THIS SEVENTH AMENDING AGREEMENT is dated as of the 6th day of October, 2016.

BETWEEN:

JOURNEY ENERGY INC., as borrower (the "**Borrower**")

AND:

BANK OF MONTREAL, CANADIAN IMPERIAL BANK OF COMMERCE and **ALBERTA TREASURY BRANCHES** (collectively the "**Lenders**")

AND:

BANK OF MONTREAL, as agent for and on behalf of itself and the other Lenders (the "**Agent**")

WHEREAS:

1. The Borrower, the Lenders and the Agent are parties to an amended and restated credit agreement dated as of March 14, 2014, as amended by a first amending agreement dated as of April 28, 2014, a second amending agreement dated as of June 19, 2014, a third amending agreement dated as of November 4, 2014, a letter agreement dated April 24, 2015, a fourth amending agreement dated as of May 11, 2015, a letter agreement dated October 30, 2015, a fifth amending agreement dated as of November 30, 2015, a letter agreement dated April 28, 2016, a letter agreement dated May 19, 2016, a letter agreement dated June 2, 2016 and a sixth amending agreement dated as of June 10, 2016 (as amended, the "**Credit Agreement**").

2. The Borrower, the Lenders and the Agent wish to amend the Credit Agreement on the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the premises, the covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the parties hereto, the parties agree as follows:

1. <u>Definitions and Interpretation</u>

(a) Capitalized terms used herein, including the recitals hereto, shall have the meanings ascribed thereto in the Credit Agreement, as amended by this Amending Agreement, unless otherwise defined herein and:

"**Amended Credit Agreement**" means the Credit Agreement, as amended by this Amending Agreement; and

"**Amending Agreement**" means this Seventh Amending Agreement and, for certainty, includes the Confirmation of Guarantee and Security attached to and forming part hereof.

(b) Unless otherwise expressly stated, all references to Sections, paragraphs and Schedules shall be construed to refer to Sections and paragraphs of and Schedules to the Credit Agreement.

(c) The division of this Amending Agreement into Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Amending Agreement. The terms "this Amending Agreement", "hereof", "hereunder" and similar expressions refer to this Amending Agreement and not to any particular Section or other portion hereof and include any agreements supplemental hereto. Unless expressly indicated otherwise, all references to "Section" or "Sections" are intended to refer to a Section or Sections of the Credit Agreement.

2. Amendments to Definitions

Section 1.1 of the Credit Agreement is amended as follows:

(a) the definition of "Borrowing Base Subsidiary" is deleted and replaced with the following:

""**Borrowing Base Subsidiary**" means any wholly owned (direct or indirect) Subsidiary of the Borrower that (a) is designated by the Borrower as a Borrowing Base Subsidiary in accordance with Section 6.5, in each case only if it has provided the Security required by Section 6.5, and in each case for so long as it remains a wholly-owned (direct or indirect) Subsidiary of the Borrower; or (b) provides, or is required to provide, a guarantee or other credit support in connection with the Second Lien Notes;";

(b) the definition of "Loan Documents" is amended by inserting "Second Lien Intercreditor Agreement," immediately after the reference to "the Security,";

(c) the definition of "Permitted Encumbrances" is amended by deleting the "or" at the end of paragraph (l), deleting paragraph (m) and replacing it with the following new paragraphs (m), (n) and (o):

"(m) Security Interests created by or pursuant to the Second Lien Note Documents which secure the obligations of the Obligors under the Second Lien Note Documents in accordance with, and subject to, the terms of the Second Lien Intercreditor Agreement;

(n) Liens which secure Permitted Refinancing Debt subject to an intercreditor agreement that is substantially the same as the Second Lien Intercreditor Agreement; and

(o) all such other claims and encumbrances as are specifically disclosed by notice in writing from the Borrower to the Agent to the extent that the Agent, by specific notice in writing to the Borrower, advises the Borrower that the Majority Lenders agree to accept the aforesaid claims and encumbrances as Permitted Encumbrances for the purposes of this Agreement;";

(d) the definition of "Production Facility Amount" is amended by deleting the reference to "Cdn. $95,000,000" and replacing it with "Cdn. $60,000,000"; and

(e) the following new definitions are inserted in their proper alphabetical order:

""**Permitted Refinancing Debt**" means any Indebtedness issued in exchange for, or the net proceeds of which are used to extend, refinance, renew, replace, defease or refund, the Second Lien Note Indebtedness (or previous refinancings thereof constituting Permitted Refinancing Debt) (the "**Refinanced Debt**") which meets all of the following conditions:

(a) the principal amount (or accreted value, if applicable) of such Permitted Refinancing Debt does not exceed the principal amount (or accreted value, if applicable) of such Refinanced Debt (plus unpaid accrued interest and premium (including tender premiums) thereon and underwriting discounts, defeasance costs, fees, commissions and expenses incurred in connection with such financing);

(b) such Permitted Refinancing Debt has a final maturity date at least six months later than the final maturity date of such Refinanced Debt;

(c) such Permitted Refinancing Debt is unsecured or if secured, subject to an intercreditor agreement that is substantially the same as the Second Lien Intercreditor Agreement;

(d) such Permitted Refinancing Debt is incurred either by (i) the Borrower or (ii) the Borrowing Base Subsidiary who is the obligor in respect of the Refinanced Debt and does not have greater guarantees from parties who have not guaranteed the Refinanced Debt; and

(e) the other terms and conditions of such Permitted Refinancing Debt are satisfactory to the Agent, acting reasonably;

"**Second Lien Creditor**" means Her Majesty The Queen in Right of Alberta;

"**Second Lien Debenture**" means the Journey Energy Inc. Floating Charge Debenture in Favour of Her Majesty The Queen in Right of Alberta between the Borrower and the Second Lien Creditor, as amended, restated or supplemented from time to time as permitted hereunder and under the Second Lien Intercreditor Agreement;

"**Second Lien Intercreditor Agreement**" means the inter-creditor agreement dated on or about October 6, 2016 between the Agent, the Second Lien Creditor, the Borrower, 1332993 and the Partnership, as amended, modified, supplemented or restated from time to time;

"**Second Lien Notes**" means the notes in a maximum aggregate principal amount of Cdn. $30,000,000 issued by the Borrower in connection with the Second Lien Debenture with a maturity date of October 31, 2020 and bearing interest at a rate not exceeding 7.65% per annum;

"**Second Lien Note Documents**" means, collectively, the Second Lien Debenture, the Second Lien Notes, all guarantees provided in connection therewith and all other agreements, instruments and other documents governing or relating thereto as permitted hereunder and under the Second Lien Intercreditor Agreement; and "**Second Lien Note Document**" means any of them; and

"**Second Lien Note Indebtedness**" means, collectively, the Indebtedness incurred by the Borrower from the Second Lien Creditor pursuant to the terms of the Second Lien Notes and the Second Lien Debenture and subject to the terms of the Second Lien Intercreditor Agreement;".

3. <u>Other Amendments</u>

(a) Section 3.7 of the Credit Agreement is amended by:

(i) deleting paragraph (a) and replacing it with the following:

"(a) **Borrowing Base:** The Borrowing Base as of October 6, 2016 is $75,000,000."; and

(ii) adding the following as a new paragraph (l):

"(l) **No Payments on Second Lien Notes During a Borrowing Base Shortfall:** Until any Borrowing Base Shortfall is eliminated as required by paragraph 3.7(i), the Borrower shall not make any payments of interest, principal or premium under or in respect of the Second Lien Note Indebtedness, unless agreed to by all of the Lenders.".

(b) Section 9.1 of the Credit Agreement is amended by deleting the "; and " at the end of paragraph (w), deleting the period at the end of paragraph (x) and replacing it with ";" and adding the following new paragraphs (y) and (z):

"(y) **Subsidiary Guarantees and Security:** On the earlier of (i) the provision of any guarantee or other credit support by a Subsidiary with respect to the Second Lien Notes and (ii) the date that is 10 Business Days following the date of any Subsidiary becoming a Borrowing Base Subsidiary, the Borrower will cause each such Subsidiary to provide the Agent with a guarantee and the other Security listed in Section 6.5 in form and substance acceptable to the Agent, acting reasonably, together with such other supporting documentation, registrations and legal opinions as the Agent may reasonably require; and

(z) **Second Lien Note Documents:** the Borrower will promptly furnish to the Agent copies of: (i) all amendments to any Second Lien Note Documents, and (ii) all material notices given or received, and all material reports delivered, by the Borrower or any Borrowing Base Subsidiary pursuant to or in connection with the Second Lien Note Documents to the extent not already delivered pursuant to this Agreement.".

(c) Section 9.2 of the Credit Agreement is amended by deleting the "; and" at the end of paragraph (t), deleting the period at the end of paragraph (u) and replacing it with ";" and adding the following new paragraphs (v), (w) and (x):

"(v) **Prepayment of Second Lien Note Indebtedness:** notwithstanding the terms of any Second Lien Note Document, make any redemption, repurchase or optional prepayment of the Second Lien Note Indebtedness (or any portion thereof), except from proceeds derived from (i) the issuance of shares of the Borrower, or (ii) the issuance or incurrence of other Permitted Refinancing Debt; provided that in each case, (A) such proceeds are immediately used to fund such repayment or prepayment or, if not so immediately used, are segregated into an account and are not used for any purpose other than to fund such repayment or prepayment and (B) no Borrowing Base Shortfall, Default or Event of Default exists at the time of such prepayment. The proceeds of the Credit Facilities shall not be used to finance any such payments;

(w) **Payment of Interest Under Second Lien Notes:** notwithstanding the terms of any Second Lien Note Document, make any payments of interest in connection with the Second Lien Notes if a Borrowing Base Shortfall, Default or Event of Default exists at the time of the such prepayment or could reasonably be expected to result therefrom; or

(x) **Amendments to Second Lien Documents:** amend, restate, supplement or otherwise modify the Second Lien Notes or any Second Lien Note Document if it would (i) contravene the provisions of the Second Lien Intercreditor Agreement, (ii) result in the aggregate principal amount of the Second Lien Notes exceeding $30,000,000, (iii) increase the applicable rate of interest under the Second Lien Notes (excluding increases resulting from the accrual of interest at the default rate thereunder, if applicable), (iv) add or increase any fees to the Second Lien Note Indebtedness from those fees set forth in the Second Lien Note Documents (as in effect on the date hereof), (v) increase any default rate that becomes due in connection with an event of default thereunder, (vi) change to earlier dates any scheduled dates for payment of principal or of interest in respect thereof, (vii) change any default or event of default provisions set forth in the Second Lien Note Documents in a manner that is materially adverse to the Lenders, (viii) change the redemption, prepayment, repurchase, tender or defeasance provisions set forth in the Second Lien Note Documents (other than extensions in the times therefor) in a manner that would require a redemption, prepayment, repurchase, tender or defeasance not required pursuant to the terms of the Second Lien Notes as of the date hereof or in a manner otherwise materially adverse to Lenders, (ix) modify the Security Interest to the Second Lien Creditor in a manner that is materially adverse to the Lenders except as expressly permitted pursuant to the terms and conditions of the Second Lien Intercreditor Agreement, (x) modify any financial covenant or negative covenant to make it more restrictive than those set forth in this Agreement, or (xi) otherwise materially increase the obligations of the Borrower or any Borrowing Base Subsidiary thereunder or confer additional rights on the Second Lien Creditor in a manner materially adverse to the Lenders.".

(d) Section 10.1 of the Credit Agreement is amended by deleting the "or" at the end of paragraph (r), deleting the period at the end of paragraph (s) and replacing it with "; or" and adding the following as a new paragraph (t):

"(t) **Second Lien Note Documents:** if any event of default has occurred under any Second Lien Note Document after the expiry of any applicable grace period in respect thereof.".

(e) Section 10.7 of the Credit Agreement is amended by inserting "(but subject at all times to the terms of the Second Lien Intercreditor Agreement)" immediately following the reference to "in the order and manner set forth below".

(f) Section 12.1 of the Credit Agreement is amended by adding the following new sentence at the end of such Section 12.1:

"The Agent is hereby authorized to enter into the Second Lien Intercreditor Agreement on behalf of the Lenders and to perform its obligations thereunder on behalf of the Lenders.".

(g) Schedule "A" of the Credit Agreement is deleted and replaced with Exhibit "1" to this Amending Agreement.

4. Representations and Warranties

The Borrower hereby represents and warrants to and in favour of the Lenders and the Agent that:

(a) this Amending Agreement has been duly authorized, executed and delivered by each Obligor party thereto, and constitutes a legal, valid and binding obligation of such Obligor, enforceable in accordance with its respective terms;

(b) the execution, delivery and performance by each Obligor of this Amending Agreement:

  (i) does not and will not violate, as applicable, its articles, by-laws, the Partnership Agreement or other governing documents;

  (ii) does not require any Governmental Action, consent or approval of or notice or filing with any Governmental Authority; and

  (iii) does not and will not contravene any provision of Applicable Laws, Governmental Action or any Material Contract applicable to it or any of its properties or assets;

(c) all of the representations and warranties contained in Article 2 of the Amended Credit Agreement (with this Amending Agreement being a Loan Document and references to the Credit Agreement being deemed to be references to the Amended Credit Agreement), other than those stated to be made as of the Effective Date, are true and correct as of the date hereof; and

(d) as of the date hereof, no Default or Event of Default has occurred and is continuing nor will occur as a result of each Obligor entering into this Amending Agreement and performing its obligations thereunder or under the Amended Credit Agreement.

5. Conditions Precedent

This Amending Agreement shall become effective upon the following conditions being satisfied:

(a) **No Event of Default:** as of the date hereof, no Default or Event of Default has occurred and is continuing nor will occur as a result of each Obligor entering into this Amending Agreement and performing its obligations thereunder or under the Amended Credit Agreement;

(b) **Representations and Warranties True:** the representations and warranties contained in Section 4 above are true and correct as at the date hereof;

(c) **Second Lien Note Documents:** the Agent shall be satisfied with the terms and conditions of the Second Lien Note Documents;

(d) **Notice of Repayment:** on the date hereof, the Agent has received a Notice of Repayment and Direction to Pay in the form of Schedule "B" to the Credit Agreement respecting the cancellation of Production Facility Commitments such that after giving effect thereto, the aggregate Production Facility Commitments are not greater than $60,000,000;

(e) **Receipt of Documentation:** the Agent has received, in sufficient numbers for distribution to each of the Lenders, and in form and substance satisfactory to the Agent and the Lenders:

  (i) a duly executed copy of this Amending Agreement;

(ii) a duly executed copy of the Second Lien Intercreditor Agreement;

(iii) a certificate from an officer of the Borrower attaching thereto certified true copies of all Second Lien Note Documents and confirming that all consents and approvals required to complete the issuance of the Second Lien Notes have been obtained (including, without limitation, all requisite approvals from Governmental Authorities) and all conditions precedent to the closing of the Second Lien Notes have been satisfied or will be satisfied upon the satisfaction of the conditions precedent set forth in this Section 5; and

(iv) such other documents and documentation which the Agent may reasonably request;

(f) **Concurrent Closing of Second Lien Notes and Repayment of the Production Facility:** the Agent and the Lenders shall be satisfied that the closing and issuance of the Second Lien Notes has occurred or will occur upon satisfaction of the conditions precedent set forth in this Section 5 and arrangements satisfactory to the Agent have been made for the cash proceeds of the Second Lien Notes to be utilized to repay the Production Facility as required pursuant to the Notice of Repayment referenced in Section 5(d) above; and

(g) **Material Adverse Change:** as of such time, no circumstance or event has occurred which could reasonably be expected to have a Material Adverse Effect (nor have the Lenders become aware of any fact or facts not previously known, which, in the opinion of the Lenders, are reasonably likely to have a Material Adverse Effect), and there has been no material adverse change in the operations or financial condition of the Borrower and the Borrowing Base Subsidiaries, or of their assets, taken as a whole.

The conditions precedent set forth above are inserted for the sole benefit of the Agent and the Lenders and may be waived only by unanimous consent of the Agent and the Lenders.

6. <u>Miscellaneous</u>

(a) The Borrower acknowledges and agrees that it shall pay all reasonable out-of-pocket costs incurred by the Agent and the Lenders in the preparation, negotiation, execution, delivery and administration of this Amending Agreement.

(b) Save and except as amended by this Amending Agreement, the Credit Agreement remains in full force and effect and unamended and time remains of the essence thereunder.

(c) For the purposes of the Credit Agreement, this Amending Agreement shall be read together with the Credit Agreement as one instrument, and this Amending Agreement shall also constitute a Loan Document.

(d) This Amending Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta.

(e) This Amending Agreement may be executed in any number of counterparts and by different parties and separate counterparts and by facsimile signature, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

[Signature pages follow.]

IN WITNESS WHEREOF the parties hereto have caused this Amending Agreement to be duly executed on the date first above written.

JOURNEY ENERGY INC.

Per: ______________*"signed"*____________________
Name: *Intentionally Redacted*
Title: *Intentionally Redacted*

Per: ____________*"signed"*__________________
Name: *Intentionally Redacted*
Title: *Intentionally Redacted*

BANK OF MONTREAL, as Agent

By: *"signed"*
Name: *Intentionally Redacted*
Title: *Intentionally Redacted*

By: *"signed"*
Name: *Intentionally Redacted*
Title: *Intentionally Redacted*

BANK OF MONTREAL

By: *"signed"*
Name: *Intentionally Redacted*
Title: *Intentionally Redacted*

By: *"signed"*
Name: *Intentionally Redacted*
Title: *Intentionally Redacted*

CANADIAN IMPERIAL BANK OF COMMERCE

By: *“signed”*

Name: *Intentionally Redacted*

Title: *Intentionally Redacted*

By: *“signed”*

Name: *Intentionally Redacted*

Title: *Intentionally Redacted*

ALBERTA TREASURY BRANCHES

By: *"signed"*
Name: *Intentionally Redacted*
Title: *Intentionally Redacted*

By: *"signed"*
Name: *Intentionally Redacted*
Title: *Intentionally Redacted*

Confirmation of Guarantee and Security

Each of the undersigned, in its own right and personal capacity as a guarantor, pursuant to its Subsidiary Guarantee, as applicable, of the obligations of the Borrower to the Lenders hereby consents and agrees to the terms of this Amending Agreement, acknowledges and confirms the representations and warranties applicable to it in this Amending Agreement, acknowledges that its respective Subsidiary Guarantee and all Security granted by it to the Agent and the Lenders in support of its obligations thereunder remains in full force and effect and unamended and undertakes and agrees to take all such actions as may be required of it to give effect to and cause the performance of the terms and conditions of this Amending Agreement.

This Confirmation is in addition to and shall not limit, derogate from or otherwise affect the provisions of the Security, as amended to the date hereof.

Capitalized terms used herein shall have the same meanings herein as are ascribed thereto in the Credit Agreement.

Dated as of the date first above written.

1332993 ALBERTA LTD.

Per: *"signed"*
Name: *Intentionally Redacted*
Title: *Intentionally Redacted*

Per: *"signed"*
Name: *Intentionally Redacted*
Title: *Intentionally Redacted*

JOURNEY ENERGY PARTNERSHIP, by its manager, **JOURNEY ENERGY INC.**

Per: *"signed"*
Name: *Intentionally Redacted*
Title: *Intentionally Redacted*

Per: *"signed"*
Name: *Intentionally Redacted*
Title: *Intentionally Redacted*

Exhibit "1" to the Seventh Amending Agreement dated as of October 6, 2016 between JOURNEY ENERGY INC., as Borrower and a consortium of Lenders with BANK OF MONTREAL, as Agent

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Schedule "A" to the Amended and Restated Credit Agreement dated as of the 14th day of March, 2014 between JOURNEY ENERGY INC., as Borrower and a consortium of Lenders with BANK OF MONTREAL, as Agent

LENDER COMMITMENTS

Lender	**Production Facility Commitment**	**Acquisition Facility Commitment**	**Working Capital Facility Commitment**	**Total Lender's Commitment**
Bank of Montreal 9th Floor, 525 – 8th Avenue S.W. Calgary, Alberta T2P 1G1 Attention: *Intentionally Redacted* Fax No.: *Intentionally Redacted*	*Intentionally Redacted*	*Intentionally Redacted*	*Intentionally Redacted*	*Intentionally Redacted*
Canadian Imperial Bank of Commerce Oil and Gas Group 9th Floor, 855- 2nd Street S.W. Calgary, Alberta T2P 2P2 Attention: *Intentionally Redacted* Fax No.: *Intentionally Redacted*	*Intentionally Redacted*	*Intentionally Redacted*	*Intentionally Redacted*	*Intentionally Redacted*
Alberta Treasury Branches 600, 585 - 8th Avenue S.W. Calgary, Alberta T2P 1G1 Attention: *Intentionally Redacted* Fax No.: *Intentionally Redacted*	*Intentionally Redacted*	*Intentionally Redacted*	*Intentionally Redacted*	*Intentionally Redacted*
Total:	$60,000,000	Nil	$15,000,000	$75,000,000

*All amounts in the above table are expressed in Cdn. $