(j) Upon and subject to the provisions of Section 4.10, the Corporation may elect, from time to time, to satisfy its Interest Obligation on the Debentures on any Interest Payment Date (including, for greater certainty, following conversion or upon maturity or redemption) by delivering: (i) cash, (ii) Freely Tradeable Common Shares; or (iii) a combination of (i) and (ii) to the Trustee pursuant to the Share Interest Payment Right.

2.2. Execution of Debentures

All Debentures shall be signed (either manually or by facsimile signature) by any one authorized director or officer of the Corporation holding office at the time of signing. A facsimile signature upon a Debenture shall for all purposes of this Indenture be deemed to be the signature of the person whose signature it purports to be. Notwithstanding that any person whose signature, either manual or in

facsimile, appears on a Debenture as a director or officer may no longer hold such office at the date of the Debenture or at the date of the certification and delivery thereof, such Debenture shall be valid and binding upon the Corporation and entitled to the benefits of this Indenture.

2.3. Certification

No Debenture shall be issued or, if issued, shall be obligatory or shall entitle the holder to the benefits of this Indenture, until it has been manually certified by or on behalf of the Trustee substantially in the form set out in this Indenture or in some other form approved by the Trustee. Such certification on any Debenture shall be conclusive evidence that such Debenture is duly issued, is a valid obligation of the Corporation and the holder is entitled to the benefits hereof.

The certificate of the Trustee signed on the Debentures, or interim Debentures hereinafter mentioned, shall not be construed as a representation or warranty by the Trustee as to the validity of this Indenture or of the Debentures or interim Debentures or as to the issuance of the Debentures or interim Debentures and the Trustee shall in no respect be liable or answerable for the use made of the Debentures or interim Debentures or any of them or the proceeds thereof. The certificate of the Trustee on the Debentures or interim Debentures shall, however, be a representation and warranty by the Trustee that the Debentures or interim Debentures have been duly certified by or on behalf of the Trustee pursuant to the provisions of this Indenture.

2.4. U.S. Legend on the Debentures and Common Shares

(a) All Debentures and the Common Shares issuable upon conversion, redemption or maturity thereof (collectively, the "**Securities**") issued and sold in the United States in reliance on Rule 144A under the 1933 Act and Section 4(2) of the 1933 Act and Rule 506 thereunder, as well as all Debentures and the Common Shares issued in exchange for or in substitution of the foregoing Securities, shall bear, unless otherwise directed by the Corporation, the following legend (the "**U.S. Legend**"):

> "THESE SECURITIES AND THE SECURITIES DELIVERABLE UPON CONVERSION, REDEMPTION OR MATURITY THEREOF HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE. THE HOLDER HEREOF, BY PURCHASING THESE SECURITIES, AGREES FOR THE BENEFIT OF SOLIMAR ENERGY LIMITED (THE "COMPANY") THAT THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY: (A) TO THE COMPANY, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, (C) IN ACCORDANCE WITH RULE 144A UNDER THE U.S. SECURITIES ACT, OR (D) PURSUANT TO ANOTHER EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT, AND, IN EACH CASE, IN ACCORDANCE WITH ANY APPLICABLE STATE SECURITIES LAWS AND AFTER, IN THE CASE OF TRANSFERS UNDER CLAUSE (D) (OR IF REQUIRED BY COMPUTERSHARE TRUST COMPANY OF CANADA, CLAUSE (B)), IT HAS FURNISHED TO THE COMPANY AN OPINION OF COUNSEL OF

RECOGNIZED STANDING OR OTHER EVIDENCE REASONABLY SATISFACTORY TO THE COMPANY TO THE EFFECT THAT THE PROPOSED TRANSFER MAY BE MADE WITHOUT REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

A NEW CERTIFICATE BEARING NO LEGEND MAY BE OBTAINED FROM COMPUTERSHARE TRUST COMPANY OF CANADA UPON DELIVERY OF THIS CERTIFICATE AND A DULY EXECUTED DECLARATION, IN A FORM SATISFACTORY TO COMPUTERSHARE TRUST COMPANY OF CANADA AND THE COMPANY, TO THE EFFECT THAT THE SALE OF THE SECURITIES REPRESENTED HEREBY IS BEING MADE IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE SECURITIES ACT."

provided that, if the Securities are being sold in compliance with Rule 904 of Regulation S under the 1933 Act, the U.S. Legend may be removed by providing a duly completed and signed declaration to the Trustee for the Securities substantially as set forth in Schedule E hereto (or as the Corporation may prescribe from time to time), together with any other evidence reasonably requested by the Corporation or Trustee, which evidence may include an opinion of counsel of recognized standing, in form and substance reasonably satisfactory to the Corporation, to the effect that such U.S. Legend is no longer required pursuant to the requirements of the 1933 Act or applicable state securities laws. Provided that the Trustee obtains confirmation from the Corporation that such counsel is satisfactory to it, the Trustee shall be entitled to rely on such opinion of counsel without further inquiry.

(b) Prior to the issuance of the Debentures, the Corporation shall notify the Trustee, in writing, concerning which Debentures are to bear the U.S. Legend. The Trustee will thereafter maintain a list of all registered holders from time to time of such legended Debentures.

2.5. Interim Debentures or Certificates

Pending the delivery of definitive Debentures to the Trustee, the Corporation may issue and the Trustee certify in lieu thereof interim Debentures in such forms and in such denominations and signed in such manner as provided herein, entitling the holders thereof to definitive Debentures when the same are ready for delivery; or the Corporation may execute and the Trustee certify a temporary Debenture for the whole principal amount of Debentures then authorized to be issued hereunder and deliver the same to the Trustee and thereupon the Trustee may issue its own interim certificates in such form and in such amounts, not exceeding in the aggregate the principal amount of the temporary Debenture so delivered to it, as the Corporation and the Trustee may approve entitling the holders thereof to definitive Debentures when the same are ready for delivery; and, when so issued and certified, such interim or temporary Debentures or interim certificates shall, for all purposes but without duplication, rank in respect of this Indenture equally with Debentures duly issued hereunder and, pending the exchange thereof for definitive Debentures, the holders of the interim or temporary Debentures or interim certificates shall be deemed without duplication to be Debentureholders and entitled to the benefit of this Indenture to the same extent and in the same manner as though the said exchange had actually been made. Forthwith

after the Corporation shall have delivered the definitive Debentures to the Trustee, the Trustee shall cancel such temporary Debentures, if any, and shall call in for exchange all interim Debentures or certificates that shall have been issued and forthwith after such exchange shall cancel the same. No charge shall be made by the Corporation or the Trustee to the holders of such interim or temporary Debentures or interim certificates for the exchange thereof. All interest paid upon interim or temporary Debentures or interim certificates shall be noted thereon as a condition precedent to such payment unless paid by cheque to the registered holders thereof.

2.6. Mutilation, Loss, Theft or Destruction

In case any of the Debentures issued hereunder shall become mutilated or be lost, stolen or destroyed, the Corporation, in its discretion, may issue, and thereupon the Trustee shall certify and deliver, a new Debenture upon surrender and cancellation of the mutilated Debenture, or in the case of a lost, stolen or destroyed Debenture, in lieu of and in substitution for the same, and the substituted Debenture shall be in a form approved by the Trustee and shall be entitled to the benefits of this Indenture and rank equally in accordance with its terms with all other Debentures issued or to be issued hereunder. In case of loss, theft or destruction the applicant for a substituted Debenture shall furnish to the Corporation and to the Trustee such evidence of the loss, theft or destruction of the Debenture as shall be satisfactory to them in their discretion and shall also furnish an indemnity and surety bond satisfactory to them in their discretion. The applicant shall pay all reasonable expenses incidental to the issuance of any substituted Debenture.

2.7. Concerning Interest

(a) All Debentures issued hereunder, whether originally or upon exchange or in substitution for previously issued Debentures which are interest bearing, shall bear interest from and including their issue date to and excluding the next Interest Payment Date.

(b) Interest shall be computed on the basis of a year of 365 days (or 366 days in the case of a leap year). Subject to Section 2.1(c) in respect of the method for calculating the amount of interest to be paid on the first Interest Payment Date in respect thereof, with respect to any Debentures, whenever interest is computed on the basis of a year (the **"deemed year"**) which contains fewer days than the actual number of days in the calendar year of calculation, such rate of interest shall be expressed as a yearly rate for purposes of the *Interest Act* (Canada) by multiplying such rate of interest by the actual number of days in the calendar year of calculation and dividing it by the number of days in the deemed year.

2.8. Debentures to Rank Pari Passu With One Another and with the February 2012 Debentures

The Debentures will be direct unsecured obligations of the Corporation. Each Debenture issued hereunder shall rank *pari passu* with one another and with the February 2012 Debentures, without discrimination, preference or priority.

2.9. Payments of Amounts Due on Maturity

Except as may otherwise be provided herein, payments of amounts due upon maturity of the Debentures will be made in the following manner. The Corporation will establish a Maturity Account for the

Debentures with the Trustee which shall be maintained by and be subject to the control of the Trustee for the purposes of this Indenture. On or before 11:00 a.m. (Calgary time) on the Business Day immediately prior to the Maturity Date for Debentures outstanding from time to time under this Indenture, the Corporation will deliver to the Trustee a certified cheque or wire transfer for deposit in the Maturity Account in an amount sufficient to pay the cash amount payable in respect of such Debentures (including (i) the principal amount thereof and any applicable premium, together with any accrued and unpaid interest thereon, (ii) the Loan Modification Fee payable pursuant to subsection 6.3(h) and (iii) the amount sufficient to pay the Deferred Interest payable pursuant to subsection 2.1(c)), provided the Corporation may elect to satisfy this requirement by providing the Trustee with a cheque for such amounts required under this Section 2.9 post-dated to the applicable Maturity Date. The Trustee, on behalf of the Corporation, will pay to each holder entitled to receive payment, the principal amount of, and accrued and unpaid interest on, a Debenture, upon surrender of such Debenture at the main branch of the Trustee in Calgary, Alberta and any other branch of the Trustee designated for such purpose from time to time by the Corporation and the Trustee. The delivery of such funds to the Trustee for deposit to the Maturity Account will satisfy and discharge the liability of the Corporation for the Debentures to which the delivery of funds relates to the extent of the amount delivered and such Debentures will thereafter to that extent not be considered as outstanding under this Indenture and such holder will have no other right in regard thereto other than to receive out of the money so delivered or made available the amount to which it is entitled.

Subject to applicable law, any monies set aside under this Section and not claimed by and paid to holders of Debentures as provided in this Section within six years after the date of such setting aside shall be repaid and delivered to the Corporation by the Trustee and thereupon the Trustee shall be released from all further liability with respect to such monies and thereafter the holders of the Debentures in respect of which such monies were so repaid to the Corporation shall have no rights in respect thereof except to obtain payment and delivery of the monies from the Corporation subject to any limitation provided by the laws of the Province of Alberta.

2.10. Payment of Interest

The following provisions shall apply to the Debentures, except as otherwise provided in Section 2.1(c) and Section 4.10 or specified in a resolution of the directors of the Corporation, an Officer's Certificate, as interest becomes due on each Debenture (except, on conversion or on redemption, when interest may at the option of the Corporation be paid upon surrender of such Debenture) the Corporation, either directly or through the Trustee or any agent of the Trustee, shall send or forward by prepaid ordinary mail, electronic transfer of funds or such other means as may be agreed to by the Trustee, payment of such interest to the order of the registered holder of such Debenture appearing on the registers maintained by the Trustee at the close of business on the Record Date immediately preceding the applicable Interest Payment Date and addressed to the holder at the holder's last address appearing on the register, unless such holder otherwise directs. If payment is made by cheque, such cheque shall be forwarded at least three days prior to the date on which interest becomes due (provided the Trustee must be in receipt of the funds referenced in such cheque prior to being obligated to forward such payment), and if payment is made by other means (such as electronic transfer of funds, provided the Trustee must receive confirmation of receipt of funds prior to being able to wire funds to holders), such payment shall be made in a manner whereby the holder receives credit for such payment on the date such interest on such Debenture becomes due. The mailing of such cheque or the making of such payment by other

means shall, to the extent of the sum represented thereby, plus the amount of any tax withheld as aforesaid, satisfy and discharge all liability for interest on such Debenture, unless in the case of payment by cheque, such cheque is not paid at par on presentation. In the event of non-receipt of any cheque for or other payment of interest by the Person to whom it is so sent as aforesaid, the Corporation will issue to such Person a replacement cheque or other payment for a like amount upon being furnished with such evidence of non-receipt as it shall reasonably require and upon being indemnified to its satisfaction. Notwithstanding the foregoing, if the Corporation is prevented by circumstances beyond its control (including, without limitation, any interruption in mail service) from making payment of any interest due on each Debenture in the manner provided above, the Corporation may make payment of such interest or make such interest available for payment in any other manner acceptable to the Trustee with the same effect as though payment had been made in the manner provided above.

ARTICLE 3
REGISTRATION, TRANSFER, EXCHANGE AND OWNERSHIP

3.1. Registered Debentures

(a) The Corporation shall cause to be kept by and at the principal office of the Trustee in Calgary, Alberta and by the Trustee or such other registrar as the Corporation, with the approval of the Trustee, may appoint at such other place or places, if any, as the Corporation may designate with the approval of the Trustee, a register in which shall be entered the names and addresses of the holders of Debentures and particulars of the Debentures held by them respectively and of all transfers of Debentures. Such registration shall be noted on the Debentures by the Trustee or other registrar unless a new Debenture shall be issued upon such transfer.

(b) No transfer of a Debenture shall be valid unless made on such register referred to in Section 3.1(a) by the Trustee or such other registrar upon surrender of such Debenture by the registered holder or such holder's executors, administrators or other legal representatives or an attorney duly appointed by an instrument in writing in a form and executed in a manner satisfactory to the Trustee or such other registrar together with a duly executed form of transfer acceptable to the Trustee or such other registrar and upon compliance with such other reasonable requirements as the Trustee or other registrar may prescribe, and unless the name of the transferee shall have been noted on such Debenture by the Trustee or such other registrar or such Debenture shall have been cancelled and a new Debenture shall have been issued in replacement thereof.

3.2. United States Transfers

Debentures shall not be transferred to, or for the account or benefit of, U.S. Persons or persons within the United States, except (A) to the Corporation, (B) outside the United States in accordance with Rule 904 of Regulation S and in compliance with applicable local laws and regulations, or (C) within the United States in accordance with the exemption from registration under the 1933 Act provided by Rules 144 or 144A thereunder (provided that the Corporation may require an opinion of counsel of recognized standing in a form satisfactory to the Corporation prior to such offer, sale or transfer), if available, and in compliance with any applicable state securities laws; and in respect of any transfer under this Section

3.2, except a transfer to the Corporation under (A), the Corporation shall have authorized the Trustee to proceed with such transfer.

3.3. Australian Transfers

Notwithstanding any other section of this Indenture, the Debentures may not be transferred to persons in Australia other than to Professional Investors or Sophisticated Investors (as such terms are defined in the Australian Corporations Act).

Notwithstanding any other section of this Indenture, the Common Shares to be issued on redemption, maturity, conversion or as satisfaction of the Interest Obligation in relation to the Debentures may not be issued to persons in Australia other than to Sophisticated or Professional Investors, and the Common Shares issued pursuant to the terms of the Debentures (in whatever context) may not be transferred to persons in Australia other than to Sophisticated or Professional Investors before the date that is 12 months following their respective dates of issue unless the Corporation provides ASX Limited with a cleansing notice pursuant to section 708A of the Australian Corporations Act within five days of the issue of such Common Shares. The Corporation will, subject to its obligations under Applicable Securities Laws, use its best endeavors to issue the aforementioned cleansing notice.

3.4. Transferee Entitled to Registration

The transferee of a Debenture shall be entitled, after the appropriate form of transfer is lodged with the Trustee or other registrar and upon compliance with all other conditions in that behalf required by this Indenture or by law, to be entered on the register as the owner of such Debenture free from all equities or rights of set-off or counterclaim between the Corporation and the transferor or any previous holder of such Debenture, save in respect of equities of which the Corporation is required to take notice by statute or by order of a court of competent jurisdiction. Notwithstanding the foregoing, the Corporation will be entitled, and may direct the Trustee, to refuse to recognize any transfer, or enter the name of any transferee, of any Debenture on the registers referred to in this Article 3 hereof, if such transfer would constitute a violation of the securities laws of any jurisdiction or the rules, regulations or policies of any regulatory authority having jurisdiction, provided, however in the absence of notice by the Corporation of any such violation, the Trustee may rely, without liability, upon any confirmation of compliance with all applicable securities laws and requirements or regulatory requirements delivered pursuant to this Article 3.

3.5. No Notice of Trusts

Neither the Corporation nor the Trustee nor any registrar shall be bound to take notice of or see to the execution of any trust (other than that created by this Indenture) whether express, implied or constructive, in respect of any Debenture, and may transfer the same on the direction of the Person registered as the holder thereof, whether named as trustee or otherwise, as though that Person were the beneficial owner thereof.

3.6. Registers Open for Inspection

The registers referred to in Section 3.1 shall at all reasonable times be open for inspection by the Corporation, the Trustee or any Debentureholder. Every registrar, including the Trustee, shall from time

to time when requested so to do by the Corporation or by the Trustee, in writing, furnish the Corporation or the Trustee, as the case may be, with a list of names and addresses of holders of registered Debentures entered on the register kept by them and showing the principal amount and serial numbers of the Debentures held by each such holder, provided the Trustee shall be entitled to charge a reasonable fee to provide such a list.

3.7. Exchanges of Debentures

(a) Subject to Section 3.8, Debentures in any authorized form or denomination may be exchanged for Debentures in any other authorized form or denomination, of the same date of maturity, bearing the same interest rate and of the same aggregate principal amount as the Debentures so exchanged. Any Debentures received on such exchange will be considered to represent the same indebtedness of the Corporation as represented by the exchanged Debentures and shall not be considered to be the issuance of new debt by the Corporation.

(b) In respect of exchanges of Debentures permitted by Section 3.7(a), Debentures may be exchanged only at the principal office of the Trustee in Calgary, Alberta or at such other place or places, if any, as may from time to time be designated by the Corporation with the approval of the Trustee. Any Debentures tendered for exchange shall be surrendered to the Trustee. The Corporation shall execute and the Trustee shall certify all Debentures necessary to carry out exchanges as aforesaid. All Debentures surrendered for exchange shall be cancelled.

(c) Debentures issued in exchange for Debentures which at the time of such issue have been selected or called for redemption at a later date shall be deemed to have been selected or called for redemption in the same manner and shall have noted thereon a statement to that effect.

3.8. Closing of Registers

(a) Neither the Corporation nor the Trustee nor any registrar shall be required to:

(i) make transfers or exchanges of, or convert any Debentures on any Interest Payment Date for such Debentures or during the five preceding Business Days;

(ii) make transfers or exchanges of, or convert any Debentures on the day of any selection by the Trustee of Debentures to be redeemed or during the five preceding Business Days; or

(iii) make exchanges of any Debentures which have been selected or called for redemption unless upon due presentation thereof for redemption such Debentures shall not be redeemed.

(b) Subject to any restriction herein provided, the Corporation with the approval of the Trustee may at any time close the register of Debentures, other than those kept at the principal office of the Trustee in Calgary, Alberta, and transfer the registration of any

Debentures registered thereon to another register (which may be an existing register) and thereafter such Debentures shall be deemed to be registered on such other register. Notice of such transfer shall be given to the holders of such Debentures.

3.9. Charges for Registration, Transfer and Exchange

For each Debenture exchanged, registered, transferred or discharged from registration, the Trustee or other registrar, except as otherwise herein provided, may make a reasonable charge for its services and in addition may charge a reasonable sum for each new Debenture issued (such amounts to be agreed upon from time to time by the Trustee and the Corporation), and payment of such charges and reimbursement of the Trustee or other registrar for any stamp taxes or governmental or other charges required to be paid shall be made by the party requesting such exchange, registration, transfer or discharge from registration as a condition precedent thereto. Notwithstanding the foregoing provisions, no charge shall be made to a Debentureholder hereunder:

(a) for any exchange, registration, transfer or discharge from registration of any Debenture applied for within a period of two months from the date of the first delivery of Debentures;

(b) for any exchange of any interim or temporary Debenture or interim certificate that has been issued under Section 2.5 for a definitive Debenture; or

(c) for any exchange of any Debenture resulting from a partial redemption under Section 4.2.

3.10. Ownership of Debentures

(a) Unless otherwise required by law, the Person in whose name any registered Debenture is registered shall for all the purposes of this Indenture be and be deemed to be the owner thereof and payment of or on account of the principal of and premium, if any, on such Debenture and interest thereon shall be made to such registered holder.

(b) The registered holder for the time being of any registered Debenture shall be entitled to the principal, premium (if any) and interest evidenced by such instrument free from all equities or rights of set-off or counterclaim between the Corporation and the original or any intermediate holder thereof and all Persons may act accordingly and the receipt of any such registered holder for any such principal, premium or interest shall be a good discharge to the Trustee, to any registrar and to the Corporation for the same and none shall be bound to inquire into the title of any such registered holder.

(c) Where Debentures are registered in more than one name, the principal, premium (if any) and interest from time to time payable in respect thereof may be paid to the order of all such holders, failing written instructions from them to the contrary, and the receipt of any one of such holders therefor shall be a valid discharge to the Trustee, to any registrar and to the Corporation.

(d) In the case of the death of one or more joint holders of any Debenture the principal, premium (if any) and interest from time to time payable thereon may be paid to the order

of the survivor or survivors of such registered holders and the receipt of any such survivor or survivors therefor shall be a valid discharge to the Trustee, to any registrar and to the Corporation.

ARTICLE 4
REDEMPTION AND PURCHASE OF DEBENTURES

4.1. Applicability of Article

Subject to regulatory approval and Section 2.1, the Corporation shall have the right at its option to redeem, either in whole at any time or in part from time to time before maturity, by payment of money, any Debentures issued hereunder which by their terms are made so redeemable (subject to applicable restrictions on each such redemption) at such rate or rates of premium, if any, and on such date or dates and in accordance with such other provisions as shall have been determined at the time of issue of such Debentures and as shall have been expressed in this Indenture or such Debentures.

At the option of the holder, subject to regulatory approval, the Corporation shall have the obligation to repay, on maturity, in lieu of payment of money in accordance with Section 2.9, by issuance of Freely Tradeable Common Shares as provided in Section 4.9, any Debentures issued hereunder which by their terms are made so repayable on maturity (subject to applicable restrictions on the repayment thereof) at such rate or rates of premium, if any, and on such date or dates and in accordance with such other provisions as shall have been determined at the time of issue of such Debentures and shall have been expressed in this Indenture or such Debentures.

The Debentures will not be redeemable at the option or election of the Corporation prior to the Maturity Date except as provided in Section 2.1(d) and Article 10.

4.2. Partial Redemption

If less than all the Debentures for the time being outstanding are at any time to be redeemed, the Debentures to be so redeemed shall be selected by the Trustee on a pro rata basis to the nearest multiple of $10,000 per Debenture and $5,000 multiples thereafter in accordance with the principal amount of the Debentures registered in the name of each holder or in such other manner as the Trustee deems equitable, subject to the approval of each Applicable Stock Exchange or such other exchange on which the Debentures are then listed, as may be required from time to time. No Debenture shall be redeemed in part unless the principal amount redeemed is $10,000 or $5,000 multiples thereafter. For this purpose, the Trustee may make, and from time to time vary, regulations with respect to the manner in which such Debentures may be drawn for redemption and regulations so made shall be valid and binding upon all holders of such Debentures notwithstanding that as a result thereof one or more of such Debentures may become subject to redemption in part only. In the event that one or more of such Debentures becomes subject to redemption in part only, upon surrender of any such Debentures for payment of the Redemption Price, together with interest to but excluding the Redemption Date, the Corporation shall execute and the Trustee shall certify and deliver without charge to the holder thereof or upon the holder's order one or more new Debentures for the unredeemed part of the principal amount of the Debenture or Debentures so surrendered. Unless the context otherwise requires, the terms "Debenture" or "Debentures" as used in this Article 4 shall be deemed to mean or include any part of the principal

amount of any Debenture which in accordance with the foregoing provisions has become subject to redemption.

4.3. Notice of Redemption

Notice of redemption (the **"Redemption Notice"**) of Debentures shall be given to the holders of the Debentures so to be redeemed:

(a) in the case of a Redemption Notice provided pursuant to Section 2.1(c)(i), not more than 60 days nor less than 30 days prior to the date fixed for redemption in the manner provided in Section 12.2; or

(b) in the case of a Redemption Notice provided pursuant to Section 2.1(c)(ii), not more than 90 days nor less than 60 days prior to the date fixed for redemption in the manner provided in Section 12.2.

In each of the aforesaid cases, the date fixed for redemption in the Redemption Notice is referred to herein as the "**Redemption Date**". Every Redemption Notice shall specify the aggregate principal amount of Debentures called for redemption, the Redemption Date, the Redemption Price and the places of payment and shall state that interest upon the principal amount of Debentures called for redemption shall cease to be payable from and after the Redemption Date. In addition, unless all the outstanding Debentures are to be redeemed, the Redemption Notice shall specify:

(a) the distinguishing letters and numbers of the registered Debentures which are to be redeemed (or of such thereof as are registered in the name of such Debentureholder);

(b) in the case of a published notice, the distinguishing letters and numbers of the Debentures which are to be redeemed or, if such Debentures are selected by terminal digit or other similar system, such particulars as may be sufficient to identify the Debentures so selected; and

(c) in all cases, the principal amounts of such Debentures or, if any such Debenture is to be redeemed in part only, the principal amount of such part.

In the event that all Debentures to be redeemed are registered Debentures, publication shall not be required.

4.4. Debentures Due on Redemption Dates

Notice having been given as aforesaid, all the Debentures so called for redemption shall thereupon be and become due and payable at the Redemption Price, together with interest to but excluding the Redemption Date, on the Redemption Date specified in such notice, in the same manner and with the same effect as if it were the date of maturity specified in such Debentures, anything therein or herein to the contrary notwithstanding, and from and after such Redemption Date, if the monies necessary to redeem, or the Common Shares to be issued to redeem, such Debentures shall have been deposited as provided in Section 4.5 and affidavits or other proof satisfactory to the Trustee as to the publication and/or mailing of such notices shall have been lodged with it, interest upon the Debentures shall cease. If any question shall arise as to whether any notice has been given as above provided and such deposit

made, such question shall be decided by the Trustee whose decision shall be final and binding upon all parties in interest.

4.5. Deposit of Redemption Monies or Common Shares

Redemption of Debentures shall be provided for by the Corporation depositing with the Trustee or any paying agent to the order of the Trustee, on or before 11:00 a.m. (Calgary time) on the Business Day immediately prior to the Redemption Date specified in such notice, such sums of money and/or certificates for Common Shares, as applicable, as may be sufficient to pay the Redemption Price of the Debentures so called for redemption plus accrued and unpaid interest thereon up to but excluding the Redemption Date, provided the Corporation may elect to satisfy this requirement by providing the Trustee with a certified cheque or wire transfer for such amounts required under this Section 4.5 post-dated to the Redemption Date. The Corporation shall also deposit with the Trustee a sum of money sufficient to pay any charges or expenses which may be incurred by the Trustee in connection with such redemption. Every such deposit shall be irrevocable. From the sums so deposited, the Trustee shall pay or cause to be paid to the holders of such Debentures so called for redemption, upon surrender of such Debentures, the principal, premium (if any) and interest (if any) to which they are entitled on redemption.

4.6. Failure to Surrender Debentures Called for Redemption

In case the holder of any Debenture so called for redemption shall fail on or before the Redemption Date to so surrender such holder's Debenture, or shall not within such time accept payment of the redemption monies payable, or give such receipt therefor, if any, as the Trustee may require, such monies may be set aside in trust, without interest, either in the deposit department of the Trustee or in a chartered bank, and such setting aside shall for all purposes be deemed a payment to the Debentureholder of the sum so set aside and, to that extent, the Debenture shall thereafter not be considered as outstanding hereunder and the Debentureholder shall have no other right except to receive payment out of the monies so paid and deposited upon surrender and delivery of such holder's Debenture of the Redemption Price, of such Debenture, plus any accrued but unpaid interest thereon to but excluding the Redemption Date. In the event that any money required to be deposited hereunder with the Trustee or any depository or paying agent on account of principal, premium, if any, or interest, if any, on Debentures issued hereunder shall remain so deposited for a period of six years less one day from the Redemption Date, then such monies, together with any accumulated interest thereon, shall at the end of such period be paid over or delivered over by the Trustee or such depository or paying agent to the Corporation, and thereupon the Trustee shall not be responsible to Debentureholders for any amounts owing to them and, subject to applicable law, thereafter the holder of a Debenture in respect of which such money was so repaid to the Corporation shall have no rights in respect thereof except to obtain payment of the money due from the Corporation, subject to any limitation period provided by the laws of Alberta. The Corporation shall reimburse the Trustee for any amounts required to be paid by the Trustee to a holder of a Debenture pursuant to the redemption after the date of such payment of the remaining funds to the Corporation but prior to six years less one day after the redemption.

4.7. Cancellation of Debentures Redeemed

Subject to the provisions of Sections 4.2 and 4.8 as to Debentures redeemed or purchased in part, all Debentures redeemed and paid under this Article 4 shall forthwith be delivered to the Trustee and cancelled and no Debentures shall be issued in substitution for those redeemed.

4.8. Purchase of Debentures by the Corporation

Unless otherwise specifically provided, the Corporation may, if it is not at the time in default hereunder, at any time and from time to time, purchase Debentures in the open market (which shall include purchases from or through an investment dealer or a firm holding membership on a recognized stock exchange) or by tender at any price or by contract. All Debentures so purchased will be delivered to the Trustee and shall be cancelled and no Debentures shall be issued in substitution therefor.

If, upon an invitation for tenders, more Debentures are tendered at the same lowest price than the Corporation is prepared to accept, the Debentures to be purchased by the Corporation shall be selected by the Trustee on a *pro rata* basis or in such other manner consented to by each Applicable Stock Exchange and such other exchanges on which the Debentures are then listed which the Trustee considers appropriate, from the Debentures tendered by each tendering Debentureholder who tendered at such lowest price. For this purpose the Trustee may make, and from time to time amend, regulations with respect to the manner in which Debentures may be so selected, and regulations so made shall be valid and binding upon all Debentureholders, notwithstanding the fact that as a result thereof one or more of such Debentures become subject to purchase in part only. The holder of a Debenture of which a part only is purchased, upon surrender of such Debenture for payment, shall be entitled to receive, without expense to such holder, one or more new Debentures for the unpurchased part so surrendered, and the Trustee shall certify and deliver such new Debenture or Debentures upon receipt of the Debenture so surrendered.

4.9. Repayment of Principal Amount and Accrued Interest in Common Shares

(a) Subject to the receipt of any required regulatory or shareholder approvals, the other provisions of this Section 4.9 and Applicable Securities Legislation, a Debentureholder may, at its option, require the Corporation to satisfy its obligation to repay the principal amount of all or any portion of the principal amount of such holder's Debentures (together with all accrued and unpaid interest thereon) by issuing and delivering to such holder on the Maturity Date of such holder's Debentures that number of Freely Tradeable Common Shares obtained by dividing the principal amount of the Debentures (or applicable portion thereof to be satisfied by the issuance and delivery of Freely Tradeable Common Shares) together with all accrued and unpaid interest thereon by 95% of the then Current Market Price of the Common Shares on the TSX-V (which will be calculated based on the 20 consecutive trading days ending five trading days before the Maturity Date) (the "**Common Share Repayment Right**").

(b) A holder may exercise the Common Share Repayment Right by so specifying in the Common Share Repayment Notice, which shall be delivered to the Trustee and the Corporation not more than 60 days and not less than 40 days prior to the Maturity Date, and which shall also specify the aggregate principal amount of Debentures, in multiples

of $5,000, in respect of which it is exercising the Common Share Repayment Right on the Maturity Date.

(c) A Debentureholder's right to receive Common Shares pursuant to the Common Share Repayment Right shall be conditional upon the following conditions being met on the Business Day preceding the Maturity Date, which conditions the Corporation agrees to use its best efforts to satisfy:

(i) the issuance of the Freely Tradeable Common Shares on the exercise of the Common Share Repayment Right shall be made in accordance with Applicable Securities Legislation and such Common Shares shall be issued as Freely Tradeable Common Shares;

(ii) the additional Freely Tradeable Common Shares shall be listed on the TSX-V and each other Applicable Stock Exchange upon which the Common Shares are then listed and posted for trading and, unless the holder notifies the Corporation otherwise (by email correspondence to Chris Bowyer, the Corporation's Chief Financial Officer and Corporate Secretary at chrisb@solimarenergy.com.au), where a holder is domiciled in:

A. either Australia or New Zealand, the additional Freely Tradeable Common Shares shall be registered in the issuer sponsored register in Australia; and

B. any other jurisdiction, the additional Freely Tradeable Common Shares shall be registered in the Canadian register.

(iii) the Corporation shall be a reporting issuer in good standing under Applicable Securities Legislation where the distribution of such Freely Tradeable Common Shares occurs;

(iv) no Event of Default shall have occurred and be continuing;

(v) the Trustee shall have received an Officer's Certificate stating that conditions (i), (ii), (iii) and (iv) above have been satisfied and setting forth the number of Common Shares to be delivered for each $5,000 principal amount of Debentures and the Current Market Price of the Common Shares on the Maturity Date; and

(vi) the Trustee shall have received an opinion of Counsel to the effect that such Common Shares have been duly authorized and, when issued and delivered pursuant to the terms of this Indenture in payment of the principal amount of the Debentures outstanding, will be validly issued as fully paid and non-assessable, that conditions (i) and (ii) above have been satisfied and that, relying exclusively on reporting issuer lists published or Australian Securities and Investments Commission corporate search results, as applicable, issued by the relevant securities authorities, condition (iii) above is satisfied. In the case of an opinion from Australian counsel which is required under this paragraph 4.6(c)(vi), such opinion will not: (a) opine on whether the issued Common Shares are or are not

non-assessable; (b) opine on whether the Common Shares are Freely Tradeable; (c) rely on certificates of good standing issued by relevant securities authorities; (d) opine on whether the Corporation shall be a reporting issuer in good standing under Applicable Securities Legislation where the distribution of such Freely Tradeable Common Shares occurs; and (e) the opinion will not make any reference to certificates which are or are not issued by a province.

If the foregoing conditions are not satisfied prior to the close of business on the Business Day preceding the Maturity Date, the Corporation shall pay the principal amount of the Debentures outstanding entirely in cash in accordance with Section 2.9, unless the Debentureholder waives the conditions which are not satisfied, to the extent applicable.

(d) In the event that a holder duly exercises its Common Share Repayment Right, upon presentation and surrender of the Debentures for payment on the Maturity Date, at any place where a register is maintained pursuant to Article 3 or any other place specified in the Common Share Repayment Notice, the Corporation shall on or before 11:00 a.m. (Calgary time) on the Business Day immediately prior to the Maturity Date make the delivery to the Trustee for delivery to and on account of such holder, of certificates representing the Freely Tradeable Common Shares to which such holder is entitled. The Corporation shall also deposit with the Trustee a sum of money sufficient to pay any charges or expenses which may be incurred by the Trustee in connection with the Common Share Repayment Right. Every such deposit shall be irrevocable. From the certificates so deposited in addition to amounts payable by the Trustee pursuant to Section 2.9, the Trustee shall pay or cause to be paid, to the holders of such Debentures, upon surrender of such Debentures, the principal amount of and premium (if any) on the Debentures to which they are respectively entitled on maturity and deliver to such holders the certificates to which such holders are entitled. The delivery of such certificates to the Trustee will satisfy and discharge the liability of the Corporation for the Debentures to which the delivery of certificates relates to the extent of the amount delivered (plus the amount of any certificates sold to pay applicable taxes in accordance with this Section 4.9) and such Debentures will thereafter to that extent not be considered as outstanding under this Indenture and such holder will have no other right in regard thereto other than to receive out of the certificates so delivered, the certificate(s) to which it is entitled.

(e) No fractional Freely Tradeable Common Shares shall be delivered upon the exercise of the Common Share Repayment Right but, in lieu thereof, the Corporation shall pay to the Trustee for the account of the holders, at the time contemplated in Section 4.9(d), the cash equivalent thereof determined on the basis of the Current Market Price of the Common Shares on the Maturity Date.

(f) A holder shall be treated as the shareholder of record of the Freely Tradeable Common Shares issued to such holder on due exercise by such holder of its Common Share Repayment Right effective immediately after the close of business on the Maturity Date, and shall be entitled to all substitutions therefor, all income earned thereon or accretions thereto and all dividends or distributions (including distributions and dividends in kind)

thereon and arising thereafter, and in the event that the Trustee receives the same, it shall hold the same in trust for the benefit of such holder.

(g) The Corporation shall at all times keep available out of its authorized Common Shares (if the number thereof is or becomes limited), solely for the purpose of issue and delivery thereof to Debentureholders upon the exercise of their Common Share Repayment Right as provided herein, and shall issue to Debentureholders to whom Freely Tradeable Common Shares are to be issued pursuant to exercise of the Common Share Repayment Right, such number of Freely Tradeable Common Shares as shall be issuable in such event. All Freely Tradeable Common Shares which shall be so issuable shall be duly and validly issued as fully paid and non-assessable.

(h) The Corporation shall comply with all Applicable Securities Legislation regulating the issue and delivery of Freely Tradeable Common Shares upon exercise of the Common Share Repayment Right and shall cause to be listed and posted for trading such Freely Tradeable Common Shares on each stock exchange on which the Common Shares are then listed.

(i) The Corporation shall from time to time promptly pay, or make provision satisfactory to the Trustee for the payment of, all taxes and charges which may be imposed by the laws of any applicable governmental authority (including any withholding tax but excluding income tax or security transfer tax, if any) which shall be payable with respect to the issuance or delivery of Freely Tradeable Common Shares to holders upon exercise of the Common Share Repayment Right pursuant to the terms of the Debentures and of this Indenture.

(j) If a holder exercises its Common Share Repayment Right in accordance with this Section 4.9 and if the amount (or any portion thereof) to which such holder is entitled is subject to withholding taxes, the Corporation shall pay such Additional Amounts as required by Section 6.9 in cash sufficient to satisfy such withholding taxes and the Trustee shall remit same on behalf of the Corporation to the proper tax authorities within the period of time prescribed for this purpose under applicable laws.

(k) Each certificate representing Freely Tradeable Common Shares issued in payment of the Debentures bearing the U.S. Legend, as well as all certificates issued in exchange for or in substitution of the foregoing securities, shall bear the U.S. Legend; provided that if the Freely Tradeable Common Shares are being sold in compliance with the requirements of Rule 904 of Regulation S, and provided that the Corporation is a "foreign issuer" within the meaning of Regulation S at the time of sale, the U.S. Legend may be removed by providing a declaration to the Trustee, as registrar and transfer agent for the Common Shares, substantially as set forth in Schedule E hereto (or as the Corporation or the Trustee may prescribe from time to time), together with any other evidence reasonably requested by the Corporation or Trustee, which evidence may include an opinion of counsel of recognized standing, in form and substance reasonably satisfactory to the Corporation or the Trustee, to the effect that the U.S. Legend is no longer required pursuant to the requirements of the 1933 Act or applicable state securities laws; and

provided further that, if any such securities are being sold within the United States in accordance with Rule 144 under the 1933 Act, the U.S. Legend may be removed by delivery to the Trustee, as registrar and transfer agent for the Common Shares, of an opinion of counsel, of recognized standing, that the U.S. Legend is no longer required under applicable requirements of the 1933 Act or applicable state securities laws. Provided that the Trustee obtains confirmation from the Corporation that such counsel is satisfactory to it, it shall be entitled to rely on such opinion of counsel without further inquiry.

4.10. Right to Pay Interest in Common Shares

(a) Subject to the other provisions of this Section 4.10 and receipt of any required regulatory or shareholder approvals, the Corporation may, at its option, in exchange for or in lieu of paying in money any Interest that becomes due on the Debentures, elect to so satisfy its obligation to pay all or any portion of such Interest by issuing and delivering to holders on the Interest Payment Date that number of Freely Tradeable Common Shares obtained by dividing the amount of Interest due and payable by 90% of the VWAP of the Common Shares, for the 10 consecutive trading days ending on the day prior to the deadline for delivery of the Share Interest Payment Notice (the "**Share Interest Payment Right**") or, subject to Debentureholder approval, such higher price as any regulatory body shall require. The Trustee shall have no obligation to calculate or verify the Share Interest Payment Right.

(b) The Corporation shall exercise the Share Interest Payment Right by so specifying in the share interest payment notice to holders of the Debentures substantially in the form of Schedule F attached hereto (the "**Share Interest Payment Notice**") which shall be delivered to the Trustee and the holders of Debentures not later than March 20, June 20, September 20 or December 20, as applicable, in any year during which Debentures remain issued and outstanding.

(c) The Corporation's right to exercise the Share Interest Payment Right shall be conditional upon the following conditions being met on the Business Day preceding the relevant Interest Payment Date:

(i) the issuance of the Common Shares on the exercise of the Share Interest Payment Right shall be made in accordance with Applicable Securities Legislation and the policies of each Applicable Stock Exchange (and such other exchange as the Common Shares may be listed for trading from time to time) and such Common Shares shall be issued as Freely Tradeable Common Shares;

(ii) such Freely Tradeable Common Shares shall be listed on the TSX-V and each other Applicable Stock Exchange upon which the Common Shares are then listed and posted for trading;

(iii) the Corporation shall be a reporting issuer in good standing under Applicable Securities Legislation where the distribution of such Freely Tradeable Common Shares occurs;

(iv) no Event of Default shall have occurred and be continuing;

(v) the Trustee shall have received an Officer's Certificate stating that the conditions in paragraph (i), (ii), (iii) and (iv) above have been satisfied and setting forth the number of Common Shares to be delivered in payment of the Interest due on each $5,000 of principal amount of Debentures (including the amount of Interest due on each $5,000 of principal amount of Debentures) and the conversion price as calculated in subsection 4.10(a) above; and

(vi) the Trustee shall have received an opinion of Counsel to the effect that such Common Shares have been duly authorized and, when issued and delivered pursuant to the terms of this Indenture in payment of the Interest due on the Debentures, will be validly issued as fully paid and non-assessable, that conditions (i) and (ii) above have been satisfied and that, relying exclusively on reporting issuer lists published or Australian Securities and Investments Commission corporate search results, as applicable, issued by the relevant securities authorities, condition (iii) above is satisfied. In the case of an opinion from Australian counsel which is required under this paragraph 4.6(c)(vi), such opinion will not: (a) opine on whether the issued Common Shares are or are not non-assessable; (b) opine on whether the Common Shares are freely tradeable; (c) rely on reporting issuer lists published by relevant securities authorities; (d) opine on whether the Corporation shall be a reporting issuer in good standing under Applicable Securities Legislation where the distribution of such Freely Tradeable Common Shares occurs; and (e) the opinion will not make any reference to reporting issuer lists which are or are not issued by a province.

If the foregoing conditions are not satisfied prior to 5:00 p.m. (Calgary time) on the Business Day immediately preceding the applicable Interest Payment Date, the Corporation shall pay such Interest in cash in accordance with Section 2.10, unless the Debentureholders waive the conditions which are not satisfied. When the Corporation determines the actual number of Common Shares to be issued pursuant to any exercise of its Share Interest Repayment Right, it will issue a press release on a national newswire disclosing the volume weighted average price per share used in calculating the number of Common Shares issuable pursuant to the Share Interest Repayment Right.

(d) In the event that the Corporation duly exercises its Share Interest Payment Right, the Corporation shall on or before 11:00 a.m. (Calgary time) at least two days prior to the applicable Interest Payment Date, deliver or cause to be delivered to the Trustee, for delivery to and on account of the Debentureholders, the Common Shares to which such Debentureholders are entitled. The Corporation shall also deposit with the Trustee a sum of money sufficient to pay any charges or expenses which may be incurred by the Trustee in connection with the Share Interest Repayment Right. From the certificates so deposited

in addition to any amounts payable by the Trustee pursuant to Section 2.10, the Trustee shall pay or cause to be paid, to the holders of such Debentures the Interest on the Debentures to which they are respectively entitled on the applicable Interest Payment Date and deliver to such holders the certificates to which such holders are entitled. The delivery of such certificates to the Trustee will satisfy and discharge the liability of the Corporation for the Interest on the Debentures to which the delivery of certificates relates to the extent of the amount delivered (plus the amount of any applicable taxes in accordance with this Section 4.10).

(e) A holder shall be treated as the shareholder of record of the Common Shares issued to such holder on due exercise by the Corporation of its Share Interest Payment Right effective immediately after the close of business on the applicable Interest Payment Date, and shall be entitled to all substitutions therefor, all income earned thereon or accretions thereto and all dividends or distributions (including share distributions and dividends or distributions in kind) thereon and arising thereafter, and in the event that the Trustee receives the same, it shall hold the same in trust for the benefit of such holder.

(f) The Corporation shall at all times keep available out of its authorized Common Shares (if the number thereof is or becomes limited), solely for the purpose of issue and delivery to Debentureholders upon the exercise of the Share Interest Payment Right as provided herein, and shall issue to Debentureholders to whom Common Shares are to be issued pursuant to exercise of the Share Interest Payment Right, such number of Common Shares as shall be issuable in such event. All Common Shares issued upon exercise of the Share Interest Payment Right shall be duly and validly issued as fully paid and non-assessable Common Shares.

(g) The Corporation shall comply with all Applicable Securities Legislation regulating the issue and delivery of Common Shares upon exercise of the Share Interest Payment Right and shall use its best efforts to cause such Common Shares to be listed and posted for trading on each stock exchange on which the Common Shares are then listed upon the issuance thereof.

(h) Unless the Holder notifies the Corporation otherwise (by email correspondence to Chris Bowyer, the Corporation's Chief Financial Officer and Corporate Secretary at chrisb@solimarenergy.com.au), where a Holder is domiciled in:

(i) either Australia or New Zealand, the Common Shares issued pursuant to the Share Interest Payment Right shall be registered in the issuer sponsored register in Australia; and

(ii) any other jurisdiction, the Common Shares issued pursuant to the Share Interest Payment Right shall be registered in the Canadian register.

ARTICLE 5
CONVERSION OF DEBENTURES

5.1. Applicability of Article

Any Debentures issued hereunder will be convertible into Freely Tradeable Common Shares or, if applicable, other securities of the Corporation, at such conversion rate or rates, and on such date or dates and in accordance with such other provisions as shall have been expressed in this Indenture. Such right of conversion shall extend only to the maximum number of whole Common Shares or other securities of the Corporation into which the aggregate principal amount of the Debenture or Debentures surrendered for conversion at any one time by the holder thereof may be converted. Fractional interests in Common Shares or other securities of the Corporation shall be adjusted for in the manner provided in Section 5.7.

5.2. U.S. Legend on Shares

Each certificate representing Common Shares issued upon conversion of Debentures pursuant to this Article 5 bearing the U.S. Legend, as well as all certificates issued in exchange for or in substitution of the foregoing securities, shall bear the U.S. Legend; *provided*, that if the Common Shares are being sold in compliance with Rule 904 of Regulation S under the 1933 Act, the U.S. Legend may be removed by providing a duly completed and signed declaration to the Trustee for the Common Shares to be sold substantially as set forth in Schedule E hereto (or as the Corporation may prescribe from time to time), together with any other evidence reasonably requested by the Corporation or Trustee, which evidence may include an opinion of counsel of recognized standing, in form and substance reasonably satisfactory to the Corporation, to the effect that such U.S. Legend is no longer required pursuant to the requirements of the 1933 Act or applicable state securities laws. Provided that the Trustee obtains confirmation from the Corporation that such counsel is satisfactory to it, the Trustee shall be entitled to rely on such opinion of counsel without further inquiry.

5.3. Notice of Expiry of Conversion Privilege

Notice of the expiry of the conversion privileges of the Debentures shall be given by or on behalf of the Corporation, not more than 60 days and not less than 40 days prior to the date fixed for the Time of Expiry, in the manner provided in Section 12.2.

5.4. Revival of Right to Convert

If the redemption of any Debenture called for redemption by the Corporation is not made or the payment of the purchase price of any Debenture which has been tendered in acceptance of an offer by the Corporation to purchase Debentures for cancellation is not made, in the case of a redemption upon due surrender of such Debenture or in the case of a purchase on the date on which such purchase is required to be made, as the case may be, then, provided the Time of Expiry has not passed, the right to convert such Debentures shall revive and continue as if such Debenture had not been called for redemption or tendered in acceptance of the Corporation's offer, respectively.

5.5. Manner of Exercise of Right to Convert

(a) The holder of a Debenture desiring to convert such Debenture in whole or in part into Common Shares shall surrender such Debenture to the Trustee at its principal office in the City of Calgary, Alberta together with the Conversion Notice attached hereto as Schedule D or any other written notice in a form satisfactory to the Trustee, in either case duly executed by the holder or his executors or administrators or other legal representatives or his or their attorney duly appointed by an instrument in writing in form and executed in a manner satisfactory to the Trustee, exercising his right to convert such Debenture in accordance with the provisions of this Article. Thereupon such Debentureholder or, subject to payment of all applicable stamp or security transfer taxes or other governmental charges and compliance with all reasonable requirements of the Trustee, his nominee(s) or assignee(s) shall be entitled to be entered in the books of the Corporation as at the Date of Conversion (or such later date as is specified in Section 5.5(b)) as the holder of the number of Common Shares into which such Debenture is convertible in accordance with the provisions of this Article and, as soon as practicable thereafter, the Corporation shall deliver to such Debentureholder or, subject as aforesaid, his nominee(s) or assignee(s), a certificate or certificates for such Common Shares and make or cause to be made any payment of Interest to which such holder is entitled in accordance with Section 5.5(e) hereof.

(b) For the purposes of this Article, a Debenture shall be deemed to be surrendered for conversion on the date (herein called the "**Date of Conversion**") on which it is so surrendered when the register of the Trustee is open and in accordance with the provisions of this Article and, in the case of a Debenture so surrendered by post or other means of transmission, on the date on which it is received by the Trustee at its office specified in Section 5.5(a); provided that if a Debenture is surrendered for conversion on a day on which the register of Common Shares is closed, the Person or Persons entitled to receive Common Shares shall become the holder or holders of record of such Common Shares as at the date on which such register is next reopened.

(c) Only $5,000, or an integral multiple thereof, of the principal of a Debenture, provided that the principal amount of a Debenture is in a denomination in excess of $5,000, may be converted as provided in this Article and all references in this Indenture to conversion of Debentures shall be deemed to include conversion of such part.

(d) The holder of any Debenture of which only a part is converted shall, upon the exercise of his right of conversion, surrender such Debenture to the Trustee in accordance with Section 5.5(a), and the Trustee shall cancel the same and shall without charge forthwith certify and deliver to the holder a new Debenture or Debentures in an aggregate principal amount equal to the unconverted part of the principal amount of the Debenture so surrendered.

(e) The holder of a Debenture surrendered for conversion in accordance with this Section 5.5 shall be entitled (subject to any applicable restriction on the right to receive Interest on conversion of Debentures) to receive accrued and unpaid Interest in respect thereof, in

cash, up to but excluding the Date of Conversion, and the Common Shares issued upon such conversion shall rank only in respect of dividends declared in favour of shareholders of record on and after the Date of Conversion or such later date as such holder shall become the holder of record of such Common Shares pursuant to Section 5.5(b), from which applicable date they will for all purposes be and be deemed to be issued and outstanding as fully paid and non-assessable Common Shares.

(f) Unless the Holder notifies the Corporation otherwise (by email correspondence to Chris Bowyer, the Corporation's Chief Financial Officer and Corporate Secretary at chrisb@solimarenergy.com.au), where a Holder is domiciled in:

(i) either Australia or New Zealand, the Common Shares issued pursuant to a Debenture surrendered for conversion shall be registered in the issuer sponsored register in Australia; and

(ii) any other jurisdiction, the Common Shares issued pursuant to a Debenture surrendered for conversion shall be registered in the Canadian register.

5.6. Adjustment of Conversion Price

Subject to the requirements of each Applicable Stock Exchange, the Conversion Price in effect at any date shall be subject to adjustment from time to time as set forth below.

(a) If and whenever at any time prior to the Time of Expiry the Corporation shall (i) subdivide or redivide the outstanding Common Shares into a greater number of shares, (ii) reduce, combine or consolidate the outstanding Common Shares into a smaller number of shares, or (iii) issue Common Shares to the holders of all or substantially all of the outstanding Common Shares by way of a dividend or otherwise (other than the issue of Common Shares to holders of Common Shares who have elected to receive dividends in the form of Common Shares in lieu of cash dividends paid in the ordinary course on the Common Shares), the Conversion Price in effect on the effective date of such subdivision, redivision, reduction, combination or consolidation or on the record date for such issue of Common Shares, shall be adjusted immediately after such effective date or such record date so that it shall equal the price determined by multiplying the Conversion Price in effect on such effective date or record date, as applicable, by a fraction, of which the numerator shall be the total number of Common Shares outstanding immediately prior to such effective date or record as applicable date, and of which the denominator shall be the total number of Common Shares outstanding immediately after giving effect to such subdivision, redivision, reduction, combination or consolidation or issuance of Common Shares. Such adjustment shall be made successively whenever any event referred to in this Section 5.6(a) shall occur. Any such issue of Common Shares by way of a dividend shall be deemed to have been made on the record date for the dividend or distribution for the purpose of calculating the number of outstanding Common Shares under subsections (b) and (d) of this Section 5.6.

(b) If and whenever at any time prior to the Time of Expiry the Corporation shall fix a record date for the issuance of options, rights or warrants to all or substantially all the holders of

its outstanding Common Shares entitling them, for a period expiring not more than 45 days after such record date, to subscribe for or purchase Common Shares (or securities convertible into Common Shares) at a price per share (or having a conversion or exchange price per share) less than 95% of the Current Market Price of a Common Share on such record date, the Conversion Price shall be adjusted immediately after such record date so that it shall equal the price determined by multiplying the Conversion Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date plus a number of Common Shares equal to the number arrived at by dividing the aggregate price of the total number of additional Common Shares offered for subscription or purchase (or the aggregate conversion or exchange price of the convertible securities so offered) by such Current Market Price per Common Share, and of which the denominator shall be the total number of Common Shares outstanding on such record date plus the total number of additional Common Shares offered for subscription or purchase (or into which the convertible securities so offered are convertible). Such adjustment shall be made successively whenever such a record date is fixed. To the extent that any such options, rights or warrants are not so issued or any such options, rights or warrants are not exercised prior to the expiration thereof, the Conversion Price shall be re-adjusted to the Conversion Price which would then be in effect if such record date had not been fixed or to the Conversion Price which would then be in effect based upon the number of Common Shares (or securities convertible into Common Shares) actually issued upon the exercise of such options, rights or warrants were included in such fraction, as the case may be.

(c) Subject to the terms of this Indenture, if and whenever at any time prior to the Time of Expiry the Corporation shall fix a record date for the making of a distribution to all or substantially all the holders of its outstanding Common Shares of (i) shares of any class other than Common Shares or other securities and other than securities distributed to holders of Common Shares who have elected to receive dividends in the form of such shares in lieu of dividends paid in the ordinary course, (ii) rights, options or warrants (excluding rights, options or warrants entitling the holders thereof as at a specified date to subscribe for or purchase Common Shares or securities convertible into Common Shares for a period of not more than 45 days after such date), (iii) evidences of its indebtedness, or (iv) other assets then, in each such case, the Conversion Price shall be adjusted immediately after such record date so that it shall equal the price determined by multiplying the Conversion Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date multiplied by the Current Market Price per Common Share on such record date, less the fair market value (as determined by the directors of the Corporation, with the approval of the Trustee, which determination shall be conclusive) of such shares, other securities, rights, options, warrants, evidences of indebtedness or assets so distributed, and of which the denominator shall be the total number of Common Shares outstanding on such record date multiplied by such Current Market Price per Common Share. Such adjustment shall be made successively whenever such a record date is fixed. To the extent that such distribution is not so made, the Conversion Price shall be readjusted to the Conversion Price which would then be in effect if such record date had not been fixed or to the

Conversion Price which would then be in effect if only such shares, rights, options, warrants, evidences of indebtedness or assets actually distributed were included in such fraction, as the case may be.

(d) If and whenever at any time prior to the Time of Expiry, there is a reclassification of the Common Shares or a capital reorganization of the Corporation other than as described in Section 5.6(a) or a consolidation, amalgamation, arrangement, binding securities exchange, merger of the Corporation with or into any other Person or other entity or acquisition of the Corporation or other combination pursuant to which the Common Shares are converted into or acquired for cash, securities or other property; or a sale or conveyance of substantially all of the property and assets of the Corporation as an entirety or substantially as an entirety to any other Person (other than a direct or indirect wholly-owned subsidiary of the Corporation) or other entity or a liquidation, dissolution or winding-up of the Corporation, any holder of a Debenture who has not exercised its right of conversion prior to the effective date of such reclassification, capital reorganization, consolidation, amalgamation, arrangement, merger, securities exchange, acquisition, combination, sale or conveyance or liquidation, dissolution or winding-up, upon the exercise of such right thereafter, shall be entitled to receive and shall accept, in lieu of the number of Common Shares then sought to be acquired by it, such amount of cash or the number of shares or other securities or property of the Corporation or of the Person or other entity resulting from such reclassification, capital reorganization, merger, amalgamation, arrangement, acquisition, securities exchange, combination or consolidation, or to which such sale or conveyance may be made or which holders of Common Shares receive pursuant to such liquidation, dissolution or winding-up, as the case may be, that such holder of a Debenture would have been entitled to receive on such reclassification, capital reorganization, consolidation, amalgamation, arrangement, merger, securities exchange, acquisition, combination, sale or conveyance or liquidation, dissolution or winding-up, if, on the record date or the effective date thereof, as the case may be, the holder had been the registered holder of the number of Common Shares sought to be acquired by it and to which it was entitled to acquire upon the exercise of the conversion right. If determined appropriate by the Board of Directors, to give effect to or to evidence the provisions of this Section 5.6(d), the Corporation, its successor, or such purchasing Person or other entity, as the case may be, shall, prior to or contemporaneously with any such reclassification, capital reorganization, consolidation, amalgamation, arrangement, merger, securities exchange, acquisition, combination, sale or conveyance or liquidation, dissolution or winding-up, enter into an indenture which shall provide, to the extent possible, for the application of the provisions set forth in this Indenture with respect to the rights and interests thereafter of a holder to the end that the provisions set forth in this Indenture shall thereafter correspondingly be made applicable, as nearly as may reasonably be, with respect to any cash, shares or other securities or property to which a holder is entitled on the exercise of its acquisition rights thereafter. Any indenture entered into between the Corporation and the Trustee pursuant to the provisions of this Section 5.6(d) shall be a supplemental indenture entered into pursuant to the provisions of Article 14. Any indenture entered into between the Corporation, any successor to the Corporation or such purchasing Person or other entity and the Trustee

shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided in this Section 5.6(d) and which shall apply to successive reclassifications, capital reorganizations, amalgamations, consolidations, arrangements, mergers, securities exchanges, acquisitions, combinations, sales or conveyances.

(e) If and whenever at any time prior to the Time of Expiry, the Corporation pays or makes a cash dividend or distribution in respect of the Common Shares, the Conversion Price shall be adjusted based on the following formula:

ACP = CP x (M-D)/(M)

Where:

CP = the Conversion Price in effect on the record date for such dividend or distribution;

ACP = the adjusted Conversion Price taking such dividend or distribution into account;

M = the VWAP of the Common Shares for the 20 consecutive trading days ending on the trading day immediately prior to the Ex-Dividend Date for such dividend or distribution;

D = the aggregate amount of all cash dividends and distributions made on a per Common Share basis during the relevant fiscal year of the Corporation, minus the amount of all other cash dividends and distributions made during such fiscal year for which an adjustment has already been made pursuant to this Section 5.6(e).

An adjustment to the Conversion Price made pursuant to this Section 5.6(e) shall become effective on the Ex-Dividend Date for such dividend or distribution. If any dividend described in this Section 5.6(e) is declared but not so paid or made, no adjustment to the Conversion Price shall be made pursuant to this Section 5.6(e). For the avoidance of doubt, if and to the extent any adjustment pursuant to Sections 5.6(a), 5.6(b), 5.6(c) and 5.6(d) is made, no adjustment to the Conversion Price pursuant to this Section 5.6(e) shall be made.

In this subsection (e) the term "dividends" or "distributions" shall include the value of any securities or other property or assets distributed in lieu of cash dividends or distributions paid in the ordinary course at the option of shareholders.

(f) Notwithstanding the foregoing, in the event the Corporation pays a dividend to all or substantially all the holders of Common Shares consisting of capital stock, or similar equity interests in, a Subsidiary or other business unit of the Corporation (the **"Spinoff Securities"**), the Conversion Price shall be adjusted, unless the Corporation pays an equivalent distribution to the holders of Debentures, so that the same shall be equal to the rate determined by multiplying the Conversion Price in effect on the record date fixed for the determination of shareholders entitled to receive such dividend by a fraction, the

denominator of which shall be the sum of (i) the product of (A) the VWAP for the 20 consecutive trading day period (the **"Spinoff Valuation Period"**) commencing on and including the fifth trading day after the date on which ex-dividend trading commences for such distribution on the TSX-V (or, if the Common Shares are no longer listed on the TSX-V, any other Applicable Stock Exchange) multiplied by (B) the number of Common Shares issued and outstanding and (ii) the product of (A) the volume weighted average price (calculated in substantially the same way as the Current Market Price is calculated for the Common Shares) over the Spinoff Valuation Period of the Spinoff Securities or, if no such prices are available, the fair market value of the Spinoff Securities as reasonably determined by the Board of Directors (which determination shall be conclusive and shall be evidenced by an Officer's Certificate delivered to the Trustee) multiplied by (B) the number of Spinoff Securities distributed in respect of the outstanding Common Shares and the numerator of which shall be the product of (A) the VWAP over the Spinoff Valuation Period multiplied by (B) the number of Common Shares issued and outstanding, such adjustment to become effective immediately preceding the opening of business on the 25th trading day after the date on which ex-dividend trading commences; provided, however, that the Corporation may in lieu of the foregoing adjustment elect to make adequate provision so that each holder of Debentures shall have the right to receive upon conversion thereof the amount of such Spinoff Securities that such holder of Debentures would have received if such Debentures had been converted on the record date with respect to such distribution.

(g) If any issuer bid made by the Corporation or any of its Subsidiaries for all or any portion of Common Shares shall expire, then, if the issuer bid shall require the payment to shareholders of consideration per Common Share having a fair market value (determined as provided below) that exceeds the Current Market Price per Common Share on the last date (the **"Expiration Date"**) tenders could have been made pursuant to such issuer bid (as it may be amended) (the last time at which such tenders could have been made on the Expiration Date is hereinafter sometimes called the **"Expiration Time"**), the Conversion Price shall be adjusted so that the same shall equal the rate determined by multiplying the Conversion Price in effect immediately preceding the close of business on the Expiration Date by a fraction of which (i) the denominator shall be the sum of (A) the fair market value of the aggregate consideration (the fair market value as determined by the Board of Directors, whose determination shall be conclusive evidence of such fair market value and which shall be evidenced by an Officer's Certificate delivered to the Trustee) in excess of the Current Market Price per Common Share payable to shareholders based on the acceptance (up to any maximum specified in the terms of the issuer bid) of all Common Shares validly tendered and not withdrawn as of the Expiration Time (the Common Shares deemed so accepted, up to any such maximum, being referred to as the **"Purchased Common Shares"**) and (B) the product of the number of Common Shares outstanding (less any Purchased Common Shares) at the Expiration Time multiplied by the Current Market Price per Common Share on the Expiration Date and (ii) the numerator of which shall be the product of the number of Common Shares outstanding (including Purchased Common Shares) at the Expiration Time multiplied by the Current Market Price per Common Share on the Expiration Date, such adjustment to become

effective immediately preceding the opening of business on the day following the Expiration Date. In the event that the Corporation is obligated to purchase Common Shares pursuant to any such issuer bid, but the Corporation is permanently prevented by applicable law from effecting any or all such purchases or any or all such purchases are rescinded, the Conversion Price shall again be adjusted to be the Conversion Price which would have been in effect based upon the number of Common Shares actually purchased, if any. If the application of this clause (g) of Section 5.6 to any issuer bid would result in a decrease in the Conversion Price, no adjustment shall be made for such issuer bid under this clause (g).

For purposes of this Section 5.6(g), the term "issuer bid" shall mean an issuer bid under Applicable Securities Legislation or a take-over bid under Applicable Securities Legislation by a Subsidiary of the Corporation for the Common Shares and all references to "purchases" of Common Shares in issuer bids (and all similar references) shall mean and include the purchase of Common Shares in issuer bids and all references to "tendered Common Shares" (and all similar references) shall mean and include Common Shares tendered in issuer bids.

(h) In any case in which this Section 5.6 shall require that an adjustment shall become effective immediately after a record date for an event referred to herein, the Corporation may defer, until the occurrence of such event, issuing to the holder of any Debenture converted after such record date and before the occurrence of such event the additional Common Shares issuable upon such conversion by reason of the adjustment required by such event; provided, however, that the Corporation shall deliver to such holder an appropriate instrument evidencing such holder's right to receive such additional Common Shares upon the occurrence of the event requiring such adjustment and the right to receive any distributions made on such additional Common Shares declared in favour of holders of record of Common Shares on and after the Date of Conversion or such later date as such holder would, but for the provisions of this Section 5.6(h), have become the holder of record of such additional Common Shares pursuant to Section 5.5(b).

(i) Notwithstanding anything in this Section 5.6 to the contrary, no adjustment shall be made in the rights attached to the Debentures if the issue of Common Shares attached to the Debentures is being made pursuant to or in connection with:

(i) any share purchase plan conducted in accordance with the Australian Corporations Act and Applicable Securities Legislation, with such plan allowing the maximum purchase of $15,000 of securities per Debentureholder;

(ii) any stock option, stock purchase, stock savings or share appreciation rights plan of the Corporation in force from time to time for directors, officers, employees, consultants or other service providers of the Corporation which complies with Applicable Securities Legislation;

(iii) a public offering of shares of the Corporation pursuant to a prospectus in compliance with Applicable Securities Legislation;

(iv) a private placement in accordance with the rules of each Applicable Stock Exchange and Applicable Securities Legislation; or

(v) the exercise of any share purchase warrants or other securities of the Corporation outstanding on the date hereof; or

(vi) any arm's length negotiated business combination or other acquisition made in compliance with Applicable Securities Legislation, pursuant to which holders of Common Shares are not receiving (i) additional Common Shares, rights options or other form of securities of the Corporation or of any other company or companies involved with respect to such business combination or other acquisition, or (ii) dividends or other distributions issued by the Corporation or any other company or companies involved with respect to such business combination or other acquisition.

(j) The adjustments provided for in this Section 5.6 are cumulative and shall apply to successive subdivisions, redivisions, reductions, combinations, consolidations, distributions, issues or other events resulting in any adjustment under the provisions of this Section, provided that, notwithstanding any other provision of this Section, no adjustment of the Conversion Price shall be required unless such adjustment would require an increase or decrease of at least 1% in the Conversion Price then in effect; provided however, that any adjustments which by reason of this Section 5.6(i) are not required to be made shall be carried forward and taken into account in any subsequent adjustment.

(k) For the purpose of calculating the number of Common Shares outstanding, Common Shares owned by or for the benefit of the Corporation shall not be counted.

(l) In the event of any question arising with respect to the adjustments provided in this Section 5.6, such question shall be conclusively determined by a firm of recognized chartered accountants appointed by the Corporation and acceptable to the Trustee (who may be the Auditors of the Corporation); such accountants shall have access to all necessary records of the Corporation and such determination shall be binding upon the Corporation, the Trustee, and the Debentureholders.

(m) In case the Corporation shall take any action affecting the Common Shares other than action described in this Section 5.6, which in the opinion of the Board of Directors, would materially adversely affect the rights of Debentureholders, the Conversion Price shall be adjusted in such manner and at such time, by action of the Board of Directors, subject to the prior written consent of each Applicable Stock Exchange, as the Board of Directors, in their sole discretion, may determine to be equitable in the circumstances. Failure of the Board of Directors to make such an adjustment shall be conclusive evidence that they have determined that it is equitable to make no adjustment in the circumstances.

(n) Subject to the prior written consent of each Applicable Stock Exchange or such other exchange on which the Debentures are then listed, no adjustment in the Conversion Price shall be made in respect of any event described in Sections 5.6(a), 5.6(b), 5.6(c), 5.6(e) or 5.6(g) other than the events described in 5.6(a)(i) or 5.6(a)(ii) if the holders of the Debentures are entitled to participate in such event on the same terms *mutatis mutandis* as if they had converted their Debentures prior to the effective date or record date, as the case may be, of such event.

(o) Except as stated above in this Section 5.6, no adjustment will be made in the Conversion Price for any Debentures as a result of the issuance of Common Shares at less than the Current Market Price for such Common Shares on the date of issuance.

(p) Notwithstanding any other section of this Indenture, the rights of any holders of a Debenture will be changed to the extent necessary to comply with the official listing rules of each Applicable Stock Exchange including, without limitation, as they apply to a reorganization of capital undertaken by the Corporation at the time of the reorganization. For the avoidance of doubt, if there are any inconsistencies between the listing rules of an Applicable Stock Exchange and the adjustment mechanisms provided in Article 5, the relevant listing rules will apply.

5.7. No Requirement to Issue Fractional Common Shares

The Corporation shall not be required to issue fractional Common Shares upon the conversion of Debentures pursuant to this Article. If more than one Debenture shall be surrendered for conversion at one time by the same holder, the number of whole Common Shares issuable upon conversion thereof shall be computed on the basis of the aggregate principal amount of such Debentures to be converted. If any fractional interest in a Common Share would, except for the provisions of this Section, be deliverable upon the conversion of any principal amount of Debentures, the Corporation shall, in lieu of delivering any certificate representing such fractional interest, make a cash payment to the holder of such Debenture of an amount equal to the fractional interest which would have been issuable multiplied by the Current Market Price.

5.8. Corporation to Keep Common Shares Available

The Corporation covenants with the Trustee that it will at all times keep available out of its authorized Common Shares (if the number thereof is or becomes limited), for the purpose of issue upon conversion of Debentures as in this Article provided, and conditionally allot to Debentureholders who may exercise their conversion rights hereunder, such number of Common Shares as shall then be issuable upon the conversion of all outstanding Debentures. The Corporation covenants with the Trustee that all Common Shares which become so issuable shall be duly and validly issued as fully-paid and non-assessable.

5.9. Cancellation of Converted Debentures

Subject to the provisions of Section 5.5 as to Debentures converted in part, all Debentures converted in whole or in part under the provisions of this Article shall be forthwith delivered to and cancelled by the Trustee and no Debenture shall be issued in substitution for those converted.

5.10. Certificate as to Adjustment

The Corporation shall from time to time immediately after the occurrence of any event which requires an adjustment or readjustment as provided in Section 5.6, deliver an Officer's Certificate to the Trustee specifying the nature of the event requiring the same and the amount of the adjustment necessitated thereby and setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based, which certificate and the amount of the adjustment specified therein shall be verified by an opinion of a firm of chartered accountants appointed by the Corporation and acceptable to the Trustee (who may be the Auditors of the Corporation) and shall be conclusive and binding on all parties in interest, subject to Section 5.6(l). When so approved, the Corporation shall, except in respect of any subdivision, redivision, reduction, combination or consolidation of the Common Shares, forthwith give notice to the Debentureholders in the manner provided in Section 12.2 specifying the event requiring such adjustment or readjustment and the results thereof, including the resulting Conversion Price; provided that, if the Corporation has previously given notice under this Section 5.10 covering all the relevant facts in respect of such event and if the Trustee approves, no such notice need be given under this Section 5.10.

5.11. Notice of Special Matters

The Corporation covenants with the Trustee that so long as any Debenture remains outstanding, it will give notice to the Trustee, and to the Debentureholders in the manner provided in Section 12.2, of its intention to fix a record date for any event referred to in Section 5.6(a), (b), (c), (e) or (f) which may give rise to an adjustment in the Conversion Price, and, in each case, such notice shall specify the particulars of such event and the record date and the effective date for such event; provided that the Corporation shall only be required to specify in such notice such particulars of such event as shall have been fixed and determined on the date on which such notice is given. Such notice shall be given not less than 14 days prior to the applicable record date. In addition, the Corporation covenants with the Trustee that so long as any Debenture remains outstanding, it will give notice to the Trustee, and to the Debentureholders in the manner provided in Section 12.2, at least 30 days prior to (i) the effective date of any transaction referred to in Section 5.6(d) stating the consideration into which the Debentures will be convertible after the effective date of such transaction, and (ii) the Expiration Date of any transaction referred to in Section 5.6(g) stating the consideration paid per Common Share in such transaction.

5.12. Protection of Trustee

Subject to Section 13.3, the Trustee:

(a) shall not at any time be under any duty or responsibility to any Debentureholder to determine whether any facts exist which may require any adjustment in the Conversion Price, or with respect to the nature or extent of any such adjustment when made, or with respect to the method employed in making the same;

(b) shall not be accountable with respect to the validity or value (or the kind or amount) of any Common Shares or of any shares or other securities or property which may at any time be issued or delivered upon the conversion of any Debenture; and

(c) shall not be responsible for any failure of the Corporation to make any cash payment or to issue, transfer or deliver Common Shares or share certificates upon the surrender of any Debenture for the purpose of conversion, or to comply with any of the covenants contained in this Article.

5.13. Payment of Cash in Lieu of Common Shares

Upon conversion, the Corporation may offer and the converting holder may agree to the delivery of cash for all or a portion of the Debentures surrendered in lieu of Common Shares; provided that any such offer must be concurrently made on equivalent terms to all Debentureholders.

5.14. U.S. Legend on Common Shares

Each certificate representing Common Shares issued upon conversion of Debentures bearing the U.S. Legend shall have imprinted or otherwise reproduced thereon such legend or legends in substantially the form of Schedule G attached hereto.

ARTICLE 6
COVENANTS OF THE COMPANY

6.1. To Pay Principal, Premium (if any) and Interest

The Corporation hereby covenants and agrees with the Trustee, for the benefit of the Trustee and the Debentureholders, that so long as any Debentures remain outstanding the Corporation will duly and punctually pay or cause to be paid to every Debentureholder the principal of, premium (if any) and interest accrued on the Debentures of which it is the holder on the dates, at the places and in the manner mentioned herein and in the Debentures and will duly and punctually perform and carry out all other acts, obligations and other things to be done by it, all as provided hereunder and in the Debentures.

6.2. To Pay Trustee's Remuneration

The Corporation hereby covenants and agrees with the Trustee, for the benefit of the Trustee and the Debentureholders, that so long as any Debentures remain outstanding the Corporation will pay the Trustee reasonable remuneration for its services as Trustee hereunder and will repay to the Trustee on demand all monies which shall have been paid by the Trustee in connection with the execution of the trusts hereby created and such monies including the Trustee's remuneration, shall be payable out of any funds coming into the possession of the Trustee in priority to payment of any principal of the Debentures or interest or premium thereon. Such remuneration shall continue to be payable until the trusts hereof be finally wound up and whether or not the trusts of this Indenture shall be in the course of administration by or under the direction of a court of competent jurisdiction.

6.3. Other Positive Covenants

The Corporation hereby covenants and agrees with the Trustee, for the benefit of the Trustee and the Debentureholders, that so long as any Debentures remain outstanding, the Corporation shall:

(a) notify the Trustee as soon as reasonably practicable (but in any event within five Business Days) upon obtaining knowledge of any Event of Default hereunder;

(b) subject to the express provisions hereof, carry on and conduct its activities, and cause its Subsidiaries to carry on and conduct their activities, in a business-like manner and in accordance with good business practices; and, subject to the express provisions hereof, it will do or cause to be done all things necessary to preserve and keep in full force and effect its, and its subsidiaries, existence and rights;

(c) keep or cause to be kept proper books of record and account, in which full and correct entries shall be made of all financial transactions and the assets and business of the Corporation in accordance with IFRS;

(d) use commercially reasonable efforts to list the Common Shares on the Australian Stock Exchange and thereafter to maintain the listing thereof;

(e) use commercially reasonable efforts to maintain the listing of the Common Shares on the TSX-V;

(f) maintain the Corporation's status as a "reporting issuer" and as a "disclosing entity" as defined in the Australian Corporations Act not in default of the requirements of the Applicable Securities Legislation;

(g) in exchange for or in lieu of paying in money any principal and interest that becomes due on the February 2012 Debentures, use commercially reasonable efforts to so satisfy its obligation to pay all or any portion of such principal or interest by issuing and delivering Common Shares to holders of February 2012 Debentures;

(h) pay the Loan Modification Fee on the Maturity Date; and

(i) execute a full and complete release in favour of SCCP Solimar Holdings LP as well as its affiliates and their current and former securityholders, directors, officers and personnel.

6.4. Negative Covenants

(a) For the avoidance of doubt, a bona fide offer for the Common Shares triggering a Change of Control shall not result in a breach of any of the covenants in this Section 6.4.

(b) Subject to subsection 6.4(c), the Corporation hereby covenants and agrees with the Trustee for the benefit of the Trustee and the Debentureholders that so long as any Debentures remain outstanding and except as may otherwise be permitted by way of an

Extraordinary Resolution (as defined herein), the Corporation shall not and shall not permit its Subsidiaries to:

(i) incur additional indebtedness or guarantee the indebtedness of any other Person (other than ordinary course trade payables) except the Corporation shall be permitted to incur additional indebtedness provided that: (i) such additional indebtedness (other than ordinary course trade payables) ranks subordinate in all respects to the Debentures and February 2012 Debentures; and (ii) prior to the incurrence of such additional indebtedness (other than ordinary course trade payables) (A) each Subsidiary has granted a guarantee in favour of the Trustee guaranteeing all of the obligations of the Corporation under the Debentures and this Indenture (each a "**Subsidiary Guarantee**") and (B) the Corporation and each Material Subsidiary has granted security in favour of the Trustee securing the payment, performance and satisfaction in full of all of its obligations to the Trustee under the Debentures and this Indenture, in the case of the Corporation, and under its Subsidiary Guarantee, in the case of each Subsidiary (the "**Security**");

(ii) create, incur, assume or otherwise become liable upon or suffer to exist any mortgage, charge, lien, hypothec, security interest or other encumbrance whatsoever, on, against or with respect to any part of the assets of the Corporation or its Subsidiaries (subject to security interests arising by operation of law, so long as the obligations secured thereby are not delinquent or in default), unless all payments due under this Indenture and the Debentures are secured in priority to, or in respect of the February 2012 Debentures, *pari passu* with, the obligations so secured on terms and conditions approved by an Extraordinary Resolution;

(iii) sell, assign, lease-back or otherwise dispose of any of the assets of the Corporation or its Subsidiaries except in the ordinary course of its business on arm's length terms other than for:

A. a transaction involving a farm-out (as commonly defined) with a value equivalent to or less than the greater of either (A) 50% of the Corporation's net asset value or (B) $20,000,000; or

B. a transaction involving the sale of all of Solimar's working interest in a project, any portion of Solimar's working interest in a project, or a combination of Solimar's working interests in multiple projects, with a transaction value equivalent to or less than $12,000,000;

(iv) declare or pay any dividend or make any other distribution to the holders of its issued and outstanding Common Shares;

(v) enter into any agreement with any affiliate or associate, except on arm's length terms (provided that such agreement must also comply with the other provisions of this Section 6.4);

(vi) make any investment (by way of loan, guarantee, share equity or otherwise) in any other Person other than the Material Subsidiaries; or

(vii) make any payments to any Person other than in the ordinary course of business.

(c) Notwithstanding subsection 6.4(b), the Corporation hereby covenants and agrees with the Trustee, for the benefit of the Trustee and the Debentureholders, so long as any Debentures remain outstanding, that where the Corporation completes the sale, assignment, lease-back or other disposition of assets, the fair market value of which, when taken in the aggregate in respect of all such sales, assignments, lease-backs and dispositions after the date of this Indenture, is equal to or greater than $12,000,000 (a "**Material Asset Disposition**"), the Corporation will not be required to obtain the approval of the Debentureholders regarding such Material Asset Disposition by way of Extraordinary Resolution or otherwise, provided that the Corporation completing a Material Asset Disposition will be deemed a Change of Control hereunder and the Corporation shall be obligated to offer to purchase all of the Debentures then outstanding in accordance with Section 7.7.

6.5. Annual Certificate of Compliance

The Corporation shall deliver to the Trustee, within 120 days after the end of each calendar year or upon reasonable request by the Trustee, an Officer's Certificate as to the knowledge of such officers of the Corporation who execute the Officer's Certificate of the Corporation's compliance with all conditions and covenants in this Indenture certifying that after reasonable investigation and inquiry, the Corporation has complied with all covenants, conditions or other requirements contained in this Indenture, the non-compliance with which could, with the giving of notice, lapse of time or otherwise, constitute an Event of Default hereunder, or if such is not the case, setting forth with reasonable particulars the circumstances of any failure to comply and steps taken or proposed to be taken to eliminate such circumstances and remedy such Event of Default, as the case may be.

6.6. Performance of Covenants by Trustee

If the Corporation shall fail to perform any of its covenants contained in this Indenture, the Trustee may notify the Debentureholders of such failure on the part of the Corporation or may itself perform any of the covenants capable of being performed by it, but shall be under no obligation to do so or to notify the Debentureholders. All sums so expended or advanced by the Trustee shall be repayable as provided in Section 6.2. No such performance, expenditure or advance by the Trustee shall be deemed to relieve the Corporation of any default hereunder.

6.7. Reports

The Corporation shall file with the Trustee and deliver to the Debentureholders within 15 days after the filing thereof with the TSX-V or any securities regulatory authority in Canada, copies of the Corporation's annual report and such information, documents and other reports that the Corporation is required to file with such authorities and deliver to the Corporation's shareholders. In circumstances in which the Corporation is not required to remain subject to the reporting requirements of Canadian

securities regulatory authorities, the Corporation shall provide to the Trustee and deliver to the Debentureholders (a) within 90 days after the end of each fiscal year, an annual financial statement of the Corporation, and (b) within 45 days after the end of each of the first three fiscal quarters of each fiscal year, interim financial statements of the Corporation which shall, at a minimum, contain such information as is required to be provided in quarterly reports under the laws of Canada or any Province thereof to security holders of a company with securities listed on any Applicable Stock Exchange, whether or not the Corporation has any of its securities so listed. Each of such reports will be prepared in accordance with applicable Canadian disclosure requirements and IFRS. The Corporation will provide copies of such information, documents and reports to holders of Debentures upon request. Nothing in this Section 6.7 shall be construed to impose an obligation on the Trustee to review, analyze or interpret such information, documents and reports delivered to the Trustee by the Corporation pursuant to this Section 6.7.

6.8. SEC Reporting

The Corporation confirms that as at the date of execution of this agreement it does not have a class of securities registered pursuant to Section 12 of the US Securities Exchange Act or have a reporting obligation pursuant to Section 15(d) of the US Securities Exchange Act. The Corporation covenants that in the event that (i) any class of its securities shall become registered pursuant to Section 12 of the US Securities Exchange Act or the Corporation shall incur a reporting obligation pursuant to Section 15(d) of the US Securities Exchange Act, or (ii) any such registration or reporting obligation shall be terminated by the Corporation in accordance with the US Securities Exchange Act, the Corporation shall promptly deliver to the Trustee an Officer's Certificate (in a form provided by the Trustee) notifying the Trustee of such registration or termination and such other information as the Trustee may require at the time. The Corporation acknowledges that the Trustee is relying upon the foregoing representation and covenants in order to meet certain SEC obligations with respect to those clients who are filing with the SEC.

6.9. Additional Amounts

The Corporation shall make all payments on account of the Debentures whether in cash, Common Shares or otherwise (including principal, interest and any conversion premium) without withholding or deducting on account of any present or future tax, duty, levy, impost, assessment or other governmental charge (including, without limitation, penalties, interest and other liabilities related thereto) imposed or levied by or on behalf of any governmental authority having the power to tax ("**Taxes**"), unless the Corporation is required by law or the interpretation or administration thereof, to withhold or deduct Taxes in respect thereof. If the Corporation is required to withhold or deduct any amount on account of Taxes (including on conversion), it shall make such withholding or deduction and pay such additional amounts ("**Additional Amounts**") necessary so that the net amount received by each holder of Debentures after making all required withholdings or deductions (including with respect to Additional Amounts) shall not be less than the amount the holder would have received if the Taxes had not been withheld or deducted. The Corporation shall make a similar payment of Additional Amounts to holders of Debentures (other than Excluded Holders) that are exempt from withholding but are required to pay tax directly on amounts otherwise subject to withholding. However, no Additional Amounts shall be payable with respect to a payment made to a holder or former holder of Debentures (an "**Excluded Holder**") in respect of the beneficial owner thereof that is subject to such Taxes by reason of its carrying

on business in or otherwise being connected with such jurisdiction otherwise than by the mere holding of such Debentures or the receipt of payments, or exercise of any enforcement rights thereunder; and no Additional Amounts shall be payable with respect to any estate, inheritance, gift, sales, excise, transfer, personal property or similar tax, assessment or governmental charge (the "**Excluded Taxes**").

The Corporation shall remit any amount it withholds or deducts or is required to withhold or deduct to the relevant authority on a timely basis. Additional Amounts shall be paid quarterly, at maturity, on any redemption date, on any conversion date and on any repurchase date, as required. With respect to references herein to the payment of principal or interest on any Debenture, such reference shall be deemed to include the payment of Additional Amounts to the extent that, in such context, Additional Amounts are, were or would be payable. The Corporation's obligation to pay Additional Amounts and its indemnification obligations shall survive any termination of this Indenture or the defeasance of any rights hereunder.

The Corporation shall furnish to the Trustee, within 30 days after the date the payment of any Taxes is due pursuant to applicable law, evidence that such payment has been made. The Corporation shall indemnify and hold harmless each holder of Debentures (other than an Excluded Holder or with respect to Excluded Taxes) and upon written request reimburse each such holder for the full amount of (i) any Taxes so levied or imposed on such holder as a result of payments made under or with respect to the Debentures, whether or not they were correctly or legally asserted, (ii) any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, and (iii) any Taxes levied or imposed on such holder with respect to any reimbursement under (i) and (ii) above, but excluding any Excluded Taxes. Payment under this indemnification shall be made within 30 days from the date the holder makes a written request for it.

ARTICLE 7
DEFAULT

7.1. Events of Default

Each of the following events constitutes, and is sometimes referred to as, an ("**Event of Default**"):

(a) a Change of Control has occurred;

(b) failure for 15 days to pay interest on the Debentures when due;

(c) failure to pay principal or premium (whether by way of payment of cash or delivery of Common Shares), if any, when due on the Debentures whether at maturity, upon redemption, on the occurrence of a Change of Control, by declaration or otherwise;

(d) default in the delivery, when due, of any Common Shares or other consideration payable on conversion with respect to the Debentures, which default continues for 15 days;

(e) default in the observance or performance of any covenant or condition of the Indenture by the Corporation, including, without limitation, the failure to make an offer under Section 7.7, and the failure to cure (or obtain a waiver for) such default for a period of 30 days

after notice in writing has been given by the Trustee or by holders of not less than 25% in aggregate principal amount of the Debentures to the Corporation specifying such default and requiring the Corporation to rectify such default or obtain a waiver for same;

(f) if a decree or order of a Court having jurisdiction is entered adjudging the Corporation a bankrupt or insolvent under the *Bankruptcy and Insolvency Act* (Canada) or any other bankruptcy, insolvency or analogous laws, or issuing sequestration or process of execution against, or against any substantial part of, the property of the Corporation, or appointing a receiver of, or of any substantial part of, the property of the Corporation or ordering the winding-up or liquidation of its affairs, and any such decree or order continues unstayed and in effect for a period of 60 days;

(g) if the Corporation institutes proceedings to be adjudicated a bankrupt or insolvent, or consents to the institution of bankruptcy or insolvency proceedings against it under the *Bankruptcy and Insolvency Act* (Canada) or any other bankruptcy, insolvency or analogous laws, or consents to the filing of any such petition or to the appointment of a receiver of, or of any substantial part of, the property of the Corporation or makes a general assignment for the benefit of creditors, or admits in writing its inability to pay its debts generally as they become due;

(h) if a resolution is passed for the winding-up or liquidation of the Corporation except in the course of carrying out or pursuant to a transaction in respect of which the conditions of Section 9.1 are duly observed and performed; or

(i) if, after the date of this Indenture, any proceedings with respect to the Corporation are taken with respect to a compromise or arrangement, with respect to creditors of the Corporation generally, under the applicable legislation of any jurisdiction;

then: (x) in each and every such event listed above except for an Event of Default under Section 7.1(a) and Section 7.1(f) to (i), the Trustee may, in its discretion, and shall, upon receipt of a request in writing signed by the holders of not less than 25% in aggregate principal amount of the Debentures then outstanding, subject to the provisions of Section 7.3, by notice in writing to the Corporation declare the principal of and interest and premium, if any, on all Debentures then outstanding and all other monies outstanding hereunder to be due and payable and the same shall thereupon forthwith become immediately due and payable to the Trustee, and (y) on the occurrence of an Event of Default under Sections 7.1(f), (g), (h) or (i), the principal of and interest and premium, if any, on all Debentures then outstanding hereunder and all other monies outstanding hereunder, shall automatically without any declaration or other act on the part of the Trustee or any Debentureholder become immediately due and payable to the Trustee and, in either case, upon such amounts becoming due and payable in either (x) or (y) above, the Corporation shall forthwith pay to the Trustee for the benefit of the Debentureholders such principal, accrued and unpaid interest and premium, if any, and interest on amounts in default on such Debenture and all other monies outstanding hereunder, together with subsequent interest at the rate borne by the Debentures on such principal, interest and premium and such other monies from the date of such declaration or event until payment is received by the Trustee, such subsequent interest to be payable at the times and places and in the manner mentioned in and

according to the tenor of the Debentures. Such payment when made shall be deemed to have been made in discharge of the Corporation's obligations hereunder and any monies so received by the Trustee shall be applied in the manner provided in Section 7.6.

7.2. Notice of Events of Default

If an Event of Default shall occur and be continuing the Trustee shall, within 30 days after it receives written notice of the occurrence of such Event of Default, give notice of such Event of Default to the Debentureholders in the manner provided in Section 12.2, provided that, notwithstanding the foregoing, unless the Trustee shall have been requested to do so by the holders of at least 25% of the principal amount of the Debentures then outstanding, the Trustee shall not be required to give such notice if the Trustee in good faith shall have determined that the withholding of such notice is in the best interests of the Debentureholders and shall have so advised the Corporation in writing.

7.3. Waiver of Default

Upon the happening of any Event of Default hereunder:

(a) the holders of the Debentures shall have the power (in addition to the powers exercisable by Extraordinary Resolution as hereinafter provided) by requisition in writing by the holders of more than 50% of the principal amount of Debentures then outstanding, to instruct the Trustee to waive any Event of Default and to cancel any declaration made by the Trustee pursuant to Section 7.1 except a default in the payment of principal or interest on any Debenture or in respect of a covenant or provision hereof that under this Indenture cannot be modified or amended without the consent of the holder of each outstanding Debenture and the Trustee shall thereupon waive the Event of Default and cancel such declaration, or either, upon such terms and conditions as shall be prescribed in such requisition; and

(b) the Trustee, so long as it has not become bound to declare the principal and interest on the Debentures then outstanding to be due and payable, or to obtain or enforce payment of the same, shall have power to waive any Event of Default if, in the Trustee's opinion, the same shall have been cured or adequate satisfaction made therefor, and in such event to cancel any such declaration theretofore made by the Trustee in the exercise of its discretion, upon such terms and conditions as the Trustee may deem advisable.

No such act or omission either of the Trustee or of the Debentureholders shall extend to or be taken in any manner whatsoever to affect any subsequent Event of Default or the rights resulting therefrom.

7.4. Enforcement by the Trustee

(a) Subject to the provisions of Section 7.3 and to the provisions of any Extraordinary Resolution that may be passed by the Debentureholders, if the Corporation shall fail to make an offer under Section 7.7 hereof or shall fail to pay to the Trustee, forthwith after the same shall have been declared to be due and payable under Section 7.1, the principal of and premium (if any) and interest on all Debentures then outstanding, together with any other amounts due hereunder, the Trustee may in its discretion and shall upon receipt

of a request in writing signed by the holders of not less than 25% in principal amount of the Debentures then outstanding and upon being funded and indemnified to its reasonable satisfaction against all costs, expenses and liabilities to be incurred, proceed in its name as trustee hereunder to obtain or enforce payment of such principal of and premium (if any) and interest on all the Debentures then outstanding together with any other amounts due hereunder by such proceedings authorized by this Indenture or by law or equity as the Trustee in such request shall have been directed to take, or if such request contains no such direction, or if the Trustee shall act without such request, then by such proceedings authorized by this Indenture or by suit at law or in equity as the Trustee shall deem expedient.

(b) The Trustee shall be entitled and empowered, either in its own name or as trustee of an express trust, or as attorney-in-fact for the holders of the Debentures, or in any one or more of such capacities, to file such proof of debt, amendment of proof of debt, claim, petition or other document as may be necessary or advisable in order to have the claims of the Trustee and of the holders of the Debentures allowed in any insolvency, bankruptcy, liquidation or other judicial proceedings relative to the Corporation or its creditors or relative to or affecting its property. The Trustee is hereby irrevocably appointed (and the successive respective holders of the Debentures by taking and holding the same shall be conclusively deemed to have so appointed the Trustee) the true and lawful attorney-in-fact of the respective holders of the Debentures with authority to make and file in the respective names of the holders of the Debentures or on behalf of the holders of the Debentures as a class, subject to deduction from any such claims of the amounts of any claims filed by any of the holders of the Debentures themselves, any proof of debt, amendment of proof of debt, claim, petition or other document in any such proceedings and to receive payment of any sums becoming distributable on account thereof, and to execute any such other papers and documents and to do and perform any and all such acts and things for and on behalf of such holders of the Debentures, as may be necessary or advisable in the opinion of the Trustee in order to have the respective claims of the Trustee and of the holders of the Debentures against the Corporation or its property allowed in any such proceeding, and to receive payment of or on account of such claims; provided, however, that subject to Section 7.3, nothing contained in this Indenture shall be deemed to give to the Trustee, unless so authorized by Extraordinary Resolution, any right to accept or consent to any plan of reorganization or otherwise by action of any character in such proceeding to waive or change in any way any right of any Debentureholder.

(c) The Trustee shall also have the power at any time and from time to time to institute and to maintain such suits and proceedings as it may be advised shall be necessary or advisable to preserve and protect its interests and the interests of the Debentureholders.

(d) All rights of action hereunder may be enforced by the Trustee without the possession of any of the Debentures or the production thereof on the trial or other proceedings relating thereto. Any such suit or proceeding instituted by the Trustee shall be brought in the name of the Trustee as trustee of an express trust, and any recovery of judgment shall be for the rateable benefit of the holders of the Debentures subject to the provisions of this

Indenture. In any proceeding brought by the Trustee (and also any proceeding in which a declaratory judgment of a court may be sought as to the interpretation or construction of any provision of this Indenture, to which the Trustee shall be a party) the Trustee shall be held to represent all the holders of the Debentures, and it shall not be necessary to make any holders of the Debentures parties to any such proceeding.

7.5. No Suits by Debentureholders

No holder of any Debenture shall have any right to institute any action, suit or proceeding at law or in equity for the purpose of enforcing payment of the principal of or interest on the Debentures or for the execution of any trust or power hereunder or for the appointment of a liquidator or receiver or for a receiving order under the *Bankruptcy and Insolvency Act* (Canada) or to have the Corporation wound up or to file or prove a claim in any liquidation or bankruptcy proceeding or for any other remedy hereunder, unless: (a) such holder shall previously have given to the Trustee written notice of the happening of an Event of Default hereunder; and (b) the Debentureholders by Extraordinary Resolution or by written instrument signed by the holders of at least 25% in principal amount of the Debentures then outstanding shall have made a request to the Trustee and the Trustee shall have been afforded reasonable opportunity either itself to proceed to exercise the powers hereinbefore granted or to institute an action, suit or proceeding in its name for such purpose; and (c) the Debentureholders or any of them shall have furnished to the Trustee, when so requested by the Trustee, sufficient funds and security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby; and (d) the Trustee shall have failed to act within a reasonable time after such notification, request and offer of indemnity and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to any such proceeding or for any other remedy hereunder by or on behalf of the holder of any Debentures.

7.6. Application of Monies by Trustee

(a) Except as herein otherwise expressly provided, any monies received by the Trustee from the Corporation pursuant to the foregoing provisions of this Article 7, or as a result of legal or other proceedings or from any trustee in bankruptcy or liquidator of the Corporation, shall be applied, together with any other monies in the hands of the Trustee available for such purpose, as follows:

(i) first, in payment or in reimbursement to the Trustee and the trustee with respect to the February 2012 Debentures of their compensation, costs, charges, expenses, borrowings, advances or other monies furnished or provided by or at the instance of the Trustee or the trustee with respect to the February 2012 Debentures in or about the execution of their trusts under, or otherwise in relation to, this Indenture, or the indenture with respect to the February 2012 Debentures, as applicable, with interest thereon as herein provided;

(ii) second, but subject as hereinafter in this Section 7.6 provided, in payment, rateably and proportionately to the holders of Debentures and the February 2012 Debentures, of the principal of and premium (if any) and accrued and unpaid interest and interest on amounts in default on the Debentures and the February

2012 Debentures which shall then be outstanding in the priority of principal first and then premium and then accrued and unpaid interest and interest on amounts in default unless otherwise directed by Extraordinary Resolution and an Extraordinary Resolution of the holders of the February 2012 Debentures and in that case in such order or priority as between principal, premium (if any) and interest as may be directed by such resolutions; and

(iii) third, in payment of the surplus, if any, of such monies to the Corporation or its assigns;

provided, however, that no payment shall be made pursuant to clause (ii) above in respect of the principal, premium (if any) or interest on any Debenture or February 2012 Debenture held, directly or indirectly, by or for the benefit of the Corporation or any Subsidiary (other than any Debenture or February 2012 Debenture pledged for value and in good faith to a Person other than the Corporation or any Subsidiary but only to the extent of such Person's interest therein) except subject to the prior payment in full of the principal, premium (if any) and interest (if any) on all Debentures and February 2012 Debentures which are not so held.

(b) The Trustee shall not be bound to apply or make any partial or interim payment of any monies coming into its hands if the amount so received by it, after reserving therefrom such amount as the Trustee may think necessary to provide for the payments mentioned in Section 7.6(a), is insufficient to make a distribution of at least 2% of the aggregate principal amount of the outstanding Debentures, but it may retain the money so received by it and invest or deposit the same as provided in Section 13.9 until the money or the investments representing the same, with the income derived therefrom, together with any other monies for the time being under its control shall be sufficient for the said purpose or until it shall consider it advisable to apply the same in the manner hereinbefore set forth. The foregoing shall, however, not apply to a final payment in distribution hereunder.

7.7. Change of Control

Subject to the provisions and conditions of this Section 7.7, if a Change of Control has occurred, the Corporation shall be obligated to offer to purchase all of the Debentures then outstanding. The terms and conditions of such obligation are set forth below:

(a) Within 30 days following the occurrence of a Change of Control, the Corporation shall deliver to the Trustee, and the Trustee shall promptly deliver to the holders of the Debentures, a notice stating that there has been a Change of Control and specifying the date on which such Change of Control occurred and the circumstances or events giving rise to such Change of Control (a **"Change of Control Notice"**) together with an unconditional and irrevocable offer in writing (the **"Change of Control Purchase Offer"**) to purchase, on the Change of Control Purchase Date, all of the Debentures then outstanding from the holders thereof made in accordance with the requirements of Applicable Securities Legislation at a price per Debenture equal to (A) 105% of the principal amount thereof, plus (B) accrued and unpaid interest on such Debentures up to,

but excluding, the Maturity Date (collectively, the **"Total Change of Control Offer Price"**). If such Change of Control Purchase Date is after a Record Date but on or prior to the next succeeding Interest Payment Date after such Record Date, then the interest payable on such date will be paid to the holder of record of the Debentures on the relevant Record Date. The **"Change of Control Purchase Date"** shall be the date that is 30 days after the date that the Change of Control Notice and Change of Control Purchase Offer are delivered by hand or mailed to holders of Debentures.

(b) If 66 2/3% or more in aggregate principal amount of Debentures outstanding on the date the Corporation provides the Change of Control Notice and the Change of Control Purchase Offer to holders of the Debentures have been tendered for purchase and not withdrawn pursuant to the Change of Control Purchase Offer on the expiration thereof, the Corporation has the right upon written notice provided to the Trustee within 10 days following the expiration of the Change of Control Purchase Offer, to redeem all the Debentures remaining outstanding on the expiration of the Change of Control Purchase Offer at the Total Change of Control Offer Price as at the Change of Control Purchase Date (the **"Change of Control Redemption Right"**).

(c) Upon receipt of notice that the Corporation has exercised or is exercising the Change of Control Redemption Right and is acquiring the remaining Debentures, the Trustee shall promptly provide written notice, in a form specified by the Corporation, to each Debentureholder that did not previously accept the Offer that:

(i) the Corporation has exercised the Change of Control Redemption Right and is purchasing all outstanding Debentures effective on the expiry of the Change of Control Purchase Offer at the Total Change of Control Offer Price, and shall include a calculation of the amount payable to such holder as payment of the Total Change of Control Offer Price as at the Change of Control Purchase Date;

(ii) each such holder must transfer their Debentures to the Trustee on the same terms as those holders that accepted the Change of Control Purchase Offer and must send their respective Debentures, duly endorsed for transfer, to the Trustee within 10 days after the sending of such notice; and

(iii) the rights of such holder under the terms of the Debentures and this Indenture cease effect as of the date of expiry of the Change of Control Purchase Offer provided the Corporation has, on or before the time of notifying the Trustee of the exercise of the Change of Control Redemption Right, paid the Total Change of Control Offer Price to, or to the order of, the Trustee and thereafter the Debentures shall not be considered to be outstanding and the holder shall not have any right except to receive such holder's Total Change of Control Offer Price upon surrender and delivery of such holder's Debentures in accordance with the Indenture.

(d) The Corporation shall, on or before 11:00 a.m., Calgary Time, on the Business Day immediately prior to the Change of Control Purchase Date, deposit with the Trustee or

any paying agent to the order of the Trustee, such sums of money, by way of same day value wire transfer, as may be sufficient to pay the Total Change of Control Offer Price of the Debentures to be purchased by the Corporation on the Change of Control Purchase Date. The Corporation shall also deposit with the Trustee a sum of money sufficient to pay any charges or expenses which may be incurred by the Trustee in connection with such purchase. Every such deposit shall be irrevocable, except as provided herein. From the sums so deposited, the Trustee shall pay or cause to be paid to the holders of such Debentures, the Total Change of Control Offer Price to which they are entitled (less any tax required to be deducted in respect thereof) on the Corporation's purchase.

(e) In the event that one or more of such Debentures being purchased in accordance with this Section 7.7 becomes subject to purchase in part only, upon surrender of such Debentures for payment of the Total Change of Control Offer Price, the Corporation shall execute and the Trustee shall certify and deliver without charge to the holder thereof or upon the holder's order, one or more new Debentures for the portion of the principal amount of the Debentures not purchased.

(f) Debentures for which holders have accepted the Change of Control Purchase Offer and Debentures which the Corporation has elected to redeem in accordance with this Section 7.7 shall become due and payable at the Total Change of Control Offer Price in cash on the Change of Control Purchase Date, in the same manner and with the same effect as if it were the date of maturity specified in such Debentures, anything therein or herein to the contrary notwithstanding, and from and after the Change of Control Purchase Date, if the money necessary to purchase or redeem the Debentures shall have been deposited as provided in this Section 7.7 and affidavits or other proofs satisfactory to the Trustee as to the publication and/or mailing of such notices shall have been lodged with it, interest on the Debentures shall cease. If any question shall arise as to whether any notice has been given as above provided and such deposit made, such question shall be decided by the Trustee whose decision shall be final and binding upon all parties in interest.

(g) Subject to the provisions above related to Debentures purchased in part, all Debentures redeemed and paid under this Section 7.7 shall forthwith be delivered to the Trustee and cancelled and no Debentures shall be issued in substitution therefor.

(h) The Corporation shall promptly give notice to the Trustee of a Change of Control.

(i) The Corporation will publicly announce the results of the purchases made pursuant to Section 7.7 as soon as practicable after the Change of Control Purchase Date.

(j) The Corporation will comply with all Applicable Securities Legislation in the event that the Corporation is required to repurchase Debentures pursuant to Section 7.7.

7.8. Unclaimed Funds

In case the holder of any Debenture to be purchased in accordance with Section 7.7 shall fail, on or before the Change of Control Purchase Date, so to surrender such holder's Debenture or shall not within

such time accept payment out of the monies payable, or give such receipt therefor, if any, as the Trustee may require, such monies may be set aside in trust, without interest, either in the deposit department of the Trustee or in a chartered bank, and such setting aside shall for all purposes be deemed a payment to the Debentureholder of the sum so set aside and, to that extent, the Debentureholder shall have no other right except to receive payment of the monies so paid and deposited, upon surrender and delivery up of such holder's Debenture, of the purchase price therefor. In the event that any money required to be deposited hereunder with the Trustee or any depository or paying agent on account of principal, premium, if any, or interest, if any, on Debentures issued hereunder shall remain so deposited for a period of six years less one day from the Change of Control Purchase Date, then such monies, together with any accumulated interest thereon, shall at the end of such period be paid over or delivered over by the Trustee, or such depository or paying agent, to the Corporation and the Trustee shall not be responsible to Debentureholders for any amounts owing to them and, subject to applicable laws, thereafter the holder of the Debenture in respect of which such money was so repaid to the Corporation shall have no rights in respect thereof except to obtain payment due from the Corporation, subject to any limitation period provided by the laws of the Province of Alberta. The Corporation shall reimburse the Trustee for any amounts required to be paid by the Trustee to a holder of a Debenture pursuant to the Change of Control Purchase Offer, after the date of such payment of the remaining funds to the Corporation but prior to six years less one day after the Change of Control Purchase Date.

7.9. Notice of Payment by Trustee

Not less than 15 days notice shall be given in the manner provided in Section 12.2 by the Trustee to the Debentureholders of any payment to be made under this Article 7. Such notice shall state the time when and place where such payment is to be made and also the liability under this Indenture to which it is to be applied. After the day so fixed, unless payment shall have been duly demanded and have been refused, the Debentureholders will be entitled to interest only on the balance (if any) of the principal monies, premium (if any) and interest (if any) due to them, respectively, on the Debentures, after deduction of the respective amounts payable in respect thereof on the day so fixed.

7.10. Trustee May Demand Production of Debentures

The Trustee shall have the right to demand production of the Debentures in respect of which any payment of principal, interest or premium required by this Article 7 is made and may cause to be endorsed on the same a memorandum of the amount so paid and the date of payment, but the Trustee may, in its discretion, dispense with such production and endorsement, upon such indemnity being given to it and to the Corporation as the Trustee shall deem sufficient.

7.11. Remedies Cumulative

No remedy herein conferred upon or reserved to the Trustee, or upon or to the holders of Debentures is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now existing or hereafter to exist by law or by statute.

7.12. Judgment Against the Corporation

The Corporation covenants and agrees with the Trustee that, in case of any judicial or other proceedings to enforce the rights of the Debentureholders, judgment may be rendered against it in favour of the Debentureholders or in favour of the Trustee, as trustee for the Debentureholders, for any amount which may remain due in respect of the principal of the Debentures and the premium (if any) and the interest thereon and any other monies owing hereunder.

7.13. Immunity of Directors, Officers and Others

The Debentureholders and the Trustee hereby waive and release any right, cause of action or remedy now or hereafter existing in any jurisdiction against any past, present or future officer, director or employee of the Corporation or a Subsidiary of the Corporation, and each holder of Common Shares of the Corporation or of any successor of any of the foregoing for the payment of the principal of, premium or interest on any of the Debentures or any other amounts or on any covenant, agreement, representation or warranty by the Corporation contained herein or in the Debentures.

ARTICLE 8
SATISFACTION AND DISCHARGE

8.1. Cancellation and Destruction

All Debentures shall forthwith after payment of all obligations thereunder be delivered to the Trustee and cancelled by it. All Debentures cancelled or required to be cancelled under this or any other provision of this Indenture shall be destroyed by the Trustee and, if required by the Corporation, the Trustee shall furnish to it a destruction certificate setting out the designating numbers of the Debentures so destroyed.

8.2. Non-Presentation of Debentures

In case the holder of any Debenture shall fail to present the same for payment on the date on which the principal of, premium (if any) or the interest thereon or represented thereby becomes payable either at maturity or otherwise or shall not accept payment on account thereof and give such receipt therefor, if any, as the Trustee may require:

(a) the Corporation shall be entitled to pay or deliver to the Trustee and direct it to set aside; or

(b) in respect of monies or Common Shares in the hands of the Trustee which may or should be applied to the payment of the Debentures, the Corporation shall be entitled to direct the Trustee to set aside; or

(c) if the redemption was pursuant to notice given by the Trustee, the Trustee may itself set aside;

the monies or Common Shares, as the case may be, in trust to be paid to the holder of such Debenture upon due presentation or surrender thereof in accordance with the provisions of this Indenture; and thereupon the principal of, premium (if any) or the interest payable on or represented by each Debenture in respect whereof such monies or Common Shares, if applicable, have been set aside shall be deemed to

have been paid and the holder thereof shall thereafter have no right in respect thereof except that of receiving delivery and payment of the monies or Common Shares, if applicable, so set aside by the Trustee upon due presentation and surrender thereof, subject always to the provisions of Section 8.3.

8.3. Repayment of Unclaimed Monies

Subject to applicable law, any monies set aside under Section 8.2 and not claimed by and paid to holders of Debentures as provided in Section 8.2 within six years less one day after the date of such setting aside shall be repaid and delivered to the Corporation by the Trustee and thereupon the Trustee shall be released from all further liability with respect to such monies and thereafter the holders of the Debentures in respect of which such monies were so repaid to the Corporation shall have no rights in respect thereof except to obtain payment and delivery of the monies from the Corporation subject to any limitation provided by the laws of the Province of Alberta. The Corporation shall reimburse the Trustee for any amounts so set aside which are required to be paid by the Trustee to a holder of a Debenture after the date of such payment of the remaining funds to the Corporation but prior to six years after such setting aside.

8.4. Discharge

The Trustee shall at the written request of the Corporation release and discharge this Indenture and execute and deliver such instruments as it shall be advised by Counsel are requisite for that purpose and to release the Corporation from its covenants herein contained (other than the provisions relating to the indemnification of the Trustee), upon proof being given to the reasonable satisfaction of the Trustee that the principal of, premium (if any) and interest (including interest on amounts in default, if any), on all the Debentures and all other monies payable hereunder have been paid or satisfied or that all the Debentures having matured or having been duly called for redemption, payment of the principal of, premium (if any) and interest (including interest on amounts in default, if any) on such Debentures and of all other monies payable hereunder has been duly and effectually provided for in accordance with the provisions hereof.

8.5. Satisfaction

(a) The Corporation shall be deemed to have fully paid, satisfied and discharged all of the outstanding Debentures and the Trustee, at the expense of the Corporation, shall execute and deliver proper instruments acknowledging the full payment, satisfaction and discharge of such Debentures, when, with respect to all of the outstanding Debentures:

(i) the Corporation has deposited or caused to be deposited with the Trustee as trust funds or property in trust for the purpose of making payment on such Debentures, an amount in money or Common Shares, if applicable, sufficient to pay, satisfy and discharge the entire amount of principal of, premium or make-whole amount, if any, and interest, if any, to maturity, or any repayment date or Redemption Date or any Change of Control Purchase Date, or upon conversion or otherwise as the case may be, of such Debentures;

(ii) the Corporation has deposited or caused to be deposited with the Trustee as trust property in trust for the purpose of making payment on such Debentures:

A. if the Debentures are issued in Canadian dollars, such amount in Canadian dollars of direct obligations of, or obligations the principal and interest of which are guaranteed by, the Government of Canada or Common Shares, if applicable; or

B. if the Debentures are issued in a currency or currency unit other than Canadian dollars, cash in the currency or currency unit in which the Debentures are payable and/or such amount in such currency or currency unit of direct obligations of, or obligations the principal and interest of which are guaranteed by, the Government of Canada or the government that issued the currency or currency unit in which the Debentures are payable or Common Shares, if applicable;

as will, be sufficient to pay and discharge the entire amount of principal of, premium, if any on, and accrued and unpaid interest to maturity or any repayment date or Redemption Date or any Change of Control Purchase Date, as the case may be, of all such Debentures; or

(iii) all Debentures authenticated and delivered (other than (A) Debentures which have been destroyed, lost or stolen and which have been replaced or paid as provided in Section 2.6 and (B) Debentures for whose payment has been deposited in trust and thereafter repaid to the Corporation as provided in Section 8.3) have been delivered to the Trustee for cancellation;

so long as in any such event:

(iv) the Corporation has paid, caused to be paid or made provisions to the satisfaction of the Trustee for the payment of all other sums payable or which may be payable with respect to all of such Debentures (together with all applicable expenses of the Trustee in connection with the payment of such Debentures); and

(v) the Corporation has delivered to the Trustee an Officer's Certificate stating that all conditions precedent herein provided relating to the payment, satisfaction and discharge of all such Debentures have been complied with.

Any deposits with the Trustee referred to in this Section 8.5 shall be irrevocable, subject to Section 8.6, and shall be made under the terms of an escrow and/or trust agreement in form and substance satisfactory to the Trustee and which provides for the due and punctual payment of the principal of, premium (if any) and interest on the Debentures being satisfied.

(b) Upon the satisfaction of the conditions set forth in this Section 8.5 with respect to all the outstanding Debentures, the terms and conditions of the Debentures, including the terms and conditions with respect thereto set forth in this Indenture (other than those contained

in Article 2, Article 4, Article 5, and Section 8.4 and the provisions of Article 1 pertaining to Article 2, Article 4, Article 5 and Section 8.4) shall no longer be binding upon or applicable to the Corporation with respect to such Debentures so satisfied.

(c) Any funds or obligations deposited with the Trustee pursuant to this Section 8.5 shall be denominated in the currency or denomination of the Debentures in respect of which such deposit is made.

(d) If the Trustee is unable to apply any money or securities in accordance with this Section 8.5 by reason of any legal proceeding or any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Corporation's obligations under this Indenture and the affected Debentures shall be revived and reinstated as though no money or securities had been deposited pursuant to this Section 8.5 until such time as the Trustee is permitted to apply all such money or securities in accordance with this Section 8.5, provided that if the Corporation has made any payment in respect of principal of, premium, if any, or interest on Debentures or, as applicable, other amounts because of the reinstatement of its obligations, the Corporation shall be subrogated to the rights of the holders of such Debentures to receive such payment from the money or securities held by the Trustee.

8.6. Continuance of Rights, Duties and Obligations

(a) Where trust funds or trust property have been deposited pursuant to Section 8.5, the holders of Debentures and the Corporation shall continue to have and be subject to their respective rights, duties and obligations under Articles 2, 4 and 5.

(b) In the event that, after the deposit of trust funds or trust property pursuant to Section 8.5 in respect of the Debentures (the "**Defeased Debentures**"), any holder of any of the Defeased Debentures from time to time converts its Debentures to Common Shares or other securities of the Corporation in accordance with Subsection 2.1(d), Article 5 or any other provision of this Indenture, the Trustee shall upon receipt of a Written Direction of the Corporation return to the Corporation from time to time the proportionate amount of the trust funds or other trust property deposited with the Trustee pursuant to Section 8.5 in respect of the Defeased Debentures which is applicable to the Defeased Debentures so converted (which amount shall be based on the applicable principal amount of the Defeased Debentures being converted in relation to the aggregate outstanding principal amount of all the Defeased Debentures).

(c) In the event that, after the deposit of trust funds or trust property pursuant to Section 8.5, the Corporation is required to make a Change of Control Purchase Offer to purchase any outstanding Debentures pursuant to Section 7.7, in relation to the Debentures, the Corporation shall be entitled to use any trust money or trust property deposited with the Trustee pursuant to Section 8.5 for the purpose of paying to any holders of Defeased Debentures who have accepted any such offer of the Corporation the Total Change of Control Offer Price payable to such holders in respect of such Change of Control Purchase Offer in respect of such holders' Debentures. Upon receipt of a Written

Direction from the Corporation, the Trustee shall be entitled to pay to such holders from such trust money or trust property deposited with the Trustee pursuant to Section 8.5 in respect of the Defeased Debentures which is applicable to the Defeased Debentures held by such holders who have accepted any such offer of the Corporation (which amount shall be based on the applicable principal amount of the Defeased Debentures held by accepting offerees in relation to the aggregate outstanding principal amount of all the Defeased Debentures).

ARTICLE 9
SUCCESSORS

9.1. Corporation may Consolidate, Etc., Only on Certain Terms

(a) Subject to the provisions of Article 10, the Corporation shall not enter into any transaction or series of transactions whereby all or substantially all of its undertaking, property or assets would become the direct or indirect property of any other Person (herein called a **"Successor"**) whether by way of reorganization, consolidation, amalgamation, arrangement, merger, transfer, sale, lease or otherwise, unless:

(i) prior to or contemporaneously with the consummation of such transaction the Corporation and the Successor shall have executed such instruments and done such things as are necessary or advisable to establish that upon the consummation of such transaction:

A. the Successor will have expressly assumed, by an indenture supplemental hereto in form satisfactory to the Trustee, all the covenants and obligations of the Corporation under this Indenture, and the Trustee shall have received a satisfactory opinion of Counsel as to the capacity and authority of the Successor thereunder and the enforceability against the Successor of the obligations of the Corporation hereunder thereby assumed;

B. the securities of the Successor to be issued upon the conversion, redemption or maturity of the Debentures will be freely tradeable under Applicable Securities Legislation and listed on each Applicable Stock Exchange;

C. the Successor shall have reserved for issuance a sufficient number of securities to satisfy the Successor's obligations to issue such securities under this Indenture;

D. the Debentures will be valid and binding obligations of the Successor entitling the holders thereof, as against the Successor, to all the rights of Debentureholders under this Indenture; and

E. the Successor shall attorn to the jurisdiction of the courts of the Province of Alberta;

(ii) such transaction, in the opinion of Counsel, shall be on such terms as to preserve and not impair any of the rights and powers of the Trustee or of the Debentureholders hereunder; and

(iii) no condition or event shall exist as to the Corporation (at the time of such transaction) or the Successor (immediately after such transaction) and after giving full effect thereto or immediately after the Successor shall become liable to pay the principal monies, premium, if any, interest and other monies due or which may become due hereunder, which constitutes or would constitute an Event of Default hereunder.

9.2. Successor Substituted

Upon any consolidation of the Corporation with, or amalgamation or merger of the Corporation into, any other Person or any sale, conveyance, transfer or lease of all or substantially all of the properties and assets of the Corporation and its Subsidiaries, taken as a whole, in accordance with Section 9.1, the successor Person formed by such consolidation or into which the Corporation is amalgamated or merged or to which such sale, conveyance, transfer or lease is made shall succeed to, and be substituted for, and may exercise every right and power of, the Corporation under this Indenture with the same effect as if such successor Person had been named as the Corporation herein, and thereafter, the Corporation shall be relieved of all obligations and covenants under this Indenture and the Debentures.

ARTICLE 10
COMPULSORY ACQUISITION

10.1. Definitions

In this Article:

(a) **"Affiliate"** and **"Associate"** shall have their respective meanings set forth in the *Securities Act* (Alberta);

(b) **"Dissenting Debentureholders"** means a Debentureholder who does not accept an Offer referred to in Section 10.2 and includes any assignee of the Debenture of a Debentureholder to whom such an Offer is made, whether or not such assignee is recognized under this Indenture;

(c) **"Offer"** means an offer to acquire outstanding Debentures, which is a take-over bid or issuer bid for Debentures within the meaning ascribed thereto in MI 62-104, where as of the date of the offer to acquire, the Debentures that are subject to the offer to acquire, together with the Offeror's Debentures, constitute in the aggregate 20% or more of the outstanding principal amount of the Debentures;

(d) **"offer to acquire"** includes an acceptance of an offer to sell;

(e) **"Offeror"** means a Person, or two or more Persons acting jointly or in concert, who make an Offer to acquire Debentures;

(f) **"Offeror's Debentures"** means Debentures beneficially owned, or over which control or direction is exercised, on the date of an Offer by the Offeror, any Affiliate or Associate of the Offeror or any Person or company acting jointly or in concert with the Offeror; and

(g) "**Offeror's Notice**" means the notice described in Section 10.3.

10.2. Offer for Debentures

If an Offer for all of the outstanding Debentures (other than Debentures held by or on behalf of the Offeror or an Affiliate or Associate of the Offeror) is made and:

(a) within the time provided in the Offer for its acceptance or within 120 days after the date the Offer is made, whichever period is the shorter, the Offer is accepted by Debentureholders representing at least 66 2/3% of the outstanding principal amount of the Debentures, other than the Offeror's Debentures;

(b) the Offeror is bound to take up and pay for, or has taken up and paid for the Debentures of the Debentureholders who accepted the Offer; and

(c) the Offeror complies with Sections 10.3 and 10.5;

the Offeror is entitled to acquire, and the Dissenting Debentureholders are required to sell to the Offeror, the Debentures held by the Dissenting Debentureholder for the same consideration per Debenture payable or paid, as the case may be, under the Offer.

To the extent that the provisions of Applicable Securities Laws conflict with this Article 10, the Corporation shall comply with Applicable Securities Laws and shall not be deemed to have breached its obligations under this Article 10 by virtue of such compliance.

10.3. Offeror's Notice to Dissenting Debentureholders

Where an Offeror is entitled to acquire Debentures held by Dissenting Debentureholders pursuant to Section 10.2 and the Offeror wishes to exercise such right, the Offeror shall send by registered mail within 30 days after the date of termination of the Offer a notice (the **"Offeror's Notice"**) to each Dissenting Debentureholder stating that:

(a) Debentureholders holding at least 66 2/3% of the principal amount of all outstanding Debentures, other than Offeror's Debentures, have accepted the Offer;

(b) the Offeror is bound to take up and pay for, or has taken up and paid for, the Debentures of the Debentureholders who accepted the Offer;

(c) Dissenting Debentureholders must transfer their respective Debentures to the Offeror on the terms on which the Offeror acquired the Debentures of the Debentureholders who

accepted the Offer within 21 days after the date of the sending of the Offeror's Notice; and

(d) Dissenting Debentureholders must send their respective Debenture certificate(s) (or such other documents as the Trustee may require in lieu thereof) to the Trustee within 21 days after the date of the sending of the Offeror's Notice.

10.4. Delivery of Debenture Certificates

A Dissenting Debentureholder to whom an Offeror's Notice is sent pursuant to Section 10.3 shall, within 21 days after the sending of the Offeror's Notice, send his or her Debenture certificate(s) to the Trustee duly endorsed for transfer (or such other documents as the Trustee may require in lieu thereof).

10.5. Payment of Consideration to Trustee

Within 21 days after the Offeror sends an Offeror's Notice pursuant to Section 10.3, the Offeror shall pay or transfer to the Trustee, or to such other Person as the Trustee may direct, the cash or other consideration that is payable to Dissenting Debentureholders pursuant to Section 10.2. The acquisition by the Offeror of all Debentures held by all Dissenting Debentureholders shall be effective as of the time of such payment or transfer.

10.6. Consideration to be held in Trust

The Trustee, or the Persons directed by the Trustee, shall hold in trust for the Dissenting Debentureholders the cash or other consideration they or it receives under Section 10.5. The Trustee, or such Persons, shall deposit cash in a separate account in a Canadian chartered bank, or other body corporate, any of whose deposits are insured by the Canada Deposit Insurance Trust, and shall place other consideration in the custody of a Canadian chartered bank or such other body corporate.

10.7. Completion of Transfer of Debentures to Offeror

Within 30 days after the date of the sending of an Offeror's Notice pursuant to Section 10.3, the Trustee, if the Offeror has complied with Section 10.5, shall:

(a) do all acts and things and execute and cause to be executed all instruments as in the Trustee's opinion may be necessary or desirable to cause the transfer of the Debentures of the Dissenting Debentureholders to the Offeror;

(b) send to each Dissenting Debentureholder who has complied with Section 10.4 the consideration to which such Dissenting Debentureholder is entitled under this Article 10; and

(c) send to each Dissenting Debentureholder who has not complied with Section 10.4 a notice stating that:

(i) his or her Debentures have been transferred to the Offeror;

(ii) the Trustee or some other Person designated in such notice is holding in trust the consideration for such Debentures; and

(iii) the Trustee, or such other Person, will send the consideration to such Dissenting Debentureholder as soon as possible after receiving such Dissenting Debentureholder's Debenture certificate(s) or such other documents as the Trustee or such other Person may require in lieu thereof;

and the Trustee is hereby appointed the agent and attorney of the Dissenting Debentureholders for the purposes of giving effect to the foregoing provisions.

10.8. Communication of Offer to Corporation

An Offeror cannot make an Offer unless, concurrently with the communication of the Offer to any Debentureholder, a copy of the Offer is provided to the Corporation and the Trustee.

ARTICLE 11
MEETINGS OF DEBENTUREHOLDERS

11.1. Right to Convene Meeting

The Trustee or the Corporation may at any time and from time to time, and the Trustee shall, on receipt of a Written Direction of the Corporation or a written request signed by the holders of not less than 25% of the principal amount of the Debentures then outstanding and upon receiving funding and being indemnified to its reasonable satisfaction by the Corporation or by the Debentureholders signing such request against the costs which may be incurred in connection with the calling and holding of such meeting, convene a meeting of the Debentureholders. In the event of the Trustee failing, within 30 days after receipt of any such request and such funding of indemnity, to give notice convening a meeting, the Corporation or such Debentureholders, as the case may be, may convene such meeting. Every such meeting shall be held in the City of Calgary, Alberta or at such other place as may be approved or determined by the Trustee.

11.2. Notice of Meetings

(a) At least 21 days notice of any meeting shall be given to the Debentureholders in the manner provided in Section 12.2 and a copy of such notice shall be sent by post to the Trustee, unless the meeting has been called by it. Such notice shall state the time when and the place where the meeting is to be held and shall state briefly the general nature of the business to be transacted thereat and it shall not be necessary for any such notice to set out the terms of any resolution to be proposed or any of the provisions of this Article. The accidental omission to give notice of a meeting to any holder of Debentures shall not invalidate any resolution passed at any such meeting. A holder may waive notice of a meeting either before or after the meeting.

(b) The determination as to whether any business to be transacted at a meeting of Debentureholders, or any action to be taken or power to be exercised by instrument in

writing under Section 11.15 shall be determined by an opinion of Counsel, which shall be binding on all Debentureholders, the Trustee and the Corporation for all purposes hereof.

11.3. Chairman

A person, who need not be a Debentureholder, nominated in writing by the Trustee shall be chairman of the meeting and if no person is so nominated, or if the person so nominated is not present within 15 minutes from the time fixed for the holding of the meeting, a majority of the Debentureholders present in person or by proxy shall choose another person present to be chairman.

11.4. Quorum

Subject to the provisions of Section 11.12, at any meeting of the Debentureholders a quorum shall consist of Debentureholders present in person or by proxy and representing at least 25% in principal amount of the outstanding Debentures. If a quorum of the Debentureholders shall not be present within 30 minutes from the time fixed for holding any meeting, the meeting, if summoned by the Debentureholders or pursuant to a request of the Debentureholders, shall be dissolved, but in any other case the meeting shall be adjourned to the same day in the next week (unless such day is not a Business Day in which case it shall be adjourned to the next following Business Day thereafter) at the same time and place and no notice shall be required to be given in respect of such adjourned meeting. At the adjourned meeting, the Debentureholders present in person or by proxy shall, subject to the provisions of Section 11.12, constitute a quorum and may transact the business for which the meeting was originally convened notwithstanding that they may not represent 25% of the principal amount of the outstanding Debentures. Any business may be brought before or dealt with at an adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same. No business shall be transacted at any meeting unless the required quorum be present at the commencement of business.

11.5. Power to Adjourn

The chairman of any meeting at which a quorum of the Debentureholders is present may, with the consent of the holders of a majority in principal amount of the Debentures represented thereat, adjourn any such meeting and no notice of such adjournment need be given except such notice, if any, as the meeting may prescribe.

11.6. Show of Hands

Every question submitted to a meeting shall, subject to Section 11.7, be decided in the first place by a majority of the votes given on a show of hands except that votes on Extraordinary Resolutions shall be given in the manner hereinafter provided. At any such meeting, unless a poll is duly demanded as herein provided, a declaration by the chairman that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact. The chairman of any meeting shall be entitled, both on a show of hands and on a poll, to vote in respect of the Debentures, if any, held by him.

11.7. Poll

On every Extraordinary Resolution, and on any other question submitted to a meeting when demanded by the chairman or by one or more Debentureholders or proxies for Debentureholders, a poll shall be taken in such manner and either at once or after an adjournment as the chairman shall direct. Questions other than Extraordinary Resolutions shall, if a poll be taken, be decided by the votes of the holders of a majority in principal amount of the Debentures represented at the meeting and voted on the poll.

11.8. Voting

On a show of hands every person who is present and entitled to vote, whether as a Debentureholder or as proxy for one or more Debentureholders or both, shall have one vote. On a poll each Debentureholder present in person or represented by a proxy duly appointed by an instrument in writing shall be entitled to one vote in respect of each $25,000 principal amount of Debentures of which he shall then be the holder. In the case of any Debenture denominated in a currency or currency unit other than Canadian dollars, the principal amount thereof for these purposes shall be computed in Canadian dollars on the basis of the conversion of the principal amount thereof at the applicable spot buying rate of exchange for such other currency or currency unit as reported by the Bank of Canada at the close of business on the Business Day next preceding the meeting. Any fractional amounts resulting from such conversion shall be rounded to the nearest $100. A proxy need not be a Debentureholder. In the case of joint holders of a Debenture, any one of them present in person or by proxy at the meeting may vote in the absence of the other or others but in case more than one of them be present in person or by proxy, they shall vote together in respect of the Debentures of which they are joint holders.

11.9. Proxies

A Debentureholder may be present and vote at any meeting of Debentureholders by an authorized representative. The Corporation (in case it convenes the meeting) or the Trustee (in any other case) for the purpose of enabling the Debentureholders to be present and vote at any meeting without producing their Debentures, and of enabling them to be present and vote at any such meeting by proxy and of lodging instruments appointing such proxies at some place other than the place where the meeting is to be held, may from time to time make and vary such regulations as it shall think fit providing for and governing any or all of the following matters:

(a) the form of the instrument appointing a proxy, which shall be in writing, and the manner in which the same shall be executed and the production of the authority of any person signing on behalf of a Debentureholder;

(b) the deposit of instruments appointing proxies at such place as the Trustee, the Corporation or the Debentureholders convening the meeting, as the case may be, may, in the notice convening the meeting, direct and the time, if any, before the holding of the meeting or any adjournment thereof by which the same must be deposited; and

(c) the deposit of instruments appointing proxies at some approved place or places other than the place at which the meeting is to be held and enabling particulars of such instruments appointing proxies to be mailed, faxed, cabled, telegraphed, emailed, or sent by other electronic means before the meeting to the Corporation or to the Trustee at such approved

place or places and for the voting of proxies so deposited as though the instruments themselves were produced at the meeting.

Any regulations so made shall be binding and effective and the votes given in accordance therewith shall be valid and shall be counted. Save as such regulations may provide, the only persons who shall be recognized at any meeting as the holders of any Debentures, or as entitled to vote or be present at the meeting in respect thereof, shall be Debentureholders and persons whom Debentureholders have by instrument in writing duly appointed as their proxies.

11.10. Persons Entitled to Attend Meetings

The Corporation and the Trustee, by their respective officers, trustees and directors, the Auditors of the Corporation and the legal advisors of the Corporation, the Trustee or any Debentureholder may attend any meeting of the Debentureholders, but shall have no vote as such.

11.11. Powers Exercisable by Extraordinary Resolution

In addition to the powers conferred upon them by any other provisions of this Indenture or by law, a meeting of the Debentureholders shall have the following powers exercisable from time to time by Extraordinary Resolution, subject in the case of the matters in paragraphs (a), (b), (c), (d) and (l) to receipt of the prior approval of each Applicable Stock Exchange or such other exchange on which the Debentures are then listed:

(a) power to authorize the Trustee to grant extensions of time for payment of any principal, premium or interest on the Debentures, whether or not the principal, premium or interest, the payment of which is extended, is at the time due or overdue;

(b) power to sanction any modification, abrogation, alteration, compromise or arrangement of the rights of the Debentureholders or the Trustee against the Corporation, or against its property, whether such rights arise under this Indenture or the Debentures or otherwise;

(c) power to assent to any modification of or change in or addition to or omission from the provisions contained in this Indenture or any Debenture which shall be agreed to by the Corporation and to authorize the Trustee to concur in and execute any indenture supplemental hereto embodying any modification, change, addition or omission;

(d) power to sanction any scheme for the reconstruction, reorganization or recapitalization of the Corporation or for the consolidation, amalgamation, arrangement, combination or merger of the Corporation with any other Person or for the sale, leasing, transfer or other disposition of all or substantially all of the undertaking, property and assets of the Corporation or any part thereof, provided that no such sanction shall be necessary in respect of any such transaction if the provisions of Section 9.1 shall have been complied with;

(e) power to direct or authorize the Trustee to exercise any power, right, remedy or authority given to it by this Indenture in any manner specified in any such Extraordinary Resolution or to refrain from exercising any such power, right, remedy or authority;

(f) power to waive, and direct the Trustee to waive, any default hereunder and/or cancel any declaration made by the Trustee pursuant to Section 7.1 either unconditionally or upon any condition specified in such Extraordinary Resolution;

(g) power to restrain any Debentureholder from taking or instituting any suit, action or proceeding for the purpose of enforcing payment of the principal, premium or interest on the Debentures, or for the execution of any trust or power hereunder;

(h) power to direct any Debentureholder who, as such, has brought any action, suit or proceeding to stay or discontinue or otherwise deal with the same upon payment, if the taking of such suit, action or proceeding shall have been permitted by Section 7.5, of the costs, charges and expenses reasonably and properly incurred by such Debentureholder in connection therewith;

(i) power to assent to any compromise or arrangement with any creditor or creditors or any class or classes of creditors, whether secured or otherwise, and with holders of any shares or other securities of the Corporation;

(j) power to appoint a committee with power and authority (subject to such limitations, if any, as may be prescribed in the resolution) to exercise, and to direct the Trustee to exercise, on behalf of the Debentureholders, such of the powers of the Debentureholders as are exercisable by Extraordinary Resolution or other resolution as shall be included in the resolution appointing the committee. The resolution making such appointment may provide for payment of the expenses and disbursements of and compensation to such committee. Such committee shall consist of such number of persons as shall be prescribed in the resolution appointing it and the members need not be themselves Debentureholders. Every such committee may elect its chairman and may make regulations respecting its quorum, the calling of its meetings, the filling of vacancies occurring in its number and its procedure generally. Such regulations may provide that the committee may act at a meeting at which a quorum is present or may act by minutes signed by the number of members thereof necessary to constitute a quorum. All acts of any such committee within the authority delegated to it shall be binding upon all Debentureholders. Neither the committee nor any member thereof shall be liable for any loss arising from or in connection with any action taken or omitted to be taken by them in good faith;

(k) power to remove the Trustee from office and to appoint a new Trustee or Trustees provided that no such removal shall be effective unless and until a new Trustee or Trustees shall have become bound by this Indenture;

(l) power to sanction the exchange of the Debentures for or the conversion thereof into shares, bonds, debentures or other securities or obligations of the Corporation or of any other Person formed or to be formed;

(m) power to authorize the distribution in specie of any shares or securities received pursuant to a transaction authorized under the provisions of Section 11.11(l); and

(n) power to amend, alter or repeal any Extraordinary Resolution previously passed or sanctioned by the Debentureholders or by any committee appointed pursuant to Section 11.11(j).

11.12. Meaning of "Extraordinary Resolution"

(a) The expression **"Extraordinary Resolution"** when used in this Indenture means, subject as hereinafter in this Section provided, a resolution proposed to be passed as an Extraordinary Resolution at a meeting of Debentureholders (including an adjourned meeting) duly convened for the purpose and held in accordance with the provisions of this Section at which the holders of not less than 25% of the principal amount of the Debentures then outstanding are present in person or by proxy and passed by the favourable votes of the holders of not less than 66 2/3% of the principal amount of the Debentures present or represented by proxy at the meeting and voted upon on a poll on such resolution.

(b) If, at any such meeting, the holders of not less than 25% of the principal amount of the Debentures then outstanding are not present in person or by proxy within 30 minutes after the time appointed for the meeting, then the meeting, if convened by or on the requisition of Debentureholders, shall be dissolved but in any other case it shall stand adjourned to such date, being not less than 14 nor more than 60 days later, and to such place and time as may be appointed by the chairman. Not less than 10 days notice shall be given of the time and place of such adjourned meeting in the manner provided in Section 12.2. Such notice shall state that at the adjourned meeting the Debentureholders present in person or by proxy shall form a quorum. At the adjourned meeting the Debentureholders present in person or by proxy shall form a quorum and may transact the business for which the meeting was originally convened and a resolution proposed at such adjourned meeting and passed thereat by the affirmative vote of holders of not less than 66 2/3% of the principal amount of the Debentures present or represented by proxy at the meeting voted upon on a poll shall be an Extraordinary Resolution within the meaning of this Indenture, notwithstanding that the holders of not less than 25% in principal amount of the Debentures then outstanding are not present in person or by proxy at such adjourned meeting.

(c) Votes on an Extraordinary Resolution shall always be given on a poll and no demand for a poll on an Extraordinary Resolution shall be necessary.

11.13. Powers Cumulative

Any one or more of the powers in this Indenture stated to be exercisable by the Debentureholders by Extraordinary Resolution or otherwise may be exercised from time to time and the exercise of any one or more of such powers from time to time shall not be deemed to exhaust the rights of the Debentureholders to exercise the same or any other such power or powers thereafter from time to time.

11.14. Minutes

Minutes of all resolutions and proceedings at every meeting as aforesaid shall be made and duly entered in books to be from time to time provided for that purpose by the Trustee at the expense of the Corporation, and any such minutes as aforesaid, if signed by the chairman of the meeting at which such resolutions were passed or proceedings had, or by the chairman of the next succeeding meeting of the Debentureholders, shall be prima facie evidence of the matters therein stated and, until the contrary is proved, every such meeting, in respect of the proceedings of which minutes shall have been made, shall be deemed to have been duly held and convened, and all resolutions passed thereat or proceedings taken thereat to have been duly passed and taken.

11.15. Instruments in Writing

All actions which may be taken and all powers that may be exercised by the Debentureholders at a meeting held as hereinbefore in this Article provided may also be taken and exercised by the holders of 66 2/3% of the principal amount of all the outstanding Debentures, by an instrument in writing signed in one or more counterparts and the expression "Extraordinary Resolution" when used in this Indenture shall include an instrument so signed.

11.16. Binding Effect of Resolutions

Every resolution and every Extraordinary Resolution passed in accordance with the provisions of this Article at a meeting of Debentureholders shall be binding upon all the Debentureholders, whether present at or absent from such meeting, and every instrument in writing signed by Debentureholders in accordance with Section 11.15 shall be binding upon all the Debentureholders, whether signatories thereto or not, and each and every Debentureholder and the Trustee (subject to the provisions for its indemnity herein contained) shall be bound to give effect accordingly to every such resolution, Extraordinary Resolution and instrument in writing.

11.17. Evidence of Rights of Debentureholders

(a) Any request, direction, notice, consent or other instrument which this Indenture may require or permit to be signed or executed by the Debentureholders may be in any number of concurrent instruments of similar tenor signed or executed by such Debentureholders.

(b) The Trustee may, in its discretion, require proof of execution in cases where it deems proof desirable and may accept such proof as it shall consider proper.

ARTICLE 12
NOTICES

12.1. Notice to Corporation

Any notice to the Corporation under the provisions of this Indenture shall be valid and effective if delivered to the Corporation at Solimar Energy Limited, 566 Elizabeth Street, Melbourne, Victoria, Australia, 3000; Attention: Chris Bowyer, Chief Financial Officer and Company Secretary (Facsimile: (61) 9349 1186) and a copy delivered to Davis LLP, Livingston Place, 1000 – 250 2nd Street SW,

Calgary, Alberta, T2P 0C1; Attention: Trevor Wong-Chor (Facsimile: (403) 213-4473), or if given by registered letter, postage prepaid, to such offices and so addressed and if mailed, shall be deemed to have been effectively given three days following the mailing thereof. The Corporation may from time to time notify the Trustee in writing of a change of address which thereafter, until changed by like notice, shall be the address of the Corporation for all purposes of this Indenture.

12.2. Notice to Debentureholders

All notices to be given hereunder with respect to the Debentures shall be deemed to be validly given to the holders thereof if sent by first class mail, postage prepaid, by letter or circular addressed to such holders at their post office addresses appearing in any of the registers hereinbefore mentioned and shall be deemed to have been effectively given three days following the day of mailing. Accidental error or omission in giving notice or accidental failure to mail notice to any Debentureholder or the inability of the Corporation to give or mail any notice due to anything beyond the reasonable control of the Corporation shall not invalidate any action or proceeding founded thereon.

If any notice given in accordance with the foregoing paragraph would be unlikely to reach the Debentureholders to whom it is addressed in the ordinary course of post by reason of an interruption in mail service, whether at the place of dispatch or receipt or both, the Corporation shall give such notice by publication at least once in the City of Calgary, Alberta (or in such of those cities as, in the opinion of the Trustee, is sufficient in the particular circumstances), each such publication to be made in a daily newspaper of general circulation in the designated city.

Any notice given to Debentureholders by publication shall be deemed to have been given on the day on which publication shall have been effected at least once in each of the newspapers in which publication was required.

All notices with respect to any Debenture may be given to whichever one of the holders thereof (if more than one) is named first in the registers hereinbefore mentioned, and any notice so given shall be sufficient notice to all holders interested in such Debenture.

12.3. Notice to Trustee

Any notice to the Trustee under the provisions of this Indenture shall be valid and effective if delivered to the Trustee at its principal office in the City of Calgary, at 600, 530 – 8th Avenue SW, Calgary, Alberta, Canada, T2P 3S8; Attention: Manager, Corporate Trust; fax number (403) 267-6598, or if given by registered letter, postage prepaid, to such office and so addressed and, if mailed, shall be deemed to have been effectively given three days following the mailing thereof.

12.4. Mail Service Interruption

If by reason of any interruption of mail service, actual or threatened, any notice to be given to the Trustee would reasonably be unlikely to reach its destination by the time notice by mail is deemed to have been given pursuant to Section 12.3, such notice shall be valid and effective only if delivered at the appropriate address in accordance with Section 12.3.

ARTICLE 13
CONCERNING THE TRUSTEE

13.1. No Conflict of Interest

The Trustee represents to the Corporation that at the date of execution and delivery by it of this Indenture there exists no material conflict of interest in the role of the Trustee as a fiduciary hereunder but if, notwithstanding the provisions of this Section 13.1, such a material conflict of interest exists, or hereafter arises, the validity and enforceability of this Indenture, and the Debentures issued hereunder, shall not be affected in any manner whatsoever by reason only that such material conflict of interest exists or arises but the Trustee shall, within 30 days after ascertaining that it has a material conflict of interest, either eliminate such material conflict of interest or resign in the manner and with the effect specified in Section 13.2.

13.2. Replacement of Trustee

The Trustee may resign its trust and be discharged from all further duties and liabilities hereunder by giving to the Corporation 90 days notice in writing or such shorter notice as the Corporation may accept as sufficient. If at any time a material conflict of interest exists in the Trustee's role as a fiduciary hereunder the Trustee shall, within 30 days after ascertaining that such a material conflict of interest exists, either eliminate such material conflict of interest or resign in the manner and with the effect specified in this Section 13.2. The validity and enforceability of this Indenture and of the Debentures issued hereunder shall not be affected in any manner whatsoever by reason only that such a material conflict of interest exists. In the event of the Trustee resigning or being removed or being dissolved, becoming bankrupt, going into liquidation or otherwise becoming incapable of acting hereunder, the Corporation shall forthwith appoint a new Trustee unless a new Trustee has already been appointed by the Debentureholders. Failing such appointment by the Corporation, the retiring Trustee or any Debentureholder may apply to a Judge of the Court of Queen's Bench of Alberta, on such notice as such Judge may direct at the Corporation's expense, for the appointment of a new Trustee but any new Trustee so appointed by the Corporation or by the Court shall be subject to removal as aforesaid by the Debentureholders and the appointment of such new Trustee shall be effective only upon such new Trustee becoming bound by this Indenture. Any new Trustee appointed under any provision of this Section 13.2 shall be a Corporation authorized to carry on the business of a trust company in all of the Provinces of Canada. On any new appointment the new Trustee shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named herein as Trustee.

Any company into which the Trustee may be merged or, with or to which it may be consolidated, amalgamated or sold, or any company resulting from any merger, consolidation, sale or amalgamation to which the Trustee shall be a party, or any company to whom the Trustee may transfer all or substantially all of its corporate trust business, shall be the successor trustee under this Indenture without the execution of any instrument or any further act. Nevertheless, upon the written request of the successor Trustee or of the Corporation, the Trustee ceasing to act shall execute and deliver an instrument assigning and transferring to such successor Trustee, upon the trusts herein expressed, all the rights, powers and trusts of the Trustee so ceasing to act, and shall duly assign, transfer and deliver all property and money held by such Trustee to the successor Trustee so appointed in its place. Should any deed, conveyance or instrument in writing from the Corporation be required by any new Trustee for more fully

and certainly vesting in and confirming to it such estates, properties, rights, powers and trusts, then any and all such deeds, conveyances and instruments in writing shall on request of said new Trustee, be made, executed, acknowledged and delivered by the Corporation.

13.3. Duties of Trustee

In the exercise of the rights, duties and obligations prescribed or conferred by the terms of this Indenture, the Trustee shall act honestly and in good faith with a view to the best interests of the holders and exercise that degree of care, diligence and skill that a reasonably prudent trustee would exercise in comparable circumstances. No provision of this Indenture shall be construed to relieve the Trustee from, or require any other person to indemnify the Trustee against, liability for its own gross negligence, wilful misconduct or fraud.

13.4. Reliance Upon Declarations, Opinions, etc.

In the exercise of its rights, duties, and obligations hereunder the Trustee may, if acting in good faith, rely, as to the truth of the statements and accuracy of the opinions expressed therein upon statutory declarations, opinions, reports or certificates furnished pursuant to any covenant, condition or requirement of this Indenture or required by the Trustee to be furnished to it in the exercise of its rights and duties hereunder, if the Trustee examines such statutory declarations, opinions, reports or certificates and determines that they comply with Section 13.5, if applicable, and with any other applicable requirements of this Indenture. The Trustee may nevertheless, in its discretion, require further proof in cases where it deems further proof desirable. Without restricting the foregoing, the Trustee may rely on an opinion of Counsel satisfactory to the Trustee notwithstanding that it is delivered by a solicitor or firm which acts as solicitors for the Corporation.

13.5. Evidence and Authority to Trustee, Opinions, etc.

The Corporation shall furnish to the Trustee evidence of compliance with the conditions precedent provided for in this Indenture relating to any action or step required or permitted to be taken by the Corporation or the Trustee under this Indenture or as a result of any obligation imposed under this Indenture, including without limitation, the certification and delivery of Debentures hereunder, the satisfaction and discharge of this Indenture and the taking of any other action to be taken by the Trustee at the request of or on the application of the Corporation, forthwith if and when (a) such evidence is required by any other Section of this Indenture to be furnished to the Trustee in accordance with the terms of this Section 13.5, or (b) the Trustee, in the exercise of its rights and duties under this Indenture, gives the Corporation written notice requiring it to furnish such evidence in relation to any particular action or obligation specified in such notice.

Such evidence shall consist of:

(a) a certificate made by any one officer or director of the Corporation, stating that any such condition precedent has been complied with in accordance with the terms of this Indenture;

(b) in the case of a condition precedent compliance with which is, by the terms of this Indenture, made subject to review or examination by a solicitor, an opinion of Counsel

that such condition precedent has been complied with in accordance with the terms of this Indenture; and

(c) in the case of any such condition precedent compliance with which is subject to review or examination by auditors or accountants, an opinion or report of the Auditors of the Corporation whom the Trustee for such purposes hereby approves, that such condition precedent has been complied with in accordance with the terms of this Indenture.

Whenever such evidence relates to a matter other than the certificates and delivery of Debentures and the satisfaction and discharge of this Indenture, and except as otherwise specifically provided herein, such evidence may consist of a report or opinion of any solicitor, auditor, accountant, engineer or appraiser or any other person whose qualifications give authority to a statement made by him, provided that if such report or opinion is furnished by a trustee, officer or employee of the Corporation it shall be in the form of a statutory declaration. Such evidence shall be, so far as appropriate, in accordance with the immediately preceding paragraph of this Section.

Each statutory declaration, certificate, opinion or report with respect to compliance with a condition precedent provided for in the Indenture shall include (a) a statement by the person giving the evidence that he has read and is familiar with those provisions of this Indenture relating to the condition precedent in question, (b) a brief statement of the nature and scope of the examination or investigation upon which the statements or opinions contained in such evidence are based, (c) a statement that, in the belief of the person giving such evidence, he has made such examination or investigation as is necessary to enable him to make the statements or give the opinions contained or expressed therein, and (d) a statement whether in the opinion of such person the conditions precedent in question have been complied with or satisfied.

The Corporation shall furnish or cause to be furnished to the Trustee at any time if the Trustee reasonably so requires, its certificate that the Corporation has complied with all covenants, conditions or other requirements contained in this Indenture, the non-compliance with which would, with the giving of notice or the lapse of time, or both, or otherwise, constitute an Event of Default, or if such is not the case, specifying the covenant, condition or other requirement which has not been complied with and giving particulars of such non-compliance. The Corporation shall, whenever the Trustee so requires, furnish the Trustee with evidence by way of statutory declaration, opinion, report or certificate as specified by the Trustee as to any action or step required or permitted to be taken by the Corporation or as a result of any obligation imposed by this Indenture.

13.6. Officer's Certificates Evidence

Except as otherwise specifically provided or prescribed by this Indenture, whenever in the administration of the provisions of this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or omitting any action hereunder, the Trustee, if acting in good faith, may rely upon an Officer's Certificate.

13.7. Experts, Advisers and Agents

The Trustee may:

(a) employ or retain and act and rely on the opinion or advice of or information obtained from any solicitor, auditor, valuer, engineer, surveyor, appraiser or other expert, whether obtained by the Trustee or by the Corporation, or otherwise, and shall not be liable for acting, or refusing to act, in good faith on any such opinion or advice and may pay proper and reasonable compensation for all such legal and other advice or assistance as aforesaid; and

(b) employ such agents and other assistants as it may reasonably require for the proper discharge of its duties hereunder, and may pay reasonable remuneration for all services performed for it (and shall be entitled to receive reasonable remuneration for all services performed by it) in the discharge of the trusts hereof and compensation for all disbursements, costs and expenses made or incurred by it in the discharge of its duties hereunder and in the management of the trusts hereof and any solicitors employed or consulted by the Trustee may, but need not be, solicitors for the Corporation.

13.8. Trustee May Deal in Debentures

Subject to Sections 13.1 and 13.3, the Trustee may, in its personal or other capacity, buy, sell, lend upon and deal in the Debentures and generally contract and enter into financial transactions with the Corporation or otherwise, without being liable to account for any profits made thereby.

13.9. Investment of Monies Held by Trustee

Unless otherwise provided in this Indenture, any monies held by the Trustee, which, under the trusts of this Indenture, may or ought to be invested or which may be on deposit with the Trustee or which may be in the hands of the Trustee, may be invested and reinvested in the name or under the control of the Trustee in securities in which, under the laws of the Province of Alberta, trustees are authorized to invest trust monies, provided that such securities are expressed to mature within two years or such shorter period selected to facilitate any payments expected to be made under this Indenture, after their purchase by the Trustee, and unless and until the Trustee shall have declared the principal of and interest on the Debentures to be due and payable, the Trustee shall so invest such monies at the Written Direction of the Corporation given in a reasonably timely manner. Pending the investment of any monies as hereinbefore provided, such monies may be deposited in the name of the Trustee in any chartered bank of Canada or, with the consent of the Corporation, in the deposit department of the Trustee or any other loan or trust company authorized to accept deposits under the laws of Canada or any Province thereof at the rate of interest, if any, then current on similar deposits.

Unless and until the Trustee shall have declared the principal of and interest on the Debentures to be due and payable, the Trustee shall pay over to the Corporation all interest received by the Trustee in respect of any investments or deposits made pursuant to the provisions of this Section.

13.10. Trustee Not Ordinarily Bound

Except as provided in Section 7.2 and as otherwise specifically provided herein, the Trustee shall not, subject to Section 13.3, be bound to give notice to any person of the execution hereof, nor to do, observe or perform or see to the observance or performance by the Corporation of any of the obligations herein imposed upon the Corporation or of the covenants on the part of the Corporation herein contained, nor in any way to supervise or interfere with the conduct of the Corporation's business, unless the Trustee shall have been required to do so in writing by the holders of not less than 25% of the aggregate principal amount of the Debentures then outstanding or by any Extraordinary Resolution of the Debentureholders passed in accordance with the provisions contained in Article 11, and then only after it shall have been funded and indemnified to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all costs, charges, damages and expenses which it may incur by so doing.

13.11. Trustee Not Required to Give Security

The Trustee shall not be required to give any bond or security in respect of the execution of the trusts and powers of this Indenture or otherwise in respect of the premises.

13.12. Trustee Not Bound to Act on Corporation's Request

Except as in this Indenture otherwise specifically provided, the Trustee shall not be bound to act in accordance with any direction or request of the Corporation until a duly authenticated copy of the instrument or resolution containing such direction or request shall have been delivered to the Trustee, and the Trustee shall be empowered to act upon any such copy purporting to be authenticated and believed by the Trustee to be genuine.

13.13. Conditions Precedent to Trustee's Obligations to Act Hereunder

The obligation of the Trustee to commence or continue any act, action or proceeding for the purpose of enforcing the rights of the Trustee and of the Debentureholders hereunder shall be conditional upon the Debentureholders furnishing, when required by notice in writing by the Trustee, sufficient funds to commence or continue such act, action or proceeding and indemnity reasonably satisfactory to the Trustee to protect and hold harmless the Trustee against the costs, charges and expenses and liabilities to be incurred thereby and any loss and damage it may suffer by reason thereof.

None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers unless indemnified as aforesaid.

The Trustee may, before commencing or at any time during the continuance of any such act, action or proceeding require the Debentureholders at whose instance it is acting to deposit with the Trustee the Debentures held by them for which Debentures the Trustee shall issue receipts.

13.14. Authority to Carry on Business

The Trustee represents to the Corporation that at the date of execution and delivery by it of this Indenture it is authorized to carry on the business of a trust company in the province of Alberta but if,

notwithstanding the provisions of this Section 13.14, it ceases to be so authorized to carry on business, the validity and enforceability of this Indenture and the securities issued hereunder shall not be affected in any manner whatsoever by reason only of such event but the Trustee shall, within 90 days after ceasing to be authorized to carry on the business of a trust company in the province of Alberta, either become so authorized or resign in the manner and with the effect specified in Section 13.2.

13.15. Compensation and Indemnity

(a) The Corporation shall pay to the Trustee from time to time compensation for its services hereunder as agreed separately by the Corporation and the Trustee, and shall pay or reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in the administration or execution of its duties under this Indenture (including the reasonable and documented compensation and disbursements of its Counsel and all other advisers and assistants not regularly in its employ), both before any default hereunder and thereafter until all duties of the Trustee under this Indenture shall be finally and fully performed. The Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust.

(b) The Corporation hereby indemnifies and saves harmless the Trustee and its directors, officers and employees from and against any and all loss, damages, charges, expenses, claims, demands, actions or liability whatsoever which may be brought against the Trustee or which it may suffer or incur as a result of or arising out of the performance of its duties and obligations hereunder save only in the event of gross negligence, or the wilful misconduct or bad faith of the Trustee. This indemnity will survive the termination or discharge of this Indenture and the resignation or removal of the Trustee. The Trustee shall notify the Corporation promptly of any claim for which it may seek indemnity. The Corporation shall defend the claim and the Trustee shall co-operate in the defence. The Trustee may have separate Counsel and the Corporation shall pay the reasonable fees and expenses of such Counsel. The Corporation need not pay for any settlement made without its consent, which consent must not be unreasonably withheld. This indemnity shall survive the resignation or removal of the Trustee or the discharge of this Indenture.

(c) The Corporation need not reimburse any expense or indemnify against any loss or liability incurred by the Trustee through gross negligence or bad faith.

13.16. Acceptance of Trust

The Trustee hereby accepts the trusts in this Indenture declared and provided for and agrees to perform the same upon the terms and conditions herein set forth and to hold all rights, privileges and benefits conferred hereby and by law in trust for the various Persons who shall from time to time be Debentureholders, subject to all the terms and conditions herein set forth.

13.17. Third Party Interests

Each party to this Indenture (in this paragraph referred to as a **"representing party"**) hereby represents to the Trustee that any account to be opened by, or interest to held by, the Trustee in connection with this

Indenture, for or to the credit of such representing party, either (i) is not intended to be used by or on behalf of any third party; or (ii) is intended to be used by or on behalf of a third party, in which case such representing party hereby agrees to complete, execute and deliver forthwith to the Trustee a declaration, in the Trustee's prescribed form or in such other form as may be satisfactory to it, as to the particulars of such third party.

13.18. Anti-Money Laundering

The Trustee shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Trustee, in its sole judgment, acting reasonably, determines that such act might cause it to be in noncompliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline. Further, should the Trustee, in its sole judgment, acting reasonably, determine at any time that its acting under this Indenture has resulted in its being in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline, then it shall have the right to resign on 10 days' prior written notice sent to the Corporation provided that (i) the Trustee's written notice shall describe the circumstances of such non-compliance; and (ii) if such circumstances are rectified to the Trustee's satisfaction within such 10-day period, then such resignation shall not be effective.

13.19. Privacy Laws

The parties acknowledge that the Trustee may, in the course of providing services hereunder, collect or receive financial and other personal information about such parties and/or their representatives, as individuals, or about other individuals related to the subject matter hereof, and use such information for the following purposes:

(a) to provide the services required under this Indenture and other services that may be requested from time to time;

(b) to help the Trustee manage its servicing relationships with such individuals;

(c) to meet the Trustee's legal and regulatory requirements; and

(d) if Social Insurance Numbers are collected by the Trustee, to perform tax reporting and to assist in verification of an individual's identity for security purposes.

Each party acknowledges and agrees that the Trustee may receive, collect, use and disclose personal information provided to it or acquired by it in the course of this Indenture for the purposes described above and, generally, in the manner and on the terms described in its privacy code, which the Trustee shall make available on its website or upon request, including revisions thereto. Some of this personal information may be transferred to servicers in the U.S.A. for data processing and/or storage. Further, each party agrees that it shall not provide or cause to be provided to the Trustee any personal information relating to an individual who is not a party to this agreement unless that party has assured itself that such individual understands and has consented to the aforementioned terms, uses and disclosures.

13.20. Force Majeure

The Trustee shall not be personally liable, or held in breach of this Indenture, if prevented, hindered, or delayed in the performance or observance of any provision contained herein by reason of act of God, riots, terrorism, acts of war, epidemics, governmental action or judicial order, earthquakes, or any other similar causes (including, but not limited to, mechanical, electronic or communication interruptions, disruptions or failures). Performance times under this Indenture shall be extended for a period of time equivalent to the time lost because of any delay that is excusable under this Section. In no event shall the Trustee be responsible or liable for special, indirect, or consequential loss or damage of any kind whatsoever in connection with any delay that is excusable under this Section (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

ARTICLE 14
SUPPLEMENTAL INDENTURES

14.1. Supplemental Indentures

Subject to the approval of each Applicable Stock Exchange and such other exchange on which the Debentures or Common Shares are then listed, as may be required, from time to time the Trustee and, when authorized by a resolution of the Board of Directors, the Corporation, may, and they shall when required by this Indenture, execute, acknowledge and deliver by the proper officers deeds or indentures supplemental hereto which thereafter shall form part hereof, for any one or more of the following purposes:

(a) adding to the covenants of the Corporation herein contained for the protection of the Debentureholders, or of the Debentures, or providing for Events of Default, in addition to those herein specified;

(b) making such provisions not inconsistent with this Indenture as may be necessary or desirable with respect to matters or questions arising hereunder, including the making of any modifications in the form of the Debentures which do not affect the substance thereof and which in the opinion of the Trustee relying on an opinion of Counsel will not be prejudicial to the interests of the Debentureholders;

(c) evidencing the succession, or successive successions, of others to the Corporation and the covenants of and obligations assumed by any such successor in accordance with the provisions of this Indenture (including Article 9);

(d) giving effect to any Extraordinary Resolution passed as provided in Article 11; and

(e) for any other purpose not inconsistent with the terms of this Indenture.

Unless the supplemental indenture requires the consent or concurrence of Debentureholders by Extraordinary Resolution, the consent or concurrence of Debentureholders shall not be required in connection with the execution, acknowledgement or delivery of a supplemental indenture. The

Corporation and the Trustee may amend any of the provisions of this Indenture related to matters of United States law or the issuance of Debentures into the United States in order to ensure that such issuances can be made in accordance with applicable law in the United States without the consent or approval of the Debentureholders. Further, subject to the approval of each Applicable Stock Exchange and such other exchange on which the Debentures or Common Shares are then listed, as may be required, the Corporation and the Trustee may without the consent or concurrence of the Debentureholders by supplemental indenture or otherwise, make any changes or corrections in this Indenture which it shall have been advised by Counsel are required for the purpose of curing or correcting any ambiguity or defective or inconsistent provisions or clerical omissions or mistakes or manifest errors contained herein or in any indenture supplemental hereto or any Written Direction of the Corporation provided for the issue of Debentures, providing that in the opinion of the Trustee (relying upon an opinion of Counsel) the rights of the Debentureholders are in no way prejudiced thereby.

ARTICLE 15
EXECUTION AND FORMAL DATE

15.1. Execution

This Indenture may be simultaneously executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument.

15.2. Formal Date

For the purpose of convenience this Indenture may be referred to as bearing the formal date of August 14, 2013 irrespective of the actual date of execution hereof.

[Remainder of Page Intentionally Left Blank]

IN WITNESS whereof the parties hereto have executed these presents under their respective corporate seals and the hands of their proper officers in that behalf.

SOLIMAR ENERGY LIMITED

Per: _____

Name: Jason Bednar
Title: Director

COMPUTERSHARE TRUST COMPANY OF CANADA

Per: _____

Name:
Title:

Per: _____

Name:
Title:

IN WITNESS whereof the parties hereto have executed these presents under their respective corporate seals and the hands of their proper officers in that behalf.

SOLIMAR ENERGY LIMITED

Per: _____

Name:
Title:

COMPUTERSHARE TRUST COMPANY OF CANADA

Per: _____

Name:
Title: KAREN BISCOPE
MANAGER, CORPORATE TRUST

Per: _____

Name:
Title: LAURA LEONG
CORPORATE TRUST OFFICER

SCHEDULE A

TO THE AMENDED AND RESTATED CONVERTIBLE DEBENTURE INDENTURE AMONG

SOLIMAR ENERGY LIMITED

AND

COMPUTERSHARE TRUST COMPANY OF CANADA

FORM OF DEBENTURE

SCHEDULE A

FORM OF CERTIFICATED DEBENTURE

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [♦].

[IF APPLICABLE] **WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE AND THE SECURITIES ISSUED UPON THE CONVERSION OF SUCH SECURITIES MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT BEFORE [♦]**

[U.S. Legend, if applicable.]

20% CONVERTIBLE SENIOR UNSECURED DEBENTURE DUE JANUARY 31, 2014

Number: D-[♦]

SOLIMAR ENERGY LIMITED (the **"Corporation"**) for value received hereby acknowledges itself indebted and, subject to the provisions of the Amended and Restated Convertible Debenture Indenture made as of August 14, 2013 (the "**Indenture**") between the Corporation and Computershare Trust Company of Canada (the "**Trustee**") amending the convertible debenture indenture dated as of June 26, 2012 between the Corporation and the **Trustee**, promises to pay to the registered holder hereof on January 31, 2014 or, upon the Corporation and its Subsidiaries providing the Debentureholders first priority security on all of the Corporation's and its Subsidiaries' assets and payment of a $250,000 extension fee (payable rateably and proportionately to the Debentureholders), July 31, 2014 (the "**Maturity Date**") or on such earlier date as the principal amount hereof may become due in accordance with the provisions of the Indenture the principal sum of $_____ plus such Debentureholder's rateable and proportionate share of the $500,000 Loan Modification Fee plus such Debentureholder's Deferred Interest (as defined below), in lawful money of Canada on presentation and surrender of this Debenture at the main branch of the Trustee in Calgary, Alberta in accordance with the terms of the Indenture and, subject as hereinafter provided, to pay interest on the principal amount hereof from the date hereof until June 30, 2013 at the rate of 11% per annum and from July 1, 2013 at the rate of 20% per annum (with 16% thereof being payable on each Interest Payment Date and the additional 4% thereof being accrued into the principal and payable on the Maturity Date (the "**Deferred Interest**")), based on a year of 365 days (or 366 days in the case of a leap year), in like money, in arrears in equal (with the exception of the first interest payment which will include interest from the date of issue below) quarterly installments on March 31, June 30, September 30 and December 31 in each year commencing on September 30, 2012 with the last payment (representing interest payable from the preceding Interest Payment Date to, but excluding, the Maturity Date) to fall due on the Maturity Date and, should the Corporation at any time make default in the payment of any principal, premium (if any) or interest, to pay interest on the amount in default at the same rate, in like money and on the same dates. For the purposes of disclosure under the *Interest Act* (Canada), whenever interest is computed under this Debenture on the basis of a year (the "**deemed year**") which contains fewer days than the actual number of days in the calendar year of calculation, such rate of interest shall be expressed as a yearly rate by

multiplying such rate of interest by the actual number of days in such calendar year of calculation and dividing it by the number of days in the deemed year.

Interest hereon shall be payable by either, subject to the provisions of the Indenture, (i) the payment of cash or (ii) by issuing and delivering to Debentureholders on the Interest Payment Date that number of Freely Tradeable Common Shares obtained by dividing the amount of Interest due and payable by 90% of the weighted average trading price of the Common Shares on the TSX-V (or if the Common Shares are no longer listed for trading on such exchange such other Applicable Stock Exchange on which the Common Shares are then listed for trading), for the 10 consecutive trading days ending on the day prior to the deadline for delivery of the Share Interest Payment Notice, or, subject to Debentureholders approval, such higher price as any regulatory body shall require. If the Corporation elects to exercise such option, it shall so specify and provide details in the Share Interest Payment Notice.

This Debenture is one of the 20% Convertible Senior Unsecured Debentures due January 31, 2014 of the Corporation issued or issuable under the provisions of the Indenture. The Debentures are limited to an aggregate principal amount of up to $4,500,000 in lawful money of Canada. Reference is hereby expressly made to the Indenture for a description of the terms and conditions upon which the Debentures are or are to be issued and held and the rights and remedies of the holders of the Debentures and of the Corporation and of the Trustee, all to the same effect as if the provisions of the Indenture were herein set forth to all of which provisions the holder of this Debenture by acceptance hereof assents.

The Debentures are issuable only in denominations of $50,000 and integral multiples thereof. Upon compliance with the provisions of the Indenture, Debentures of any denomination may be exchanged for an equal aggregate principal amount of Debentures in any other authorized denomination or denominations.

Any part, being $5,000 or an integral multiple thereof, of the principal of this Debenture, provided that the principal amount of this Debenture is in a denomination in excess of $10,000, is convertible, at the option of the holder hereof, upon surrender of this Debenture at the principal office of the Trustee in Calgary, Alberta, at any time prior to the close of business on the earlier of (i) on the Business Day immediately preceding the Maturity Date of the Debentures; or (ii) if the Debentures are called for redemption, on the Business Day immediately preceding the date specified by the Corporation for redemption of the Debentures or (iii) if subject to repurchase pursuant to a Change of Control, on the Business Day immediately preceding the Change of Control Purchase Date; into Common Shares (no adjustment in the number of Common Shares to be issued upon conversion will be made for dividends or distributions on Common Shares issuable upon conversion, the record date for the payment of which precedes the date upon which the holder becomes a holder of Common Shares in accordance with Article 5, or for interest accrued on Debentures surrendered) at a conversion price of $0.10 (the "**Conversion Price**") per Common Share, being a rate of 50,000 Common Shares for each $5,000 principal amount of Debentures, all subject to the terms and conditions and in the manner set forth in the Indenture. Notwithstanding any other provisions of the Indenture, if this Debenture is surrendered for conversion on an Interest Payment Date or during the five preceding Business Days, the holder hereof shall not become the holder of record of such Common Shares until the Business Day following such Interest Payment Date. The Indenture makes provision for the adjustment of the Conversion Price in the events therein specified. No fractional Common Shares will be issued on any conversion but in lieu thereof, the Corporation will satisfy such fractional interest by a cash payment equal to the market price of such fractional interest determined in accordance with the Indenture. Holders converting their Debentures will receive accrued and unpaid interest thereon. If a Debenture is surrendered for conversion on an Interest Payment Date or during the five preceding Business Days, the Person or Persons entitled to receive Common Shares in respect of the Debentures so surrendered for conversion

shall not become the holder or holders of record of such Common Shares until the Business Day following such Interest Payment Date.

This Debenture may be redeemed at the option of the Corporation on the terms and conditions set out in the Indenture at the redemption price therein and herein set out.

Prior to the Maturity Date, and provided that the Current Market Price of the Common Shares is at least 200% of the Conversion Price of the Debentures, the Debentures are redeemable at the option of the Corporation at a price equal to the principal amount outstanding on each Debenture plus accrued and unpaid interest and otherwise on the terms and conditions described in the Indenture. After the date that is 12 months prior to the Maturity Date, the Debentures are redeemable at the option of the Corporation at a price equal to 105% of the principal amount outstanding on such Debenture plus accrued and unpaid interest and otherwise on the terms and conditions described in the Indenture.

Upon the occurrence of a Change of Control of the Corporation, the Corporation is required to make an offer to purchase all of the Debentures at a price equal to 105% of the principal amount of such Debentures plus accrued and unpaid interest up to, but excluding, the date the Debentures are so repurchased (the "**Change of Control Purchase Offer**"). If 66 2/3% or more of the principal amount of all Debentures outstanding on the date the Corporation provides notice of a Change of Control to the Trustee have been tendered for purchase pursuant to the Change of Control Purchase Offer and not withdrawn, the Corporation has the right to redeem all the remaining outstanding Debentures on the same date and at the same price, subject to the terms and conditions described in the Indenture.

If an offer is made for the Debentures which is a take-over bid or issuer bid for the Debentures within the meaning of MI 62-104 and 66 2/3% or more of the principal amount of all the Debentures (other than Debentures held at the date of offer by or on behalf of the Offeror, associates or affiliates of the Offeror or anyone acting jointly or in concert with the Offeror) are taken up and paid for by the Offeror, the Offeror will be entitled to acquire the Debentures of those holders who did not accept the offer on the same terms as the Offeror acquired Debentures pursuant to the offer, all subject to the terms and conditions described in the Indenture.

The principal hereof may become or be declared due and payable before the stated maturity in the events, in the manner, with the effect and at the times provided in the Indenture.

The Indenture contains provisions making binding upon all holders of Debentures outstanding thereunder resolutions passed at meetings of such holders held in accordance with such provisions and instruments signed by the holders of a specified majority of Debentures outstanding, which resolutions or instruments may have the effect of amending the terms of this Debenture or the Indenture. This Debenture is subject to the terms of the Indenture. In the case of any conflict between the Indenture and this Debenture, the terms of the Indenture shall prevail.

The Indenture contains provisions disclaiming any personal liability on the part of officers, directors and employees of the Corporation in respect of any obligation or claim arising out of the Indenture or this Debenture.

This Debenture may only be transferred, upon compliance with the conditions prescribed in the Indenture, in the register to be kept at the principal office of the Trustee in the City of Calgary, Alberta and/or in such other place or places and/or by such other registrars (if any) as the Corporation with the approval of the Trustee may designate. No transfer of this Debenture shall be valid unless made on the register by the Trustee or such other registrar upon surrender of this Debenture by the registered holder or such holder's executors, administrators or other legal representatives or an attorney duly appointed by an instrument in writing in a form and executed in a manner satisfactory to the Trustee or such other

registrar together with a duly executed form of transfer acceptable to the Trustee or such other registrar and upon compliance with such other reasonable requirements as the Trustee or other registrar may prescribe, and unless the name of the transferee shall have been noted on this Debenture by the Trustee or such other registrar or this Debenture shall have been cancelled and a new Debenture shall have been issued in replacement hereof.

This Debenture shall not become obligatory for any purpose until it shall have been certified by the Trustee under the Indenture.

Capitalized words or expressions used in this Debenture shall, unless otherwise defined herein, have the meaning ascribed thereto in the Indenture.

IN WITNESS WHEREOF SOLIMAR ENERGY LIMITED has caused this Debenture to be signed by one of its authorized representatives as of the ____ day of _____, 201_.

SOLIMAR ENERGY LIMITED

Per: _____

Name:
Title:

This Debenture is one of the 20% Convertible Senior Unsecured Debentures due January 31, 2014 referred to in the Indenture within mentioned.

COMPUTERSHARE TRUST COMPANY OF CANADA

Per: _____

Name:
Title:

(FORM OF REGISTRATION PANEL)

SOLIMAR ENERGY LIMITED

20% CONVERTIBLE SENIOR UNSECURED DEBENTURES

DUE JANUARY 31, 2014

Initial Principal Amount: $♦

(No writing hereon except by Trustee or other registrar)

Date of Registration	In Whose Name Registered	Signature of Trustee or Registrar

FORM OF ASSIGNMENT

THIS DEBENTURE MAY NOT BE TRANSFERRED TO A U.S. PERSON OR TO ANY PERSON IN THE UNITED STATES OR TO ANY PERSON FOR THE ACCOUNT OR BENEFIT OF A U.S. PERSON OR A PERSON IN THE UNITED STATES. "UNITED STATES" AND "U.S. PERSON" ARE USED HEREIN AS SUCH TERMS ARE DEFINED BY REGULATION S UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED.

DEBENTURES MAY NOT BE TRANSFERRED TO PERSONS IN AUSTRALIA OTHER THAN TO PROFESSIONAL INVESTORS OR SOPHISTICATED INVESTORS AS SUCH TERMS ARE DEFINED IN THE AUSTRALIAN CORPORATIONS ACT 2001 (CTH).

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____, whose address and social insurance number, if applicable, are set forth below, this Debenture (or $_____ principal amount hereof*) of SOLIMAR ENERGY LIMITED (the "**Corporation**") standing in the name(s) of the undersigned in the register maintained by the Corporation with respect to such Debenture and does hereby irrevocably authorize and direct the Trustee to transfer such Debenture in such register, with full power of substitution in the premises.

Dated:_____

Address of Transferee: _____
(Street Address, City, Province and Postal Code)

Social Insurance Number of Transferee, if applicable: _____

* **If less than the full principal amount of the within Debenture is to be transferred, indicate in the space provided the principal amount (which must be $5,000 or an integral multiple thereof, unless you hold an Debenture in a non-integral multiple of $5,000 by reason of your having exercised your right to exchange upon the making of a Change of Control Purchase Offer, in which case such Debenture is transferable only in its entirety) to be transferred.**

2. The signature(s) to this assignment must correspond with the name(s) as written upon the face of this Debenture in every particular without alteration or any change whatsoever. The signature(s) must be guaranteed by a Canadian chartered bank or trust company or by a member of an acceptable Medallion Guarantee Program. Notarized or witnessed signatures are not acceptable as guaranteed signatures. The Guarantor must affix a stamp bearing the actual words: "SIGNATURE GUARANTEED".

3. The registered holder of this Debenture is responsible for the payment of any documentary, stamp or other transfer taxes that may be payable in respect of the transfer of this Debenture.

Signature of Guarantor:

_____ _____
Authorized Officer Signature of transferring registered holder

_____
Name of Institution

SCHEDULE B

TO THE AMENDED AND RESTATED CONVERTIBLE DEBENTURE INDENTURE AMONG

SOLIMAR ENERGY LIMITED

AND

COMPUTERSHARE TRUST COMPANY OF CANADA

FORM OF REDEMPTION NOTICE

SCHEDULE B

FORM OF REDEMPTION NOTICE

SOLIMAR ENERGY LIMITED

20% CONVERTIBLE SENIOR UNSECURED DEBENTURES

REDEMPTION NOTICE

To: Holders of 20% Convertible Senior Unsecured Debentures due January 31, 2014 (the **"Debentures"**) of Solimar Energy Limited (the **"Corporation"**)

Note: All capitalized terms used herein have the meaning ascribed thereto in the Indenture mentioned below, unless otherwise indicated.

Notice is hereby given pursuant to Section 4.3 of the amended and restated convertible debenture indenture (the **"Indenture"**) dated as of August 14, 2013 among the Corporation and Computershare Trust Company of Canada (the **"Trustee"**), that the aggregate principal amount of $_____ of the $_____ of Debentures outstanding will be redeemed as of _____ (the **"Redemption Date"**), upon payment of a redemption amount of $_____ for each $5,000 principal amount of Debentures, being equal to the aggregate of the aggregate principal amount of the Debentures to be redeemed, and (ii) all accrued and unpaid interest thereon to but excluding the Redemption Date (collectively, the **"Redemption Price"**).

The Total Redemption Price will be payable upon presentation and surrender of the Debentures called for redemption at the following corporate trust office:

Computershare Trust Company of Canada
600, 530 – 8th Avenue SW
Calgary, Alberta, Canada
T2P 3S8
Attention: Manager, Corporate Trust

Subject to the terms and conditions described in the Indenture, the interest upon the principal amount of Debentures called for redemption shall cease to be payable from and after the Redemption Date, unless payment of the Total Redemption Price shall not be made on presentation for surrender of such Debentures at the above-mentioned corporate trust office on or after the Redemption Date or prior to the setting aside of the Total Redemption Price pursuant to the Indenture.

DATED:

SOLIMAR ENERGY LIMITED

By: _____

(Authorized Director or Officer of Solimar Energy Limited)

SCHEDULE C

TO THE AMENDED AND RESTATED CONVERTIBLE DEBENTURE INDENTURE AMONG

SOLIMAR ENERGY LIMITED

AND

COMPUTERSHARE TRUST COMPANY OF CANADA

FORM OF COMMON SHARE REPAYMENT NOTICE

SCHEDULE C

Form of Common Share Repayment Notice

COMMON SHARE REPAYMENT NOTICE

To: Solimar Energy Limited (the "**Corporation**")

Re: 20% Convertible Senior Unsecured Debentures (the "**Debentures**") of the Corporation

Note: All capitalized terms used herein have the meaning ascribed thereto in the Indenture mentioned below, unless otherwise indicated.

Notice is hereby given pursuant to Section 4.9(b) of the amended and restated convertible debenture indenture (the "**Indenture**") dated as of August 14, 2013 among the Corporation and Computershare Trust Company of Canada, as trustee (the "**Trustee**"), that the Debentures are due and payable as of_____, 2014 (the "**Maturity Date**") and the holder requires that the Corporation satisfy its obligation to repay said holder the principal amount of all of the said holder's Debentures (or $_____ principal amount thereof*) outstanding on the Maturity Date, together with all accrued and unpaid interest thereon, by issuing and delivering to the holders that number of Freely Tradeable Common Shares equal to the number obtained by dividing such principal amount of the Debentures and accrued and unpaid interest thereon by 95% of the Current Market Price of Common Shares on the Maturity Date.

No fractional Common Shares shall be delivered on exercise by the Corporation of the above mentioned repayment right but, in lieu thereof, the Corporation shall pay the cash equivalent thereof determined on the basis of the Current Market Price of Common Shares on the Maturity Date.

In this connection, upon presentation and surrender of the Debentures for payment on the Maturity Date, the Corporation shall, on the Maturity Date, make delivery to the Trustee, at its principal trust office in Calgary, Alberta for delivery to and on account of the holders, of certificates representing the Freely Tradeable Common Shares to which holders are entitled together with the cash equivalent in lieu of fractional Common Shares, and if only a portion of the Debentures are to be repaid by issuing Freely Tradeable Common Shares, cash representing the balance of the principal amount, premium (if any) and interest due on the Maturity Date.

DATED:

SOLIMAR ENERGY LIMITED

_____

(Authorized Director or Officer of
Solimar Energy Limited)

Authorized signature:

*** If less than the full principal amount of the Debentures, indicate in the space provided the principal amount (which must be $5,000 or integral multiples thereof).**

SCHEDULE D

TO THE AMENDED AND RESTATED CONVERTIBLE DEBENTURE INDENTURE AMONG

SOLIMAR ENERGY LIMITED

AND

COMPUTERSHARE TRUST COMPANY OF CANADA

FORM OF NOTICE OF CONVERSION

SCHEDULE D

Form of Notice of Conversion

CONVERSION NOTICE

TO: SOLIMAR ENERGY LIMITED

Note: All capitalized terms used herein have the meaning ascribed thereto in the Indenture mentioned below, unless otherwise indicated.

The undersigned registered holder of 20% Convertible Senior Unsecured Debentures due January 31, 2014 irrevocably elects to convert such Debentures (or $_____ principal amount thereof*) in accordance with the terms of the Indenture referred to in such Debentures and tenders herewith the Debentures, and, if applicable, directs that the Common Shares issuable upon a conversion be issued and delivered to the person indicated below. (If Common Shares are to be issued in the name of a person other than the holder, all requisite transfer taxes must be tendered by the undersigned).

The undersigned hereby certifies that (one (only) of the following must be checked):

☐ A The undersigned holder (i) is not in the United States; (ii) is not a "U.S. person" as defined in Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and is not exercising the Debentures on behalf of a "U.S. Person"; and (iii) did not execute or deliver this subscription form in the United States.

☐ B The undersigned holder (i) is the original purchaser of the Debentures; (ii) is exercising the Debentures solely for its own account and is an Accredited Investor, or for the account of such other Qualified Institutional Buyer or Accredited Investor; and (iii) such other person, if any, was a Qualified Institutional Buyer or Accredited Investor on the date the Debentures were acquired and is a Qualified Institutional Buyer or an Accredited Investor on the date hereof.

☐ C. The undersigned holder has delivered to the Corporation an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Corporation to the effect that an exemption from the registration requirements of the U.S. Securities Act and applicable state laws is available for the issue of the Common Shares issuable upon exercise of the Debentures. (Note: If this box is to be checked, holders are encouraged to consult with the Corporation in advance to determine that the legal opinion or other evidence of exemption tendered in connection with exercise will be satisfactory in form and substance to the Corporation.)

each case as defined by Regulation S under the U.S. Securities Act.

Dated: _____ _____

(Signature of registered holder)

* **If less than the full principal amount of the Debentures, indicate in the space provided the principal amount (which must be $5,000 or integral multiples thereof).**

NOTE: If Common Shares are to be issued in the name of a person other than the holder, the signature must be guaranteed by a chartered bank, a trust company or by a member of an acceptable Medallion Guarantee Program. The Guarantor must affix a stamp bearing the actual words: "SIGNATURE GUARANTEED".

(Print name in which Common Shares are to be issued, delivered and registered)

Name: _____

(Address)

_____

(City, Province and Postal Code)

Name of guarantor: _____

Authorized signature: _____

SCHEDULE E

TO THE AMENDED AND RESTATED CONVERTIBLE DEBENTURE INDENTURE AMONG

SOLIMAR ENERGY LIMITED

AND

COMPUTERSHARE TRUST COMPANY OF CANADA

FORM OF DECLARATION FOR REMOVAL OF LEGEND

SCHEDULE E

Form Of Declaration For Removal Of Legend

DECLARATION FOR REMOVAL OF LEGEND

TO: Solimar Energy Limited

AND TO: Computershare Trust Company of Canada as registrar and transfer agent for the Debentures of Solimar Energy Limited

The undersigned (a) acknowledges that the sale of the securities of Solimar Energy Limited to which this declaration relates is being made in reliance on Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") and (b) certifies that (1) it is not an affiliate (as defined in Rule 405 under the U.S. Securities Act) of Solimar Energy Limited (2) the offer of such securities was not made to a person in the United States and either (A) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believes that the buyer was outside the United States, or (B) the transaction was executed on or through the facilities of the TSX Venture Exchange and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States, (3) neither the seller nor any affiliate of the seller nor any person acting on any of their behalf has engaged or will engage in any directed selling efforts in the United States in connection with the offer and sale of such securities, (4) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the securities are "restricted securities" (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act), (5) the seller does not intend to replace the securities sold in reliance on Rule 904 of the U.S. Securities Act with fungible unrestricted securities, and (6) the contemplated sale is not a transaction, or part of a series of transactions which, although in technical compliance with Regulation S, is part of a plan or scheme to evade the registration provisions of the U.S. Securities Act. Terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.

Dated: _____ _____

(Signature of seller)

SCHEDULE F

TO THE AMENDED AND RESTATED CONVERTIBLE DEBENTURE INDENTURE AMONG

SOLIMAR ENERGY LIMITED

AND

COMPUTERSHARE TRUST COMPANY OF CANADA

FORM OF SHARE INTEREST PAYMENT NOTICE

SCHEDULE F

20% CONVERTIBLE SENIOR UNSECURED DEBENTURES

SHARE INTEREST PAYMENT NOTICE

TO: Holders of 20% Convertible Senior Unsecured Debentures due January 31, 2014 (the "**Debentures**") of Solimar Energy Limited (the "**Corporation**")

AND TO: Computershare Trust Company of Canada (the "**Trustee**")

Note: All capitalized terms used herein have the meaning ascribed thereto in the Indenture mentioned below, unless otherwise indicated.

Notice is hereby given pursuant to Section 4.10(b) of the amended and restated convertible debenture indenture (the "**Indenture**") dated as of August 14, 2013, as the same may be amended, supplemented or restated between the Corporation and Computershare Trust Company of Canada, as Trustee, that Interest in the aggregate amount of $ _____ will be due and payable as of _____ (the "**Interest Payment Date**") and the Corporation elects to satisfy its obligation to pay to Debentureholders such Interest on the Interest Payment Date by issuing and delivering to such Debentureholders up to an aggregate of _____ Common Shares (subject to adjustment in accordance with the terms of the Indenture) being that number of Common Shares equal to the number obtained by dividing the amount of Interest due and payable by $ _____, being (i) 90% of the volume weighted average trading price of the Common Shares on the TSX-V (or, if the Common Shares are not then listed on the TSX-V, such other Applicable Stock Exchange on which the Common Shares are then trading) for the 10 consecutive trading days ending on the day prior to the deadline for delivery of this Share Interest Payment Notice, or (ii) subject to Debentureholder approval, such higher price as any regulatory body requires.

No fractional Common Shares shall be delivered on exercise by the Corporation of the above mentioned conversion right but, in lieu thereof, the Corporation shall pay to the Trustee for the account of the Debentureholder, the cash equivalent thereof (rounded to the nearest cent) determined on the basis of the calculation in Section 4.10(a) of the Indenture and reproduced above.

The Corporation shall, on the Interest Payment Date, make delivery to the Trustee, at its principal corporate trust office in Calgary, Alberta, for delivery to and on account of the holders, of certificates representing the Common Shares to which holders are entitled together with the cash equivalent in lieu of fractional Common Shares, if any.

DATED _____

SOLIMAR ENERGY LIMITED

_____

(Authorized Signatory)

SCHEDULE G

TO THE AMENDED AND RESTATED CONVERTIBLE DEBENTURE INDENTURE AMONG

SOLIMAR ENERGY LIMITED

AND

COMPUTERSHARE TRUST COMPANY OF CANADA

COMMON SHARE LEGENDS

SCHEDULE G

COMMON SHARE LEGENDS

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR UNDER ANY STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE CORPORATION THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, OR (C) WITHIN THE UNITED STATES IN ACCORDANCE WITH (1) RULE 144A UNDER THE SECURITIES ACT OR (2) RULE 144 UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, AND IN EACH CASE IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS IN THE UNITED STATES OR SECURITIES LAWS OF ANY OTHER APPLICABLE JURISDICTIONS. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA. PROVIDED THAT THE CORPORATION IS A "FOREIGN ISSUER" WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT AT THE TIME OF SALE, A NEW CERTIFICATE, BEARING NO LEGEND, MAY BE OBTAINED FROM THE CORPORATION'S TRANSFER AGENT UPON DELIVERY OF THIS CERTIFICATE AND A DULY EXECUTED DECLARATION, IN A FORM SATISFACTORY TO THE CORPORATION AND ITS TRANSFER AGENT, TO THE EFFECT THAT THE SALE OF THE SECURITIES REPRESENTED HEREBY IS BEING MADE IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE SECURITIES ACT. THE CORPORATION'S TRANSFER AGENT MAY ALSO REQUIRE AN OPINION OF COUNSEL IN CONNECTION WITH ANY OFFER, SALE OR TRANSFER OF THE SECURITIES BY THE HOLDER HEREOF.