

**ASTARA ENERGY CORP.
as Borrower**

- and -

**NATIONAL BANK OF CANADA, ATB FINANCIAL AND
THOSE OTHER FINANCIAL INSTITUTIONS WHICH
HEREAFTER BECOME LENDERS
UNDER THIS AGREEMENT
as Lenders**

- and -

**NATIONAL BANK OF CANADA
as Agent**

- with -

**NATIONAL BANK FINANCIAL MARKETS AND ATB FINANCIAL
as Co-Lead Arrangers**

- and with –

**NATIONAL BANK FINANCIAL MARKETS AND ATB FINANCIAL
as Joint Bookrunners**

FIRST AMENDED AND RESTATED CREDIT AGREEMENT

Dated April 18, 2023

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FIRST AMENDED AND RESTATED CREDIT AGREEMENT

THIS AGREEMENT is made effective April 18, 2023,

BETWEEN:

**ASTARA ENERGY CORP.
as Borrower**

- and -

**NATIONAL BANK OF CANADA, ATB FINANCIAL AND
THOSE OTHER FINANCIAL INSTITUTIONS WHICH
HEREAFTER BECOME LENDERS
UNDER THIS AGREEMENT
as Lenders**

- and -

**NATIONAL BANK OF CANADA
as Agent**

- with -

**NATIONAL BANK FINANCIAL MARKETS AND ATB FINANCIAL
as Co-Lead Arrangers**

- and with –

**NATIONAL BANK FINANCIAL MARKETS AND ATB FINANCIAL
as Joint Bookrunners**

PREAMBLE:

- A. The Borrower, as borrower, the Agent, as agent, National Bank Financial Markets, as lead arranger, and National Bank of Canada, as lender, are party to the credit agreement made effective April 13, 2022, as amended by a first amending agreement made effective May 19, 2022 (as so amended, the "**Original Credit Agreement**").
- B. The parties hereto have agreed to amend and restate the Original Credit Agreement on the terms and conditions herein set forth.
- C. The Lenders wish the Agent to act on their behalf with regard to certain matters associated with the Credit Facilities as set forth in this Agreement.

AGREEMENT:

In consideration of the covenants and agreements between the Parties contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE 1 INTERPRETATION

- 1.1 **Definitions.** Capitalized words and phrases used in the Documents, the Schedules hereto and in all notices and communications expressed to be made pursuant to this Agreement will have the meanings set out in Schedule A, unless otherwise defined in any of the Documents.
- 1.2 **Headings.** Headings, subheadings and the table of contents contained in the Documents are inserted for convenience of reference only, and will not affect the construction or interpretation of the Documents.
- 1.3 **Subdivisions.** Unless otherwise stated, reference herein to a Schedule or to an Article, Section, paragraph or other subdivision is a reference to such Schedule to this Agreement or such Article, Section, paragraph or other subdivision of this Agreement. Unless specified otherwise, reference in Schedule A to a Schedule or to an Article, Section, paragraph or other subdivision is a reference to such Schedule or Article, Section, paragraph or other subdivision of this Agreement.
- 1.4 **Number.** Wherever the context in the Documents so requires, a term used herein importing the singular will also include the plural and vice versa.
- 1.5 **Statutes, Regulations and Rules.** Any reference in the Documents to all or any section or paragraph or any other subdivision of any Law will, unless otherwise expressly stated, be a reference to that Law or the relevant section or paragraph or other subdivision thereof, as such Law may be amended, substituted, replaced or re-enacted from time to time.
- 1.6 **Permitted Encumbrances.** Subject to Section 4.10, any reference in any of the Documents to a Permitted Encumbrance is not intended to and will not be interpreted as subordinating or postponing, or as any agreement to subordinate or postpone, any obligation of any Loan Party to the Lenders under any of the Documents to any Permitted Encumbrance.
- 1.7 **Monetary References.** Whenever an amount of money is referred to in the Documents, such amount will, unless otherwise expressly stated, be in Canadian Dollars.
- 1.8 **Time.** Time will be of the essence in respect of the Documents.
- 1.9 **Governing Law.** The Documents will be governed by and construed in accordance with the Law in force in the Province of Alberta from time to time.
- 1.10 **Enurement.** The Documents will be binding upon and will enure to the benefit of the Parties and their respective successors and permitted assigns.
- 1.11 **Amendments.** No Document may be amended orally and, subject to Sections 1.12(a), 18.16 and 19.1(e), any amendment may only be made by way of an instrument in writing signed by the Parties.
- 1.12 **No Waiver.**
- (a) No waiver by a Party of any provision or of the breach of any provision of the Documents will be effective unless it is contained in a written instrument duly executed by an authorized officer or representative of such Party. Such written waiver will affect only the matter specifically identified in the instrument granting the waiver and will not extend to any other matter, provision or breach.

- (b) The failure of a Party to take any steps in exercising any right in respect of the breach or non-fulfilment of any provision of the Documents will not operate as a waiver of that right, breach or provision, nor will any single or partial exercise of any right preclude any other or future exercise of that right or the exercise of any other right, whether in Law or otherwise.
- (c) Acceptance of payment by a Party after a breach or non-fulfilment of any provision of the Documents requiring a payment to such Party will constitute a waiver of such provision if cured by such payment, but will not constitute a waiver or cure of any other provision of the Documents.

1.13 Severability. If the whole or any portion of the Documents or the application thereof to any circumstance will be held invalid or unenforceable to an extent that does not affect the operation of the Document in question in a fundamental way, the remainder of the Document in question, or its application to any circumstance other than that to which it has been held invalid or unenforceable, will not be affected thereby and will be valid and enforceable to the fullest extent permitted by applicable Law.

1.14 Inconsistency. To the extent that there is any inconsistency or ambiguity between the provisions of this Agreement and any other Document, the provisions of this Agreement will govern to the extent necessary to eliminate such inconsistency or ambiguity.

1.15 Accounting Terms and Principles. Except as otherwise expressly provided, all accounting terms, principles and calculations applicable to the Credit Facilities will be interpreted, applied and calculated, as the case may be, in accordance with GAAP. The basis of accounting and all calculations set out in this Agreement will be applied and made on a consistent basis and will not be changed for the purposes of this Agreement unless required by GAAP or as agreed to by the Parties in writing, such agreement not to be unreasonably withheld. It will be reasonable for the Lenders to withhold their consent if a proposed change could adversely affect the obligations of the Borrower or rights of the Lenders under the Documents.

1.16 Changes in GAAP or Accounting Policies.

- (a) If the Borrower adopts a change in an accounting policy in the preparation of its financial statements in order to conform to accounting recommendations, guidelines, or similar pronouncements, or legislative requirements, and such change would require disclosure thereof under GAAP, or would reasonably be expected to materially and adversely affect (i) the rights of, or the protections afforded to, the Agent or the Lenders hereunder or (ii) the position either of the Borrower or of the Agent or the Lenders hereunder, the Borrower shall so notify the Agent, describing the nature of the change and its effect on the current and immediately prior year's financial statements in accordance with GAAP and in detail sufficient for the Agent and the Lenders to make the determination required of them in the following sentence. If any of the Borrower, the Agent or the Lenders determine at any time that such change in accounting policy results in a material adverse change either (A) in the rights of, or protections afforded to, the Agent or the Lenders intended to be derived, or provided for, hereunder or (B) in the position either of the Borrower or of the Agent and the Lenders hereunder, written notice of such determination shall be delivered by the Borrower to the Agent, in the case of a determination by the Borrower, or by the Agent to the Borrower, in the case of a determination by the Agent or the Lenders.
- (b) Upon the delivery of a written notice pursuant to Section 1.16(a) the Borrower and the Agent on behalf of the Lenders shall meet to consider the impact of such change in

GAAP or such change in accounting policy (in each case, an "**Accounting Change**"), as the case may be, on the rights of, or protections afforded to, the Agent and the Lenders or on the position of the Borrower or of the Agent and the Lenders and shall in good faith negotiate to execute and deliver an amendment or amendments to this Agreement in order to preserve and protect the intended rights of, or protections afforded to, the Borrower or the Agent and the Lenders (as the case may be) on the date hereof or the position of the Borrower or the Agent and the Lenders (as the case may be); provided that, until this Agreement has been amended in accordance with the foregoing, then for all purposes hereof, the applicable changes from GAAP or in accounting policy (as the case may be) shall be disregarded hereunder and any amount required to be determined hereunder shall, nevertheless, continue to be determined under GAAP prior to such change and the Borrower's prior accounting policy. For the purposes of this Section 1.16, the Borrower, the Lenders and the Agent acknowledge that the amendment or amendments to this Agreement are to provide substantially the same rights and protection to the Borrower, the Agent and the Lenders as is intended by this Agreement as at the Closing Date. If the Borrower and the Agent on behalf of the Lenders do not (for any reason whatsoever) mutually agree (in their respective sole discretions, without any obligation to so agree) on such amendment or amendments to this Agreement within 60 days following the date of delivery of such written notice, the Borrower shall either continue to provide financial statements in accordance with GAAP prior to such change or provide all such financial information as is reasonably required (or requested by the Agent acting reasonably) in order for any amount required to be determined hereunder to be determined in accordance with GAAP prior to such change and/or the Borrower's prior accounting policy, including to the extent applicable the calculation of and the reason for the changed amounts as between GAAP prior to such change and GAAP, and, for all purposes hereof, the applicable changes from GAAP prior to such change or in accounting policy (as the case may be) shall be disregarded hereunder and any amount required to be determined hereunder shall, nevertheless, continue to be determined under GAAP prior to such change and/or the Borrower's prior accounting policy.

- (c) If a Compliance Certificate is delivered in respect of a Fiscal Quarter or Fiscal Year in which an Accounting Change is implemented without giving effect to any revised method of calculating a financial calculation hereunder (each a "**Financial Calculation**"), and subsequently, as provided above, the method of calculating the Financial Calculation is revised in response to such Accounting Change, or the amount to be determined pursuant to the Financial Calculation is to be determined without giving effect to such Accounting Change, the Borrower shall deliver a revised Compliance Certificate. Any Event of Default which arises as a result of the Accounting Change and which is cured by this Section 1.16 shall be deemed never to have occurred.

1.17 Amendment and Restatement. On the Closing Date:

- (a) the Original Credit Agreement shall be and is hereby amended and restated in the form of this Agreement;
- (b) all Advances (as that term is defined in the Original Credit Agreement) and other amounts outstanding under the Original Credit Agreement prior to the Closing Date shall continue to be outstanding under this Agreement and shall be deemed to be Advances and other Obligations owing by the Borrower to the Lenders under this Agreement; the Lenders hereby agree to take all steps and actions and execute and

deliver all agreements, instruments and other documents as may be required by the Agent (including the assignment of interests in, or the purchase of participations in, such outstanding Advances) to give effect to the foregoing and to ensure that the aggregate Obligations owing to each Lender are outstanding in proportion to each Lender's Rateable Portion of all outstanding Obligations after giving effect to the foregoing. For certainty, (i) all Advances (as that term is defined in the Original Credit Agreement) and other amounts outstanding prior to the Closing Date under the Syndicated Facility and the Term Facility (as those terms are defined in the Original Credit Agreement) shall be and are hereby deemed to be outstanding under the Syndicated Facility under this Agreement, and (ii) all Advances (as that term is defined in the Original Credit Agreement) and other amounts outstanding prior to the Closing Date under the Operating Facility (as that term is defined in the Original Credit Agreement) shall be and are hereby deemed to be outstanding under the Operating Facility under this Agreement;

- (c) all Bankers' Acceptances (each an "**Existing BA**") and SOFR Loans (each an "**Existing SOFR Loan**") presently outstanding under the Original Credit Agreement shall be deemed to be outstanding under this Agreement and the Borrower shall deliver a Notice of Borrowing or Notice of Rollover or Notice of Conversion, as applicable, to the Agent requesting Advances on or prior to the respective Maturity Date of each Existing BA and Existing SOFR Loan in such amount as is necessary to repay to the Lenders in full, or Rollover or convert, as the case may be, each Existing BA and Existing SOFR Loan, as the case may be, on its respective Maturity Date. Each of the Parties acknowledges and agrees that until an Existing BA or Existing SOFR Loan is repaid, rolled over or converted, as the case may be, the liability of each Lender with respect to such Existing BA or Existing SOFR Loan shall not be based on its respective Rateable Portion as at the Closing Date, but rather will be based upon each such Lender's Rateable Portion thereof existing immediately prior to the Closing Date; and
- (d) each Swap Lender will continue to be a Swap Lender hereunder.

Notwithstanding the foregoing or any other term hereof, all of the covenants, representations and warranties on the part of the Borrower under the Original Credit Agreement and all of the claims and causes of action arising against the Borrower in connection therewith, in respect of all matters, events, circumstances and obligations arising or existing prior to the Closing Date shall continue, survive and shall not be merged in the execution of this Agreement or any other Documents or any advance or provision of any Advance hereunder.

1.18 ARO System and Requirements. If, as a result of any change in any applicable Law, rule, policy, regulation, order or directive (or any changes of any Energy Regulator in its interpretation of any then existing applicable Law, rule, policy, regulation, order or directive) any applicable Energy Regulator creates, institutes, or revises its means of determining whether (a) a Person is in compliance with such Energy Regulator's abandonment and reclamation rules, policies, regulations, orders or directives in any Applicable Jurisdiction (each, a "**New Liability Management System**"), or (b) whether any licenses or permits, as applicable, for wells, facilities, pipelines and other physical assets can be issued or transferred or whether any security deposits will be required to be provided to the applicable Energy Regulator relating to either new or ongoing day to day operations of the Loan Parties, as applicable (each, a "**New LMS Requirements**"), then, in any such case, at the written request of the Agent on behalf of the Majority Lenders to the Borrower, or of the Borrower to the Agent and the Lenders, the Borrower and the Agent shall enter into good faith discussions with a view to determining an appropriate rating system, calculation or threshold, as applicable, to

adjust the restrictions as set forth herein, with the objective of having the respective positions of the Lenders and the Loan Parties after such change(s) conform as nearly as possible to their respective positions immediately prior to such change(s); provided that, until any such agreement is reached, the existing restrictions, requirements and all related calculations and thresholds hereunder shall continue to be calculated as if no such change had occurred.

Upon the Borrower and the Agent agreeing on such a comparable rating system, calculation or threshold, as applicable, the Borrower and the Lenders shall enter into documentation to amend the provisions hereof to give effect to such agreement and to make all other adjustments incidental thereto. The Parties agree that such amendment shall require the consent of the Majority Lenders, such consent not to be unreasonably withheld, notwithstanding anything to the contrary set out herein.

1.19 Schedules. The following are the Schedules which form part of this Agreement:

Schedule A:	Definitions
Schedule B:	Commitments
Schedule C:	Form of Compliance Certificate
Schedule D:	Form of Extension Request
Schedule E:	Form of Notice of Borrowing
Schedule F:	Form of Notice of Rollover or Notice of Conversion or Notice of Repayment
Schedule G:	List of Subsidiaries
Schedule H:	Form of Assignment
Schedule I:	Form of Environmental Certificate

ARTICLE 2 CONDITIONS PRECEDENT

2.1 Conditions Precedent. For this Agreement to become effective, the following conditions shall be satisfied (the date such conditions are satisfied, the "**Closing Date**"):

- (a) the receipt by the Agent, for and on behalf of the Lenders, of the following documents each in full force and effect, and in form and substance satisfactory to the Lenders, acting reasonably:
 - (i) an executed copy of this Agreement;
 - (ii) an executed Closing Certificate from or on behalf of the Borrower and each other Loan Party, together with all attachments thereto;
 - (iii) a certificate of status, partnership declaration or similar evidence as to the creation or existence of each Loan Party under the Laws of its jurisdiction of formation, each such certificate to be dated on or about the Closing Date;
 - (iv) executed copy of a confirmation of guarantee and security from each Loan Party in respect of Security previously executed and delivered by such Loan Party and the completion of all registrations, filings and recordings in all public registry offices that the Agent, acting reasonably, considers necessary to protect and perfect the Liens created thereby to the extent not previously delivered or made, as applicable;

- (v) satisfactory evidence of insurance of the Borrower showing the Agent as first loss payee and/or additional insured, as applicable, including a standard mortgagee clause in favour of the Agent; and
 - (vi) executed copies of opinions from Borrower's Counsel and each other counsel to the Loan Parties in each applicable jurisdiction, addressed to the Agent covering such matters relating to the Loan Parties, this Agreement and the other Documents as the Agent shall reasonably request, including, without limitation, with respect to (A) the formation, validity, subsistence and existence, as applicable, of the Loan Parties, (B) the corporate power and capacity of the Loan Parties, (C) the authorization, execution and delivery of the Documents by the Loan Parties, (D) customary no conflict opinions, (E) the enforceability of the Documents and (F) the creation and validity of the Liens granted by the Security and registration of the same.
- (b) the Agent and the Lenders shall have received any information, including supporting documentation and other evidence, requested by any Lender or the Agent, each acting reasonably, pursuant to Section 19.12 or other "know your client" information;
 - (c) the Borrower shall have paid all fees and expenses which are payable by the Borrower to the Co-Lead Arrangers, the Agent and the Lenders, as the case may be, in connection with the execution and delivery of this Agreement;
 - (d) no event, circumstance or development shall have occurred or become known which has had or would reasonably be expected to have a Material Adverse Effect;
 - (e) no Default or Event of Default shall have occurred as a result of the execution and delivery of this Agreement or the other Documents being executed and delivered in connection herewith;
 - (f) the representations and warranties as provided in Section 13.1 shall be true and correct; and
 - (g) the Agent shall have received, for and on behalf of the Lenders, such other documents, certificates, opinions and agreements as are reasonably required to confirm the completion and satisfaction of the foregoing which the Agent and the Lenders may reasonably request.

ARTICLE 3 CREDIT FACILITIES

3.1 Establishment of Credit Facilities. Subject to the terms and conditions hereof and effective on the Closing Date:

- (a) Syndicated Facility. The Syndicated Facility Lenders hereby establish the Syndicated Facility in favour of the Borrower as an extendible revolving credit facility. Accommodations under the Syndicated Facility may be drawn down by the Borrower in accordance with Section 3.4(a) in Canadian Dollars, or the Canadian Dollar Exchange Equivalent thereof in U.S. Dollars, or any combination thereof, to a maximum of the Syndicated Facility Commitment Amount. The Individual Syndicated Facility Commitment Amount of each of the Syndicated Facility Lenders is set out in Schedule B.

- (b) Operating Facility. The Operating Facility Lender hereby establishes the Operating Facility in favour of the Borrower as an extendible revolving credit facility. Accommodations under the Operating Facility may be drawn down by the Borrower in accordance with Section 3.4(b) in Canadian Dollars, or the Canadian Dollar Exchange Equivalent thereof in U.S. Dollars, or any combination thereof, to a maximum of the Operating Facility Commitment Amount. The Operating Facility Commitment Amount of the Operating Facility Lender is set out in Schedule B.

3.2 Extension of Term Out Date and Revolving Period.

- (a) Request for an Extension. The Borrower may, from time to time, provided there is no Default or Event of Default which is continuing, request an extension of the Term Out Date (each an "**Extension**") of each Lender under a Credit Facility that is not then a Non-Agreeing Lender (a "**Revolving Lender**") by sending to the Agent and, if applicable, the Operating Facility Lender, an extension request in the form of Schedule D (an "**Extension Request**") in duplicate not less than sixty (60) days and not more than ninety (90) days prior to the then current Term Out Date and the Agent shall forthwith notify such Revolving Lenders of such request and each such Revolving Lender shall acknowledge receipt of such notification. Each such Revolving Lender shall advise the Agent as to whether it agrees with such request within thirty (30) days of receipt by the Agent of an Extension Request provided that in the event such Revolving Lender does not so advise the Agent within such thirty (30) day period, such Revolving Lender shall be deemed to have advised the Agent that it is not prepared to accept the Borrower's request for an Extension. Within two (2) Banking Days of the Agent receiving from each such Revolving Lender its decision with respect to the Borrower's Extension request, the Agent shall, subject to Section 3.2(b), provide the Borrower with an offer to extend the applicable Term Out Date in accordance with Section 3.2(c) or 3.2(d), as the case may be, and the Borrower, subject to Section 3.2(f), shall be entitled to accept any such offer at any time up to and including the last Banking Day preceding the then applicable Term Out Date by written notice to the Agent of such acceptance.
- (b) Non-Extension. If Revolving Lenders holding more than 33 ⅓% of the aggregate commitments of all Revolving Lenders under the Credit Facilities do not agree or are deemed not to agree to an Extension pursuant to the Extension Request, the Agent shall not provide the Borrower with an offer to extend the Term Out Date of any of the Revolving Lenders in accordance with Section 3.2(a) and, in any such case:
- (i) the Term Out Date of all Revolving Lenders shall not be extended; and
 - (ii) the Term Period shall commence for all Revolving Lenders on such Term Out Date and all such Revolving Lenders shall be deemed to be Non-Agreeing Lenders for the purposes hereof.
- (c) Extension for All Lenders. If all Revolving Lenders agree to make an offer to the Borrower to extend the Term Out Date pursuant to an Extension Request and the Borrower accepts such offer in accordance with Section 3.2(a), then the Term Out Date for each such Revolving Lender shall be extended in accordance with the Extension Request for a period not to exceed one (1) year from the then current Term Out Date.
- (d) Partial Extension. If, with respect to an Extension Request, the provisions of Section 3.2(b) or 3.2(c) are not applicable and there are Non-Agreeing Lenders under Section

3.2(g) in respect of the Credit Facilities (a "**Partial Extension**"), the remaining Individual Commitment Amounts of the Non-Agreeing Lenders shall continue for the Term Period applicable to such Lenders (the "**Remaining Period**") but any undrawn portion of such Individual Commitment Amounts shall be cancelled on the date that such Partial Extension becomes effective. Thereafter, any Drawdowns under the Credit Facilities may only be obtained from the Agreeing Lenders in proportion to their respective Individual Commitment Amounts and all applicable provisions of this Agreement shall be construed accordingly. Without limiting the foregoing, in the event of any Partial Extension:

- (i) the Revolving Period (and the corresponding Term Out Date and Final Maturity Date) under the Credit Facilities will only be extended in respect of the Agreeing Lenders and the Term Out Date and the Final Maturity Date for the Non-Agreeing Lenders will remain unchanged; and
- (ii) during the Remaining Period:
 - (A) any subsequent Accommodations under the Credit Facilities (other than Conversions and Rollovers) shall be allocated pro rata among the Agreeing Lenders in accordance with their respective Individual Commitment Amounts;
 - (B) any reduction in the Commitment Amount pursuant to Section 3.5 or 3.10 shall be allocated pro rata among the Agreeing Lenders and the Non-Agreeing Lenders in accordance with their respective Individual Commitment Amounts; and
 - (C) if the Borrower makes an optional prepayment under a Credit Facility during the Revolving Period other than pursuant to Section 3.4(e), such prepayment shall be deemed to have been made to the Agreeing Lenders only and shall not be applied in repayment of borrowings owed to Non-Agreeing Lenders unless the Agent is expressly directed in writing by the Borrower at the time of payment to allocate such payment pro rata among the Agreeing Lenders and the Non-Agreeing Lenders in accordance with their respective Individual Commitment Amounts under the applicable Credit Facility.
- (e) Independent Decision. The Borrower understands that consideration of any Extension Request constitutes an independent credit decision which each Lender retains the absolute and unfettered discretion to make, and that no commitment in this regard is given by any such Lender and that any extension of the Term Out Date may be on such terms and conditions in addition to those set out herein as the Lenders may stipulate and the Borrower may agree to.
- (f) Default or Event of Default. Notwithstanding the foregoing, the Borrower shall not be entitled to accept any offer made by the Agent on behalf of the Agreeing Lenders to extend the Term Out Date if a Default or Event of Default has occurred and is continuing unless such Default or Event of Default is waived by all of the Agreeing Lenders; provided any such waiver shall be effective only for the purposes of this Section 3.2 and shall not be applicable to any such Lenders which are not Agreeing Lenders.

- (g) Request Refused. Subject to Section 3.2(b), if a Revolving Lender does not agree to an Extension (each such Lender being a "**Non-Agreeing Lender**" and any Revolving Lender agreeing to an Extension being an "**Agreeing Lender**"), the Borrower may:
- (i) arrange for a replacement lender (a "**Replacement Lender**") (which may be one of the Agreeing Lenders) to purchase the Non-Agreeing Lender's Individual Commitment Amount. Any such Replacement Lender which is not an Agreeing Lender shall require the approval of the Agent, such approval not to be unreasonably withheld, and no later than three (3) Banking Days prior to the then applicable Term Out Date such Replacement Lender shall have purchased the Non-Agreeing Lender's Individual Commitment Amount by execution of all necessary documentation; or
 - (ii) as long as there exists no Default or Event of Default, repay the Aggregate Principal Amount and other amounts under the Credit Facilities owing to the Non-Agreeing Lender on or prior to the then applicable Term Out Date and, upon such payment, each such Non-Agreeing Lender shall cease to be a Lender hereunder and such Non-Agreeing Lender's Individual Commitment Amount shall be terminated and the Commitment Amount reduced accordingly.

3.3 Maturity Date. Each Advance made by a Lender under a Credit Facility will have a Maturity Date which expires on or prior to the Final Maturity Date applicable to such Lender under such Credit Facility. If, at any time, there are Lenders with different Final Maturity Dates, all applicable Lenders will share in Accommodations on the basis of their Rateable Portions under the applicable Credit Facility except to the extent the particular Accommodation requested has a Maturity Date after the Final Maturity Date of a Lender, in which case the Borrower shall request a similar Accommodation to the extent permitted hereunder from such other Lenders with a Maturity Date occurring on or before the Final Maturity Date of such other Lenders. Each such determination by the Agent shall be prima facie evidence of such Rateable Portion or share.

3.4 Repayment.

- (a) Syndicated Facility. The Borrower may borrow, repay and re-borrow any amount of the Individual Syndicated Facility Commitment Amount of each Syndicated Facility Lender based on the Rateable Portion of such Lender's Individual Syndicated Facility Commitment Amount during the Revolving Period of each Syndicated Facility Lender. Subject to Section 3.2, on the Term Out Date of each Syndicated Facility Lender, the Individual Syndicated Facility Commitment Amount of each such Syndicated Facility Lender in respect of such Syndicated Facility shall be reduced to the Canadian Dollar Exchange Equivalent of all amounts then outstanding and owing to such Syndicated Facility Lender. Thereafter, the Borrower may only effect Conversions and Rollovers in respect of its borrowings under the Syndicated Facility. During the Term Period of a Syndicated Facility Lender, any repayments or prepayments under the Syndicated Facility (except upon a Conversion or Rollover) shall effect a permanent reduction of its Individual Syndicated Facility Commitment Amount in respect thereof.
- (b) Operating Facility. The Borrower may borrow, repay and re-borrow any amount of the Individual Commitment Amount of the Operating Facility Lender during the Revolving Period of the Operating Facility Lender. Subject to Section 3.2, on the Term Out Date of the Operating Facility Lender, the Operating Facility Commitment Amount shall be

reduced to the Canadian Dollar Exchange Equivalent of all amounts then outstanding and owing to the Operating Facility Lender. Thereafter, the Borrower may only effect Conversions and Rollovers in respect of its borrowings under the Operating Facility. During the Term Period of the Operating Facility Lender, any repayments or prepayments under the Operating Facility (except upon a Conversion or Rollover) shall effect a permanent reduction of the Operating Facility Commitment Amount.

- (c) Final Maturity Date. With respect to each Lender under a Credit Facility, the Aggregate Principal Amount owing to such Lender under such Credit Facility on the Final Maturity Date applicable to such Lender and such Credit Facility will be repayable by the Borrower on the Final Maturity Date applicable to it, together with all accrued and unpaid interest and fees thereon and all other Obligations owing to such Lender under such Credit Facility.
- (d) Payments to Agent. All payments of the Obligations of the Borrower to the Lenders under the Syndicated Facility will be made by the Borrower to the Agent for the account of the applicable Lenders, and, except to the extent otherwise provided herein, in accordance with each such Lender's Rateable Portion thereof, if any.
- (e) Payments to Operating Facility Lender. All payments of the Obligations of the Borrower under the Operating Facility will be made by the Borrower to the Operating Facility Lender for its own account.

3.5 Prepayment and Cancellation.

- (a) Prepayment. Subject to Sections 3.2(d), 3.2(g) and 9.5, and with the same notice required when the Advance to be prepaid was made, the Borrower may at any time prepay without premium, bonus or penalty, any or all of the Aggregate Principal Amount under a Credit Facility, provided that: (a) the Borrower shall post the required Escrow Funds in accordance with Section 9.5 to fully defease a Bankers' Acceptance prior to its Maturity Date, (b) a SOFR Loan may only be paid prior to its Maturity Date in accordance with Sections 8.2 and 11.2 and (c) an unexpired Letter of Credit will not be prepaid prior to its Maturity Date (except by the return of the original thereof to the Operating Facility Lender for cancellation or by the collateralization thereof in the manner set forth in Section 10.10).
- (b) Prepayment and Cancellation. At any time prior to the Final Maturity Date, the Borrower may also, upon the Borrower giving the Agent not less than 2 Banking Days prior notice, cancel any undrawn portion of the Syndicated Facility Commitment Amount or Operating Facility Commitment Amount, including any undrawn portion resulting from a prepayment. Any prepayment and cancellation made under this Section 3.5(b) in respect of either such Credit Facility shall be permanent.
- (c) Amounts. Each prepayment or cancellation made in accordance with this Section 3.5 shall be in a minimum amount equal to the lesser of: (i) Cdn.\$1,000,000 or U.S.\$1,000,000 (as applicable), and in multiples of Cdn.\$100,000 or U.S.\$100,000 (as applicable) for any amount in excess thereof, and (ii) the Aggregate Principal Amount outstanding under the relevant Credit Facility immediately prior to such prepayment or cancellation.

3.6 Use of Proceeds. The Borrower will be entitled, subject to Section 6.2, to use the proceeds of the Credit Facilities for general corporate purposes.

3.7 Types of Accommodation.

- (a) Syndicated Facility. The Borrower may from time to time obtain Advances under the Syndicated Facility (unless otherwise indicated) by way of:
- (i) Canadian Prime Rate Loans, in principal amounts of not less than Cdn. \$1,000,000 and in multiples of Cdn. \$50,000 for any amounts in excess thereof;
 - (ii) U.S. Base Rate Loans, in principal amounts of not less than U.S. \$1,000,000 and in multiples of U.S. \$50,000 for any amounts in excess thereof;
 - (iii) Bankers' Acceptances, in principal amounts of not less than Cdn. \$1,000,000 and in multiples of Cdn. \$100,000 for any amounts in excess thereof; and
 - (iv) SOFR Loans, in principal amounts of not less than U.S. \$1,000,000 and in multiples of U.S. \$100,000 for any amounts in excess thereof; and
- (b) Operating Facility. The Borrower may from time to time obtain Advances under the Operating Facility (unless otherwise indicated) by way of:
- (i) Canadian Prime Rate Loans (including by way of overdraft from the Borrower's Account);
 - (ii) U.S. Base Rate Loans (including by way of overdraft from the Borrower's Account); and
 - (iii) Letters of Credit up to a maximum amount of Cdn. \$ 5,000,000 (or the Canadian Dollar Exchange Equivalent thereof in U.S. Dollars or any other currency acceptable to the Operating Facility Lender), with an expiry date that is not beyond the Final Maturity Date applicable to the Operating Facility Lender,

(collectively among (a) and (b), the "**Accommodations**").

3.8 Interest and Fees.

- (a) Interest and Fees. Interest and fees payable by the Borrower under the Credit Facilities will be payable in the following manner:
- (i) each Canadian Prime Rate Loan will bear interest at a variable rate of interest per annum equal to the Canadian Prime Rate plus the applicable margin indicated in the Pricing Table below payable monthly in arrears, subject to this Section 3.8;
 - (ii) each SOFR Loan will bear interest at a rate per annum equal to the Adjusted Term SOFR plus the applicable margin indicated in the Pricing Table below, payable in accordance with Section 7.2(d), subject to this Section 3.8;

- (iii) for each Bankers' Acceptance, the stamping fee (the "**BA Stamping Fee**") payable by the Borrower on the acceptance thereof by the applicable Lenders will be calculated based upon the applicable BA Stamping Fee indicated in the Pricing Table below, subject to this Section 3.8;
- (iv) each U.S. Base Rate Loan will bear interest at a variable rate of interest per annum equal to the U.S. Base Rate plus the applicable margin indicated in the Pricing Table below, payable monthly in arrears, subject to this Section 3.8;
- (v) the Borrower will pay to the Operating Facility Lender a fee (the "**Letter of Credit Fee**") in respect of each Letter of Credit issued in accordance with Section 10.6(a) at the applicable rate indicated in the Pricing Table below, subject to this Section 3.8; and
- (vi) the standby fees payable quarterly in arrears by the Borrower as set forth in Section 12.2 will be calculated based upon the applicable standby fee indicated in the Pricing Table below, subject to this Section 3.8.

Pricing Table

Level	Consolidated Debt to EBITDA Ratio**	Canadian Prime Rate/U.S. Base Rate Margin	BA Stamping Fee/SOFR Margin/Letter of Credit Fee for Financial Letters of Credit*	Standby Fees
Syndicated Facility and Operating Facility				
I	≤ 0.50:1	200.0 bps	300.0 bps	75.000 bps
II	> 0.50:1 ≤ 1.00:1	225.0 bps	325.0 bps	81.250 bps
III	> 1.00:1 ≤ 1.50:1	250.0 bps	350.0 bps	87.500 bps
IV	> 1.50:1 ≤ 2.00:1	275.0 bps	375.0 bps	93.750 bps
V	> 2.00:1 ≤ 2.50:1	325.0 bps	425.0 bps	106.250 bps
VI	> 2.50:1 ≤ 3.00:1	350.0 bps	450.0 bps	112.500 bps
VII	> 3.00:1	400.0 bps	500.0 bps	125.000 bps

*Non-Financial Letters of Credit will be issued at 66.67% of the applicable fees stated in the Pricing Table above applicable to Financial Letters of Credit.

**From the Closing Date until the Compliance Certificate for the Fiscal Quarter ending December 31, 2022 is delivered (or required to be delivered) hereunder, the Level applicable to the Borrower in the Pricing Table shall be Level I. Thereafter, such Level shall be determined in accordance with this Agreement.

- (b) **Changes in Rates due to Change in Ratio.** The effective date on which any change in interest rates, BA Stamping Fees, Letter of Credit Fees or standby fees occurs will, in each case, in respect of the Credit Facilities, be the first day of the calendar month

immediately following the earlier of: (i) the date the Borrower delivers to the Agent the Compliance Certificate as required hereunder which evidences a change in the Consolidated Debt to EBITDA Ratio; and (ii) the date such Compliance Certificate is due in accordance with Section 14.2(b), provided that if such Compliance Certificate is not so delivered when required, then the applicable interest rates and fees shall be those set forth in Level VII of the Pricing Table effective the date such Compliance Certificate was otherwise due until such time as the Compliance Certificate is delivered. Any increase or decrease in: (x) the interest rates on SOFR Loans outstanding on the effective date of a change in the aforesaid rates and fees will apply proportionately to each such SOFR Loan outstanding on the basis of the number of days remaining until the Maturity Date thereof; (y) the BA Stamping Fees on Bankers' Acceptances outstanding on the effective date of a change in the aforesaid rates and fees will apply for new Bankers' Acceptances issued after such effective date or on any Rollover of an existing Bankers' Acceptance but otherwise the BA Stamping Fees on any Bankers' Acceptance existing at such effective date will not change until the Maturity Date thereof; and (z) the Letter of Credit Fees on Letters of Credit will only apply following the Maturity Date or renewal of each such Letter of Credit outstanding.

- (c) Changes in Rates upon Term Out. Effective upon the Term Out Date, the interest rates then applicable to Canadian Prime Rate Loans, SOFR Loans, U.S. Base Rate Loans, BA Stamping Fees and Letters of Credit Fees for the Credit Facilities will each increase by 50.0 Basis Points. Such increase in: (x) the interest rates on SOFR Loans outstanding on the Term Out Date will apply proportionately to each such SOFR Loan outstanding on the basis of the number of days remaining until the Maturity Date thereof; (y) the BA Stamping Fees on Bankers' Acceptances outstanding on the Term Out Date will apply proportionately to each such Banker's Acceptance outstanding on the basis of the number of days remaining until the Maturity Date thereof; and (z) the Letters of Credit Fees on Letters of Credit outstanding on the Term Out Date will apply proportionately to each such Letter of Credit outstanding on the basis of the number of days remaining until the Maturity Date or renewal thereof.
- (d) Restatement of Ratio. If the Borrower has delivered a Compliance Certificate that is subsequently found to be inaccurate in any way as a result of the Borrower's financial results having to be restated or if the Borrower's financial results were inaccurately reflected in the original financial results on which such Compliance Certificate was based or for any other reason and the result thereof is that the Consolidated Debt to EBITDA Ratio was originally reported as lower (and the corresponding Level in the Pricing Table was lower) than it otherwise would have been in the absence of such inaccuracy or prior to such restatement, then the Borrower will, immediately upon the correction of such inaccuracy or upon such restatement, pay to the Agent for the benefit of the applicable Lenders an amount equal to the interest, BA Stamping Fees, Letter of Credit Fees and standby fees that the Lenders should have received, but did not receive, over the applicable period had the Consolidated Debt to EBITDA Ratio, and the underlying components thereof, been reported correctly in the first instance.
- (e) Event of Default. Effective upon the occurrence of an Event of Default (the "**Effective Date**"), the interest rates then applicable to Canadian Prime Rate Loans, SOFR Loans, U.S. Base Rate Loans, BA Stamping Fees and Letter of Credit Fees will each increase by 200.0 Basis Points and such increase will remain in effect for as long as such Event of Default subsists. An increase in interest rates and fees as aforesaid arising from an Event of Default shall apply to all outstanding Advances under the Credit Facilities and will on the Effective Date apply proportionately to each outstanding Advance on the basis of the number of days remaining until the Maturity Date of such Advance, as

applicable. The Borrower will pay to the Agent on behalf of the Lenders any resulting increase in BA Stamping Fees or Letter of Credit Fees on or prior to the third Banking Day following the Effective Date. In addition to the conditions set forth above, the Lenders' obligation to provide any Advances under any Credit Facility, other than Rollovers or Conversions of then-maturing Advances (in each case not to exceed a 30 day term), will be suspended for as long as there exists an Event of Default.

3.9 Swap Facilities. Subject to Section 14.3(c), each Lender, or any one or more of its Affiliates, may enter into Swap Documents with any Loan Party; provided that, subject to Section 15.6, all Hedging Obligations of the Loan Parties shall rank at all times *pari passu* with the Borrower's and the other Loan Parties' Obligations and Bank Product Obligations.

3.10 Determinations of the Borrowing Base; Removal of Certain Lenders.

- (a) The Borrowing Base shall be determined in the sole discretion of the Lenders in accordance with their usual and customary lending parameters and practices for Canadian borrowing base credit facilities and the Agent shall deliver to the Borrower a written notice specifying each such determination (each such notice, a "**Borrowing Base Notice**") in accordance with this Section 3.10. Each determination of the Borrowing Base by the Lenders shall be binding and conclusive for all purposes hereof and shall be effective immediately upon receipt by the Borrower of the Borrowing Base Notice specifying the same, until the coming into effect of a subsequent determination of the Borrowing Base. As at the date hereof, the Borrowing Base has been determined by the Lenders to be Cdn. \$70,000,000.
- (b) Hereafter, the Borrowing Base shall be determined as follows:
- (i) Annual Determination of Borrowing Base. Upon receipt of an Engineering Report pursuant to Section 14.2(l) and provided the financial statements required to be delivered pursuant to Section 14.2(a)(ii) are delivered on a timely basis, the Lenders collectively shall, by June 30 of each year (commencing on June 30, 2024) and in their sole discretion, make a determination of the Borrowing Base;
 - (ii) Semi-Annual Determination of Borrowing Base. Upon receipt of the semi annual engineering update pursuant to Section 14.2(m) and provided the financial statements required to be delivered pursuant to Section 14.2(a)(i) are delivered on a timely basis, the Lenders collectively shall, by November 30 of each year (commencing on November 30, 2023) and in their sole discretion, make a determination of the Borrowing Base;
 - (iii) Material Adverse Effect. The Borrowing Base may be determined at the request of any Lender upon the occurrence of a Material Adverse Effect and the Borrower shall, in each case, provide an updated Engineering Report for the purposes of any such determination of the Borrowing Base if, in its sole discretion, such Lender, acting reasonably, deems such receipt of an updated Engineering Report warranted; and
 - (iv) New Liability Management System or New LMS Requirements. The Borrowing Base may be determined at the request of any Lender upon the creation or implementation of any New Liability Management

System or New LMS Requirement and the Borrower shall, in each case, provide an updated Engineering Report for the purposes of any such determination of the Borrowing Base if, in its sole discretion, such Lender, acting reasonably, deems such receipt of an updated Engineering Report warranted;

- (v) Dispositions/Hedge Monetizations. The Borrowing Base shall, unless waived by the Majority Lenders, be determined if, at any time, the Borrower or a Loan Party makes any Disposition or enters into any Hedge Monetization requiring the prior consent of the Majority Lenders pursuant to Section 14.3(g) and the Borrower shall, in each case, provide an updated Engineering Report for the purposes of any such determination of the Borrowing Base if, in their sole discretion, such Majority Lenders, acting reasonably, deem such receipt of an updated Engineering Report warranted;
 - (vi) Other Determinations. Notwithstanding paragraphs (i) through (v) above, the Borrowing Base may be determined at the request of any Lender at a time other than or in addition to the determinations pursuant to paragraphs (i) through (v) above not more than once (per Lender) in any calendar year and the Borrower shall, in each case, provide an updated Engineering Report for the purposes of any such determination of the Borrowing Base if, in its sole discretion, such Lender, acting reasonably, deems such receipt of an updated Engineering Report warranted.
- (c) In addition to each of the determinations of the Borrowing Base pursuant to Section 3.10(b), if (i) at any time, an ARO Deficiency has occurred, or (ii) the Borrower or any other Loan Party, or any of the P&NG Leases, P&NG Rights or related facilities or assets of the Borrower or any other Loan Party, in any case, becomes subject to one or more Abandonment/Reclamation Orders where the aggregate estimated current cost to the Borrower and/or such other Loan Party to comply with such Abandonment/Reclamation Orders exceeds 200% of the Threshold Amount, then, in either case, unless waived by all of the Lenders, the Lenders will redetermine the Borrowing Base in accordance with Section 3.10(a) within 45 days after, in the case of clause (i) above, the Agent becomes aware that an ARO Deficiency has occurred, or, in the case of clause (ii) above, the Agent has received notice of the Borrower's or such other Loan Party's receipt of the applicable Abandonment/Reclamation Order or Abandonment/Reclamation Orders, as applicable. For the purpose of determining the estimated cost in clause (ii) above, the Borrower shall provide the Lenders with a reasonable estimate of such costs within 15 Banking Days of its receipt of the applicable Abandonment/Reclamation Order or Abandonment/Reclamation Orders, as applicable, and shall deliver to the Lenders all such relevant information related to such estimate as may be reasonably required by the Lenders. Such estimate shall be certified by a senior officer of the Borrower, and the Majority Lenders, acting reasonably and in good faith, must approve such estimate.
- (d) If all of the Lenders agree to the amount of the Borrowing Base within the applicable periods referred to above (each, a "**Determination Period**"), then the Agent shall deliver a Borrowing Base Notice to the Borrower (with a copy thereof to each Lender) specifying the Borrowing Base.

- (e) If all of the Lenders cannot agree on the amount of the Borrowing Base within the applicable Determination Period, then the Borrowing Base shall be deemed to have been determined by the Lenders as the lowest Borrowing Base amount proposed by a Lender or Lenders (each such Lender, a "**Lowest Borrowing Base Lender**") to the Agent and other Lenders by written notice within such period, and promptly after the expiry of the applicable Determination Period the Agent shall deliver a Borrowing Base Notice to the Borrower (with a copy thereof to each Lender) specifying the Borrowing Base.
- (f) If the Borrowing Base has been determined pursuant to Section 3.10(e), the Borrower shall have the right:
 - (i) to require any Lowest Borrowing Base Lender to assign its Individual Commitment Amount, its Rateable Portion of all Credit Facilities and other Obligations and all of its rights, benefits and interests under the Documents to other Lenders which have agreed to increase their Individual Commitment Amounts or to other financial institutions acceptable to the Agent, acting reasonably, and the provisions of Section 3.2(g) shall apply thereto, *mutatis mutandis*; or
 - (ii) as long as there exists no Default or Event of Default, to repay a Lowest Borrowing Base Lender's Rateable Portion of all Advances outstanding under the Credit Facilities, together with all accrued but unpaid interest and fees thereon with respect to its Individual Commitment Amount (without making corresponding repayment to the other Lenders) and cancel such Lowest Borrowing Base Lender's Individual Commitment Amount, and the provisions of Section 3.2(g) shall apply thereto, *mutatis mutandis*.
- (g) The Borrower may, (i) in connection with an acquisition by any Loan Party of P&NG Leases or P&NG Rights, (ii) in connection with the creation or implementation of any New Liability Management System or New LMS Requirement and (iii) at any other time once per calendar year request a redetermination of the Borrowing Base at a time other than a redetermination pursuant to Section 3.10 provided that the Lenders will be entitled to charge the Borrower a reasonable "work fee" to be agreed upon between the Borrower and the Lenders. Upon such request, the Borrower shall provide the Agent (with sufficient copies for the Lenders) with such information as in the opinion of the Majority Lenders, acting reasonably, is required to perform such redetermination.

3.11 Borrowing Base Shortfall.

- (a) If at any time, other than as provided by Section 5.8, any determination of the Borrowing Base results in the Aggregate Principal Amount exceeding the Borrowing Base (such difference being the "**Borrowing Base Shortfall**") then, the Borrower will (i) in the case of any redetermination of the Credit Facilities as set out in Section 3.10(b)(v), immediately following the occurrence of such Borrowing Base Shortfall and (ii) in all other cases, within 60 days of the occurrence of such Borrowing Base Shortfall (each, a "**Shortfall Period**"), repay such Aggregate Principal Amount as is required to eliminate such Borrowing Base Shortfall.
- (b) Until a Borrowing Base Shortfall is eliminated as required by Section 3.11(a):

- (i) no Advances (other than Conversions and Rollovers) under the Credit Facilities will be available without the prior consent of all of the Lenders;
- (ii) notwithstanding Section 14.2(j)(i) and Section 14.3(g), no assets of the Borrower and any other Loan Party used in the determination of the Borrowing Base may be disposed of without the prior consent of all of the Lenders; and
- (iii) the interest rates then applicable to Canadian Prime Rate Loans, SOFR Loans, U.S. Base Rate Loans, BA Stamping Fees and Letter of Credit Fees will each increase by 200.0 Basis Points. Such increase in interest rates and fees as aforesaid shall apply to all outstanding Advances under the Credit Facilities and will on the effective date of such increase apply proportionately to each outstanding Advance on the basis of the number of days until the Maturity Date of each such Advance, as applicable. The Borrower will pay to the Agent on behalf of the Lenders any resulting increase in BA Stamping Fees or Letter of Credit Fees on or prior to the third Banking Day following the effective date of such increase.

Notwithstanding (a) and (b) above, the Borrower shall be entitled to request, within the Shortfall Period, an increase in the Borrowing Base by adding additional petroleum and natural gas reserves to the Borrowing Base such that the existing Borrowing Base Shortfall shall no longer exist. Any request to increase the Borrowing Base pursuant to this Section 3.11 shall be in writing and shall be accompanied by the delivery of proposed Security over additional assets of the Borrower and the other Loan Parties and such other information as the Lenders may request. The Lenders shall determine in their sole discretion whether they are satisfied that the proposed Security and additional assets are adequate to allow the requested increase in the Borrowing Base and shall advise the Agent of such determination as soon as possible. If the request of the Borrower to increase the Borrowing Base is rejected by the Lenders, the Borrower shall repay such Borrowing Base Shortfall within the Shortfall Period in accordance with this Section 3.11. If the Borrower fails to comply with the foregoing within the Shortfall Period, such failure shall be an Event of Default for the purposes of this Agreement.

ARTICLE 4 SECURITY

4.1 Security. All present and future Obligations, Bank Product Obligations and Hedging Obligations of the Borrower and each other Loan Party to the Agent and the Lenders under the Documents, to the Bank Product Providers under all Bank Product Documents, to the Swap Lenders under all Financial Instruments between a Swap Lender and a Loan Party (collectively, the "**Swap Documents**") and all other obligations, liabilities and indebtedness of the Borrower and each other Loan Party to the Agent, the Lenders, the Bank Product Providers and the Swap Lenders, howsoever arising or incurred hereunder and under the Documents, the Bank Product Documents and the Swap Documents, as applicable, will be secured by the following (collectively, the "**Security**"), each in form and substance satisfactory to the Lenders, acting reasonably:

- (a) in respect of each Loan Party which is existing or organized under the Laws of Canada or any province therein, a demand debenture in the principal amount of Cdn. \$300,000,000 from each such Loan Party granting a floating charge over all present

and after-acquired real and personal property and a negative pledge and undertaking to provide fixed charges on such Loan Party's major producing petroleum and natural gas reserves at the request of the Agent in accordance with Section 4.6;

- (b) an unconditional full liability guarantee from each Loan Party (other than the Borrower) and, if requested by the Agent, an unconditional full liability guarantee from the Borrower, in each case, in respect of Obligations, Hedging Obligations and Bank Product Obligations;
- (c) if requested by the Agent, such documents and instruments providing a fixed Lien in accordance with Section 4.6; and
- (d) thereafter, all such other guarantees and all such other mortgages, debentures, pledge agreements, assignments and other security agreements as may be required by the Agent, acting reasonably (each in form and substance satisfactory to the Agent, acting reasonably) in order to, or to more effectively, charge in favour of the Agent on behalf of itself, the Lenders and Swap Lenders or grant Liens in favour of the Agent on behalf of itself, the Lenders and Swap Lenders on and against all of the undertaking, assets and property (real or personal, tangible or intangible, present or future and of whatsoever nature and kind) of the Borrower and any other Loan Party.

4.2 Sharing of Security. The Borrower and the Lenders agree and acknowledge that, subject to Section 15.6, the Security is being shared equally among the Lenders, the Bank Product Providers and the Swap Lenders to secure the Obligations, the Bank Product Obligations and the Hedging Obligations on a rateable basis; and that the Agent will hold the Security for the benefit of itself, the Lenders hereunder, the Bank Product Providers and the Swap Lenders. For purposes of the above sentence, "rateable basis" means:

- (a) with respect to the Lenders, the Canadian Dollar Exchange Equivalent of the Aggregate Principal Amount and other Obligations under the Credit Facilities relative to the Canadian Dollar Exchange Equivalent of the Aggregate Principal Amount and the other Obligations under the Credit Facilities, the Bank Product Obligations and the Hedging Obligations;
- (b) with respect to the Swap Lenders, the Canadian Dollar Exchange Equivalent of the Hedging Obligations relative to the Canadian Dollar Exchange Equivalent of the Aggregate Principal Amount and the other Obligations under the Credit Facilities, the Bank Product Obligations and the Hedging Obligations; and
- (c) with respect to the Bank Product Providers, the Canadian Dollar Exchange Equivalent of the Bank Product Obligations relative to the Canadian Dollar Exchange Equivalent of the Aggregate Principal Amount and the other Obligations under the Credit Facilities, the Bank Product Obligations and the Hedging Obligations.

If requested by the Lenders or any Swap Lender, the Lenders and the Swap Lenders will enter into such further agreements and assurances as may be reasonably requested to further evidence the provisions of this Section 4.2.

4.3 Exclusivity of Remedies. Nothing herein contained or in the Security now held or hereafter acquired by the Agent and the Lenders, nor any act or omission of the Agent and the Lenders with respect to any such Security, will in any way prejudice or affect the rights, remedies or powers of the Agent and the Lenders with respect to any other security at any time held by the Agent and the Lenders.

- 4.4 Form of Security.** The Security will be in such form or forms as will be required by the Agent, acting reasonably, and will be registered in such public registry offices in Canada or any province thereof or any other jurisdiction, as the Agent, acting reasonably, may from time to time require to protect the Liens created thereby. Should the Agent determine at any time and from time to time, acting reasonably, that the form and nature of the then existing Security is deficient in any way or does not fully provide the Agent, the Lenders, the Swap Lenders or the Bank Product Providers with the Liens and priority to which each is entitled hereunder, the Borrower will, or will cause the applicable Loan Party to, forthwith execute and deliver or cause to be executed and delivered to the Agent, at the Borrower's expense, such amendments to the Security or provide such new security as the Agent may reasonably request.
- 4.5 After-Acquired Property.** All property acquired by or on behalf of the Borrower or any other Loan Party which forms part of the property of the Borrower or any other Loan Party (hereafter collectively referred to as "**After-Acquired Property**"), will be subject to the Security without any further conveyance, mortgage, pledge, charge, assignment or other act on the part of the Parties. Without limiting the effect of the preceding sentence, the Borrower will, or will cause the applicable Loan Party to, from time to time execute and deliver and the Agent will register, all at the Borrower's expense, such instruments supplemental to the Security, in form and substance satisfactory to the Agent, acting reasonably, as may be necessary or desirable to ensure that the Security as amended and supplemented constitutes in favour of the Agent, the Lenders, the Swap Lenders and the Bank Product Providers an effective Lien to the extent created by the Security over such After-Acquired Property as required hereunder, subject only to Permitted Encumbrances which under applicable Law rank in priority thereto.
- 4.6 Undertaking to Grant Fixed Charge Security.** The Borrower, at the request of the Agent on behalf of the Majority Lenders, will forthwith grant or cause to be granted to the Agent, for its benefit and for the benefit of the Lenders and the Swap Lenders, a fixed charge in all or any of the Borrower's and the Loan Parties' property (including any After-Acquired Property) which is intended by the terms of the Documents to be subject to a fixed charge pursuant to Section 4.1.
- 4.7 Further Assurances.** The Borrower will and will cause each other Loan Party, in connection with the provision of any amended, new or replacement Security referred to in Sections 4.1, 4.4 or 4.5:
- (a) do, make, execute and deliver, or cause to be done, made, executed and delivered, all such further documents, financing statements, assignments, acts, matters and things which may be reasonably required by the Agent to give effect to any provision of the amended, new or replacement Security;
 - (b) provide the Agent with such information as is reasonably required by the Agent to identify the property to be charged;
 - (c) do all such things as are reasonably required to grant the Liens to be granted pursuant to the amended, new or replacement Security;
 - (d) provide the Agent with all corporate, partnership or other organizational resolutions and other action required for the applicable Loan Party to grant the amended, new or replacement Security;
 - (e) provide the Agent with an opinion of the Borrower's Counsel confirming the due authorization, execution and delivery by the applicable Loan Party of all such agreements and instruments comprising the amended, new or replacement Security

(and the creation, validity and registration of the Liens created thereby) in form and content satisfactory to the Agent, acting reasonably; and

- (f) assist the Agent in the registration or recording of such Security in such public registry offices in Canada and any province thereof or any other jurisdiction as the Agent, acting reasonably, deems necessary to protect the Liens created by such Security.

4.8 Security for Swap Documents with Former Lenders. If a Lender ceases to be a Lender under this Agreement (a "**Former Lender**"), all Hedging Obligations owing to such Former Lender and its Affiliates under Swap Documents entered into while such Former Lender was a Lender shall remain secured by the Security (equally and rateably) to the extent that such Hedging Obligations were secured by the Security prior to such Lender becoming a Former Lender, subject to the following provisions of this Section 4.8. For certainty, any Hedging Obligations under Financial Instruments entered into with a Former Lender or an Affiliate thereof after the Former Lender has ceased to be a Lender shall not be secured by the Security. Notwithstanding the foregoing, while any Obligations remain outstanding under any Credit Facility, no Former Lender or any Affiliate thereof shall have any right to cause or require the enforcement of the Security or any right to participate in any decisions relating to the Security, including any decisions relating to the enforcement or manner of enforcement of the Security or decisions relating to any amendment to, waiver under, release of or other dealing with all or any part of the Security; for certainty, the sole right of a Former Lender and its Affiliates with respect to the Security while any Obligations remain outstanding under any Credit Facility is to share, on a *pari passu* basis, in any proceeds of realization and enforcement of the Security.

4.9 Discharge of Security. No Loan Party shall be discharged from the Security or any part thereof, other than to the extent that such Security applies to assets or property that is the subject of a Permitted Disposition described in subparagraph (a)(i) of such definition (in which case the Security shall, without further action, cease to apply to the subject matter thereof for the benefit of the Agent and the Lenders), except by a written release and discharge signed by the Agent. The Agent will discharge all of the Security at the Borrower's expense forthwith after all of the Loan Parties' Obligations, Bank Product Obligations and Hedging Obligations have been unconditionally and irrevocably paid or satisfied in full.

4.10 Priority. The Agent and the Lenders acknowledge and agree that holders of Non-Recourse Debt, Purchase Money Liens and Finance Leases which are permitted to be incurred under this Agreement and are permitted to be secured under paragraph (x) of the definition of "Permitted Encumbrances" shall rank in priority to the Security with respect to the applicable assets of any Loan Party which are subject to such Liens and the Agent is hereby authorized to execute and deliver all such documents as may be reasonably requested by the Borrower in order to confirm such priority; provided that, notwithstanding the foregoing or anything to the contrary herein, any Liens required to secure obligations of any Loan Party under any Financial Instruments shall be restricted to the Security.

ARTICLE 5 FUNDING AND OTHER MECHANICS

5.1 Funding of Accommodations. Subject to Section 5.2 and Article 9, all Advances (other than Letters of Credit) requested by the Borrower will be made available by deposit of the applicable funds (which in the case of Bankers' Acceptances will be the Net Proceeds) into the Borrower's Account for value on the Banking Day, or the SOFR Banking Day in the case of a SOFR Loan, as the case may be, on which the Advance is to take place.

5.2 Notice Provisions. Drawdowns under each Credit Facility will be made available to the Borrower and the Borrower will be entitled to effect a Rollover or Conversion where permitted hereunder, in each case on the requested Banking Day or SOFR Banking Day, as the case may be, provided that, other than in respect of Advances by way of overdraft, a Notice of Borrowing or Notice of Rollover or Notice of Conversion, as applicable, is received by the Agent (or the Operating Facility Lender in the case of the Operating Facility) from the Borrower as follows:

- (a) with respect to Advances by way of Canadian Prime Rate Loans and U.S. Base Rate Loans, at least 1 Banking Day prior to such Advance, provided notice is received by the Agent or the Operating Facility Lender, as applicable, no later than 12:00 noon (Montreal time) on the first Banking Day immediately preceding the requested issuance date; notwithstanding the foregoing, Canadian Prime Rate Loan Advances and U.S. Base Rate Loan Advances by way of overdraft under the Operating Facility shall not be subject to any notice requirements;
- (b) with respect to Advances by way of Banker's Acceptances and BA Equivalent Loans, at least 2 Banking Days prior to such Advance, provided notice is received by the Agent no later than 12:00 noon (Montreal time) on the second Banking Day immediately preceding the requested Drawdown Date or the date of Rollover or Conversion, as applicable; and
- (c) with respect to a Drawdown, Rollover or Conversion of or into a SOFR Loan, at least 3 SOFR Banking Days prior to such Advance, provided notice is received by the Agent, no later than 12:00 noon (Montreal time) on the third SOFR Banking Day immediately preceding the Drawdown Date or the date of Rollover or Conversion, as applicable; and
- (d) with respect to the issuance of Letters of Credit, at least 3 Banking Days prior to the requested issuance date, provided notice is received by the Operating Facility Lender no later than 12:00 noon (Montreal time) on the third Banking Day immediately preceding the requested issuance date.

Any of the notices referred to in the foregoing paragraphs of this Section 5.2 may, subject to Section 19.2, be given by the Borrower, solely at the risk of the Borrower, to the Agent or the Operating Facility Lender, as applicable, by telephone and in such case will be followed by the Borrower delivering to the Agent or the Operating Facility Lender, as applicable, on the same day the written notice required hereunder confirming such instructions.

5.3 Irrevocability. Subject to Sections 8.3 and 9.7, a Notice of Borrowing, Notice of Rollover or Notice of Conversion when given by the Borrower will be irrevocable and will oblige the Borrower, the Agent and the Lenders to take the action contemplated herein and therein on the date specified therein, provided that, any such notice will not be binding on a Lender who makes a determination under Section 11.2.

5.4 Rollover or Conversion of Accommodations.

- (a) Subject to Section 3.3, Section 5.2, Article 8 and Article 9, the Borrower will be entitled to effect a Rollover of one type of Accommodation into the same type of Accommodation or to effect a Conversion of one type of Accommodation into another type of Accommodation on the terms herein provided in each case under the same Credit Facility.

- (b) Subject to Section 8.1(b), if the Borrower fails to give the Agent, or the Operating Facility Lender (as applicable), a duly completed Notice of Rollover or Notice of Conversion under a Credit Facility if and as required by Section 5.2, or if in giving such notice the Borrower fails to provide for the Rollover or Conversion of all of the Advances then maturing under a Credit Facility, the Borrower will be deemed to have irrevocably elected to convert such maturing Advances under a Credit Facility, or that part of such maturing Advances which the Borrower has failed to provide for in such notice, as the case may be, into a Canadian Prime Rate Loan with respect to a Cdn. \$ Advance or a U.S. Base Rate Loan with respect to a U.S. Dollar Advance.
- (c) No Conversion of a Bankers' Acceptance may be made prior to its Maturity Date.

5.5 Agent's Obligations. Upon receipt of a Notice of Borrowing, Notice of Rollover or Notice of Conversion with respect to a proposed Advance under a Credit Facility, the Agent will forthwith notify the applicable Lenders of the proposed date on which such Advance is to take place, of each applicable Lender's Rateable Portion of such Advance and of the account of the Agent to which each applicable Lender's Rateable Portion thereof is to be credited, if applicable.

5.6 Lenders' Obligations. Each Lender will, prior to 12:00 noon (Montreal time) on the proposed date on which an Advance under the Syndicated Facility is to take place (other than an Advance by way of Bankers' Acceptances, in which case prior to 2:00 p.m. (Montreal time)), credit the account of the Agent specified in the Agent's notice given pursuant to Section 5.5 with such Lender's Rateable Portion of such Advance, and upon receipt of the funds from the Lenders, the Agent will make available to the Borrower the amount so credited.

5.7 Failure of a Lender to Fund.

- (a) Subject to repayment in accordance with Section 18.2(c), if any Syndicated Facility Lender fails to make available to the Agent its Rateable Portion of any Advance, which for greater certainty includes a deemed Advance hereunder (such Syndicated Facility Lender being herein called the "**Non-Paying Lender**"), the Agent shall forthwith give notice of such failure by the Non-Paying Lender to the Borrower (except where such failure relates to a deemed Advance). Upon the Non-Paying Lender becoming a Defaulting Lender, the Agent shall then forthwith give notice to the other Syndicated Facility Lenders that any such other Syndicated Facility Lender may make available to the Agent all or any portion of the Non-Paying Lender's Rateable Portion of such Advance (but in no way shall any such other Syndicated Facility Lender or the Agent be obliged to do so) in the place of the Non-Paying Lender. If more than one Syndicated Facility Lender gives notice that it is prepared to make funds available in the place of a Non-Paying Lender in such circumstances and the aggregate of the funds which such other Syndicated Facility Lenders (herein collectively called the "**Contributing Lenders**" and individually called the "**Contributing Lender**") are prepared to make available exceeds the amount of the Advance which the Non-Paying Lender failed to make, then each Contributing Lender shall be deemed to have given notice that it is prepared to make available its Rateable Portion of such Advance based on the Contributing Lenders' relative commitments to advance in such circumstances. If any Contributing Lender makes funds available in the place of a Non-Paying Lender in such circumstances, then the Non-Paying Lender shall pay to any Contributing Lender making the funds available in its place, forthwith on demand, any amount advanced on the Non-Paying Lender's behalf together with interest thereon at the rate applicable to such Advance from the date of advance to the date of payment, against payment by the Contributing Lender making the funds available in the place of a Non-Paying Lender of all interest received in respect of the Advance from the Borrower.

The failure of any Syndicated Facility Lender to make available to the Agent such other Syndicated Facility Lender's Rateable Portion of any Advance as required herein, shall not relieve any other Syndicated Facility Lender of its obligations to make available to the Agent its Rateable Portion of any Advance as required herein.

- (b) Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, either as a result of being a Non-Paying Lender or otherwise, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:
- (i) the standby fees payable pursuant to Section 12.2 shall cease to accrue on the unused portion of the Individual Syndicated Facility Commitment Amount and the Operating Facility Commitment Amount, as applicable, of such Defaulting Lender;
 - (ii) a Defaulting Lender shall not be included in determining whether, and the Individual Syndicated Facility Commitment Amount, Operating Facility Commitment Amount and the Rateable Portion of the Aggregate Principal Amount of such Defaulting Lender under the Credit Facilities or any of them shall not be included in determining whether, all Lenders or the Majority Lenders, have taken or may take any action hereunder (including any consent to any amendment or waiver pursuant to Section 18.16), provided that any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender that affects such Defaulting Lender differently than other affected Lenders shall require the consent of such Defaulting Lender;
 - (iii) after giving effect to Section 5.7(a), for the purposes of any Advance requested hereunder while there is a Defaulting Lender, each Syndicated Facility Lender's Rateable Portion thereof shall be calculated based on such Lender's Individual Syndicated Facility Commitment Amount relative to the Syndicated Facility Commitment Amount reduced by the Individual Syndicated Facility Commitment Amount of the Defaulting Lender, in the case of the Syndicated Facility; provided that, for certainty, no Lender will be required to exceed its Individual Commitment Amount;
 - (iv) the Agent may require such Defaulting Lender to pay to the Agent for deposit into an escrow account maintained by and in the name of the Agent, an amount equal to such Defaulting Lender's maximum contingent obligations hereunder to the Agent;
 - (v) the Agent may withhold any payments owing to such Defaulting Lender for set-off against such Defaulting Lender's existing or reasonably foreseeable future obligations hereunder; and
 - (vi) for the avoidance of doubt, the Borrower shall retain and reserve its other rights and remedies under applicable Law respecting such Defaulting Lender.

5.8 Exchange Rate Fluctuations.

- (a) Subject to Sections 5.8(b) and 5.9, if as a result of currency fluctuation, the Canadian Dollar Exchange Equivalent of the Aggregate Principal Amount applicable to a Lender under a given Credit Facility exceeds such Lender's Individual Commitment Amount under such Credit Facility (in each case, an "**Excess**"), the Borrower will, within 3 Banking Days after a written request from the Agent, pay the applicable Excess to the Agent as a Principal Repayment for the benefit of such Lender under such Credit Facility.
- (b) If the Excess represents an amount which is less than 3% of such Lender's then current Individual Syndicated Facility Commitment Amount or Operating Facility Commitment Amount, as applicable, then the Borrower will only be required to repay the applicable Excess on the earlier of the next Drawdown Date, Rollover date or Conversion date and 30 days after written request from the Agent.

5.9 Excess Relating to SOFR Loans and Bankers' Acceptances. If to pay an Excess it is necessary to repay an Advance made by way of Bankers' Acceptance or a SOFR Loan prior to the Maturity Date thereof, the Borrower will not be required to repay such Advances until the Maturity Date applicable thereto, provided, however, that at the request of the Agent, the Borrower will forthwith pay the Excess to the Agent for deposit into a cash collateral, non-interest bearing account maintained by and in the name of the Agent for the benefit of the Lenders. The Excess will be held by the Agent for set-off against future Obligations owing by the Borrower to the Lenders in respect of such Excess, if any. The Agent shall have exclusive control over all amounts at any time on deposit in such cash collateral account. The deposit of the Excess by the Borrower with the Agent as herein provided, will not operate as a repayment of the Aggregate Principal Amount under the applicable Credit Facilities until such time as the Excess is actually paid to the Lenders as a Principal Repayment.

**ARTICLE 6
DRAWDOWNS UNDER THE CREDIT FACILITIES**

6.1 Conditions Precedent to Drawdown. The Lenders' obligation to provide Advances (other than Advances in respect of Conversion of Accommodations into Canadian Prime Rate Loans or U.S. Base Rate Loans, as applicable) will be subject to the following conditions precedent being met:

- (a) this Agreement shall have become effective in accordance with Section 2.1;
- (b) except in the case of overdraft loans, the appropriate Notice of Borrowing, Notice of Rollover or Notice of Conversion will have been delivered in accordance with the notice provisions provided in Section 5.2;
- (c) no Default or Event of Default shall have occurred and be continuing or would be expected to result therefrom;
- (d) subject to Section 13.2, each of the representations and warranties set out in Article 13 (except those representations and warranties made as of a specific date) will be true and correct in all material respects as of the date of the requested Advance (other than those representations and warranties already subject to a materiality threshold (such as Material Adverse Effect), which shall be true and correct in all respects);

- (e) the notice with respect to a Hostile Acquisition, if required to be given pursuant to Section 6.2 will have been provided by the Borrower and the other provisions of Section 6.2, if applicable, will have been complied with; and
- (f) a Borrowing Base Shortfall shall not exist and, after giving effect to the proposed Advance, the Aggregate Principal Amount under all Credit Facilities shall not exceed the Borrowing Base then in effect.

6.2 Hostile Acquisitions. If the Borrower wishes to utilize, whether directly or indirectly, Drawdowns under any of the Credit Facilities to facilitate, assist or participate in a Hostile Acquisition by any Loan Party or any Affiliate thereof:

- (a) at least 10 Banking Days prior to the delivery to the Agent of a Notice of Borrowing made in connection with a Hostile Acquisition, the president or chief financial officer of the Borrower will notify the Agent in writing (who will then notify the Lenders) of the particulars of the Hostile Acquisition in sufficient detail to enable each Lender to determine, in each Lender's sole discretion, whether it will permit a Drawdown to be utilized for such Hostile Acquisition;
- (b) if a Lender decides not to fund an Advance to be utilized for such Hostile Acquisition, then upon such Lender so notifying the Agent (who will then notify the Borrower), such Lender will have no obligation to fund such Advance notwithstanding any other provision of this Agreement to the contrary; and
- (c) each Lender will use reasonable commercial efforts to notify the Agent as soon as practicable (and in any event within 5 Banking Days of receipt of the particulars thereof from the Agent) of its decision whether or not to fund such proposed Hostile Acquisition.

6.3 Adjustment of Rateable Portion. If a Lender elects not to participate in a Drawdown for a Hostile Acquisition (a "**Non-Participating Lender**"), the Lenders who are not Non-Participating Lenders (each, a "**Participating Lender**") shall have an obligation, up to the amount of its Individual Commitment Amount, to provide Advances to finance such Hostile Acquisition, and the Advances to finance such Hostile Acquisition shall be provided by each Participating Lender in accordance with the ratio that the Individual Commitment Amount of such Participating Lender bears to the aggregate of the Individual Commitment Amounts of all the Participating Lenders.

6.4 Subsequent Drawdowns. If a Lender is a Non-Participating Lender, subsequent Drawdowns will be funded first by the Non-Participating Lenders rateably based on each Non-Participating Lender's Individual Commitment Amount until the Aggregate Principal Amounts of all Lenders are again in proportion to their respective Rateable Portions.

6.5 Prepayment. As an alternative to the provisions of Section 6.4, the Borrower will also be entitled, subject to the prepayment provisions herein contained but without obligation to make prepayments to all Lenders to reduce the Aggregate Principal Amount under the Credit Facilities owing to the Participating Lenders until the Canadian Dollar Exchange Equivalent of the Aggregate Principal Amount owing to all the Lenders are again in proportion to their respective Rateable Portions.

ARTICLE 7 CALCULATION OF INTEREST AND FEES

7.1 Records. The Operating Facility Lender will maintain records, in written or electronic form, evidencing all Advances it has made in respect of the Operating Facility. The Agent will maintain records, in written or electronic form, evidencing all Advances (other than Advances under the Operating Facility) and all other Obligations owing by the Borrower to the Agent and each Lender under this Agreement. The Operating Facility Lender or Agent, as applicable, will enter in such records details of all amounts from time to time owing, paid or prepaid by the Borrower to it hereunder. In addition, each Lender will maintain records, in written or electronic form, evidencing all Advances and other Obligations owing by the Borrower to such Lender. The information entered in such records will constitute *prima facie* evidence of the Obligations of the Borrower to the Agent, the Operating Facility Lender and each other Lender, as applicable. In the event of a conflict between the records of the Agent and a Syndicated Facility Lender maintained pursuant to this Section 7.1, the records of the Agent shall prevail, absent manifest error.

7.2 Payment of Interest and Fees.

- (a) Interest. Except as expressly stated otherwise herein, all Canadian Prime Rate Loans, U.S. Base Rate Loans and SOFR Loans from time to time outstanding will bear interest, as well after as before maturity, default and judgment, with interest on overdue interest, at the applicable rates as prescribed under Section 3.8 or Section 19.10. Interest payable in respect of Canadian Prime Rate Loans and U.S. Base Rate Loans will be adjusted automatically without notice to the Borrower whenever there is a variation in such rate.
- (b) Calculation of Interest and Fees. Interest on Canadian Prime Rate Loans and U.S. Base Rate Loans will accrue and be calculated but not compounded daily and be payable monthly in arrears on the third Banking Day of each calendar month for the immediately preceding calendar month. Interest on Canadian Prime Rate Loans and U.S. Base Rate Loans, BA Stamping Fees on Bankers' Acceptances and Letter of Credit Fees will be calculated on the basis of a 365 day year, except if the U.S. Base Rate is based on the Federal Funds Rate in which case it will be calculated on the basis of a 360 day year.
- (c) Interest Act (Canada). For the purposes of the *Interest Act (Canada)* and any other applicable Laws which may hereafter regulate the calculation or computation of interest on borrowed funds, the annual rates of interest and fees applicable to Canadian Prime Rate Loans, U.S. Base Rate Loans, Bankers' Acceptances and Letters of Credit, respectively, are the rates as determined hereunder multiplied by the actual number of days in a period of one year commencing on the first day of the period for which such interest or stamping fee is payable and divided by 360, 365 or 366, as applicable.
- (d) SOFR Loans. Interest on SOFR Loans will accrue and be calculated but not compounded daily and be payable at the end of each applicable SOFR Period, provided that, where the SOFR Period exceeds 3 months, interest will be calculated and payable every 3 months during the term of the SOFR Period and on the last day of the applicable SOFR Period. Interest on SOFR Loans will be calculated, and rounded to 2 decimal places, on the basis of the actual number of days in each SOFR Period divided by 360. For the purposes of the *Interest Act (Canada)* and any other applicable Laws, the annual rates of interest applicable to SOFR Loans are the rates

as determined hereunder multiplied by the actual number of days in a period of one year commencing on the first day of the period for which such interest is payable and divided by 360.

7.3 Payment of BA Stamping Fee. The Borrower will pay to the Agent for the account of the Lenders the applicable BA Stamping Fee under Section 3.8(a) with respect to Bankers' Acceptances on the date of acceptance thereof by the Lenders. Payment of the BA Stamping Fee may be made by way of set-off as provided in Section 9.4.

7.4 Debit Authorization. Subject to the provisions of this Agreement, the Borrower does hereby expressly and irrevocably authorize the Agent and Operating Facility Lender to effect all the necessary debits, deposits and credits in the Borrower's Account in order to accommodate the Lenders in making Advances, in order to accommodate the Borrower in making payments to the Lenders as required hereunder and to pay all amounts due and payable under the Documents, the Swap Documents, the Bank Product Documents, including any cash management arrangements. The Borrower authorizes the Operating Facility Lender daily, or otherwise as and when determined by the Operating Facility Lender from time to time, to ascertain the position or net position (as the case may be) in respect of all amounts contained in the Borrower's Account in respect of overdraft borrowings under the Operating Facility and the Aggregate Principal Amount under the Operating Facility, and that:

- (a) if such position or net position is a credit in favour of the Borrower, the Operating Facility Lender may apply the amount of such credit or any part thereof as a repayment of the Aggregate Principal Amount, and the Operating Facility Lender will debit the Borrower's Account with the amount of such repayment; and
- (b) if such position or net position is a debit in favour of the Operating Facility Lender, the Operating Facility Lender will make an overdraft borrowing under the Operating Facility of such amount as is required to place such account in such credit or net credit position, and the Operating Facility Lender may increase the Aggregate Principal Amount under the Operating Facility and credit such account with such Advance under the Operating Facility Commitment Amount,

provided that at no time shall the Aggregate Principal Amount under the Operating Facility exceed the Operating Facility Commitment Amount.

7.5 Conversion to Another Currency. A Conversion of an Advance from one currency to another currency may be made only by the repayment of such existing Advance in the same currency as such existing Advance and the request of a new Advance in another currency.

7.6 Maximum Rate of Return. Notwithstanding any provision herein to the contrary, in no event will the aggregate "interest" (as defined in section 347 of the *Criminal Code* (Canada)) payable under this Agreement exceed the maximum effective annual rate of interest on the "credit advanced" (as defined in that section 347) permitted under that section and, if any payment, collection or demand pursuant to this Agreement in respect of "interest" (as defined in that section 347) is determined to be contrary to the provisions of that section 347, such payment, collection or demand will be deemed to have been made by mutual mistake of the Borrower and the applicable Lenders and the amount of such payment or collection will be refunded to the Borrower. For purposes of this Agreement, the effective annual rate of interest will be determined in accordance with generally accepted actuarial practices and principles over the term of the Credit Facilities on the basis of annual compounding of the lawfully permitted rate of interest and, in the event of dispute, a certificate of a Fellow of the Canadian Institute of

Actuaries appointed by the Agent will be *prima facie* evidence, for the purposes of such determination.

7.7 Waiver of Judgment Interest Act (Alberta). To the extent permitted by applicable Law, the provisions of the *Judgment Interest Act* (Alberta) will not apply to the Documents and are hereby expressly waived by the Borrower.

7.8 Deemed Reinvestment Not Applicable. For the purposes of the *Interest Act* (Canada), the principle of deemed reinvestment of interest will not apply to any interest calculation under the Documents, and the rates of interest stipulated in this Agreement are intended to be nominal rates and not effective rates or yields.

ARTICLE 8 GENERAL PROVISIONS RELATING TO SOFR LOANS

8.1 General.

- (a) The aggregate amount of each Advance by way of a SOFR Loan will be at least U.S.\$1,000,000 and in multiples of U.S.\$100,000 for any amount in excess thereof, and each SOFR Loan will have a term to maturity of 1, 3 or 6 months, or, subject to availability, as otherwise agreed by the Lenders. Notwithstanding the foregoing, no SOFR Loan shall have a term which exceeds the Final Maturity Date of a Lender.
- (b) If the Borrower elects to Drawdown by way of a SOFR Loan or effect a Rollover of a SOFR Loan or a Conversion of an Accommodation into a SOFR Loan, the Borrower will specify in its Notice of Borrowing, Notice of Rollover or Notice of Conversion, as applicable, the SOFR Period (which will begin and end on a SOFR Banking Day) applicable to such SOFR Loan. If the Borrower fails, as required hereunder, to select a SOFR Period for any proposed SOFR Loan, such election shall be deemed to be for a U.S. Base Rate Loan.
- (c) Any amount owing by the Borrower in respect of any SOFR Loan which is not paid or subject to a Rollover at maturity in accordance with this Agreement will, as and from its Maturity Date, be deemed to be outstanding as a U.S. Base Rate Loan.

8.2 Early Termination of SOFR Periods. If the early termination of any SOFR Loan is required hereunder, the Borrower will pay to the Lenders all expenses and out-of-pocket costs incurred by the Lenders as a result of the early termination of the SOFR Loan, including expenses and out-of-pocket costs incurred due to early redemption of offsetting deposits. If, in the sole discretion of a Lender, acting reasonably, any such early termination cannot be effected, the SOFR Loan will not be terminated and the Borrower will continue to pay interest to the applicable Lenders, at the rate per annum applicable to such SOFR Loan for the remainder of the applicable SOFR Period. A written statement of the Agent as to the aggregate amount of such expenses and out of pocket costs will be *prima facie* evidence of the amount thereof.

8.3 Benchmark Replacement. Notwithstanding anything to the contrary herein or in any other Document:

- (a) Replacing Future Benchmarks. Upon the occurrence of a Benchmark Transition Event, the Benchmark Replacement will replace the then-current Benchmark for all purposes hereunder and under any Document in respect of any Benchmark setting at or after 5:00 p.m. on the fifth (5th) Banking Day after the date notice of such Benchmark Replacement is provided to the Lenders without any amendment to, or further action

or consent of any other party to, this Agreement or any other Document so long as the Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Majority Lenders. If the Benchmark Replacement is Adjusted Daily Simple SOFR, all interest payments will be payable on a monthly basis.

- (b) Unavailability of Benchmark. At any time that the administrator of the then-current Benchmark has permanently or indefinitely ceased to provide such Benchmark or such Benchmark has been announced by the regulatory supervisor for the administrator of such Benchmark pursuant to public statement or publication of information to be no longer representative of the underlying market and economic reality that such Benchmark is intended to measure and that representativeness will not be restored, the Borrower may revoke any request for an Advance of, conversion to or renewal of Advances to be made, converted or continued that would bear interest by reference to such Benchmark until the Borrower's receipt of notice from the Agent that a Benchmark Replacement has replaced such Benchmark, and, failing that, the Borrower will be deemed to have converted any such request into a request for a borrowing of or conversion to U.S. Base Rate Loans. During the period referenced in the foregoing sentence, the component of U.S. Base Rate based upon the Benchmark will not be used in any determination of U.S. Base Rate.
- (c) Benchmark Replacement Conforming Changes. In connection with the implementation and administration of a Benchmark Replacement, the Agent will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement.
- (d) Notices: Standards for Decisions and Determinations. The Agent will promptly notify the Borrower and the Lenders of (i) the implementation of any Benchmark Replacement and (ii) the effectiveness of any Benchmark Replacement Conforming Changes. Any determination, decision or election that may be made by the Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 8.3, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party hereto, except, in each case, as expressly required pursuant to this Section 8.3.
- (e) Unavailability of Tenor of Benchmark. At any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including Term SOFR), then the Agent may remove any tenor of such Benchmark that is unavailable or non-representative for Benchmark (including Benchmark Replacement) settings and (ii) the Agent may reinstate any such previously removed tenor for Benchmark (including Benchmark Replacement) settings that has ceased to be unavailable or non-representative.
- (f) Inability to make Benchmark Advances. If at any time subsequent to the giving of a Notice of Borrowing or any Notice of Rollover or Notice of Conversion to the Agent by the Borrower with regard to any requested Advance bearing interest at a rate based on the Benchmark (each, a "**Benchmark Advance**") the Agent is advised by Lenders holding at least 25% of the Commitment Amount of all Lenders under the Syndicated

Facility by written notice (each, a "**Lender Benchmark Suspension Notice**"), such notice received by the Agent no later than 4:00 p.m. (Montreal time) on the 3rd Banking Day prior to the date of the requested Drawdown, Rollover or Conversion, as the case may be, that such Lenders have determined (acting reasonably and in good faith) that the Benchmark will not or does not represent the effective cost to such Lenders of United States Dollar deposits in such market for the relevant Available Tenor, then the Agent shall give notice thereof to the Lenders and the Borrower as soon as possible after such determination or receipt of such Lender Benchmark Suspension Notice, as the case may be, and the Borrower shall, within 1 Banking Day after receipt of such notice and in replacement of the Notice of Borrowing, Notice of Rollover or Notice of Conversion, as the case may be, previously given by the Borrower, give the Agent a Notice of Borrowing or a Notice of Conversion, as the case may be, which specifies the Advance of a U.S. Base Rate Loan or the Conversion of the relevant Benchmark Advance on the last day of the applicable Available Tenor into a U.S. Base Rate Loan. In the event the Borrower fails to give, if applicable, a valid replacement Notice of Conversion with respect to the maturing Benchmark Advances which were the subject of a Notice of Rollover, such maturing Benchmark Advances shall be converted on the last day of the applicable Available Tenor into U.S. Base Rate Loans under the applicable Credit Facility as if a Notice of Conversion had been given to the Agent by the Borrower pursuant to the provisions hereof. In the event the Borrower fails to give, if applicable, a valid replacement Notice of Borrowing with respect to an Advance originally requested by way of a Benchmark Advance, then the Borrower shall be deemed to have requested an Advance by way of a U.S. Base Rate Loan in the amount specified in the original Notice of Borrowing and, on the originally requested date of Advance, such Lenders (subject to the other provisions hereof) shall make available the requested amount by way of a U.S. Base Rate Loan under the applicable Credit Facility.

(g) Definitions. In this Section 8.3, the following terms have the meanings set out below:

"Available Tenor" means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (i) if the then-current Benchmark is a term rate, any tenor for such Benchmark that is or may be used for determining the length of an interest period or (ii) otherwise, any payment period for interest calculated with reference to such Benchmark, as applicable, pursuant to this Agreement as of such date.

"Benchmark" means, initially, Term SOFR; provided that if a replacement of the Benchmark has occurred pursuant to this Section 8.3, then "Benchmark" means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate. Any reference to "Benchmark" will include, as applicable, the published component used in the calculation thereof.

"Benchmark Advance" has the meaning attributed to it in Section 8.3(f).

"Benchmark Replacement" means, for any Available Tenor, the first alternative set forth in the order below that can be determined by the Agent for the applicable Benchmark Transition Event:

- (i) Adjusted Daily Simple SOFR; or
- (ii) the sum of (A) the alternate benchmark rate and (B) an adjustment (which may be a positive or negative value or zero), in each case, that has been selected

by the Agent and the Borrower as the replacement for such Available Tenor of such Benchmark giving due consideration to any evolving or then-prevailing market convention, including any applicable recommendations made by the Relevant Governmental Body, for U.S. Dollar-denominated syndicated credit facilities at such time,

provided that, if the Benchmark Replacement as determined pursuant to this definition would be less than the Floor Rate, the Benchmark Replacement will be deemed to be the Floor Rate for the purposes of this Agreement and the other Documents.

"Benchmark Replacement Conforming Changes" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "U.S. Base Rate," the definition of "Banking Day," timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or renewal notices, the applicability and length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Agent decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Agent in a manner substantially consistent with market practice (or, if the Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Agent determines that no market practice for the administration of such Benchmark Replacement exists, in such other manner of administration as the Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Documents).

"Benchmark Transition Event" means, with respect to any then-current Benchmark, the occurrence of a public statement or publication of information by or on behalf of the administrator of the then-current Benchmark, the regulatory supervisor for the administrator of such Benchmark, the Board of Governors of the Federal Reserve System, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark, a resolution authority with jurisdiction over the administrator for such Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark, announcing or stating that:

- (a) such administrator has ceased or will cease on a specified date to provide all Available Tenors of such Benchmark, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark; or
- (b) all Available Tenors of such Benchmark are or will no longer be representative of the underlying market and economic reality that such Benchmark is intended to measure and that representativeness will not be restored.

"Lender Benchmark Suspension Notice" has the meaning attributed to it in Section 8.3(f).

"Relevant Governmental Body" means the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or any successor thereto.

ARTICLE 9 BANKERS' ACCEPTANCES

9.1 General. Each Bankers' Acceptance draft tendered by the Borrower for acceptance by a Lender will be acceptable in form to the accepting Lenders, acting reasonably, and the Advance in respect thereof will be in a principal amount of not less than Cdn. \$1,000,000 and in multiples of Cdn. \$100,000 for any amounts in excess thereof and will have terms of not less than 1, 2, or 3 months, unless, subject to availability, otherwise agreed to by the accepting Lenders. Notwithstanding the foregoing, no Bankers' Acceptance shall have a term which exceeds any Final Maturity Date.

9.2 Terms of Acceptance by the Lenders.

- (a) Payment. The Borrower will provide for payment to the Agent for the benefit of the Lenders of each Bankers' Acceptance at its maturity, either by payment of the face amount thereof or, subject to Section 7.3, through the utilization of an Accommodation (including by way of Rollover or Conversion) in accordance with this Agreement, or through a combination thereof. The Borrower waives presentment for payment of Bankers' Acceptances by the Lenders and will not claim from the applicable Lenders any days of grace for the payment at maturity of Bankers' Acceptances. Any amount owing by the Borrower in respect of any Bankers' Acceptance which is not paid at maturity in accordance with this Agreement or subject to a Rollover, will, as and from its Maturity Date, be deemed to be outstanding as a Canadian Prime Rate Loan.
- (b) Power of Attorney. To facilitate the procedures contemplated in this Agreement, the Borrower appoints each Lender from time to time as the attorney-in-fact of the Borrower to execute, endorse and deliver on behalf of the Borrower drafts or depository bills in the form or forms prescribed by such Lender for bankers acceptances denominated in Canadian Dollars (each such executed draft or depository bill which has not yet been accepted by a Lender being referred to as a "**Draft**"). Each Bankers' Acceptance executed and delivered by a Lender on behalf of the Borrower as provided for in this Section 9.2(b) will be as binding upon the Borrower as if it had been executed and delivered by a duly authorized officer of the Borrower. The foregoing appointment will cease to be effective 3 Banking Days following receipt by the Lender in question of a notice from the Borrower revoking such appointment provided that any such revocation will not affect Bankers' Acceptances previously executed and delivered by a Lender pursuant to such appointment.
- (c) Depository Bills. It is the intention of the Parties that pursuant to the *Depository Bills and Notes Act* (Canada) ("**DBNA**"), all Bankers' Acceptances accepted by the Lenders under this Agreement will be issued in the form of a "depository bill" (as defined in the DBNA), deposited with a "clearing house" (as defined in the DBNA), including The Canadian Depository for Securities Limited or its nominee CDS Clearing and Depository Services Inc. ("**CDS**"). In order to give effect to the foregoing, the Agent will, subject to the approval of the Borrower and the Lenders establish and notify the Borrower and the Lenders of any additional procedures, consistent with the terms of this Agreement, as are reasonably necessary to accomplish such intention, including:
 - (i) any instrument held by the Agent for purposes of Bankers' Acceptances will have marked prominently and legibly on its face and within its text, at or before the time of issue, the words "This is a depository bill subject to the *Depository Bills and Notes Act* (Canada)";

- (ii) any reference to the authentication of the Bankers' Acceptance will be removed; and
 - (iii) any reference to the "bearer" will be removed and such Bankers' Acceptances will not be marked with any words prohibiting negotiation, transfer or assignment of it or of an interest in it.
- (d) Sale. Each Lender may at any time and from time to time hold, sell, rediscount or otherwise dispose of any or all Bankers' Acceptances accepted and purchased by it.

9.3 BA Equivalent Loans. In lieu of accepting bankers' acceptance drafts on any Drawdown Date, or any date of Rollover or Conversion, as applicable, each Non-BA Lender will make a BA Equivalent Loan. Any BA Equivalent Loan will be made on the relevant Drawdown Date, or any date of Rollover or Conversion, as applicable, and its Maturity Date will be the Maturity Date of the corresponding Bankers' Acceptances. The amount of each BA Equivalent Loan will be equal to the Discount Proceeds of the corresponding Bankers' Acceptances calculated on the basis the Lenders purchased such Bankers' Acceptances. On the Maturity Date of a BA Equivalent Loan, the Borrower will pay to the Non-BA Lender an amount equal to the face amount of the Bankers' Acceptance which such Non-BA Lender would have accepted in lieu of making a BA Equivalent Loan if it were not a Non-BA Lender. All provisions of this Agreement with respect to Bankers' Acceptances will apply to BA Equivalent Loans provided that BA Stamping Fees with respect to a BA Equivalent Loan will be calculated on the basis of the amount of such BA Equivalent Loan which the Borrower is required to pay on the Maturity Date.

9.4 General Mechanics.

- (a) Bankers' Acceptances. Unless such Lender makes a BA Equivalent Loan pursuant to the terms of Section 9.3, upon acceptance of a Bankers' Acceptance by a Lender, such Lender will purchase, or arrange for the purchase of, each Bankers' Acceptance from the Borrower at the BA Discount Rate applicable for such Lender for such Bankers' Acceptance accepted by it and provide to the Agent the Discount Proceeds for the account of the Borrower. The BA Stamping Fee payable by the Borrower to a Lender in respect of each Bankers' Acceptance by such Lender will be set off against the Discount Proceeds payable by such Lender under this Section 9.4.
- (b) Rollovers. In the case of a Rollover of maturing Bankers' Acceptances, each Lender, in order to satisfy the continuing liability of the Borrower to each such Lender for the face amount of the maturing Bankers' Acceptances, will retain for its own account the Net Proceeds of each new Bankers' Acceptance issued by it in connection with such Rollover and the Borrower will, on the Maturity Date of the maturing Bankers' Acceptances, pay to the Agent for the benefit of the Lenders an amount equal to the difference between the face amount of the maturing Bankers' Acceptances and the aggregate Net Proceeds of the new Bankers' Acceptances.
- (c) Conversion to BA's. In the case of a Conversion from a Canadian Prime Rate Loan into an Accommodation by way of Bankers' Acceptances, each Lender, in order to satisfy the continuing liability of the Borrower to each such Lender for the amount of the Canadian Prime Rate Loan being converted, will retain for its own account the Net Proceeds of each new Bankers' Acceptance issued by it in connection with such Conversion and the Borrower will, on the date of issuance of the Bankers' Acceptances pay to the Agent for the benefit of the Lenders an amount equal to the difference

between the amount of the Canadian Prime Rate Loan being converted, owing to the Lenders and the Net Proceeds of such Bankers' Acceptances.

- (d) Conversion from BA's. In the case of a Conversion of an Accommodation by way of Bankers' Acceptances into a Canadian Prime Rate Loan, each Lender, in order to satisfy the liability of the Borrower to each such Lender for the face amount of the maturing Bankers' Acceptances, will record the obligation of the Borrower to it as a Canadian Prime Rate Loan, unless the Borrower provides for payment to the Agent for the benefit of the Lenders of the face amount of the maturing Bankers' Acceptance in some other manner acceptable to the Lenders.
- (e) Rounding. In the case of an Advance by way of Bankers' Acceptances under the Syndicated Facility, the Agent, in its sole discretion, will round allocations amongst the Syndicated Facility Lenders to ensure that each Bankers' Acceptance issued has a face amount which is a whole number multiple of Cdn.\$1,000 (and such rounded allocations shall constitute the Syndicated Facility Lenders' respective Rateable Portions for the purposes of this Agreement).

9.5 Escrowed Funds. Upon the request of the Agent after the occurrence and during the continuance of an Event of Default, the Borrower will forthwith pay to the Agent for deposit into a non-interest bearing escrow account maintained by and in the name of the Agent for the benefit of the Lenders, an amount equal to the Lenders' maximum potential liability under then outstanding Bankers' Acceptances (the "**Escrow Funds**"). The Escrow Funds will be held by the Agent for set-off against future Obligations owing by the Borrower to the applicable Lenders in respect of such Bankers' Acceptances. If such Event of Default is either waived or cured in compliance with the terms of this Agreement, then the remaining Escrow Funds if any, will be released to the Borrower. The deposit of the Escrow Funds by a Borrower with the Agent as herein provided, will not operate as a repayment of the Aggregate Principal Amount until such time as the Escrow Funds are actually paid to the applicable Lenders as a Principal Repayment.

9.6 Market Disruption. If:

- (a) the Agent (acting reasonably) makes a determination, which determination shall be conclusive and binding upon the Borrower, and notifies the Borrower, that there no longer exists an active market for Bankers' Acceptances accepted by the Lenders; or
- (b) the Agent is advised by Lenders holding at least 25% of the Commitment Amount of all Lenders under the Syndicated Facility hereunder by written notice (each, a "**Lender BA Suspension Notice**") that such Lenders have determined with respect to their general banking practice concerning bankers' acceptances (acting reasonably and in good faith) that the BA Discount Rate will not or does not accurately reflect the cost of funds of such Lenders or the discount rate which would be applicable to a sale of Bankers' Acceptances accepted by such Lenders in the market;

then:

- (c) the right of the Borrower to request Bankers' Acceptances or BA Equivalent Loans from any Lender shall be suspended until the Agent determines that the circumstances causing such suspension no longer exist, and so notifies the Borrower and the Lenders;

- (d) any outstanding Notice of Borrowing requesting an Advance by way of Bankers' Acceptances or BA Equivalent Loans shall be deemed to be a Notice of Borrowing requesting an Advance by way of Canadian Prime Rate Loans under the applicable Credit Facility in the amount specified in the original Notice of Borrowing;
- (e) any outstanding Notice of Conversion requesting a Conversion of an Advance by way of Bankers' Acceptances or BA Equivalent Loans shall be deemed to be a Notice of Conversion requesting a Conversion of such Advances into an Advance by way of Canadian Prime Rate Loans under the applicable Credit Facility; and
- (f) any outstanding Notice of Rollover requesting a Rollover of an Advance by way of Bankers' Acceptances or BA Equivalent Loans, shall be deemed to be a Notice of Conversion requesting a Conversion of such Advances into an Advance by way of Canadian Prime Rate Loans under the applicable Credit Facility.

The Agent shall promptly notify the Borrower and the applicable Lenders of any suspension of the Borrower's right to request Advances by way of Bankers' Acceptances or BA Equivalent Loans and of any termination of any such suspension. A Lender BA Suspension Notice shall be effective upon receipt of the same by the Agent if received prior to 2:00 p.m. (Montreal time) on a Banking Day and if not, then on the next following Banking Day, except in connection with an outstanding Notice of Borrowing, Notice of Conversion or Notice of Rollover, in which case the applicable Lender BA Suspension Notice shall only be effective with respect to such outstanding Notice of Borrowing, Notice of Conversion or Notice of Rollover if received by the Agent prior to 2:00 p.m. (Montreal time) 2 Banking Days prior to the proposed date of Advance, date of Conversion or date of Rollover (as applicable) applicable to such outstanding Notice of Borrowing, Notice of Conversion or Notice of Rollover, as applicable.

9.7 Canadian Benchmark Replacement Setting. Notwithstanding anything to the contrary herein or in any other Document:

- (a) Replacing CDOR. On May 16, 2022, Refinitiv Benchmark Services (UK) Limited ("**RBSL**"), the administrator of CDOR, announced in a public statement that the calculation and publication of all tenors of CDOR will permanently cease immediately following a final publication on Friday, June 28, 2024. On the date that all Canadian Available Tenors of CDOR have either permanently or indefinitely ceased to be provided by RBSL (the "**CDOR Cessation Date**"), if the then-current Canadian Benchmark is CDOR, the Canadian Benchmark Replacement will replace such Canadian Benchmark for all purposes hereunder and under any other Document in respect of any setting of such Canadian Benchmark on such day and all subsequent settings without any amendment to, or further action or consent of any other party to this Agreement or any other Document . If the Canadian Benchmark Replacement is Daily Compounded CORRA, all interest payments will be payable on a monthly basis.
- (b) Replacing Future Canadian Benchmarks. Upon the occurrence of a Canadian Benchmark Transition Event, the Canadian Benchmark Replacement will replace the then-current Canadian Benchmark for all purposes hereunder and under any Document in respect of any Canadian Benchmark setting at or after 5:00 p.m. (Montreal time) on the fifth (5th) Banking Day after the date notice of such Canadian Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Document so long as the Agent has not received, by such time, written notice of objection to such Canadian Benchmark Replacement from Lenders comprising the Majority Lenders . At any time that the administrator of the then-current Canadian Benchmark has

permanently or indefinitely ceased to provide such Canadian Benchmark or such Canadian Benchmark has been announced by the administrator or the regulatory supervisor for the administrator of such Canadian Benchmark pursuant to public statement or publication of information to be no longer representative of the underlying market and economic reality that such Canadian Benchmark is intended to measure and that representativeness will not be restored, the Borrower may revoke any request for a Drawdown of, Conversion to or Rollover of Advances to be made, converted or rolled over that would bear interest by reference to such Canadian Benchmark until the Borrower's receipt of notice from the Agent that a Canadian Benchmark Replacement has replaced such Canadian Benchmark, and, failing that, the Borrower will be deemed to have converted any such request into a request for a Drawdown of or Conversion to Canadian Prime Rate Loans. During the period referenced in the foregoing sentence, the component of Canadian Prime Rate based upon the Canadian Benchmark will not be used in any determination of Canadian Prime Rate.

- (c) Canadian Benchmark Replacement Conforming Changes. In connection with the implementation or administration of a Canadian Benchmark Replacement, the Agent will have the right to make Canadian Benchmark Replacement Conforming Changes from time to time, and, notwithstanding anything to the contrary herein or in any other Document, any amendments implementing such Canadian Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement.
- (d) Notices: Standards for Decisions and Determinations. The Agent will promptly notify the Borrower and the Lenders of (i) the implementation of any Canadian Benchmark Replacement, (ii) any occurrence of a Term CORRA Transition Event, and (iii) the effectiveness of any Canadian Benchmark Replacement Conforming Changes, and (iv) by delivering a BA Cessation Notice pursuant to Section 9.7(g), its intention to terminate the obligation of the Lenders to make or maintain Bankers' Acceptances. Any determination, decision or election that may be made by the Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party hereto, except, in each case, as expressly required pursuant to this Section.
- (e) Unavailability of Tenor of Canadian Benchmark. At any time (including in connection with the implementation of a Canadian Benchmark Replacement), if the then-current Canadian Benchmark is a term rate (including Term CORRA or CDOR), then (i) the Agent may remove any tenor of such Canadian Benchmark that is unavailable or non-representative for Canadian Benchmark (including Canadian Benchmark Replacement) settings and (ii) the Agent may reinstate any such previously removed tenor for Canadian Benchmark (including Canadian Benchmark Replacement) settings.
- (f) Secondary Term CORRA Conversion. Notwithstanding anything to the contrary herein or in any other Document and subject to the proviso below in this Section 9.7(f), if a Term CORRA Transition Event and its related Term CORRA Transition Date have occurred, then on and after such Term CORRA Transition Date (i) the Canadian Benchmark Replacement described in paragraph (a)(i) of such definition will replace the then-current Canadian Benchmark for all purposes hereunder or under any other Document in respect of any setting of such Canadian Benchmark on such day and all

subsequent settings, without any amendment to, or further action or consent of any other party to, this Agreement or any other Document; and (ii) each Advance outstanding on the Term CORRA Transition Date bearing interest based on the then-current Canadian Benchmark shall convert, on the last day of the then-current interest payment period, into an Advance bearing interest at the Canadian Benchmark Replacement described in clause (a)(i) of such definition for the respective Canadian Available Tenor as selected by the Borrower as is available for the then-current Benchmark; provided that, this Section 9.7(f) shall not be effective unless the Agent has delivered to the Lenders and the Borrower a Term CORRA Notice, and so long as the Agent has not received, by 5:00 p.m. (Montreal time) on the fifth (5th) Banking Day after the date of the Term CORRA Notice, written notice of objection to such conversion to Term CORRA from Lenders comprising the Majority Lenders or the Borrower.

(g) Bankers' Acceptances. The Agent shall have the option to, effective as of the date set out in the BA Cessation Notice, which shall be a date on or after the CDOR Cessation Date (the "**BA Cessation Effective Date**"), terminate the obligation of the Lenders to make or maintain Bankers' Acceptances, provided that the Agent shall give notice to the Borrower and the Lenders at least thirty (30) Banking Days prior to the BA Cessation Effective Date ("**BA Cessation Notice**"). If the BA Cessation Notice is provided, then as of the BA Cessation Effective Date, so long as the Agent has not received, by 5:00 p.m. (Montreal time) on the fifth (5th) Banking Day after the date of the BA Cessation Notice, written notice of objection to the termination of the obligation to make or maintain Bankers' Acceptances from Lenders comprising the Majority Lenders, (y) any Notice of Conversion or Notice of Rollover that requests the conversion of any Advance to, or Rollover of any Advances as, a Bankers' Acceptance shall be ineffective, and (z) if any Notice of Borrowing requests a Bankers' Acceptance such Advance shall be made as an Advance bearing interest at the Canadian Benchmark Replacement described in paragraph (a)(i) of such definition of the same tenor. For the avoidance of doubt, any outstanding Bankers' Acceptance shall remain in effect following the CDOR Cessation Date until such Bankers' Acceptance's stated maturity.

(h) Definitions. For purposes of this Agreement:

"**Canadian Available Tenor**" means, as of any date of determination and with respect to the then-current Canadian Benchmark, as applicable, (y) if the then-current Canadian Benchmark is a term rate, any tenor for such Canadian Benchmark that is or may be used for determining the length of an interest period or (z) otherwise, any payment period for interest calculated with reference to such Canadian Benchmark, as applicable, pursuant to this Agreement as of such date.

"**Canadian Benchmark**" means, initially, CDOR; provided that if a replacement of the Canadian Benchmark has occurred pursuant to Section 9.7, then "Canadian Benchmark" means the applicable Canadian Benchmark Replacement to the extent that such Canadian Benchmark Replacement has replaced such prior benchmark rate. Any reference to "Canadian Benchmark" shall include, as applicable, the published component used in the calculation thereof.

"**Canadian Benchmark Replacement**" means, for any Canadian Available Tenor:

(a) for purposes of Section 9.7(a), the first alternative set forth below that can be determined by the Agent:

- (i) the sum of: (A) Term CORRA and (B) 0.29547% (29.547 basis points) *per annum* for a Canadian Available Tenor of one-month's duration, and 0.32138% (32.138 basis points) *per annum* for a Canadian Available Tenor of three-months' duration, or
 - (ii) the sum of: (A) Daily Compounded CORRA and (B) 0.29547% (29.547 basis points) *per annum* for a Canadian Available Tenor of one-month's duration, and 0.32138% (32.138 basis points) *per annum* for a Canadian Available Tenor of three-months' duration; and
- (b) for purposes of Section 9.7(b), the sum of (i) the alternate benchmark rate and (ii) an adjustment (which may be a positive or negative value or zero), in each case, that has been selected by the Agent and the Borrower as the replacement for such Canadian Available Tenor of such Canadian Benchmark giving due consideration to any evolving or then-prevailing market convention, including any applicable recommendations made by the Canadian Relevant Governmental Body, for Canadian Dollar-denominated syndicated credit facilities at such time;

provided that, if the Canadian Benchmark Replacement as determined pursuant to clause (a) or (b) above would be less than the Floor Rate on any day, the Canadian Benchmark Replacement will be deemed to be the Floor Rate on such day for the purposes of this Agreement and the other Documents.

"Canadian Benchmark Replacement Conforming Changes" means, with respect to any Canadian Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Canadian Prime Rate," the definition of "Banking Day", the definition of "Bankers' Acceptance", timing and frequency of determining rates and making payments of interest, timing of Advance requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters, including with respect to the obligation of the Agent and the Lenders to create, maintain or issue Bankers' Acceptances) that the Agent decides may be appropriate to reflect the adoption and implementation of such Canadian Benchmark Replacement and to permit the administration thereof by the Agent in a manner substantially consistent with market practice (or, if the Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Agent determines that no market practice for the administration of such Canadian Benchmark Replacement exists, in such other manner of administration as the Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Documents). Without limiting the foregoing, Canadian Benchmark Replacement Conforming Changes made in connection with the replacement of CDOR with a Canadian Benchmark Replacement may include the implementation of mechanics for borrowing loans that bear interest by reference to the Canadian Benchmark Replacement, to replace the creation or purchase of drafts or Bankers' Acceptances.

"Canadian Benchmark Transition Event" means, with respect to any then-current Canadian Benchmark other than CDOR, the occurrence of a public statement or publication of information by or on behalf of the administrator of the then-current Canadian Benchmark, the regulatory supervisor for the administrator of such Canadian Benchmark, the Bank of Canada, an insolvency official with jurisdiction over the administrator for such Canadian Benchmark, a resolution authority with jurisdiction

over the administrator for such Canadian Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for such Canadian Benchmark, announcing or stating that (a) such administrator has ceased or will cease on a specified date to provide all Canadian Available Tenors of such Canadian Benchmark, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Canadian Available Tenor of such Canadian Benchmark or (b) all Canadian Available Tenors of such Canadian Benchmark are or will no longer be representative of the underlying market and economic reality that such Canadian Benchmark is intended to measure and that representativeness will not be restored.

"Canadian Relevant Governmental Body" means the Bank of Canada, or a committee officially endorsed or convened by the Bank of Canada, or any successor thereto.

"CDOR" means the Canadian Dollar rate for bankers' acceptance borrowings, including the rate known as the Canadian Dollar Offered Rate provided by RBSL, as the administrator of the benchmark (or a successor administrator).

"CORRA" means the Canadian Overnight Repo Rate Average administered and published by the Bank of Canada (or any successor administrator).

"Daily Compounded CORRA" means, for any day in an interest payment period, CORRA with interest accruing on a compounded daily basis, with the methodology and conventions for this rate (which will include compounding in arrears with a lookback) being established by the Agent in accordance with the methodology and conventions for this rate selected or recommended by the Canadian Relevant Governmental Body for determining compounded CORRA for business loans; provided that if the Agent decides that any such convention is not administratively feasible for the Agent, then the Agent may establish another convention in its reasonable discretion; and provided that if the administrator has not provided or published CORRA and a Canadian Benchmark Transition Event with respect to CORRA has not occurred, then, in respect of any day for which CORRA is required, references to CORRA will be deemed to be references to the last provided or published CORRA.

"Term CORRA" means, for the applicable corresponding tenor, the forward-looking term rate based on CORRA that has been selected or recommended by the Canadian Relevant Governmental Body, and that is published by an authorized benchmark administrator and is displayed on a screen or other information service, as identified or selected by the Agent in its reasonable discretion at approximately a time and as of a date prior to the commencement of an interest period determined by the Agent in its reasonable discretion in a manner substantially consistent with market practice.

"Term CORRA Notice" means the notification by the Agent to the Lenders and the Borrower of the occurrence of a Term CORRA Transition Event.

"Term CORRA Transition Date" means, in the case of a Term CORRA Transition Event, the date that is set forth in the Term CORRA Notice provided to the Lenders and the Borrower, for the replacement of the then-current Canadian Benchmark with the Canadian Benchmark Replacement described in clause (a)(i) of such definition, which date shall be at least thirty (30) Banking Days from the date of the Term CORRA Notice.

"**Term CORRA Transition Event**" means the determination by the Agent that (a) Term CORRA has been recommended for use by the Canadian Relevant Governmental Body, and is determinable for any Canadian Available Tenor, (b) the administration of Term CORRA is administratively feasible for the Agent and (c) a Canadian Benchmark Replacement, other than Term CORRA, has replaced CDOR in accordance with Section 9.7(a).

ARTICLE 10 LETTERS OF CREDIT

- 10.1 Letters of Credit Commitment.** The Operating Facility Lender agrees, on the terms and conditions herein set forth, from time to time on any Banking Day, to issue Letters of Credit for the account of the Borrower; provided that at no time shall the Aggregate Principal Amount owing under the Operating Facility with respect to the face amount of outstanding Letters of Credit exceed collectively Cdn. \$5,000,000 or the Canadian Dollar Exchange Equivalent thereof.
- 10.2 Notice of Issuance.**
- (a) Notice. Each issuance of a Letter of Credit shall be made by way of a Notice of Borrowing provided in accordance with Section 5.2(d) by the Borrower to the Operating Facility Lender.
 - (b) Other Documents. In addition, the Borrower shall execute and deliver to the Operating Facility Lender a customary form of letter of credit indemnity agreement; provided that, if there is any inconsistency between the terms of this Agreement and the terms of such customary form of indemnity agreement, the terms of this Agreement shall prevail.
- 10.3 Form of Letter of Credit.** Each Letter of Credit to be issued hereunder shall:
- (a) be dated the date of issuance of the Letter of Credit;
 - (b) subject to customary evergreen or automatic renewal provisions, have an expiration date on a Banking Day which occurs no more than 365 days after the date of such issuance (provided that Letters of Credit may have a term in excess of 365 days if the Operating Facility Lender shall agree);
 - (c) have an expiration date prior to the Final Maturity Date of the Operating Facility Lender, except to the extent cash collateral has been deposited by the Borrower into a cash collateral account in accordance with Section 10.10; and
 - (d) comply with the definition of Letter of Credit and shall otherwise be satisfactory in form and substance to the Operating Facility Lender.
- 10.4 Procedure for Issuance of Letters of Credit.**
- (a) Issue. On the date of issue, the Operating Facility Lender will complete and issue one or more Letters of Credit in favour of the beneficiary as specified by the Borrower in its Notice of Borrowing.

- (b) Time for Honour. No Letter of Credit shall require payment against a conforming draft to be made thereunder on the same Banking Day upon which such draft is presented, if such presentation is made after 11:00 a.m. (Montreal time) on such Banking Day.
- (c) Text. Prior to the issue date, the Borrower shall specify a precise description of the documents and the verbatim text of any certificate to be presented by the beneficiary prior to payment under the Letter of Credit. The Operating Facility Lender may require changes in any such documents or certificate, acting reasonably.
- (d) Conformity. In determining whether to pay under a Letter of Credit, the Operating Facility Lender shall be responsible only to determine that the documents and certificates required to be delivered under such Letter of Credit have been delivered and that they comply on their face with the requirements of such Letter of Credit.

10.5 Payment of Amounts Drawn Under Letters of Credit. If the Operating Facility Lender makes any payment pursuant to a Letter of Credit and the Borrower does not reimburse the Operating Facility Lender for any such payment on or before the next Banking Day from the proceeds of an Accommodation obtained under this Agreement or otherwise, the Operating Facility Lender shall, without receipt of a Notice of Borrowing and irrespective of whether any other applicable conditions precedent specified herein have been satisfied, make a Canadian Prime Rate Loan or U.S. Base Rate Loan, as the case may be, to the Borrower under the Operating Facility in the amount of such required payment. The Borrower agrees to accept each such Advance, and hereby irrevocably authorizes and directs the Operating Facility Lender to apply the proceeds thereof in payment of the liability of the Borrower with respect to such required payment.

10.6 Fees.

- (a) Issue Fee. The Borrower shall pay to the Operating Facility Lender a fee in respect of each Letter of Credit equal to the issuance fee specified in Section 3.8(a), multiplied by the stated maximum amount of such Letter of Credit multiplied by the actual number of days in the term of such Letter of Credit and divided by 365, such fee to be payable quarterly in arrears and payable in Canadian Dollars for Letters of Credit issued in such currency and U.S. Dollars for Letters of Credit issued in such currency (or, where the Letter of Credit is denominated in a currency other than Canadian Dollars or U.S. Dollars, in the Canadian Dollar Exchange Equivalent thereof on the immediately preceding Banking Day) on the third Banking Day following each Fiscal Quarter.
- (b) Administrative Fee. The Borrower shall pay to the Operating Facility Lender, upon the issuance of each Letter of Credit, amendment or transfer of each Letter of Credit, the Operating Facility Lender's standard documentary and administrative charges for issuing, amending or transferring standby or commercial letters of credit or letters of guarantee of a similar amount, term and risk, such charges to be payable in accordance with the Operating Facility Lender's normal practices.

10.7 Obligations Absolute. The obligation of the Borrower to reimburse the Operating Facility Lender for drawings made under any Letter of Credit shall be unconditional and irrevocable and shall be fulfilled strictly in accordance with the terms of this Agreement under all circumstances, including:

- (a) any lack of validity or enforceability of any Letter of Credit;

- (b) the existence of any claim, set-off, defence or other right which the Borrower may have at any time against a beneficiary or any transferee of any Letter of Credit (or any Persons for whom any such transferee may be acting), the Operating Facility Lender, any other Lender or any other Person, whether in connection with this Agreement, the Documents, the transactions contemplated herein and therein or any unrelated transaction (including any underlying transaction between the Borrower and the beneficiary of such Letter of Credit);
- (c) any draft, demand, certificate or other document presented under any Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect;
- (d) payment by the Operating Facility Lender under any Letter of Credit against presentation of a demand, draft or certificate or other document which does not comply with the terms of such Letter of Credit (provided that such payment does not breach the standards of reasonable care specified in the Uniform Customs or disentitle the Operating Facility Lender to reimbursement under ISP98, in each case as stated on its face to be applicable to the respective Letter of Credit); or
- (e) the fact that a Default or an Event of Default shall have occurred and be continuing.

10.8 Indemnification; Nature of Lenders' Duties.

- (a) Indemnity. In addition to amounts payable as elsewhere provided in this Article 10, the Borrower hereby agrees to protect, indemnify, pay and save the Operating Facility Lender and its directors, officers, employees, agents and representatives harmless from and against any and all claims, demands, liabilities, damages, losses, costs, charges and expenses (including legal fees and expenses) (a "**Loss**") which the indemnitee may incur or be subject to as a consequence, direct or indirect, of:
 - (i) the issuance of any Letter of Credit, other than as a result of the breach of the standards of reasonable care specified in the Uniform Customs or where the Operating Facility Lender would not be entitled to the foregoing indemnification under ISP98, in each case as stated on its face to be applicable to such Letter of Credit; or
 - (ii) the failure of the indemnitee to honour a drawing under any Letter of Credit as a result of any act or omission, whether rightful or wrongful, of any present or future *de jure* or *de facto* Governmental Authority, (all such acts or omissions called in this Section 10.8, "**Governmental Acts**"),

provided that the above indemnity shall not apply to any Loss which arises from or relates to the gross negligence or willful misconduct of an indemnitee.

- (b) Risk. As between the Borrower, on the one hand, and the Operating Facility Lender, on the other hand, the Borrower assumes all risks of the acts and omissions of, or misuse of the Letters of Credit issued hereunder by, the respective beneficiaries of such Letters of Credit and, without limitation of the foregoing, the Operating Facility Lender shall not be responsible for:
 - (i) the form, validity, accuracy, genuineness or legal effect of any document submitted by any party in connection with the application for

and issuance of such Letter of Credit, even if it should in fact prove to be in any or all respects invalid, inaccurate, fraudulent or forged;

- (ii) the invalidity or insufficiency of any instrument transferring or assigning or purporting to transfer or assign any such Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason;
- (iii) errors, omissions, interruptions or delays in transmission or delivery of any messages, by fax, electronic transmission, mail, cable telegraph, telex or otherwise, whether or not they are in cipher;
- (iv) errors in interpretation of technical terms;
- (v) any loss or delay in the transmission or otherwise of any document required in order to make a drawing under any such Letter of Credit or of the proceeds thereof;
- (vi) the misapplication by the beneficiary of any such Letter of Credit of the proceeds of any drawing under such Letter of Credit; and
- (vii) any consequences arising from causes beyond the control of the Operating Facility Lender, including any Governmental Acts.

None of the above shall affect, impair or prevent the vesting of any of the Operating Facility Lender's rights or powers hereunder. No action taken or omitted by the Operating Facility Lender under or in connection with any Letter of Credit issued by it or the related certificates, if taken or omitted in good faith, shall put the Operating Facility Lender under any resulting liability to the Borrower (provided that the Operating Facility Lender acts in accordance with the standards of reasonable care specified in the Uniform Customs and otherwise as may be required under ISP98, in each case as stated on its face to be applicable to the respective Letter of Credit).

10.9 Default, Maturity, etc. Upon the earlier of the Maturity Date of the Letter of Credit and an Acceleration, and notwithstanding the expiration date of any outstanding Letters of Credit, an amount equal to the undrawn face amount of all outstanding Letters of Credit, and all accrued and unpaid fees owing by the Borrower in respect of the issuance of such Letters of Credit pursuant to Section 10.6, if any, shall thereupon forthwith become due and payable by the Borrower to the Agent for the benefit of the Operating Facility Lender and, except for any amount payable in respect of unpaid fees as aforesaid, such amount shall be held in a trust account kept by the Agent and applied against amounts payable under such Letters of Credit in respect of any drawing thereunder.

10.10 Escrowed Funds. If any Letter of Credit is outstanding on the Final Maturity Date, at any time that a demand for repayment is made hereunder, or a domestic or foreign court issues any judgment or order restricting or prohibiting payment by the Operating Facility Lender under such Letter of Credit or extending the liability of the Operating Facility Lender to make payment under such Letter of Credit beyond the expiry date specified therein, the Borrower will forthwith upon demand by the Operating Facility Lender deposit into a cash collateral account maintained by and in the name of the Operating Facility Lender, funds in the applicable currency in the amount of the Advance constituted by such Letter of Credit and such funds (together with interest thereon) will be held by the Operating Facility Lender for payment of the liability of the Borrower pursuant to this Article 10 or otherwise in respect of such Letter of

Credit so long as the Operating Facility Lender has or may in any circumstance have any liability under such Letter of Credit, and, pending such payment, shall bear interest at the Operating Facility Lender's then prevailing rate in respect of deposits of similar amounts and of similar periods of time. Any balance of such funds and interest remaining at such time as the Operating Facility Lender does not have and may never have any liability under such Letter of Credit will nevertheless continue to be held by the Operating Facility Lender after a demand for repayment is made or both, as security for the remaining liabilities of the Borrower hereunder. The Operating Facility Lender shall have exclusive control over all amounts at any time on deposit in such cash collateral account. The deposit of such funds by the Borrower with the Operating Facility Lender as herein provided will not operate as a repayment of the Aggregate Principal Amount of the Operating Facility until such time as such funds are actually paid to the Operating Facility Lender as a Principal Repayment.

10.11 Records. The Agent and the Operating Facility Lender shall maintain records showing the undrawn and unexpired amount of each Letter of Credit outstanding hereunder and showing for each Letter of Credit issued hereunder:

- (a) the dates issuance and expiration thereof;
- (b) the amount thereof; and
- (c) the date and amount of all payments made thereunder.

The Agent and the Operating Facility Lender shall make copies of such records available to the Borrower upon its request.

10.12 Notices with Respect to Letters of Credit. Each Notice of Borrowing in respect of a Letter of Credit shall be delivered in accordance with Section 5.2(d).

ARTICLE 11 INCREASED COSTS

11.1 Changes in Law.

- (a) If, after the date hereof, due to either:
 - (i) the introduction of, or any change in, or in the interpretation of any Law, whether having the force of law or not, resulting in the imposition or increase of reserves, deposits, compulsory loans, insurance charges or similar requirements by any central bank or Governmental Authority charged with the administration thereof; or
 - (ii) the compliance with any guideline or request from any central bank or other Governmental Authority which a Lender, acting reasonably, determines that it is required to comply with,

there will be any increase in the cost to such Lender of agreeing to make or making, funding, converting to or maintaining an Accommodation or there will be any reduction in the effective return to such Lender thereunder, then, subject to Section 11.1(b), the Borrower will, within 10 Banking Days after being notified by such Lender of such event, pay to such Lender, quarterly in arrears, that amount (the "**Additional Compensation**") which such Lender, acting reasonably, determines will compensate it, after taking into account all applicable Taxes and all interest and other amounts

received, for any such increased costs or reduced returns incurred or suffered by such Lender.

- (b) If Additional Compensation is payable pursuant to Section 11.1(a), the Borrower will have the option to convert the Accommodation to another type of Accommodation, in accordance with this Agreement, in respect of which no further such Additional Compensation will be payable, or prepay any amount of the Credit Facilities owed to the Lender entitled to receive the Additional Compensation, subject always to Section 8.2 without obligation to make a corresponding prepayment to any other Lender. If the Additional Compensation relates to outstanding Bankers' Acceptances, such Lender may require the Borrower to deposit in an interest bearing cash collateral account with such Lender such amount as may be necessary to fully satisfy the contingent obligations of such Lender for all outstanding Bankers' Acceptances in accordance with the arrangements similar to those set out in Section 9.5.

Notwithstanding anything herein to the contrary, (i) the *Dodd-Frank Wall Street Reform and Consumer Protection Act* and all regulations, requests, requirements, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority), the Office of the Superintendent of Financial Institutions of Canada, or the United States, or Canadian or other foreign regulatory authorities, in each case pursuant to Basel III ((i) and (ii) being, the "**New Rules**"), shall in each case be deemed to be a change in as described in clauses (a) and (b) above regardless of the date enacted, adopted or issued, in each case to the extent that such New Rules are applicable to a Lender claiming Additional Compensation.

11.2 Changes in Circumstances. Notwithstanding anything to the contrary herein or in any of the other Documents, if on any date a Lender determines, acting reasonably and in good faith, which determination will be conclusive and binding on the Parties, and provided notice is given to the Agent and the other Lenders and to the Borrower that such Lender's ability to maintain, or continue to offer any Accommodation has become unlawful or impossible due to:

- (a) any change in applicable Law, or in the interpretation or administration thereof by authorities having jurisdiction in the matter; or
- (b) the imposition of any condition, restriction or limitation upon such Lender which is outside of its control,

then in any such case, the Borrower will forthwith repay to such Lender all principal amounts affected thereby, together with all unpaid interest accrued thereon to the date of repayment and all other expenses incurred in connection with the termination of any such Accommodation, including any expenses resulting from the early termination of any SOFR Period relating thereto in accordance with Section 8.2, without any obligation to make a corresponding prepayment to any other Lender. The Borrower may utilize other forms of Accommodations not so affected in order to make any required repayment and after any such repayment, the Borrower may elect to re-borrow the amount repaid by way of some other Accommodation upon complying with applicable requirements thereof.

11.3 Application of Sections 11.1 and 11.2. If a Lender exercises its discretion under either Section 11.1 or 11.2, then concurrently with a notice from such Lender to the Agent and the Borrower requiring compliance with the applicable Section, such Lender will provide the Borrower (with a copy to the Agent who will notify the other Lenders) with a certificate in

reasonable detail outlining the particulars giving rise to such notice, confirming that its actions are consistent with actions concurrently taken by such Lender with respect to similar type provisions affecting other borrowers of such Lender in comparable circumstances and certifying (with reasonable supporting detail) the increased costs, if any, payable by the Borrower thereunder, which will be prima facie evidence thereof and binding on the Parties.

- 11.4** **Limitations on Additional Compensation.** Sections 11.1 and 11.2 will not apply to a Lender with respect to any event, circumstance or change of the nature and kind of which such Lender had actual knowledge on the Closing Date. A Lender will not be entitled to Additional Compensation to the extent such increase in costs or reduction in return is reflected in or recovered by an increase in the interest or other amounts payable hereunder (other than pursuant to Section 11.1) or relates to any period which is more than 90 days prior to such Lender becoming aware such Additional Compensation was owing or if such Lender is not generally collecting amounts which are the equivalent to Additional Compensation from other borrowers in similar circumstances to the Borrower where such Lender is contractually entitled to do so.

ARTICLE 12 FEES AND EXPENSES

- 12.1** **Agency Fee.** The Borrower will pay to the Agent, on an annual basis, the agency fee agreed upon between the Borrower and the Agent, the amount thereof to be kept confidential by the Borrower and the Agent.
- 12.2** **Standby Fee.** The Borrower will, effective from and including the Closing Date to and excluding the Final Maturity Date applicable to each Lender in respect of the Credit Facilities, pay to the Agent for the benefit of the Syndicated Facility Lenders and the Operating Facility Lender, as the case may be, a standby fee in Canadian Dollars from time to time equal to the Basis Points set forth in the Pricing Table, calculated on the basis of a 365 or 366 day calendar year, as applicable, multiplied by (a) the Syndicated Facility Commitment Amount of the Syndicated Facility Lenders, less the Canadian Dollar Exchange Equivalent of the Aggregate Principal Amount of the Syndicated Facility attributable to each Syndicated Facility Lender, and (b) the Operating Facility Commitment Amount of the Operating Facility Lender, less the Canadian Dollar Exchange Equivalent of the Aggregate Principal Amount of the Operating Facility attributable to the Operating Facility Lender. The standby fees will be calculated daily and will be payable quarterly in arrears on the 3rd Banking Day of each Fiscal Quarter for the previous Fiscal Quarter.
- 12.3** **Expenses.** The Borrower will pay or reimburse the Agent and the Lenders, as applicable, for all reasonable out-of-pocket expenses, including legal fees and disbursements (on a solicitor and his own client full indemnity basis) and enforcement costs, incurred by the Agent and the Lenders, as applicable, in connection with the creation, negotiation, preparation, execution, maintenance, syndication, publication, management, collection and amendment of the Documents and the Credit Facilities and the enforcement of their rights and remedies thereunder or relating thereto, as applicable.

**ARTICLE 13
REPRESENTATIONS AND WARRANTIES OF THE BORROWER**

- 13.1 Representations and Warranties.** The Borrower hereby represents and warrants to the Agent and the Lenders that:
- (a) Formation, Organization and Power. Each Loan Party has been duly incorporated, amalgamated or otherwise formed, as applicable, and is validly existing under the Laws of the jurisdiction of its formation, and is duly registered to carry on business in each jurisdiction in which the nature of any business carried on by it or the character of any property owned or leased by it makes such registration necessary, except where the failure to be so registered or qualified would not reasonably be expected to have a Material Adverse Effect, and the Borrower and each other Loan Party has full power and capacity to enter into and perform its obligations under the Documents to which it is a party, and to carry on its business as currently conducted by it.
 - (b) Authorization and Status of Agreements. Each Document to which any Loan Party is a party delivered pursuant hereto has been duly authorized, executed and delivered by it and does not conflict with or contravene or constitute a default, under:
 - (i) its constating documents, by-laws, any resolutions of the Directors or partners or any shareholders' or partnership agreement in respect thereof;
 - (ii) any agreement or document to which it is a party or by which any of its property is bound the contravention of which would reasonably be expected to have a Material Adverse Effect; or
 - (iii) any applicable Law.
 - (c) Enforceability. Each of the Documents constitutes a valid and binding obligation of each Loan Party that is a party thereto, and is enforceable against such Loan Party in accordance with the terms thereof, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency, reorganization, or similar statutes affecting the enforcement of creditors' rights generally and by general principles of equity.
 - (d) Litigation. There are no actions, suits or proceedings at Law or before or by any Governmental Authority existing or pending, or to the best of the Borrower's knowledge threatened, to which the Borrower or any Subsidiary thereof is, or to the Borrower's knowledge is threatened to be made, a party and the result of which would, if successful against the Borrower or such Subsidiary, reasonably be expected to have a Material Adverse Effect.
 - (e) Environmental Law. The Borrower and each Subsidiary thereof: (i) has obtained all permits, licenses and other authorizations which are required under Environmental Law; and (ii) is in compliance with Environmental Law and with the terms and conditions of all such permits, licenses and authorizations, except in each case to the extent that the failure to so obtain or comply would not reasonably be expected to have a Material Adverse Effect.

- (f) Environmental Condition of Property. The property or any part thereof owned, operated or controlled by the Borrower and each Subsidiary thereof, either directly or indirectly:
- (i) is not, to the knowledge of the Borrower, the subject of any outstanding claim, charge or order from any Governmental Authority alleging violation of Environmental Law or, if subject to any such claim, charge or order, the applicable Loan Party is taking or causing to be taken all such remedial, corrective or other action required under the claim, charge or order or such claim, charge or order is being contested by a Permitted Contest; and
 - (ii) complies in all respects with respect to each of its use and operation, with Environmental Law and with the terms and conditions of all permits, licenses and other authorizations which are required to be obtained under applicable Environmental Law;
- except to the extent that any such claim, charge, order or non-compliance would not reasonably be expected to result in a claim, loss or other liability in excess of the Threshold Amount.
- (g) Title to Properties. Each Loan Party has good and valid title to its property, subject only to Permitted Encumbrances and to minor defects of title. Each Loan Party is entitled to charge or pledge its interests in its property in favour of the Agent and the Lenders as provided in this Agreement without the need to obtain any consent or release from any other Person which has not been obtained.
- (h) Financial Condition – Audited Statements. The most recent audited consolidated financial statements of the Borrower heretofore or contemporaneously delivered to the Agent and the Lenders were prepared in accordance with GAAP and such financial statements present fairly in all material respects the Borrower's consolidated financial position as at the date thereof. Since the date of such audited financial statements, there has been no occurrence of any event, circumstance, development or other changes in fact which would, in the aggregate reasonably be expected to have a Material Adverse Effect, other than as previously disclosed in accordance with Section 14.2(f) or disclosed in writing to the Agent and the Lenders.
- (i) Information. All factual information furnished by or on behalf of any Loan Party to the Agent or the Lenders in connection with the Loan Parties or the Credit Facilities (and in the case of third parties, to the knowledge of the Borrower) was true and accurate in all material respects at the time given and the Borrower is not aware of any omission of any material fact which renders such factual information incomplete or misleading in any material way at the time given.
- (j) No Breach of Orders, Licences or Statutes. No Loan Party is in breach of:
- (i) any order, approval or mandatory requirement or directive of any Governmental Authority;
 - (ii) any governmental licence or permit; or
 - (iii) any applicable Law,

the breach of which would reasonably be expected to have a Material Adverse Effect.

- (k) Pension. No Loan Party is party to or bound by any Pension Plan.
- (l) No Default. No Default or Event of Default has occurred and is continuing.
- (m) Insurance. Each Loan Party has in full force and effect such policies of insurance in such amounts issued by such insurers of recognized standing covering the property of the Loan Parties as required by Section 14.1(k).
- (n) Approvals. All regulatory and other approvals, consents, permits and licenses necessary for each Loan Party to carry on its business, as currently carried on, and all approvals, consents, permits and licenses necessary for each Loan Party to enter into the Documents to which it is a party and perform its obligations thereunder have, in each case, been obtained and are in good standing except to the extent that the failure to so obtain or maintain in good standing would not reasonably be expected to have a Material Adverse Effect.
- (o) Payment of Taxes. Each Loan Party has filed all tax returns which are required to be filed and have paid all material Taxes (including interest and penalties) which are due and payable, unless such payment is subject to a Permitted Contest.
- (p) Remittances. All of the material remittances required to be made by each Loan Party to the applicable federal, provincial or municipal governments have been made, are currently up to date and there are no outstanding arrears.
- (q) Subsidiaries. As at the Closing Date, the Borrower has no Subsidiaries other than as set out in Schedule G and Schedule G is a complete and accurate list of: (i) the jurisdictions of formation of the Borrower and each of its Subsidiaries, (ii) the chief executive office of the Borrower and each of its Subsidiaries, (iii) the registered office or head office of the Borrower and each of its Subsidiaries, (iv) in the case of a partnership or a trust only, the governing law of the partnership agreement or trust instrument (as the case may be) of such Subsidiaries, (v) the location of the Borrower's and its Subsidiaries' respective businesses and assets, (vi) the trade names of the Borrower and each of its Subsidiaries, if any, used in the locations referred to in clause (v) above, (vii) the legal and beneficial owners of the issued and outstanding Voting Securities of each of the Subsidiaries of the Borrower and (viii) the designation each of the Borrower's Subsidiaries as a Material Subsidiary or a non-Material Subsidiary.
- (r) No Material Adverse Effect. No event or circumstance has occurred and is continuing which has had or would reasonably be expected to have a Material Adverse Effect.
- (s) Operation of Business and Properties. All property owned or operated by the Loan Parties has been and will continue to be operated and maintained, as the case may be, in a good and workmanlike manner in accordance with sound industry practice and in accordance with all applicable Laws, except to the extent that the failure to do so would not reasonably be expected to have a Material Adverse Effect.
- (t) Sanctions; Anti-Corruption Laws; Anti-Money Laundering/ Anti-Terrorist Financing Laws.
 - (i) No part of the proceeds of any Advance nor drawings under any Letter of Credit will be used, directly or, to the knowledge of the Borrower or

any Subsidiary thereof after due inquiry, indirectly, to fund any operations in, finance any investments or activities in, or make any payments to, a Sanctioned Person in any manner that would result in any violation by any Person (including any Lender and the Agent) of (A) any Sanctions or (B) applicable regulations, rules and executive orders administered by any Sanctions Authority.

- (ii) None of the Borrower nor any of its Subsidiaries (A) is, or will become a Sanctioned Person or (B) knowingly, after due inquiry, engages or will engage in any dealings or transactions, or is or will be otherwise knowingly, after due inquiry, associated, with any Sanctioned Person that would result in any violation of (x) any Sanctions or (y) applicable regulations, rules and executive orders administered by any Sanctions Authority.
 - (iii) Each of the Borrower and its Subsidiaries is, and has conducted its business, in compliance in all respects with all Sanctions and all applicable regulations, rules and executive orders administered by any Sanctions Authority.
 - (iv) To its knowledge, after due inquiry, each of the Borrower and its Subsidiaries is, and has conducted its business, in compliance in all material respects with all Anti-Money Laundering/ Anti-Terrorist Financing Laws.
 - (v) The Borrower and its Subsidiaries, to the Borrower's knowledge after due inquiry, are not the subject of any investigation, inquiry or enforcement proceedings by any Governmental Authority regarding any offense or alleged offense under any Anti-Corruption Laws or Anti-Money Laundering/ Anti-Terrorist Financing Laws in which there is a reasonable possibility of an adverse decision and, to the Borrower's knowledge after due inquiry, no such investigation, inquiry or proceeding is pending or has been threatened.
 - (vi) Each of the Borrower and its Subsidiaries is, and has conducted its business, in compliance in all material respects with all Anti-Corruption Laws. No part of the proceeds of any Advance or any drawings under any Letter of Credit has been used or will be used, directly or, to the knowledge of the Borrower or any Subsidiary thereof after due inquiry, indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in a governmental capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of any Anti-Corruption Laws.
 - (vii) The Borrower and its Subsidiaries have policies and procedures in place to ensure that each of the foregoing representations and warranties in this Section 13.1(t) are true and correct at all times.
- (u) Abandonment/Reclamation Orders. The Borrower and each other Loan Party is in compliance in all material respects with applicable Law relating to any abandonment and reclamation obligations, liabilities or activities including, without limitation, any outstanding Abandonment/Reclamation Orders.

- 13.2 Acknowledgement.** The Borrower acknowledges that the Agent and the Lenders are relying upon the representations and warranties in this Article 13 in making the Credit Facilities available to the Borrower and the Borrower shall, effective on the date each and every Advance is made (except for Advances which are Rollovers or Conversions in which case only Section 13.1(l) will be deemed to be restated) be deemed to have represented to the Agent and the Lenders that the representations and warranties set forth in Article 13 (other than those expressed to be given as of a specific date) are true and accurate in all material respects (other than those representations and warranties which are already subject to a materiality threshold (such as Material Adverse Effect), which shall be true and accurate in all respects).
- 13.3 Survival and Inclusion.** The representations and warranties in this Article 13 shall survive until this Agreement has been terminated. All statements, representations and warranties contained in any Compliance Certificate and in the other Documents or in any instruments delivered by or on behalf of any Loan Party pursuant to this Agreement or the other Documents shall constitute statements, representations and warranties made by the Borrower to the Agent and the Lenders under this Agreement.

ARTICLE 14 COVENANTS OF THE BORROWER

- 14.1 Affirmative Covenants.** While any Obligations under any Credit Facility are outstanding or any Accommodation under any Credit Facility remains available:
- (a) **Punctual Payment.** The Borrower will pay or cause to be paid all Obligations and other amounts payable under the Documents punctually when due.
 - (b) **Use of Credit Facilities.** The Borrower will use the Credit Facilities only in accordance with Section 3.6.
 - (c) **Legal Existence.** Except as permitted by Section 14.3(d), the Borrower will do or will cause to be done all things necessary to preserve and keep in full force and effect each Loan Party's existence in good standing under the Laws of its jurisdiction of creation. Notwithstanding any other provision of this Agreement, the Borrower will at all times be an entity formed under the laws of a Canadian jurisdiction with, directly or through its Subsidiaries, business activities in Canada.
 - (d) **Wholly-Owned Status.** Each Loan Party, other than the Borrower, will be a direct or indirect wholly-owned Subsidiary of the Borrower and to the extent any such Loan Party is indirectly owned, all such ownership interests will be held by Loan Parties.
 - (e) **Material Adverse Claims.** The Borrower will, and will cause each other Loan Party to do all things necessary to defend, protect and maintain its property and the Security (and the priority thereof) from all material adverse claims, including where the failure to do so in the opinion of the Lenders, acting reasonably, threatens the intended priority or validity of the Security as herein provided, or would reasonably be expected to have a Material Adverse Effect.
 - (f) **Maintain Title to Properties.** The Borrower will, and will cause each other Loan Party to, maintain good and valid title to its property, subject only to Permitted Encumbrances and to minor defects of title which in the aggregate do not affect their rights of ownership therein or the value thereof in any material way.

- (g) Operation of Properties. The Borrower will, and will cause each other Loan Party to, maintain and operate its respective property in accordance with sound industry practice and in accordance with applicable Law, except to the extent that the failure to do so would not reasonably be expected to have a Material Adverse Effect.
- (h) Performance of Agreements. The Borrower will, and will cause each other Loan Party to, perform its obligations under the Documents and all other material agreements relating to its properties, including payment of rentals, royalties, Taxes or other charges in respect thereof which are necessary to maintain all such agreements in good standing, except to the extent that the failure to do so would not reasonably be expected to have a Material Adverse Effect.
- (i) Comply with Law and Maintain Permits. The Borrower will, and will cause each of its Subsidiaries to, comply with applicable Laws and obtain and maintain all permits, licenses, consents and approvals necessary to the ownership of their material property and to the conduct of their business in each jurisdiction where they carry on material business or owns material property, including those issued or granted by Governmental Authorities, except to the extent that the failure to do so would not reasonably be expected to have a Material Adverse Effect. The Borrower will also, and will cause each of its Subsidiaries to, comply with applicable Environmental Laws and obtain and maintain all permits, licenses, consents and approvals necessary to the ownership of their material property and to the conduct of their business in each jurisdiction where it carries on material business or owns material property, including those issued or granted by Governmental Authorities, except to the extent that the failure to do so would not reasonably be expected to have a Material Adverse Effect.
- (j) Compliance With P&NG Leases. The Borrower shall, and shall cause its Subsidiaries to, comply in all respects with the P&NG Leases relating to P&NG Rights, except to the extent the failure to do so would not have or would not reasonably be expected to have a Material Adverse Effect.
- (k) Insurance. The Borrower will, and will cause each other Loan Party to, maintain adequate insurance in respect of its material property, including all plant and equipment, as is customary in the case of businesses of established reputation engaged in the same or similar businesses and to the extent available on commercially reasonable terms, with reputable insurance companies and which shows the Agent as first loss payee or additional insured, as applicable. The Borrower will provide the Agent with copies of all insurance policies or certificates relating to the foregoing if so requested.
- (l) Material Subsidiary Guarantees and Security. Within 15 Banking Days of creating or acquiring any Material Subsidiary, the Borrower will cause such Material Subsidiary to provide a guarantee and the other Security listed in Section 4.1, in form and substance acceptable to the Agent, acting reasonably, together with such other supporting documentation and legal opinions as the Agent may reasonably require. The Borrower will notify the Agent upon the creation or acquisition of any new Material Subsidiary promptly upon the creation or acquisition thereof, and in any event, no later than 15 Banking Days after any such creation or acquisition.
- (m) Ring Fence and Designation of Material Subsidiaries.
 - (i) The Borrower shall ensure that at all times, (a) at least 95% of Consolidated Assets shall be legally, beneficially and directly owned by the Borrower and its

Material Subsidiaries which have provided Security hereunder and (b) at least 95% of Consolidated EBITDA in the immediately preceding four Fiscal Quarters shall be attributable to the Borrower and its Material Subsidiaries which have provided Security hereunder; and if at any time less than 95% of Consolidated Assets or 95% of Consolidated EBITDA in the immediately preceding four Fiscal Quarters shall be legally, beneficially and directly owned by or attributable to, as the case may be, the Borrower and its Material Subsidiaries which have provided Security hereunder, the Borrower shall promptly, and in any event within 15 Banking Days after any such occurrence, designate another Subsidiary which is not then a Material Subsidiary to be a Designated Material Subsidiary pursuant hereto to the extent required to ensure that after such designation, 95% or more of Consolidated Assets and 95% of Consolidated EBITDA in the immediately preceding four Fiscal Quarters shall be legally, beneficially and directly owned by or attributable to, as the case may be, the Borrower and its Material Subsidiaries which have provided Security hereunder; and all registrations, filings and/or recordings of such Security shall have been made in all offices where such registration, filing or recording is necessary or of advantage to the creation, perfection and preserving of such Security and the Liens created thereby.

- (ii) The Borrower shall from time to time, by notice in writing to the Agent (together with reasonable particulars which demonstrate compliance with the ring fence covenant set forth in paragraph (i) above), be entitled to designate that either:
 - (i) a Subsidiary which is not a Material Subsidiary shall become a Designated Material Subsidiary; or
 - (ii) a Designated Material Subsidiary shall cease to be a Material Subsidiary,

provided that the Borrower shall not be entitled to designate that a Designated Material Subsidiary shall cease to be a Material Subsidiary if:

- (iii) a Default, an Event of Default or a Borrowing Base Shortfall has occurred and is continuing;
- (iv) a Default, an Event of Default or Borrowing Base Shortfall would result from or exist immediately after such a designation; or
- (v) such Designated Material Subsidiary falls within part (a), (b) or (c) of the definition of "Material Subsidiary".

In order to give effect to the foregoing provisions of Section 14.1(l) and this Section 14.1(m), the Borrower shall cause any Material Subsidiary that becomes a Designated Material Subsidiary to promptly execute and deliver Security to the Agent (together with a certified copy of its constating documents and a legal opinion in form and substance satisfactory to the Agent, acting reasonably).

- (n) Inspection of Property; Books and Records; Discussions. The Borrower will, and will cause each other Loan Party to, maintain books and records of account in accordance with GAAP and applicable Law; and permit representatives of the Agent at the Agent's expense no more than once a year while no Default or Event of Default exists and at any time at the Borrower's expense while a Default or Event of Default exists to visit

and inspect any property of any of the Borrower or any Subsidiary thereof and to examine and make abstracts from any books and records of the Borrower or any Subsidiary thereof at any reasonable time during normal business hours and upon reasonable request and notice, and subject to compliance with the Borrower's health and safety requirements, and to discuss the business, property, condition (financial or otherwise) and prospects of the Borrower or any other Loan Party with their senior officers and (in the presence of such representatives, if any, as it may designate) with its independent chartered accountants.

- (o) Payment of Royalties, Taxes, Withholdings, etc. The Borrower shall, and shall cause each other Loan Party to, from time to time pay or cause to be paid all royalties, rents, Taxes, rates, levies or assessments, ordinary or extraordinary, governmental fees or dues, and to make and remit all withholdings, lawfully levied, assessed or imposed upon any Loan Party or any of the assets of any Loan Party, as and when the same become due and payable, except when and so long as the validity of any such royalties, rents, Taxes, rates, levies, assessments, fees, dues or withholdings is being contested by such Loan Party by a Permitted Contest, and to duly file on a timely basis all tax returns required to be filed.
- (p) Remittances. The Borrower will, and will cause each other Loan Party to, make all of the material remittances required to be made by each Loan Party to the applicable federal, provincial or municipal governments and keep such remittances up to date, except to the extent such remittances are being contested by a Permitted Contest.
- (q) Protection of Security. The Borrower will, and will cause each other Loan Party that provides Security to the extent required hereunder to, do all things reasonably requested by the Agent to protect and maintain the Security and the priority thereof in relation to other Persons.
- (r) Environmental Audit. If the Agent, acting reasonably, determines that liabilities arising from any release to the Environment or damages relating to the Environment have resulted in the occurrence of a Material Adverse Effect, or if at any time an Event of Default has occurred and is continuing then, at the request of the Agent, acting reasonably, the Borrower will, and will cause each other Loan Party and their Subsidiaries to, assist the Agent in conducting an environmental audit of the property, by an independent consultant selected by the Agent. The reasonable costs of such audit will be for the account of the Borrower. Should the result of such audit indicate that any Loan Party (or any Subsidiary thereof) is in breach, or with the passage of time will be in breach, of any Environmental Law and such breach or potential breach has or could reasonably be expected to have, in the opinion of the Lenders, acting reasonably, a Material Adverse Effect, and without in any way prejudicing or suspending any of the rights and remedies of the Agent and the Lenders under the Documents, the Borrower will forthwith commence and diligently proceed to rectify or cause to be rectified such breach or potential breach, as the case may be, and will keep the Lenders fully advised of the actions it intends to take and has taken to rectify such breach or potential breach and the progress it is making in rectifying same. The Agent will be permitted to retain, for the account of the Borrower (to the extent such account is reasonable), the services of a consultant to monitor the applicable Loan Party's (or Subsidiary's) compliance with its rectification obligations under this Section 14.1(r).
- (s) Payment of Preferred Claims. The Borrower shall, and shall cause each other Loan Party to, from time to time pay when due or cause to be paid when due all amounts

related to wages, workers' compensation obligations, pension fund obligations and any other amount which would or would reasonably be expected to result in a lien, charge, security interest or similar encumbrance against the assets of the Borrower or such other Loan Party arising under statute or regulation, except when and so long as the validity of any such amounts or other obligations is being contested by the Borrower or any other Loan Party by a Permitted Contest.

- (t) Property Loss Event. If any Loan Party suffers a Property Loss Event with respect to any property of any Loan Party, which results in the receipt of property insurance proceeds in excess of the Threshold Amount (the "**Loss Amounts**"), the Borrower shall reinvest such amounts in repairs to the property subject to such Property Loss Event, or in new or replacement capital assets, in each case within 365 days of such Property Loss Event or, to the extent the Loss Amounts are not reinvested, the Borrower shall use such Loss Amounts to repay Advances under the Credit Facilities on a non-permanent basis; provided that the Borrower shall not be required to repay Advances made by way of a Bankers' Acceptance or SOFR Loan until the maturity date thereof. Such Property Loss Event will be deemed to be a Material Disposition under this Agreement if the Loss Amounts are not reinvested. If all Advances are fully repaid (or cash collateralized, as applicable) after a Property Loss Event in accordance with the terms hereof, the requirement to repay in this Section 14.1(t) shall be deemed to be satisfied in respect of such Property Loss Event.
- (u) Anti-Money Laundering/Anti-Terrorist Financing Laws; Sanctions; Anti-Corruption Laws Representations Continue to be True. The Borrower shall, and shall cause its Subsidiaries to, conduct its business operations such that, and have policies and procedures in place to ensure that, the representations and warranties in Section 13.1(t) are true and correct at all times that this Agreement is in effect (and not just at, and as of, the times such representations and warranties are made or deemed to be made).
- (v) Compliance with Abandonment and Reclamation Obligations. The Borrower shall, and shall cause each other Loan Party to, comply in all material respects with applicable Law relating to abandonment and reclamation obligations, liabilities or activities including, without limitation, any outstanding Abandonment/Reclamation Orders.
- (w) Mandatory Hedges. The Loan Parties shall, during the Revolving Period, enter into and maintain Commodity Swaps covering no less than 30% of Average Daily Oil Production on a rolling 24-month basis at all times that the Aggregate Principal Amount is greater than 50% of the Borrowing Base during such period (collectively, the "**Mandatory Hedges**") and, in each case, the Borrower shall furnish to the Agent, in form and substance satisfactory to the Agent, evidence that the Borrower has complied with the foregoing Mandatory Hedge requirements. Notwithstanding the foregoing: (A) the Loan Parties shall not be required to enter into any new Commodity Swaps for any applicable period for the purposes of maintaining Mandatory Hedges if: (x) the Expected Average Netback for such period is determined to be less than \$20/boe, or (y) none of the Lenders (or their Affiliates) is willing to enter into such Mandatory Hedges for the applicable period, and (B) following an acquisition, the Loan Parties shall have 90 days to ensure that Mandatory Hedges are entered into in respect of the portion of Average Daily Oil Production attributable to the assets acquired pursuant to such acquisition.

14.2 Reporting Covenants.

- (a) Financial Statements. The Borrower will furnish to the Agent (in sufficient copies for each of the Lenders) a copy of: (i) the Borrower's quarterly unaudited consolidated financial statements on or prior to 75 days after the end of each of the first three Fiscal Quarters of each Fiscal Year; and (ii) the Borrower's annual audited consolidated financial statements and quarterly unaudited financial statements for the fourth Fiscal Quarter in each case, on or prior to 120 days after the end of each Fiscal Year.
- (b) Quarterly Compliance Certificate. Within: (i) the time period set forth in Section 14.2(a)(i) for each of the first three Fiscal Quarters of each Fiscal Year; and (ii) the time period set forth in Section 14.2(a)(ii) for the last Fiscal Quarter of each Fiscal Year, the Borrower will furnish to the Agent (in sufficient copies for each of the Lenders) a Compliance Certificate.
- (c) Projections, Forecasts and Budgets. As soon as available and in any event not later than 120 days after the end of each Fiscal Year, the Borrower will furnish to the Agent a copy of the most recent (collectively, the "**Annual General Budget**"):
- (i) board of Directors approved forecasts of the Borrower for such Fiscal Year in respect of its business operations on a consolidated basis per Fiscal Quarter and a statement of all of the material assumptions on which such forecasts are based, including annual cash flow projections, operating budgets and capital expenditure budgets; and
 - (ii) a management forecast of Average Daily Production and Average Daily Oil Production for the 24-month period from the effective date of such forecast, which forecast, for certainty, shall be based on the most recent Engineering Report or semi-annual engineering update delivered pursuant to the terms hereof, as applicable (provided that each such forecast shall be acceptable to the Lenders, acting reasonably, and the Lenders shall be deemed to have accepted any such forecast if the Borrower has not received written notice from the Agent notifying the Borrower of such non-acceptance within five (5) Banking Days of the delivery of such forecast by the Borrower to the Agent).
- (d) Updated Forecasts. As soon as available and in any event not later than 10 Banking Days after the approval thereof by the board of Directors or the management of the Borrower (as applicable), the Borrower will furnish to the Agent any prepared and approved update to the most recent Annual General Budget, together with (i) a summary of how the Loan Parties have performed against the budgeted amount in the applicable Annual General Budget and (ii) management commentary in respect of any material deviations therefrom (each, an "**Annual General Budget Update**").
- (e) Financial Instruments. Unless detailed in the financial statements furnished pursuant to Section 14.2(a), concurrently with furnishing such financial statements, the Borrower will furnish to the Agent a report on the status of all outstanding Financial Instruments, such report to be in a form and containing such information as may be required by the Lenders, acting reasonably, which shall in any event, (A) detail all hedging activity occurring during such Fiscal Quarter or Fiscal Year, as applicable, and (B) detail the position and mark-to-market value of all Financial Instruments in effect as at the end of such Fiscal Quarter or Fiscal Year, as applicable.

- (f) Notice of Default, Event of Default or Material Adverse Effect. The Borrower will notify the Agent of the occurrence of any Default or Event of Default or any other event which would reasonably be expected to result in a Material Adverse Effect as soon as reasonably possible upon the Borrower becoming aware thereof and specify in such notice the nature of the event and the steps taken or proposed to be taken to remedy or eliminate the same.
- (g) Notice of Legal Proceedings. The Borrower will, as soon as reasonably possible upon the Borrower becoming aware thereof, notify the Agent of the commencement of any legal or administrative proceedings or any insurance claims against the Borrower or any Subsidiary thereof which, if adversely determined against the Borrower or such Subsidiary, would reasonably be expected to create an obligation or liability in excess of an amount equal to the Threshold Amount.
- (h) Notices of Property Loss Event. The Borrower will as soon as reasonably possible upon the Borrower becoming aware thereof, notify the Agent in writing of any Property Loss Event, where the fair market value of the assets affected in such Property Loss Event is in excess of the Threshold Amount.
- (i) Notice of Environmental Damage. The Borrower will, as soon as reasonably possible upon acquiring actual knowledge thereof, notify the Agent of the discovery of any Contaminant or of any Release of a Contaminant into the Environment from or upon the land or property owned (either individually or jointly), operated or controlled by the Borrower or any Subsidiary thereof which would reasonably be expected to create an obligation or liability in excess of the Threshold Amount.
- (j) Notice of Intended Dispositions of Borrowing Base Properties and Material Acquisitions. The Borrower shall provide prior written notice to the Agent of any:
 - (i) intended Disposition (or series of related Dispositions) by the Borrower or any other Loan Party of (i) P&NG Rights included by the Lenders in the most recent determination of the Borrowing Base or (ii) any of the assets for which the Independent Engineer (or the Borrower, in the case of an update delivered pursuant to Section 14.2(m)) has assigned proved, producing reserves (including the Disposition of a Loan Party holding such P&NG Rights), if the proceeds of any such Disposition or series of Dispositions since the most recent redetermination of the Borrowing Base, are in the aggregate more than the Threshold Amount, such notice to be provided by the Borrower to the Agent not less than 10 Banking Days prior to the closing of any such Disposition or series of Dispositions; and
 - (ii) intended Specified Acquisition not less than 10 Banking Days prior to the closing of any such Specified Acquisition.
- (k) Dividend and Hedging Policies. The Borrower will furnish to the Agent, the Borrower's dividend and hedging policies, if any, and any material changes thereto, in each case promptly after the approval thereof by the Borrower's board of Directors.
- (l) Annual Independent Engineering Report. On or prior to April 30 of each year (commencing on April 30, 2023), the Borrower will furnish the Agent an Engineering Report, effective as of December 31 of the immediately preceding year, prepared by the Independent Engineer.

- (m) Semi Annual Engineering Update. On or prior to October 31 of each year (commencing on October 31, 2023), the Borrower will furnish the Agent a written update to the engineering and reserves information provided in the Engineering Report previously delivered pursuant to Section 14.2(l), effective as of June 30 of such year, or such other date as the Borrower and the Majority Lenders may agree on, prepared by the internal engineering staff of the Borrower; such update to include such updated reserve information and other information and otherwise to be in form and substance as may be required by the Agent and the Lenders, each acting reasonably.
- (n) Production and Operating Report. Within 45 days of each month end, the Borrower will furnish to the Agent a production and operating report in form and substance satisfactory to the Agent.
- (o) Annual ARO Budget. The Borrower will furnish to the Agent, within 120 days after the end of each Fiscal Year of the Borrower, (i) an abandonment, restoration, reclamation, remediation and decommissioning budget for the then current Fiscal Year period, which budget shall include a breakdown of the Borrower's and each other Loan Party's expected abandonment and reclamation costs for such Fiscal Year period related to their current and expected active and inactive wells, pipelines and facilities, together with details of the calculation of the aggregate ARO set out on the Borrower's balance sheet in its most recent annual audited consolidated financial statements delivered pursuant to Section 14.2(a)(ii) and including detailed particulars of each then current ARO Closure Quota; and (ii) a decommissioning schedule for each of its active and inactive wells, pipelines and facilities, together with any supporting information that may be reasonably requested by the Agent on behalf of the Lenders related thereto which shall incorporate, for certainty, each then current ARO Closure Quota (collectively, the "**Annual ARO Budget**" and, together with the Annual General Budget, the "**Annual Budgets**").
- (p) ARO Report and Decommissioning Expense Worksheet. Concurrently with the delivery of each Compliance Certificate required to be delivered pursuant to Section 14.2(b), the Borrower will furnish to the Agent a completed ARO Report and Decommissioning Expense Worksheet, each in form and substance satisfactory to the Agent, acting reasonably, together with (i) any updates to the most recently provided Annual ARO Budget (the "**Annual ARO Budget Update**" and, together with the Annual General Budget Updates, the "**Annual Budget Updates**"), (ii) the information as to the amount the Borrower and the other Loan Parties have expended on decommissioning expenses and (iii) how the Loan Parties have performed against the budgeted amount in the applicable Annual ARO Budget (including as updated pursuant to paragraph (i) above) and management commentary in respect of any material deviations therefrom and any other matters related to changes in the Borrower's abandonment and reclamation policies.
- (q) Notice of Abandonment/Reclamation Orders. The Borrower shall, and shall cause each other Loan Party to, following receipt by the Borrower thereof, promptly furnish to the Agent, any Abandonment/Reclamation Orders and other material notices or communications related to any directives, rules, regulations or other orders issued by any applicable Energy Regulator in respect of or otherwise affecting the P&NG Leases, P&NG Rights or related facilities or assets of such Loan Party, in each case, together with a calculation of the estimate of expenditures required in order to comply with such Abandonment/Reclamation Orders or other material notices or communications.

- (r) Abandonment and Reclamation Consultant. If the Borrower or any Subsidiary thereof has engaged a consultant or other expert to evaluate, analyze or otherwise assist with the determination or impact of the Borrower's or such Subsidiary's abandonment and reclamation obligations, liabilities or activities in any applicable jurisdiction, the Borrower will provide a copy of such report or any other material work product related thereto promptly following receipt thereof by the Borrower or such Subsidiary, as applicable.
- (s) Environmental Certificate. Within 120 days after the end of each Fiscal Year, the Borrower will furnish to the Agent (in sufficient copies for each of the Lenders) an Environmental Certificate.
- (t) Annual Budget Update Requirement. For purposes of Sections 14.2(d) and 14.2(p), each Annual Budget Update is required to be acceptable to the Lenders, acting reasonably, and the Lenders shall have been deemed to have accepted any such Annual Budget Update if the Borrower has not received written notice from the Agent notifying the Borrower of such non-acceptance within 5 Banking Days of the delivery of such update by the Borrower to the Agent. If any Annual Budget Update is determined to be unacceptable to the Lenders based on the foregoing, the Borrower may elect to propose a replacement Annual Budget Update (subject to approval pursuant to this Section 14.2(t)) or may request a Borrowing Base redetermination which shall be in addition to any other Borrowing Base redetermination rights of the Borrower hereunder.
- (u) Other Information. The Borrower will provide to the Agent such other documentation and information concerning its business operations as may be requested by the Agent or any Lender (through the Agent), acting reasonably.

14.3 Negative Covenants. While any Obligations under any Credit Facility are outstanding or any Accommodation under any Credit Facility remains available:

- (a) Negative Pledge. The Borrower shall not, nor shall it permit other Loan Party to, create, issue, incur, assume or permit to exist any Liens on any of its property, undertakings or assets other than Permitted Encumbrances.
- (b) Limitation on Distributions. The Borrower will not, and will not permit any other Loan Party to, make any Distribution.
- (c) Limitation on Financial Instruments. The Borrower will not, and will not permit any other Loan Party to, enter into or maintain any Currency Hedging Agreement, Commodity Swap or Interest Hedging Agreement and any other derivative agreement or other similar agreement or arrangements (collectively, the "**Financial Instruments**"), unless:
 - (i) such Financial Instrument is entered into with a Swap Lender;
 - (ii) such Financial Instrument is entered into solely for hedging purposes and not for speculative purposes;
 - (iii) such Financial Instrument is entered into in accordance with the then current hedging policies approved by the board of Directors of the Borrower, if any;

- (iv) in the case of Currency Hedging Agreements, the term of any such Currency Hedging Agreement does not to exceed 3 years and notional amounts hedged by all Currency Hedging Agreements at any time shall not exceed 60% of revenue of the Borrower (in U.S. Dollars) as then set out in the then most recent board of Directors approved forecast delivered in accordance with Section 14.2(c) or 14.2(d), as applicable;
 - (v) in the case of Interest Hedging Agreements, the term of any such Interest Hedging Agreement does not exceed 3 years, provided that the aggregate amounts hedged by all Interest Hedging Agreements at any time is not more than 60% of the Borrowing Base at the time any such Interest Hedging Agreement is entered into; and
 - (vi) in the case of Commodity Swaps, the term of any such Commodity Swap does not exceed 3 years, and notional volumes hedged, measured on an individual commodity basis (excluding straight “puts” where the premium cost of the option is paid for upfront and there is no further liability to the Loan Parties) shall not exceed: (A) 85% of Average Daily Production of the commodity in question (as set out in the then most recent management approved forecasts delivered pursuant to and in accordance with Sections 14.2(c)(ii) or 14.2(d), as applicable) for year 1, (B) 75% of Average Daily Production of the commodity in question (as set out in the then most recent management approved forecasts delivered pursuant to and in accordance with Sections 14.2(c)(ii) or 14.2(d), as applicable) for year 2, and (C) 65% of Average Daily Production of the commodity in question (as set out in the then most recent management approved forecasts delivered pursuant to and in accordance with Sections 14.2(c)(ii) or 14.2(d), as applicable) for year 3, in each case at the time such Commodity Swap is entered into.
- (d) Mergers, Amalgamation and Consolidations. The Borrower will not, and will not permit any other Loan Party to merge, amalgamate or consolidate with another Person other than a Loan Party.
 - (e) No Dissolution. Subject to Section 14.3(d), the Borrower shall not, nor shall it permit any other Loan Party to, liquidate, dissolve or wind up or take any steps or proceedings in connection therewith except, in the case of a Loan Party, where the successor thereto or transferee thereof is the Borrower or another Loan Party.
 - (f) Limitation on Indebtedness. The Borrower shall not have or incur, or permit any other Loan Party to have or incur, any Indebtedness other than Permitted Indebtedness.
 - (g) Asset Dispositions. Other than Permitted Dispositions, the Borrower will not, and will not permit any other Loan Party to, directly or indirectly, make any Dispositions or enter into or effect any Hedge Monetizations, in each case, without the prior consent of the Majority Lenders and provided that a Borrowing Base redetermination is done in accordance with Section 3.10(b)(v). Notwithstanding the foregoing, the Loan Parties will not make any Permitted Dispositions (other than Permitted Dispositions described in paragraph (a)(i) of such definition) during the continuance of a Default or Event of Default, or if a Default, Event of Default or Material Adverse Effect would result therefrom.
 - (h) Limitation on Acquisitions. The Borrower will not, and will not permit any other Loan Party to, directly or indirectly, make any acquisition of P&NG Leases, P&NG Rights or

other facilities or assets, or any shares, securities or any other ownership interest in any Person or asset, in each case, if an ARO Deficiency shall have occurred and be continuing or would occur, on a *pro forma* basis after giving effect to such acquisition.

- (i) Change in Business, Name, Location or Fiscal Year. The Borrower will not, and will not permit any other Loan Party to: (i) change the nature of their business or operations from the business of exploration, development and production of oil and gas (and activities related or ancillary to any of the foregoing) in the Western Canadian Sedimentary Basin, or (ii) change (A) its name or trade name, (B) its registered office, head office or chief executive office, (C) its jurisdiction of formation or organization or, in the case of a partnership or a trust, the governing law of its partnership agreement or trust instrument, as applicable, or (D) locations of business or the jurisdictions in which its real or personal property is located (but only to the extent there is not already appropriate financing statements registered against such Loan Party in favour of the Agent in any such jurisdiction), in each case, from those set forth in Schedule G without giving the Agent no less than 10 days prior notice thereof. The Borrower will notify the Agent of any change of the Fiscal Year end of any Loan Party no later than 30 days after any such change.
- (j) Investments/Financial Assistance. The Borrower will not, and will not permit any Loan Party to, make any Investment other than: (i) Investments in or to another Loan Party, or (ii) other Investments which, in the aggregate, shall not exceed the Threshold Amount in any 12 calendar month period; provided that, notwithstanding the foregoing, the Borrower will not, and will not permit any Loan Party to, make any Investment if a Default, Event of Default, Material Adverse Effect or Borrowing Base Shortfall exists at such time or would be expected to result therefrom.
- (k) Transactions with Affiliates. The Borrower will not, and will not permit any other Loan Party to, except as otherwise specifically permitted hereunder, enter into any transaction, including the purchase, sale or exchange of any property or the rendering of any services, with any of its shareholders which own more than 10% of the outstanding shares of the Borrower or with any of its Affiliates, or with any of its or their Directors or officers, or enter into, assume or suffer to exist any employment, consulting or analogous agreement or arrangement with any such shareholder or Affiliate or with any of its Directors or officers, except a transaction or agreement or arrangement which is upon fair and reasonable terms not materially less favourable to the applicable Loan Party than it would obtain in a comparable arms-length transaction; provided that such restriction will not apply to any transaction between the Loan Parties.
- (l) Changes to Constatng Documents. The Borrower will not, and will not permit any other Loan Party to, amend the terms of its constating documents or its by-laws, any applicable partnership agreement or any similar document or instrument if, in each case, to do so would reasonably be expected to materially and adversely affect the rights of the Agent and the Lenders under the Documents.
- (m) No Accounts other than with the Agent. The Borrower shall not, nor shall it permit any other Loan Party to: (i) establish or maintain any operating accounts, deposit accounts or other bank accounts or any securities or other investment accounts with (other than Excluded Deposits/Amounts), or (ii) have any cash or Cash Equivalents (other than Excluded Deposits/Amounts) on deposit with, in each case, any financial institution or other person except the Agent or any Lender (and their respective Affiliates). The

Borrower and each other Loan Party shall conduct all of their banking and securities, as the case may be, activities through such aforementioned accounts.

- (n) No Hoarding. The Borrower will not, and will not permit any other Loan Party to, use the proceeds of any Advance to accumulate or maintain cash or Cash Equivalents in one or more accounts (including, for certainty, any depository, investment or securities account, but excluding Excluded Deposits/Amounts) maintained by the Borrower or any of its Subsidiaries in an amount, in the aggregate, greater than the greater of Cdn.\$3,000,000 (or the equivalent amount thereof in any other currency) and the Threshold Amount, excluding cash and Cash Equivalents accumulated and maintained for a specified and legitimate business purpose, and (for certainty) the Lenders may refuse to make any requested Drawdown which the Lenders, acting reasonably, determine would result in a contravention of this Section 14.3(m).

ARTICLE 15 EVENTS OF DEFAULT

15.1 Event of Default. Each of the following events will constitute an Event of Default:

- (a) Failure to Pay. If:
- (i) the Borrower makes default in the due and punctual payment of any principal amount owing under the Documents, as and when the same becomes due and payable, whether at maturity or otherwise, including, without limitation, if the Borrower fails to eliminate a Borrowing Base Shortfall as provided in Section 3.11; or
 - (ii) the Borrower makes default in the due and punctual payment of interest or fees owing under the Documents, as and when the same become due and payable, whether at maturity or otherwise and such default continues for a period of 3 Banking Days after written notice thereof is given to the Borrower by the Agent.
- (b) Incorrect Representations. If (i) any representation or warranty made by any Loan Party in any Document or deemed to have been repeated as herein provided proves to have been incorrect when so made (or in the case of third parties, to the knowledge of the Borrower was incorrect when so made); (ii) any certification or information provided in accordance with Section 14.2 proves to have been incorrect when so made (or in the case of third parties, to the knowledge of the Borrower was incorrect when so made), or (iii) the Borrower was aware of any omission of any material fact which rendered such factual information incomplete or misleading in any material way at the time given; and in each case, the underlying facts, if capable of being remedied such that the representation or warranty if made at such time would be correct, are not so remedied within 30 days after notice of such incorrectness is given to the Borrower or the Borrower otherwise becomes aware thereof, whichever is earlier (but only if and for so long as the remedying thereof was and continues to be diligently and in good faith pursued and no Material Adverse Effect has occurred or is imminent as a result of such facts).
- (c) Breach of Certain Covenants. The Borrower fails to observe or perform any covenant in Sections 14.1(d), 14.1(w) or 14.3.

- (d) Breach of Covenants. Except for an Event of Default set out in Section 15.1(a), 15.1(c) or elsewhere in this Section 15.1, if a Loan Party defaults in the performance or observance of any covenant, obligation or condition to be observed or performed by it pursuant to any of the Documents, and such default continues for a period of 30 days after notice thereof is given to the Borrower by the Agent or the Borrower otherwise becomes aware thereof, whichever is earlier (but only if and for so long as the remedying thereof was and continues to be diligently and in good faith pursued and no Material Adverse Effect has occurred or is imminent as a result of such facts).
- (e) Insolvency. If a judgment, decree or order of a court of competent jurisdiction is entered against a Loan Party: (i) adjudging any of them bankrupt or insolvent, or approving a petition seeking its reorganization or winding-up under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or any other bankruptcy, insolvency or analogous Law; or (ii) appointing a receiver, trustee, liquidator, or other Person with like powers, over all, or substantially all, of the property of any of them; or (iii) ordering the involuntary winding up or liquidation of the affairs of any of them; or (iv) appointing any receiver or other Person with like powers over all, or substantially all, of the property of any of them, unless, in any such case, such judgment, petition, order or appointment is stayed and of no effect against the rights of the Lenders within 30 days of its entry.
- (f) Winding-Up. If: (i) an order or a resolution is passed for the dissolution, winding-up, reorganization or liquidation of a Loan Party, pursuant to applicable Law, including the *Business Corporations Act* (Alberta) (except as permitted by Section 14.3(d)); or (ii) any Loan Party institutes proceedings to be adjudicated bankrupt or insolvent, or consents to the institution of bankruptcy or insolvency proceedings against it under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or any other bankruptcy, insolvency or analogous Law; or (iii) any Loan Party consents to the filing of any petition under any such Law or to the appointment of a receiver, or other Person with like powers, over all, or substantially all, of any of their property; or (iv) any Loan Party makes a general assignment for the benefit of creditors, or becomes unable to pay its debts generally as they become due; or (v) any of them takes or consents to any action in furtherance of any of the aforesaid purposes.
- (g) Other Debt. A Loan Party (i) fails to make any payment of principal, interest or other amount in regard to any Indebtedness (other than Indebtedness pursuant to a Swap Document with a Lender), which for the purpose of this Section 15.1(g) includes obligations and liabilities under any Financial Instrument that is not a Swap Document and under the Bank Product Documents, whatsoever owed by it after the expiry of any applicable grace or cure period in respect thereof, to any Person other than the Agent or any Lender under the Documents, or (ii) defaults in the observance or performance of any non-monetary obligation, covenant or condition to be observed or performed by it pursuant to any agreement to which it is a party or by which any of its property is bound such that the counterparty thereto is permitted to accelerate the maturity of the Indebtedness thereunder, in each case, where the outstanding principal amount of such Indebtedness exceeds the Threshold Amount.
- (h) Adverse Proceedings. The occurrence of any action, suit or proceeding against or affecting a Loan Party before any court or before any Governmental Authority which, if successful, would reasonably be expected to have a Material Adverse Effect, unless the action, suit, or proceedings is being contested diligently and in good faith and, in circumstances where a lower court or tribunal has rendered a decision adverse to it,

any of them is appealing such decision, and has provided a reserve in respect thereof in accordance with GAAP.

- (i) Material Lien. The property of a Loan Party having a fair market value in excess of the Threshold Amount, in the aggregate, shall be seized (including by way of execution, attachment, garnishment or distraint) or any Lien thereon shall be enforced, or such property shall become subject to any charging order or equitable execution of a court, or any writ of enforcement, writ of execution or distress warrant with respect to obligations in excess of the Threshold Amount, in the aggregate, shall exist in respect of any one or more of any of them, or such property, or any sheriff, civil enforcement agent or other Person shall become lawfully entitled to seize or distrain upon such property under the *Civil Enforcement Act* (Alberta), the *Workers' Compensation Act* (Alberta), the *Personal Property Security Act* (Alberta) or any other applicable Laws whereunder similar remedies are provided, and in any case such seizure, execution, attachment, garnishment, distraint, charging order or equitable execution, or other seizure or right, shall continue in effect and not be released or discharged for more than 30 days.
- (j) Judgment. A judgment or judgements are obtained against any Loan Party for an amount in excess of the Threshold Amount, in the aggregate, which remains unsatisfied and undischarged for a period of 30 days during which such judgment or judgments shall not be on appeal or execution thereof shall not be effectively stayed.
- (k) Swap Documents. The occurrence of an event of default or other termination event under any Swap Document with respect to obligations in excess of the Threshold Amount, in the aggregate, or any Loan Party fails to make any payment as required following a demand, an event of default or other termination event, in each case which continues for 3 Banking Days after the expiry of any applicable grace period thereunder and notice of such occurrence is given to the Borrower and to the Agent.
- (l) Cessation of Business. Except as permitted by Sections 14.3(d) and 14.3(e), a Loan Party ceases or proposes to cease carrying on business, or a substantial part thereof, or makes or threatens to make a bulk sale of its property.
- (m) Enforceability of Documents. Any material provision of any Document shall at any time cease to be in full force and effect, be declared to be void or voidable or shall be repudiated, or the validity or enforceability thereof shall at any time be contested by any Loan Party or if any Lien constituted pursuant to the Security ceases to have the priority contemplated in the Documents and in each case (other than any contest by any Loan Party) the same is not as soon as practicable effectively rectified or replaced by the Borrower.
- (n) Qualified Auditor Report. The audited financial statements that are required to be delivered to the Agent pursuant to Section 14.2(a) contain a qualification that is not acceptable to the Majority Lenders, acting reasonably, and, if unacceptable, such qualification is not rectified or otherwise dealt with to the satisfaction of the Majority Lenders within a period of 30 days after delivery of such financial statements.
- (o) Change of Control. A Change of Control occurs and is not consented to by the Majority Lenders.
- (p) Loss of Priority of Security. Except for Permitted Encumbrances, if any of the Security shall cease to be a valid first priority Lien against the property, assets and undertaking

of the Borrower or any other Loan Party as against third parties (and the same is not forthwith effectively rectified or replaced by the Borrower or such other Loan Party, as applicable).

- (q) Material Adverse Effect. If there is, in the opinion of the Agent or the Lenders, acting reasonably, any other event not described in this Section 15.1 above, which has had or could reasonably be expected to have a Material Adverse Effect.
- (r) ARO Deficiency: An ARO Deficiency has occurred and is continuing.

15.2 Remedies. Upon the occurrence of an Event of Default which has not been waived, the Agent (on the direction of the Majority Lenders, or in the case of an Event of Default under Sections 15.1(e) and 15.1(f), automatically), shall forthwith terminate any further obligation to make Advances and declare all Obligations owing under the Credit Facilities together with unpaid accrued interest thereon and any other amounts owing under the Documents, contingent or otherwise, to be immediately due and payable (an "**Acceleration**"), whereupon the Borrower will be obligated without any further grace period to forthwith pay such amounts and the Agent and the Lenders may exercise any and all rights, remedies, powers and privileges afforded by applicable Law or under any and all other instruments, documents and agreements made to assure payment and performance of the obligations of the Loan Parties under the Documents.

15.3 Acceleration of Lender Obligations

- (a) If a Swap Lender has delivered a Swap Document Demand for Payment to the Borrower or a Subsidiary, then it shall promptly notify the Agent and other Lenders thereof.
- (b) If an Acceleration has occurred, then, to the extent that it is not already the case, all Obligations, all Bank Product Obligations and all Hedging Obligations shall be immediately due and payable and each bank Product Provider, each Swap Lender and the Agent shall (and shall be entitled to) promptly, and in any event within 3 Banking Days of receipt of notice of the foregoing, deliver (or make) such other demands for payment and notices as may be necessary to ensure that all Obligations, Bank Product Obligations and Hedging Obligations are thereafter due and payable under this Agreement, the Bank Product Documents and the applicable Swap Documents, as applicable.
- (c) Each agreement, indenture, instrument or other document evidencing or relating to Bank Product Obligations or Hedging Obligations shall, notwithstanding any provision thereof to the contrary, be deemed to be hereby amended to allow and permit the applicable Swap Lender or Bank Product Provider, as the case may be, which is a party thereto to comply with or enforce the provisions of this Section 15.3.

15.4 Waivers. An Event of Default which relates to a breach of a provision of this Agreement which may only be waived by all Lenders may only be waived in writing by all of the Lenders.

15.5 Attorney in Fact. The Borrower hereby irrevocably constitutes and appoints the Agent and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of the Borrower and in the name of the Borrower or in its own name, from time to time in the Agent's discretion, for the purpose of carrying out the terms of the Documents, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of the Documents and which the Borrower being required to take or

execute has failed to take or execute; provided that this power of attorney will not be effective until the occurrence and during the continuance of any Event of Default. The Borrower hereby ratifies all that said attorneys will lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest and will be irrevocable until all of the Obligations under the Documents have been unconditionally and irrevocably paid and performed in full. The Borrower also authorizes the Agent, at any time and from time to time, to execute any endorsements, assignments or other instruments of conveyance or transfer pursuant to the Security. If requested by the Agent, the Borrower will cause each other Loan Party to constitute and appoint the Agent and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact in accordance with the foregoing provisions of this Section 15.5.

15.6 Set-off. The Borrower agrees that, upon the occurrence of an Event of Default, in addition to and without limitation of any right of set-off, bankers' lien, counterclaim or other right or remedy that the Agent and the Lenders may otherwise have, the Agent and each Lender will be entitled, at its option, to offset any and all balances and deposits held by it for the account of the Borrower at any of its offices or branches, in any currency, against any and all amounts owed by the Borrower to the Agent or such Lender hereunder (regardless of whether any such balances are then due or payable to the Borrower), including all claims of any nature or description arising out of or connected with this Agreement, including contingent obligations of the Lenders in respect of unmatured Bankers' Acceptances, in which case the Agent or such Lender will promptly notify the Borrower thereof after the occurrence thereof; provided that the Agent's or such Lender's failure to give any such notice will not affect the validity thereof. Nothing contained in the Documents will require the Agent or a Lender to exercise any right, or will affect the right of the Agent or a Lender to exercise and retain the benefits of exercising any right, with respect to any Indebtedness or other obligation of the Borrower existing otherwise than pursuant to the Documents.

15.7 Application of Proceeds. Except as otherwise agreed to by all of the Lenders in their sole discretion or as otherwise expressly provided for herein, all (i) payments made by or on behalf of a Loan Party under the Documents, the Swap Documents and the Bank Product Documents, subsequent to the Adjustment Time, and (ii) proceeds resulting from any realization or enforcement of the Security, including by way of foreclosure, will be applied and distributed by the Agent or any nominee thereof in the following manner:

- (a) first, in full and final payment of any amounts due and payable by way of recoverable expenses, including all out-of-pocket realization and enforcement costs and all legal costs and disbursements (on a solicitor and his own client full indemnity basis);
- (b) second, in full and final payment of all accrued and unpaid interest, BA Stamping Fees, Letter of Credit Fees, agency fees and standby fees based on each Lender's Rateable Portion;
- (c) third, in full and final payment of the Aggregate Principal Amount under the Credit Facilities, the Hedging Obligations and the Bank Product Obligations, pro rated in accordance with the provisions hereof;
- (d) fourth, in full and final payment of all other Obligations, pro rated in accordance with the provisions hereof; and
- (e) finally, if there are any amounts remaining and subject to applicable Law, to the appropriate Loan Party.

15.8 Calculations as at the Adjustment Time. For the purposes of this Agreement, if a Swap Document Demand for Payment has been delivered, then any amount which is payable by the Borrower or a Subsidiary under the applicable Swap Document in settlement of obligations arising thereunder as a result of the early termination of such Swap Document shall be deemed to have become payable at the time of delivery of such Swap Document Demand for Payment notwithstanding that the amount payable by the Borrower or such Subsidiary is to be subsequently calculated and notice thereof given to the Borrower or such Subsidiary in accordance with such Swap Document.

15.9 Adjustments Among Lenders.

- (a) Notwithstanding anything herein or in any other Document to the contrary, following an Acceleration:
 - (i) each Lender agrees that it shall, at any time or from time to time thereafter at the request of the Agent as required by any Lender, (A) purchase at par on a non-recourse basis a participation in outstanding Advances (including Letters of Credit) owing to each other Lender under the Credit Facilities and (B) effect such other transactions and make such other adjustments as are necessary or appropriate, in order that the Aggregate Principal Amount owing to each of the Lenders under all Credit Facilities, as adjusted pursuant to this Section 15.9, shall be in the same proportion as each Lender's Individual Commitment Amount was to the Commitment Amount immediately prior to the Acceleration; and
 - (ii) any payment made by or on behalf of any of the Borrower or any other Loan Party under or pursuant to the Documents, any proceeds from the exercise of any rights and remedies of the Agent and the Lenders under the Documents and any distribution or payment received by the Agent or the Lenders with respect to the Borrower and the other Loan Parties in the event of any bankruptcy, insolvency, winding-up, liquidation, arrangement, compromise or composition, shall be applied against the Aggregate Principal Amount in a manner so that, to the extent possible, the Aggregate Principal Amount owing to each of the Lenders under the Credit Facilities will be in the same proportion as each Lender's Individual Commitment Amount was to the Commitment Amount immediately prior to the Acceleration.
- (b) For certainty, from and after the Term Out Date under a Credit Facility:
 - (i) the unutilized portion of each Lender's Individual Commitment Amount shall be cancelled pursuant to Section 3.5; and
 - (ii) the amount of each Lender's Individual Commitment Amount for all purposes hereof, including this Section 15.9, shall be the Aggregate Principal Amount owing to such Lender under such Individual Commitment Amount and Credit Facility as at any date of determination.
- (c) Each Lender shall, at any time and from time to time at the request of the Agent as required by any Lender, execute and deliver such agreements, instruments and other

documents and take such other steps and actions as may be required to confirm, evidence or give effect to the foregoing.

- (d) For certainty, the provisions of this Section 15.9 are unconditional and irrevocable and (i) the Lenders shall be obligated to purchase participations and to effect the transactions and adjustments contemplated by this Section 15.9 and (ii) the other provisions hereof shall operate and apply, in each case, irrespective of whether a Default or Event of Default is then continuing or whether any condition in Article 6 is met.

ARTICLE 16 CONFIDENTIALITY

16.1 Non-Disclosure. All information received by the Agent and the Lenders from or in respect of any Loan Party the confidential nature of which is made known or ought to have been known to the Party receiving such information, including any information relating to a Hostile Acquisition, other than information that is required to be disclosed by applicable Law (including, for certainty, information required to be disclosed in connection with any legal proceedings, including proceedings relating to the Documents) or to any Governmental Authority of competent jurisdiction, including any central bank or other banking regulatory authority and any official bank examiners or regulators, will be held by the Parties in the strictest confidence and will not be disclosed to any Person, except as provided in Sections 16.2 and 16.3.

16.2 Exceptions. Section 16.1 does not apply to information:

- (a) of a Party where that Party consents in writing to its disclosure;
- (b) which becomes part of the public domain;
- (c) received from a third party without restriction on further disclosure and without breach of Section 16.1;
- (d) developed independently without breach of Section 16.1; or
- (e) to the extent required to be disclosed by order or direction of a court or Governmental Authority of competent jurisdiction.

16.3 Permitted Disclosures by the Agent or the Lenders. Information received by the Agent or a Lender may be disclosed to their respective Affiliates, Swap Lenders, the Agent or any other Lender, including any financial institution which desires to become a Lender hereunder, any actual or prospective counterparty (or its advisors) to any securitization, swap or derivative transaction relating to the Borrower, any Subsidiaries thereof, and the Obligations and to their respective employees, auditors, accountants, legal counsel, geologists, engineers and other consultants and financial advisors retained by such Persons on a need to know basis and subject to the obligation to maintain confidentiality in accordance with the terms of this Agreement.

16.4 Survival. The obligations of the Parties under this Article 16 will survive the termination of this Agreement.

ARTICLE 17 ASSIGNMENT

- 17.1 **Assignment of Interests.** Except as expressly permitted under Section 14.3(d) and this Article 17, this Agreement and the rights and obligations hereunder will not be assignable, in whole or in part, by the Borrower without the prior written consent of all of the Lenders.
- 17.2 **Assignment by the Lenders.** Subject to the consent of the Borrower (such consent not to be unreasonably withheld or delayed); provided that at and after the time of the assignment, the Borrower will not be under any obligation to pay by way of withholding tax or otherwise any greater amount (other than any increase by operation of the definition of "**BA Discount Rate**") than it would have been obliged to pay if the Lender had not made an assignment, each Lender will have the right to sell or assign, (i) in the case of the Syndicated Facility, in minimum portions of the lesser of all of such Lender's Individual Syndicated Facility Commitment Amount and Cdn.\$5,000,000 (with such Lender, where such sale or assignment is not of all of such Lender's Individual Syndicated Facility Commitment Amount under the Syndicated Facility, retaining an Individual Syndicated Facility Commitment Amount under the Syndicated Facility of at least Cdn.\$5,000,000), such Lender's Individual Syndicated Facility Commitment Amount, and (ii) in the case of the Operating Facility, the Operating Facility Lender's Operating Facility Commitment Amount, in each case, to one or more Lenders acceptable to the Agent, acting reasonably, provided that any assignment of the Operating Facility Commitment Amount must be an assignment of no less than 100% of the Operating Facility Commitment Amount. Each such assigning Lender shall also assign its *pro rata* interest in the Credit Facility in which it is a Lender upon each assignment. An assignment fee of Cdn.\$5,000 for each such assignment (other than to an Affiliate of a Lender or to another Lender) will be payable to the Agent by the assigning Lender. In the event of such sale or assignment, the Borrower, the Agent and the other Lenders will execute and deliver all such agreements, documents and instruments as the Agent or Lender may reasonably request to effect and recognize such sale or assignment, including an Assignment. Notwithstanding the foregoing, no consent of the Borrower will be required if an assignment occurs during an Event of Default which is continuing.
- 17.3 **Effect of Assignment.** To the extent that any Lender sells or assigns any portion of its Individual Syndicated Facility Commitment Amount or Operating Facility Commitment Amount pursuant to Section 17.2 and such new Lender or new Lenders, as the case may be, has executed and delivered to the Borrower and the Agent an Assignment, such Lender will be relieved and forever discharged of any and all of its covenants and obligations under the Documents in respect of that portion of its Individual Syndicated Facility Commitment Amount or Operating Facility Commitment Amount so sold or assigned from and after the date of such Assignment and the Borrower's recourse under the Documents in respect of such portion so sold or assigned from and after the date of the Assignment for matters arising thereunder from and after the date of the Assignment will be to such new Lender or new Lenders only, as the case may be, and their successors and permitted assigns.
- 17.4 **Participations.** Any Lender may at any time sell to one or more financial institutions or other Persons (each of such financial institutions and other Persons being herein called a "**Participant**") participating interests in any of the Advances, commitments, or other interests of such Lender hereunder, provided, however, that:
- (a) no participation contemplated in this Section 17.4 will relieve such Lender from its commitments or its other obligations hereunder or under any other Document;

- (b) such Lender will remain solely responsible for the performance of its commitments and such other obligations as if such participation had not taken place;
- (c) the Agent will continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and each of the other Documents;
- (d) no Participant will have any rights (through a right of consent or approval or otherwise) to require such Lender to take or refrain from taking any action hereunder or under any other Document;
- (e) the Borrower will not be required to pay any amount hereunder that is greater than the amount which it would have been required to pay had no participating interest been sold; and
- (f) in the case of any outstanding Bankers' Acceptances, the Participants execute an indemnity agreement in respect of such Bankers' Acceptances.

ARTICLE 18 ADMINISTRATION OF THE CREDIT FACILITIES

18.1 Authorization and Action.

- (a) Authorization and Action. Each Lender hereby irrevocably appoints and authorizes the Agent to be its agent in its name and on its behalf and to exercise such rights or powers granted to the Agent or the Lenders under the Documents to the extent specifically provided therein and on the terms thereof, together with such powers and authority as are reasonably incidental thereto. As to any matters not expressly provided for by the Documents, the Agent will not be required to exercise any discretion or take any action, but will be required to act or to refrain from acting (and will be fully indemnified and protected by the Lenders to the greatest extent permitted by Law in so acting or refraining from acting) upon the instructions of the Majority Lenders, and such instructions will be binding upon all Lenders, provided however that the Agent will not be required to take any action which, in the opinion of the Agent, might expose the Agent to liability in such capacity, which could result in the Agent incurring any costs and expenses, or which is contrary to the spirit and intent of this Agreement.
- (b) Lenders' Determination. Where the provisions of this Agreement provide that any waiver of or any amendment to any provision of the Documents may be made or any action, consent or other determination in connection with the Documents may be taken or given, with the consent or agreement of the Lenders or the Majority Lenders (in accordance with Section 18.16), then any such waiver, amendment, action, consent or determination so made, so taken or so given with the consent or agreement of the Lenders or the Majority Lenders will be binding on all of the Lenders and all of the Lenders will cooperate in all ways necessary or desirable to implement and effect such waiver, amendment, action, consent or determination.
- (c) Deemed Non-Consent. If the Agent delivers a notice to a Lender requesting advice from such Lender as to whether it consents or objects to any matter in connection with the Documents, then, except as otherwise expressly provided herein, if such Lender does not deliver to the Agent its written consent or objection to such matter within the time period referenced in such notice, or if no such period is referenced, within 7

Banking Days of the delivery of such notice by the Agent to such Lender, such Lender will be deemed not to have consented thereto upon the expiry of such period.

(d) Release and Discharge of Security.

- (i) The Borrower and its Material Subsidiaries shall not be discharged from the Security or any part thereof, other than to the extent that such Security applies to a Permitted Disposition permitted under Section 14.3(g) (in which case the Security shall, without further action, cease to apply to the subject matter thereof for the benefit of the Agent and the Lenders) except by a written release and discharge signed by the Agent with the prior written consent of all of the Lenders. If all of the Obligations, Bank Product Obligations and Hedging Obligations have been repaid, paid, satisfied and discharged, as the case may be, in full and the Credit Facilities have been fully cancelled, then the Agent shall cause it and the Lenders' interest in the Security to be released and discharged at the expense of the Borrower.
- (ii) Each Lender hereby irrevocably authorizes the Agent to, upon the written request of the Borrower:
 - (A) execute and deliver such releases and no-interest letters as may be required in connection with any Disposition by one or more Loan Parties (or as otherwise may be required pursuant to Section 4.9) and, in each case, in respect of which the Agent has received an officer's certificate of the Borrower certifying that such Disposition or other transaction is permitted hereunder, together with any other information from the Borrower reasonably required by the Agent, if any, to satisfy itself that any such Disposition or other transaction is permitted hereunder; and
 - (B) take such steps as may be required to release and discharge the Security provided by a Subsidiary that ceases to be a Material Subsidiary within subparagraphs (a) and (b), inclusive, of the definition thereof or a former Designated Material Subsidiary that has been re-designated in accordance with Section 14.1(m) to no longer be a Material Subsidiary.

18.2 Procedure for Making Advances.

- (a) Pro Rata Advances. Subject to Sections 3.2, 3.3, 6.2, 6.3, 6.4 and 9.4(e), all Advances under each Credit Facility will be made in accordance with each Lender's Rateable Portion of such Advance under such Credit Facility.
- (b) Instructions from Borrower. The Lenders, through the Agent, will make Advances under each Credit Facility available to the Borrower as required hereunder by debiting the account of the Agent to which each Lender's Rateable Portion in respect of each Credit Facility of such Advances has been credited in accordance with Section 5.6 (or causing such account to be debited) and, in the absence of other arrangements agreed to by the Agent and the Borrower in writing, by transferring (or causing to be transferred) like funds in accordance with the instructions of the Borrower as set forth in the Notice of Borrowing, Notice of Rollover or Notice of Conversion, as the case may be, in respect of each Advance under each Credit Facility, provided that the obligation of the Agent hereunder will be limited to taking such steps as are in keeping with its

normal banking practice and which are commercially reasonable in the circumstances to implement such instructions, and the Agent will not be liable for any damages, claims or costs which may be suffered by the Borrower or any of the Lenders and occasioned by the failure of such funds to reach their designated destination, unless such failure is due to the gross negligence or wilful misconduct of the Agent.

- (c) Assumption Respecting Availability. Unless the Agent has been notified by a Lender within 1 Banking Day prior to an anticipated Advance under a Credit Facility that such Lender will not make available to the Agent such Lender's Rateable Portion of such Advance, the Agent may assume, without any enquiry required on its part, that such Lender has made or will make such portion of the Advance available to the Agent on the date such Advance is to take place, in accordance with the provisions hereof and the Agent may, in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. If and to the extent such Lender will not have so made its Rateable Portion of an Advance under the applicable Credit Facility available to the Agent, such Lender agrees to pay to the Agent, forthwith on demand, such Lender's Rateable Portion of the Advance and all reasonable costs and expenses incurred by the Agent in connection therewith together with interest thereon (at the rate payable thereunder by the Borrower in respect of such Advance) for each day from the date such amount is made available to the Borrower until the date such amount is paid to the Agent, provided however, that if such Lender fails to so pay, the Borrower covenants and agrees that without prejudice to any rights the Borrower may have against such Lender, it will repay the amount of such Lender's Rateable Portion of the Advance (without duplication) to the Agent for the account of the Agent after receipt of the certificate referred to below and forthwith after demand therefor by the Agent. The amount payable to the Agent pursuant hereto will be as set forth in a certificate delivered by the Agent to such non-paying Lender and the Borrower (which certificate will contain reasonable details of how the amount payable is calculated) and will be conclusive and binding, for all purposes, in the absence of manifest error. If such Lender makes the payment to the Agent as required herein, the amount so paid will constitute such Lender's Rateable Portion of the Advance under the applicable Credit Facility for purposes of this Agreement. The failure of any Lender to make its Rateable Portion of the Advance will not relieve any other Lender of its obligation, if any, hereunder to make its Rateable Portion of the Advance on the date that such Advance is to take place, but no Lender will be responsible for the failure of any other Lender to provide its Rateable Portion of any Advance under the applicable Credit Facility.

- 18.3** Remittance of Payments. Forthwith after receipt of any payment by the Borrower hereunder and subject to Section 15.6, the Agent, if and to the extent a Lender is entitled thereto, will remit to such Lender its Rateable Portion of such payment, provided that, if the Agent, on the assumption that it will receive on any particular date a payment of principal, interest or fees hereunder, remits to a Lender its Rateable Portion of such payment and the Borrower fails to make such payment, each such Lender agrees to repay to the Agent forthwith on demand such Lender's Rateable Portion of any such payment, together with all reasonable costs and expenses incurred by the Agent in connection therewith and interest thereon at the rate and calculated in the manner customarily applicable to interbank payments for each day from the date such amount is remitted to such Lender. The exact amount of the repayment required to be made by a Lender pursuant hereto will be set forth in a certificate delivered by the Agent to such Lender, which certificate will be conclusive and binding for all purposes in the absence of manifest error.

18.4 Redistribution of Payment. Each Lender agrees that, subject to Section 15.6:

- (a) If it exercises any right of counter-claim, set off, bankers' lien or similar right with respect to any property of any Loan Party or if under applicable Law it receives a secured claim, the security for which is a debt owed by it to the Loan Party, it will apportion the amount thereof proportionately between:
 - (i) amounts outstanding at the time owed by the Loan Party to such Lender under this Agreement, which amounts will be applied in accordance with this Section 18.4; and
 - (ii) amounts otherwise owed to it by a Loan Party,

provided that any cash collateral account held by such Lender as collateral for a letter of credit or bankers' acceptance (including a Bankers' Acceptance) issued or accepted by such Lender on behalf of a Loan Party may be applied by such Lender to such amounts owed by such Loan Party to such Lender pursuant to such letter of credit or in respect of any such bankers' acceptance without apportionment.

- (b) If it receives, through the exercise of a right or the receipt of a secured claim described in Section 18.4(a) or otherwise, payment of a proportion of the aggregate amount of principal, interest and fees due to it hereunder which is greater than the proportion received by any other Lender in respect of the aggregate amount of principal, interest and fees due in respect of the applicable Credit Facility (having regard to the respective proportionate amounts advanced as Advances by each of the Lenders under the applicable Credit Facility), the Lender receiving such proportionately greater payment will purchase a participation (which will be deemed to have been done simultaneously with receipt of such payment) in that portion of the applicable Credit Facility of the other Lenders so that their respective receipts will be *pro rata* to their respective Rateable Portions, provided however that, if all or part of such proportionately greater payment received by such purchasing Lender is otherwise recovered by it, such purchase will be rescinded and the purchase price for such participation will be returned to the extent of such recovery, but without interest. Such Lender will exercise its rights in respect of such secured claim in a manner consistent with the rights of the Lenders entitled under this Section 18.4 to share in the benefits of any recovery on such secured claims.
- (c) If it does any act or thing permitted by Section 18.4(a) or 18.4(b), it will promptly provide full particulars thereof to the Agent.
- (d) Except as permitted under Section 18.4(a) or 18.4(b), no Lender will be entitled to exercise any right of counter-claim, set off, bankers' lien or similar right without the prior written consent of the other Lenders.

18.5 Duties and Obligations. The Agent or any of its directors, officers, agents or employees (and, for purposes hereof, the Agent will be deemed to be contracting as agent for and on behalf of such Persons) will not be liable to any Lender for any action taken or omitted to be taken by it under or in connection with the Documents, except for its own gross negligence or wilful misconduct. Without limiting the generality of the foregoing, the Agent:

- (a) may assume that there has been no assignment or transfer by the Lenders of their rights under the Documents, unless and until the Agent receives a duly executed Assignment from such Lender;

- (b) may consult with counsel (including Borrower's Counsel), independent public accountants and other experts selected by it and will not be liable for any action taken or omitted to be taken in good faith by it in accordance with or reliance upon the advice of such counsel, accountants or experts;
- (c) will incur no liability under or in respect of the Documents by acting upon any notice, consent, certificate or other instrument or writing believed by it to be genuine and signed or sent by the apparently proper Person or by acting upon any representation or warranty of any Loan Party made or deemed to be made hereunder;
- (d) may assume that no Default or Event of Default has occurred and is continuing unless it has actual knowledge to the contrary; and
- (e) may rely, as to any matter of fact which might reasonably be expected to be within the knowledge of any Person, upon a certificate signed by or on behalf of such Person.

Further, the Agent: (i) does not make any warranty or representation to any Lender nor will it be responsible to any Lender for the accuracy or completeness of the data made available to any of the Lenders in connection with any Credit Facility, or for any statements, warranties or representations (whether written or oral) made in connection with any Credit Facility; (ii) will not have any duty to ascertain or to enquire as to the performance or observance of any of the terms, covenants or conditions of the Documents on the part of any Loan Party or to inspect the property (including books and records) of any Loan Party; and (iii) will not be responsible to any Lender for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of the Documents or any other instrument or document furnished pursuant hereto or thereto.

18.6 Prompt Notice to the Lenders. Notwithstanding any other provision herein, the Agent agrees to provide to the Lenders, with copies where appropriate, all information, notices and reports required to be given to the Agent by the Borrower hereunder, promptly upon receipt of same, excepting therefrom information and notices relating solely to the role of the Agent hereunder.

18.7 Agent and Agent Authority. With respect to its Rateable Portion of each Credit Facility and the Advances made by it as a Lender thereunder, as applicable, the Agent will have the same rights and powers under the Documents as any other Lender and may exercise the same as though it were not the Agent. The Agent may accept deposits from, lend money to, and generally engage in any kind of business with any Loan Party, any of their Subsidiaries, their respective shareholders or unitholders or any Person owned or controlled by any of them and any Person which may do business with any of them, all as if the Agent was not serving as Agent, and without any duty or obligation to account therefor to the Lenders.

18.8 Lenders' Credit Decisions. It is understood and agreed by each Lender that it has itself been, and will continue to be, solely responsible for making its own independent appraisal of and investigations into the financial condition, creditworthiness, condition, affairs, status and nature of the Loan Parties. Accordingly, each Lender confirms with the Agent that it has not relied, and will not hereafter rely, on the Agent (a) to check or inquire on its behalf into the adequacy, accuracy or completeness of any information provided by the Loan Parties or any other Person under or in connection with the Credit Facilities (whether or not such information has been or is hereafter distributed to such Lender by the Agent) or (b) to assess or keep under review on its behalf the financial condition, creditworthiness, condition, affairs, status or nature of any Loan Party. Each Lender acknowledges that copies of the Documents have been made available to it for review and each Lender acknowledges that it is satisfied with the form and substance of the Documents. A Lender will not make any independent arrangement

with any Loan Party for the satisfaction of any Obligations owing to it under the Documents without the written consent of the other Lenders.

- 18.9 Indemnification.** The Lenders hereby agree to indemnify the Agent and its directors, officers, agents and employees (to the extent not reimbursed by the Borrower) in accordance with their respective Rateable Portions, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against the Agent or its directors, officers, agents and employees in any way relating to or arising out of the Documents or any action taken or omitted by the Agent under or in respect of the Documents in its capacity as Agent, provided that no Lender will be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the Agent's gross negligence or wilful misconduct. Without limiting the generality of the foregoing, each Lender agrees to reimburse the Agent promptly upon demand for its Rateable Portion of any reasonable out-of-pocket expenses (including legal fees, on a solicitor and his own client full indemnity basis) incurred by the Agent in connection with the preservation of any right of the Agent or the Lenders under, or the enforcement of, or legal advice in respect of rights or responsibilities under, the Documents, to the extent that the Agent is not reimbursed for such expenses by the Borrower. This indemnity will survive the termination of the other provisions of this Agreement as a separate and continuing covenant of the Lenders.
- 18.10 Successor Agent.** The Agent may, as hereinafter provided, resign at any time by giving 30 days' notice (the "**Resignation Notice**") thereof to the Lenders and the Borrower. The remaining Lenders, with the consent of the Borrower, such consent not to be unreasonably withheld, will forthwith upon receipt of the Resignation Notice unanimously appoint a Lender as successor agent (the "**Successor Agent**") to assume the duties hereunder of the resigning Agent. Upon the acceptance of any appointment as agent hereunder by a Successor Agent, such Successor Agent will thereupon succeed to and become vested with all the rights, powers, privileges and duties as agent under the Documents of the resigning Agent. Upon such acceptance, the resigning Agent will be discharged from its further duties and obligations as agent under the Documents, but any such resignation will not affect such resigning Agent's obligations hereunder as a Lender, including for its Rateable Portion of the Commitment Amount. After the resignation of the Agent as agent hereunder, the provisions of this Article 18 will continue to enure to its benefit as to any actions taken or omitted to be taken by it while it was the agent of the Lenders hereunder. Notwithstanding the foregoing, if the remaining Lenders fail to appoint a Successor Agent within 30 days of receipt of the Resignation Notice, the resigning Agent may and with the approval of the Borrower prior to an Event of Default, such approval not to be unreasonably withheld, appoint a Successor Agent from among the Lenders, provided that consent of such Successor Agent has been obtained.
- 18.11 Taking and Enforcement of Remedies.** Except as otherwise provided herein, each Lender hereby acknowledges that, to the extent permitted by applicable Law, rights and remedies provided under the Documents to the Lenders are for the benefit of the Lenders collectively and not severally and further acknowledges that its rights and remedies thereunder are to be exercised not severally but collectively through the Agent upon the decision of the Lenders (with the required majority or unanimity as herein provided), regardless of whether acceleration of Obligations hereunder was made, and accordingly, notwithstanding any of the provisions contained herein, each of the Lenders hereby covenants and agrees that it will not be entitled to take any action with respect to the Credit Facilities, including any acceleration of Obligations thereunder, but that any such action will be taken only by the Agent with the prior written direction of the Lenders (with the required majority or unanimity as herein provided). Notwithstanding the foregoing, in the absence of written instructions from the Lenders, and

where in the sole opinion of the Agent the exigencies of the situation warrant such action, the Agent may without notice to or consent of the Lenders take such action on behalf of the Lenders as it deems appropriate or desirable in the circumstances. Each of the Lenders hereby covenants and agrees that it has not heretofore and will not seek, take, accept or receive any security for any of the Obligations of the Loan Parties under the Documents and will not enter into any agreement with any of the Parties relating in any manner whatsoever to the Credit Facilities, unless all of the Lenders under the Credit Facility will at the same time obtain the benefit of any such security or agreement, as the case may be.

18.12 Reliance Upon Agent. The Borrower will be entitled to rely upon any certificate, notice or other document or other advice, statement or instruction provided to it by the Agent pursuant to the Documents, and the Borrower will be entitled to deal with the Agent with respect to matters under the Documents which the Agent is authorized hereunder to deal with, without any obligation whatsoever to satisfy itself as to the authority of the Agent to act on behalf of the Lenders and without any liability whatsoever to the Lenders for relying upon any certificate, notice or other document or other advice, statement or instruction provided to them by the Agent, notwithstanding any lack of authority of the Agent to provide the same.

18.13 Agent May Perform Covenants. If the Borrower fails to perform any covenant on its part herein contained, the Agent may give notice to the Borrower of such failure and if, within 10 days of such notice (or after the expiry of such other time or cure period as may be required in this Agreement), such covenant remains unperformed, the Agent on behalf of the Lenders may, in its sole discretion but need not, perform any such covenant capable of being performed by it and, if the covenant requires the payment or expenditure of money, the Agent may make such payment or expenditure and all sums so expended will be forthwith payable by the Borrower to the Agent on behalf of the Lenders and will bear interest at the Canadian Prime Rate plus the applicable margin for Canadian Prime Rate Loans plus 2%.

18.14 No Liability of Agent. The Agent, in its capacity as agent of the Lenders under the Documents, will have no responsibility or liability to the Borrower or the Lenders on account of the failure of any Lender to perform its obligations hereunder, or to any Lender on account of the failure of the Borrower to perform its obligations under the Documents.

18.15 Nature of Obligations under this Agreement.

- (a) Obligations Separate. The obligations of each Lender and the Agent under this Agreement are separate. The failure of any Lender to carry out its obligations hereunder will not relieve the other Lenders, the Agent or the Borrower of any of their respective obligations hereunder.
- (b) No Liability for Failure by Other Lenders. Neither the Agent nor any Lender will be liable or otherwise responsible for the obligations of any other Lender hereunder.

18.16 Lender Consent.

- (a) Unanimity. Notwithstanding anything herein to the contrary and without limiting in any way the context of any provision in this Agreement requiring the consent, approval, action or agreement of all Lenders, the following matters will require the consent, approval action or agreement, as the context requires, of all Lenders:
 - (i) the reduction or forgiveness of any Obligations payable by any Loan Party under the Credit Facilities or under any of the Documents;

- (ii) the postponement of any maturity date of any Obligations of any Loan Party to the Lenders or under any of the Documents, other than as provided for in this Agreement;
- (iii) the release or discharge of the Security, or any part thereof, unless otherwise expressly permitted or provided in this Agreement, or any change in the ranking or priority of the Security;
- (iv) any change in the nature of Advances;
- (v) any amendment to or waiver of Sections 1.18, 3.1, 3.2, 3.4, 3.6, 3.7, 3.10, 3.11, 4.2, 4.8, 5.7, 6.1, 6.2, 11.4, 12.2, 14.1(a), 14.1(w), 14.3(b), 14.3(g), 14.3(h), 15.1(r), 15.3, 15.6, 15.7, 15.8, 15.9 or to this Section 18.16(a);
- (vi) any decrease in the applicable margins set out in Section 3.8;
- (vii) any increase in the Syndicated Facility Commitment Amount or the Operating Facility Commitment Amount or any amendment to the definition of "Commitment Amount"; and
- (viii) any change to the definition of "Majority Lenders" or "SOFR Period",

provided that (A) any change to Article 10 will require the consent of the Operating Facility Lender and the Agent, (B) any change to Article 19 will require the consent of the Agent, (C) any change to the Individual Syndicated Facility Commitment Amount or the Operating Facility Commitment Amount can only be made with the consent of the applicable Lender; (D) any change which only affects one of the Syndicated Facility Lenders, the Operating Facility Lender or the Agent, respectively, shall only require the consent of the affected Persons; and (E) the Agent and the Borrower may, without the consent of any Lender, enter into amendments or modifications to this Agreement or any of the other Documents or to enter into additional Documents as the Agent deems appropriate in order to implement any Benchmark Replacement, any Canadian Benchmark Replacement, any Benchmark Replacement Conforming Changes, or any Canadian Benchmark Replacement Conforming Changes or otherwise effectuate the terms of Sections 8.3(c) or 9.7(c) in accordance with the terms thereof.

- (b) Majority Consent. Subject to Section 18.16(a), any waiver of or any amendment to any provision of the Documents and any action, consent or other determination in connection with the Documents will bind all of the Lenders if such waiver, amendment, action, consent or other determination is agreed to in writing by the Majority Lenders.

18.17 Departing Lenders. If a Lender: (a) is a Defaulting Lender; (b) seeks Additional Compensation in accordance with Article 11; (c) refuses to give timely consent to an amendment, modification or waiver of this Agreement that, pursuant to Section 18.16(a), requires consent of all the Lenders (and the consent of the Majority Lenders has been given with respect thereto) (a "**Non-Consenting Lender**"); or (d) invokes Section 8.3 or 9.6, which continues for at least 30 days, unless all Lenders are invoking the same (collectively, the "**Departing Lenders**"), then the Borrower may:

- (a) replace the Departing Lender with another financial institution acceptable to the Agent, acting reasonably, who purchases at par the Aggregate Principal Amount of a Credit Facility owing to the Departing Lender and such Lender's entire Individual Syndicated

Facility Commitment Amount and Operating Facility Commitment Amount (as applicable) and assumes the Departing Lender's Individual Syndicated Facility Commitment Amount and Operating Facility Commitment Amount (as applicable) and all other obligations of the Departing Lender hereunder, provided that prior to or concurrently with such replacement:

- (i) the Departing Lender shall have received payment in full of all principal, interest, fees and other amounts through such date of replacement and a release from any further obligations to make Advances under the Documents after the date of such replacement;
 - (ii) the assignment fee required to be paid by Section 17.2 shall have been paid to the Agent;
 - (iii) all of the requirements for such assignment contained in Section 17.2 shall have been satisfied, including, without limitation, the consent of the Agent and the Operating Facility Lender and the receipt by the Agent of such agreements, documents and instruments as the Agent may reasonably require; and
 - (iv) in the case of a Departing Lender who is a Non-Consenting Lender, each assignee consents, at the time of such assignment, to each matter in respect of which such Non-Consenting Lender was a Non-Consenting Lender and the Borrower also requires each other Lender that is a Non-Consenting Lender to assign the Aggregate Principal Amount owing to it under each Credit Facility and its Individual Syndicated Facility Commitment Amount and Operating Facility Commitment Amount; or
- (b) provided that no Default or Event of Default has occurred or is continuing, elect to terminate the Departing Lender's Individual Syndicated Facility Commitment Amount and Operating Facility Commitment Amount, in which case the Syndicated Facility Commitment Amount and Operating Facility Commitment Amount shall be reduced by an amount equal to the amount of any Individual Commitment Amount so cancelled (provided that prior to or concurrently with such cancellation the Departing Lender shall have received payment in full of all principal, interest, fees and other amounts through such date of cancellation (including breakage and other costs in accordance with Section 8.2), the provision of Escrow Funds to the Agent on behalf of such Lender in respect of outstanding Bankers' Acceptances accepted by such Lender and, in the case of the Operating Facility Lender, cash collateralization in full of any contingent obligations in respect of any outstanding Letters of Credit and a release from any further obligations to make Advances under the Documents after such termination); or
- (c) exercise any combination of the rights under (a) and (b) above; provided that in each case, each Departing Lender is treated rateably with the other Departing Lenders, if any.

18.18 Erroneous Payments by the Agent.

- (a) If the Agent notifies a Lender, Swap Lender or Bank Product Provider (collectively, the "**Secured Parties**" and each a "**Secured Party**"), or any Person who has received funds on behalf of a Lender or other Secured Party (any such Lender, other Secured Party or other recipient, a "**Payment Recipient**") that the Agent has determined in its

sole discretion (whether or not after receipt of any notice under immediately succeeding subparagraph (b)) that any funds received by such Payment Recipient from the Agent or any of its Affiliates were erroneously transmitted to, or otherwise erroneously or mistakenly received by, such Payment Recipient (whether or not known to such Lender, other Secured Party or other Payment Recipient on its behalf) (any such funds, whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise, individually and collectively, an "**Erroneous Payment**") and demands the return of such Erroneous Payment (or a portion thereof), such Erroneous Payment shall at all times remain the property of the Agent and shall be segregated by the Payment Recipient and held in trust for the benefit of the Agent, and such Lender or other Secured Party shall (or, with respect to any Payment Recipient who received such funds on its behalf, shall cause such Payment Recipient to) promptly, but in no event later than 2 Banking Days thereafter, return to the Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made, in same day funds (in the currency so received), together with interest thereon in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Payment Recipient to the date such amount is repaid to the Agent in same day funds at the greater of the Federal Funds Rate and a rate determined by the Agent in accordance with banking industry rules on interbank compensation from time to time in effect. A notice of the Agent to any Payment Recipient under this Section 18.18(a) shall be conclusive, absent manifest error. Any interest payable by a Secured Party or other Person pursuant to this Section 18.18(a) shall not be reimbursable by the Borrower any other Loan Party for any reason.

- (b) Without limiting immediately preceding Section 18.18(a), each Lender or other Secured Party, or any Person who has received funds on behalf of a Lender or other Secured Party hereby further agrees that if it receives a payment, prepayment or repayment (whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise) from the Agent (or any of its Affiliates) (x) that is in a different amount than, or on a different date from, that specified in a notice of payment, prepayment or repayment sent by the Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment, (y) that was not preceded or accompanied by a notice of payment, prepayment or repayment sent by the Agent (or any of its Affiliates), or (z) that such Lender or other Secured Party, or other such recipient, otherwise becomes aware was transmitted, or received, in error or by mistake (in whole or in part) in each case:
 - (i) (A) in the case of immediately preceding clauses (x) or (y), an error shall be presumed to have been made (absent express written confirmation from the Agent to the contrary) or (B) an error has been made (in the case of immediately preceding clause (z)), in each case, with respect to such payment, prepayment or repayment; and
 - (ii) such Lender or other Secured Party shall (and shall cause any other recipient that receives funds on its respective behalf to) promptly (and, in all events, within 5 Banking Days of its knowledge of such error) notify the Agent of its receipt of such payment, prepayment or repayment, the details thereof (in reasonable detail) and that it is so notifying the Agent pursuant to this Section 18.18(b).
- (c) Each Lender or other Secured Party hereby authorizes the Agent to set-off, net and apply any and all amounts at any time owing to such Lender or other Secured Party

under any Lender Secured Document or otherwise payable or distributable by the Agent to such Lender or other Secured Party from any source, against any amount due to the Agent under immediately preceding Section 18.18(a) or under the indemnification provisions of this Agreement.

- (d) In the event that an Erroneous Payment (or portion thereof) is not recovered by the Agent for any reason, after demand therefor by the Agent in accordance with immediately preceding Section 18.18(a), from any Lender that has received such Erroneous Payment (or portion thereof) (and/or from any Payment Recipient who received such Erroneous Payment (or portion thereof) on its respective behalf) (such unrecovered amount, an "**Erroneous Payment Return Deficiency**"), upon the Agent's notice to such Lender at any time, (i) such Lender shall be deemed to have assigned its Accommodations (but not any of its Individual Commitment Amounts) under any of the applicable Credit Facilities with respect to which such Erroneous Payment was made (the "**Erroneous Payment Impacted Facilities**") in an amount equal to the Erroneous Payment Return Deficiency (or such lesser amount as the Agent may specify) (such assignment of the Accommodations (but not any of its Individual Commitment Amounts) of the Erroneous Payment Impacted Facilities, the "**Erroneous Payment Deficiency Assignment**") at par plus any accrued and unpaid interest (with the assignment fee to be waived by the Agent in such instance), and is hereby (together with the Borrower) deemed to execute and deliver an Assignment with respect to such Erroneous Payment Deficiency Assignment, (ii) the Agent as the assignee Lender shall be deemed to acquire the Erroneous Payment Deficiency Assignment, (iii) upon such deemed acquisition, the Agent as the assignee Lender shall become a Lender hereunder with respect to such Erroneous Payment Deficiency Assignment and the assigning Lender shall cease to be a Lender hereunder with respect to such Erroneous Payment Deficiency Assignment, excluding, for the avoidance of doubt, its obligations under the indemnification provisions of this Agreement and any of its Individual Commitment Amounts which shall survive as to such assigning Lender and (iv) the Agent may reflect in its records its ownership interest in the Advances subject to the Erroneous Payment Deficiency Assignment. The Agent may, in its discretion, sell any Advances acquired pursuant to an Erroneous Payment Deficiency Assignment and upon receipt of the proceeds of such sale, the Erroneous Payment Return Deficiency owing by the applicable Lender shall be reduced by the net proceeds of the sale of such Advance (or portion thereof), and the Agent shall retain all other rights, remedies and claims against such Lender (and/or against any recipient that receives funds on its respective behalf). For the avoidance of doubt, no Erroneous Payment Deficiency Assignment will reduce the Individual Commitment Amount of any Lender under any of the Credit Facilities and such Individual Commitment Amount under such Credit Facilities shall remain available in accordance with the terms of this Agreement. In addition, each Party hereto agrees that, except to the extent that the Agent has sold an Advance (or portion thereof) acquired pursuant to an Erroneous Payment Deficiency Assignment, and irrespective of whether the Agent may be equitably subrogated, the Agent shall be contractually subrogated to all the rights and interests of the applicable Lender or other Secured Party under the applicable Lender Secured Documents with respect to each Erroneous Payment Return Deficiency (the "**Erroneous Payment Subrogation Rights**").
- (e) The Parties hereto agree that an Erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations owed by the Borrower or any other Loan Party, except, in each case, to the extent such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, comprised of funds received

by the Agent from the Borrower or any other Loan Party for the purpose of making such Erroneous Payment.

- (f) To the extent permitted by applicable Law, no Payment Recipient shall assert any right or claim to an Erroneous Payment, and hereby waives, and is deemed to waive, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Agent for the return of any Erroneous Payment received, including without limitation waiver of any defense based on "discharge for value" or any similar doctrine.
- (g) Each Party's obligations, agreements and waivers under this Section 18.18 shall survive the resignation or replacement of the Agent, any transfer of rights or obligations by, or the replacement of, a Lender or the termination of the Commitment Amounts and/or the repayment, satisfaction or discharge of all Obligations (or any portion thereof) under any Lender Secured Document.

ARTICLE 19 MISCELLANEOUS

19.1 Notices. Unless otherwise provided in the Documents, any notice, consent, determination, demand or other communication required or permitted to be given or made thereunder, will be in writing and will be sufficiently given or made if:

- (a) left at the relevant address set forth below; or
- (b) sent by other means of recorded electronic communication; and

if to NBC, as Agent (including, for certainty, for purposes of all notices of utilization, conversion, renewal or repayment), addressed to NBC at:

NATIONAL BANK OF CANADA

Corporate Customer Service – Syndication and Agency Group
500 Place d'Armes, 21st Floor
Montreal, Quebec H2Y 2W3

Attention: Syndication
e-mail: syndication@bnc.ca

for purposes of the delivery of the financial information (including any reporting requirements hereunder) and all other all other purposes:

NATIONAL BANK OF CANADA

Corporate Customer Service – Syndication and Agency Group
500 Place d'Armes, 21st Floor
Montreal, Quebec H2Y 2W3

Attention: Agency Compliance
e-mail: AgencyCompliance@bnc.ca

if to NBC, as Operating Facility Lender, addressed to NBC at:

NATIONAL BANK OF CANADA

Corporate Customer Service – Syndication and Agency Group
500 Place d'Armes, 21st Floor
Montreal, Quebec H2Y 2W3

Attention: Syndication
e-mail: syndication@bnc.ca

if to any Loan Party, addressed to such Loan Party at:

ASTARA ENERGY CORP.

Bow Valley Square II
1600, 205 – 5th Avenue SW
Calgary, AB T2P 2V7

Attention: Chief Financial Officer
e-mail: mlobello@astaraenergy.ca

- (c) The Parties each covenant to accept service of judicial proceedings arising under the Documents at its respective address set forth herein.
- (d) Any notice or other communication given or made in accordance with this Section 19.1 will be deemed to have been received on the day of delivery if delivered as aforesaid or on the day of receipt of same by telecopy or other recorded means of electronic communication, as the case may be, provided such day is a Banking Day and that such notice is received prior to 12:00 noon local time and, if such day is not a Banking Day or if notice is received after 12:00 noon local time, on the first Banking Day thereafter.
- (e) Each Party may change its address and e-mail for purposes of this Section 19.1 by notice given in the manner provided in this Section 19.1 to the other Parties.
- (f) Any notice given under any of the Documents to the Agent will be deemed to also be given to and received by the Agent in its capacity as Lender.

19.2 Telephone Instructions. Any verbal instructions given by the Borrower in relation to this Agreement will be at the risk of the Borrower and neither the Agent nor the Lenders will have any liability for any error or omission in such verbal instructions or in the interpretation or execution thereof by the Agent or a Lender, as the case may be, provided that the Agent or Lender, as the case may be, acted without gross negligence in the circumstances. The Agent will notify the Borrower of any conflict or inconsistency between any written confirmation of such verbal instructions received from the Borrower and the said verbal advice as soon as practicable after the conflict or inconsistency becomes apparent to the Agent.

19.3 No Partnership, Joint Venture or Agency. Except as expressly provided for herein, the Parties agree that nothing contained in this Agreement nor the conduct of any Party will in any manner whatsoever constitute or be intended to constitute any Party as the agent or representative or fiduciary of any other Party nor constitute or be intended to constitute a partnership or joint venture among the Parties or any of them, but rather each Party will be separately responsible, liable and accountable for its own obligations under the Documents, or any conduct arising therefrom and for all claims, demands, actions and causes of action

arising therefrom. The Parties agree that no Party will have the authority or represent that it has, or hold itself out as having, the authority to act for or assume any obligation or responsibility on behalf of any other Party, save and except as may be expressly provided for in this Agreement.

19.4 Judgment Currency. If, for the purposes of obtaining judgment in any court or any other related purpose hereunder, it is necessary to convert an amount due hereunder in the currency in which it is due (the "**Original Currency**") into another currency (the "**Second Currency**"), the rate of exchange applicable will be the Spot Rate on the relevant date to purchase in Toronto, Ontario the Original Currency with the Second Currency and includes any premium and costs of exchange payable by the purchaser in connection with such purchase. Each Party (the "**First Party**") agrees that its obligation in respect of any Original Currency due from it to another Party hereunder will, notwithstanding any judgment or payment in the Second Currency, be discharged only to the extent that on the Banking Day following the receipt of any sum so paid in the Second Currency, the other Parties may, in accordance with normal banking procedures, purchase in the Toronto, Ontario foreign exchange market the Original Currency with the amount of the Second Currency so paid; and if the amount of the Original Currency so purchased is less than the amount originally due in the Original Currency, the First Party agrees that the deficiency will be a separate and continuing obligation of it, independent from its obligations under this Agreement, and will constitute in favour of the other Parties a cause of action which will continue in full force and effect notwithstanding any such judgment, or order to the contrary, and the First Party agrees, notwithstanding any such payment or judgment, to indemnify the other Parties against any such loss or deficiency. The Borrower acknowledges and agrees that any Indebtedness, obligations or liabilities it may incur or suffer under this Section 19.4 will form part of the Obligations and be secured by the Security.

19.5 Environmental Indemnity. The Borrower hereby indemnifies and holds harmless each of the Agent and the Lenders, including their respective directors, officers, employees and agents (collectively, the "**Indemnified Parties**"), for any costs, losses, damages, expenses, judgments, suits, claims, awards, fines, sanctions and liabilities whatsoever (in this Section 19.5 collectively a "**Claim**") suffered or incurred by such Indemnified Party, arising out of, or in respect of:

- (a) the Release of any Contaminant into the Environment from or into any property, owned, operated or controlled, directly or indirectly, by any Loan Party or otherwise in which any Loan Party has an interest; and
- (b) the remedial action, if any, required to be taken by the Agent or the Lenders in respect of any such Release,

except with respect to any Indemnified Party, in such cases where and to the extent that such Claims arise from the gross negligence or wilful misconduct of such Indemnified Party. This indemnity will survive repayment or cancellation of the Credit Facilities or any part thereof, including any termination of the other provisions of this Agreement. Other than for costs and expenses incurred by the Indemnified Parties for investigating, defending or denying a Claim or preparing any necessary environmental assessment report or other reports in connection with any Claim (the reasonable costs thereof to be paid forthwith by the Borrower on demand therefor), the Indemnified Parties will not request indemnification from the Borrower unless an Indemnified Party is required by Law, based on the advice of such Indemnified Party's counsel, to honour a Claim or any part thereof. During the continuation of an Event of Default, the Indemnified Parties will be entitled, but not obligated, to negotiate any settlement of a Claim in consultation with the Borrower, and any such settlement will be binding on the Parties.

- 19.6 General Indemnity.** In addition to any liability of the Borrower to the Lenders under any other provision hereof, the Borrower will and does hereby indemnify each Indemnified Party and hold each Indemnified Party harmless against any losses, claims, costs, damages or liabilities (including reasonable out-of-pocket expenses and reasonable legal fees on a solicitor and his own client full indemnity basis) incurred by the same as a result of or in connection with: (a) any cost or expense incurred by reason of the liquidation or re-deployment in whole or in part of deposits or other funds required by any Lender to fund any Bankers' Acceptance or to fund or maintain any Advance as a result of the Borrower's failure to complete a Drawdown or to make any payment, repayment or prepayment on the date required hereunder or specified by it in any notice given hereunder; (b) subject to permitted or deemed Rollovers and Conversions, the Borrower's failure to provide for the payment to the Agent for the account of the Lenders of the full principal amount of each Bankers' Acceptance on its Maturity Date; (c) the Borrower's failure to pay any other amount, including any interest or fees, due hereunder on its due date after the expiration of any applicable grace or notice periods; (d) the prepayment of any outstanding Bankers' Acceptance before the Maturity Date of such Bankers' Acceptance; (e) the Borrower's repayment or prepayment of a SOFR Loan otherwise than on the last day of its SOFR Period; (f) the Borrower's failure to give any notice required to be given by it to the Agent or the Lenders hereunder; (g) the failure of any Loan Party to make any other payment due hereunder or under any of the other Documents; (h) the inaccuracy of any Loan Party's representations and warranties contained in any Document; (i) any failure of any Loan Party to observe or fulfil its covenants under any Document; (j) the occurrence of any other Default or Event of Default; or (k) any use of the proceeds of the Credit Facilities, including to pay the purchase price of any acquisition; provided that this Section 19.6 will not apply to any losses, claims, costs, damages or liabilities that arise by reason of the gross negligence or wilful misconduct of the Indemnified Party claiming indemnity hereunder. The provisions of this Section 19.6 shall survive repayment of the Obligations of the Borrower under the Documents.
- 19.7 Further Assurances.** The Borrower will, from time to time forthwith at the Agent's request and at the Borrower's own cost and expense (to the extent reasonable), do, make, execute and deliver, or cause to be done, made, executed and delivered, all such further documents, financing statements, financing change statements, assignments, acts, matters and things which may be reasonably required by the Agent with respect to the Credit Facilities, the Security or any part thereof and to give effect to any provision of the Documents.
- 19.8 Waiver of Law.** To the extent legally permitted, the Borrower hereby irrevocably and absolutely waives the provisions of any applicable Law which may be inconsistent at any time with, or which may delay or limit in any way, the enforcement of the Documents in accordance with their terms.
- 19.9 Attornment and Waiver of Jury Trial.** The Parties hereto do hereby irrevocably:
- (a) submit and attorn to the non-exclusive jurisdiction of the courts of the Province of Alberta for all matters arising out of or relating to the Documents or any of the transactions contemplated thereby; and
 - (b) to the extent legally permitted, waive any right they may have to, or to apply for, trial by jury in connection with any matter, action, proceeding, claim or counterclaim arising out of or relating to the Documents or any of the transactions contemplated thereby.
- 19.10 Interest on Payments in Arrears.**

- (a) Except as otherwise provided in this Agreement, interest will be paid by the Parties as follows:
- (i) on amounts for which any Party has actually incurred any out-of-pocket expense and for which another Party has an obligation under the Documents to reimburse such amounts to the Party incurring the expenses, interest will be payable on such amount at the Canadian Prime Rate plus the applicable margin for Canadian Prime Rate Loans plus 200 Basis Points from and including the day on which the amount was incurred to but excluding the day on which the amount is reimbursed if, commencing on the date which is 3 Banking Days following a demand for payment of the amount in accordance with the terms of the Documents, such expense has not been paid; and
 - (ii) on amounts payable by one Party to another Party under the Documents where such payment is in default but the non-payment of such amount has not required an actual out-of-pocket expense by the Party to whom such payment is due, at the Canadian Prime Rate plus the applicable margin for Canadian Prime Rate Loans plus 200 Basis Points from and including the day on which the payment was due to, but excluding the day on which the payment is made whether before or after judgment, but if such payment is a reimbursement by the Lenders to the Borrower for overpayment by it to the Lenders or is in respect of an inadvertent underpayment by the Agent, the Lenders or the Borrower to another Party (based on information provided by such other Party), such interest will only be calculated from the date which is 3 Banking Days following a demand for payment by the Party entitled to it.
- (b) All interest referred to in this Section 19.10 will be simple interest calculated daily on the basis of a 365 or 366 day year. For the purposes of the *Interest Act* (Canada), the annual rates of interest to which such rates are equivalent are the rates so determined multiplied by the actual number of days in a period of one year commencing on the first day of the period for which such interest is payable and divided by 365 or 366, as applicable.

19.11 Obligations and Payments Due on Banking Day. Whenever any payment hereunder will be due, or any other obligation is to be performed, on a day other than a Banking Day, such payment or performance will be made on the next succeeding Banking Day, and such extension of time will in such case be included in the computation of payment of interest thereunder.

19.12 Anti-Money Laundering Legislation.

- (a) The Borrower acknowledges that, pursuant to the requirements of Anti-Money Laundering/ Anti-Terrorist Financing Laws and "know your client" Laws, whether within Canada or elsewhere (collectively, including any guidelines or orders thereunder, "**AML Legislation**"), the Lenders and the Agent may be required to obtain, verify and record information regarding the Loan Parties, their respective directors, authorized signing officers, direct or indirect shareholders or unitholders or other Persons in control of any Loan Party and the transactions contemplated hereby. The Borrower shall promptly: (i) provide all such information, including supporting documentation and other evidence, as may be reasonably requested by any Lender or the Agent, or any prospective assignee of a Lender or the Agent, in order to comply with any applicable AML Legislation, whether now or hereafter in existence; and (ii) notify the recipient of any such information of any changes thereto.

- (b) If, upon the written request of any Lender, the Agent has ascertained the identity of the Borrower or any Loan Party or any authorized signatories of the Borrower or any Loan Party for the purposes of applicable AML Legislation on such Lender's behalf, then the Agent:
 - (i) shall be deemed to have done so as an agent for such Lender, and this Agreement shall constitute a "written agreement" in such regard between such Lender and the Agent within the meaning of applicable AML Legislation; and
 - (ii) shall provide to such Lender copies of all information obtained in such regard without any representation or warranty as to its accuracy or completeness.
- (c) Notwithstanding the preceding sentence, each of the Lenders agrees that the Agent has no obligation to ascertain the identity of the Borrower, or any Loan Party or any authorized signatories of the Borrower or any Loan Party, on behalf of any Lender, or to confirm the completeness or accuracy of any information it obtains from the Borrower or any Loan Party or any such authorized signatory in doing so.

19.13 Whole Agreement. This Agreement and the other Documents constitute the entire agreement between the Agent and the Lenders on one hand and the Borrower on the other hand, and cancels and supersedes any other agreements, undertakings, declarations, representations and warranties, written or verbal among all such Parties in respect of the subject matter of this Agreement.

19.14 Acknowledgement and Consent to Bail-In of Affected Financial Institutions. Notwithstanding anything to the contrary in any Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

- (a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and
- (b) the effects of any Bail-In Action on any such liability, including, if applicable:
 - (i) a reduction in full or in part or cancellation of any such liability;
 - (ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its Lender Parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Document; or
 - (iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of the applicable Resolution Authority.

19.15 Acknowledgment Regarding Any Supported QFCs. To the extent that the Lender Secured Documents provide support, through a guarantee or otherwise, for Swap Documents or any other agreement or instrument that is a QFC (such support, "**QFC Credit Support**" and each such QFC a "**Supported QFC**"), the Borrower, the Agent and the Lenders acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "**U.S. Special Resolution Regimes**") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Lender Secured Documents and any Supported QFC may in fact be stated to be governed by the laws of the Province of Alberta, Canada and/or any other Province of Canada):

(a) In the event a Covered Entity that is party to a Supported QFC (each, a "**Covered Party**") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Lender Secured Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Lender Secured Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

(b) As used in this Section 19.15, the following terms have the following meanings:

"**BHC Act Affiliate**" of a party means an "affiliate" (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

"**Covered Entity**" means any of the following:

- (i) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);
- (ii) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or
- (iii) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

"**Default Right**" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.


"QFC" has the meaning assigned to the term "qualified financial contract" in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

- 19.16 Electronic Execution of Documents.** This Agreement and any other Document may be signed by way of associating or otherwise appending an electronic signature or other facsimile signature of the applicable signatory and the words "execution", "signed", "signature", and words of like import in this Agreement and any other Document shall be deemed to include electronic signatures or other facsimile signature, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for by any law, including Parts 2 and 3 of the *Personal Information Protection and Electronic Documents Act* (Canada) and other similar federal or provincial laws based on the *Uniform Electronic Commerce Act of the Uniform Law Conference of Canada* or its *Uniform Electronic Evidence Act*, as the case may be.
- 19.17 Counterparts.** The Documents may be executed in any number of counterparts and by different Parties in separate counterparts, each of which when so executed will be deemed to be an original and all of which taken together will constitute one and the same instrument. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or by sending a scanned copy by electronic mail shall be effective as delivery of manually executed counterpart of this Agreement.
- 19.18 Electronic Imaging.** Each party hereto agrees that, at any time, the Agent and each Lender may convert paper records of this Agreement, the other Documents and all other documentation delivered to the Agent hereunder in such capacity (each, a "**Paper Record**") into electronic images (each, an "**Electronic Image**") as part of the Agent's or Lender's, as applicable, normal business practices. Each Party hereto agrees that each such Electronic Image shall be considered as an authoritative copy of the Paper Record and shall be legally binding on the parties and admissible in any legal, administrative or other proceeding as conclusive evidence of the contents of such document in the same manner as the original Paper Record.

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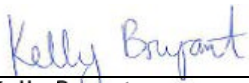
THIS AGREEMENT has been executed effective the date first written above.

ASTARA ENERGY CORP., as
Borrower

Per: 
Name: Andrew Greenslade
Title: President and Chief Executive Officer


Per: 
Name: Mark Lobello
Title: Vice President, Finance and
Chief Financial Officer

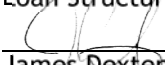
NATIONAL BANK OF CANADA, as Agent

Per: 
Name: Kelly Bryant
Title: Vice President
Loan Structuring & Syndication

Per: 
Name: James Dexter
Title: Director
Credit Capital Markets Calgary

NATIONAL BANK FINANCIAL MARKETS,
as Co-Lead Arranger and Joint Bookrunner

Per: 
Name: Kelly Bryant
Title: Vice President
Loan Structuring & Syndication


Per: 
Name: James Dexter
Title: Director
Credit Capital Markets Calgary

ATB FINANCIAL,
as Co-Lead Arranger and Joint Bookrunner

Per: Robert Chorley
Name: Robert Chorley
Title: Director Energy Corporate Banking

Per: Michael Charlton
Name: Michael Charlton
Title: Associate Director Energy Corporate Banking

NATIONAL BANK OF CANADA, as Lender

Per: 
Name: James Dexter
Title: Director
Credit Capital Markets Calgary

Per: 
Name: Chuck Warnica
Title: Managing Director & Head
Credit Capital Markets Calgary

ATB FINANCIAL, as Lender

Per: Robert Chorley
Name: Robert Chorley
Title: Director Energy Corporate Banking

Per: Michael Charlton
Name: Michael Charlton
Title: Associate Director Energy Corporate Banking

**SCHEDULE A
ASTARA ENERGY CORP.
FIRST AMENDED AND RESTATED CREDIT AGREEMENT
DATED APRIL 18, 2023**

DEFINITIONS

"**Abandonment/Reclamation Order**" means any order, directive or demand, including to post security deposits and including ARO Closure Quotas, issued by any Energy Regulator which relates to any of the petroleum and natural gas properties and interests or related facilities of the Borrower or any other Loan Party, including, without limitation, abandonment and reclamation liabilities associated therewith.

"**Acceleration**" has the meaning attributed to it in Section 15.2.

"**Accommodations**" means an accommodation referred to in Section 3.7.

"**Accounting Change**" has the meaning attributed to it in Section 1.16(b).

"**Additional Compensation**" has the meaning attributed to it in Section 11.1(a).

"**Adjusted Daily Simple SOFR**" means, for any day, the sum of Daily Simple SOFR and the Daily Simple SOFR Adjustment for such day, rounded to 5 decimal places, provided that if the Adjusted Daily Simple SOFR so determined is less than zero percent, then the Daily Simple SOFR for such day will be deemed to be zero percent.

"**Adjusted Term SOFR**" means, for any SOFR Period, the sum of Term SOFR and the Term SOFR Adjustment for such period, rounded to 5 decimal places, provided that if the Adjusted Term SOFR so determined is less than zero percent, then the Adjusted Term SOFR for such period will be deemed to be zero percent.

"**Adjustment Time**" means the time of occurrence of the last event necessary (including the occurrence of an Acceleration or delivery of a Swap Document Demand for Payment) to ensure that all Obligations, all Bank Product Obligations and all Hedging Obligations are thereafter due and payable.

"**Advance**" means, with respect to a Drawdown, Rollover or Conversion:

- (a) in respect of Accommodations other than Bankers' Acceptances or Letters of Credit, the disbursement or credit of funds to, or to the credit of, the Borrower;
- (b) in respect of Bankers' Acceptances, the acceptance by the Lenders of drafts issued under this Agreement by the Borrower and, where the Lenders are purchasing such drafts, the disbursement of the Net Proceeds to the Borrower as provided hereunder;
or
- (c) in respect of Letters of Credit, the issuance of Letters of Credit.

"**Affected Financial Institution**" means (a) any EEA Financial Institution or (b) any UK Financial Institution.

"**Affiliate**" has the meaning attributed to it in the *Securities Act* (Alberta).

"After-Acquired Property" has the meaning attributed to it in Section 4.5.

"Agent" means initially NBC or any successor to NBC appointed as agent pursuant to Section 18.10.

"Aggregate Principal Amount" means when the context requires, (a) the aggregate of the amount of principal outstanding from time to time under the Syndicated Facility, including the face amount of all unmatured Bankers' Acceptances issued thereunder, (b) the aggregate of the amount of principal outstanding from time to time under the Operating Facility, including the undrawn amount of outstanding Letters of Credit and the face amount of all unmatured Bankers' Acceptances issued thereunder or (c) the aggregate of the amount of principal outstanding from time to time under the Credit Facilities, including the face amount of all unmatured Bankers' Acceptances issued thereunder (as applicable) and the undrawn amount of outstanding Letters of Credit issued thereunder (as applicable).

"Agreeing Lender" the meaning ascribed thereto in Section 3.2(g).

"Agreement" or **"this Agreement"** means this first amended and restated credit agreement dated April 18, 2023 between the Borrower, the Lenders, the Agent, the Co-Lead Arrangers and the Joint Bookrunners entitled "First Amended and Restated Credit Agreement" inclusive of all Schedules, including this Schedule A, as amended, confirmed, replaced or restated from time to time and **"hereto"**, **"hereof"**, **"herein"**, **"hereby"** and **"hereunder"**, and similar expressions mean and refer to this Agreement and, unless the context otherwise requires, not to any particular Article, Section, paragraph or other subdivision thereof.

"AML Legislation" has the meaning ascribed thereto in Section 19.12(a).

"Annual ARO Budget" has the meaning ascribed thereto in Section 14.2(o).

"Annual ARO Budget Update" has the meaning ascribed thereto in Section 14.2(p).

"Annual Budgets" has the meaning ascribed thereto in Section 14.2(o).

"Annual Budget Updates" has the meaning ascribed thereto in Section 14.2(p).

"Annual General Budget" has the meaning ascribed thereto in Section 14.2(c).

"Annual General Budget Update" has the meaning ascribed thereto in Section 14.2(d).

"Anti-Corruption Laws" means all laws concerning or relating to bribery or public corruption, including the *Corruption of Foreign Public Officials Act* (Canada), the UK Bribery Act and the FCPA and any similar laws currently in force or hereafter enacted (and including any regulations, rules, guidelines or orders thereunder) and, in any case, which are applicable to the Borrower or any Subsidiary thereof, any Lender or Affiliate thereof or the Agent.

"Anti-Money Laundering / Anti-Terrorist Financing Laws" means all laws concerning or relating to money laundering or terrorist financing, including the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), the *Bank Secrecy Act*, 31 U.S.C. sections 5301 et seq., the *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001*, Pub. L. 107-56 (a/k/a the USA Patriot Act), *Laundering of Monetary Instruments*, 18 U.S.C. section 1956, *Engaging in Monetary Transactions in Property Derived from Specified Unlawful Activity*, 18 U.S.C. section 1957, the *Financial Recordkeeping and Reporting of Currency and Foreign Transactions Regulations*, 31 C.F.R. Chapter X (Parts 1000 et. seq.) and any similar laws currently in force or hereafter enacted (and including any regulations, rules, guidelines or

orders thereunder) and, in any case, which are applicable to the Borrower, any Subsidiary, any Lender or Affiliate thereof, or the Agent.

"Applicable Jurisdiction" means with respect to the Borrower or any other Loan Party, as the context requires, any jurisdiction in Canada in which the aggregate ARO Liabilities (Aggregate) of the Borrower or such other Loan Parties in such jurisdiction exceeds the Threshold Amount.

"ARO" means all abandonment and reclamation obligations, liabilities and indebtedness of the Loan Parties.

"ARO Assets" means any P&NG Leases, P&NG Rights or other facilities or assets directly owned by the Borrower or any other Loan Party which are relevant to the determination of the Borrower's or such other Loan Party's ARO.

"ARO Closure Quotas" means any mandatory closure quotas/targets issued by an Energy Regulator from time to time setting forth a minimum amount of closure work, money to be spent on closure activities, or both, in respect of any Loan Party.

"ARO Deficiency" means any of the following:

- (a) the LMR of the Borrower or any other Loan Party in an Applicable Jurisdiction being less than 2.00; or
- (b) (i) the ARO Liabilities (Producing), (ii) the ARO Liabilities (Non-Producing) or (iii) the ARO Liabilities (Aggregate), in each case, in any Applicable Jurisdiction increase by more than 5% from the amount recorded in the previously delivered Compliance Certificate, adjusted to include the impact of any acquisitions and dispositions since the date of such previously delivered Compliance Certificate, in each Applicable Jurisdiction; provided that the reference to 5% above shall be increased to 10% for any Fiscal Quarter in which one or more Specified Acquisitions have been made by the Loan Parties.

"ARO Liabilities (Aggregate)" means, collectively, the ARO Liabilities (Producing) and the ARO Liabilities (Non-Producing).

"ARO Liabilities (Non-Producing)" means, as at any date of determination, the uninflated and undiscounted ARO (expressed in nominal dollars) of the Borrower or any other Loan Party for all non-producing ARO Assets in any jurisdiction in Canada, calculated in the manner specified in the form of ARO Report and Decommissioning Expense Worksheet.

"ARO Liabilities (Producing)" means, as at any date of determination, the uninflated and undiscounted ARO (expressed in nominal dollars) of the Borrower or any other Loan Party for all producing ARO Assets in any jurisdiction in Canada, calculated in the manner specified in the form of ARO Report and Decommissioning Expense Worksheet.

"ARO Report and Decommissioning Expense Worksheet" means an "ARO Report and Decommissioning Expense Worksheet" based on the Agent's standard form (which may be updated from time to time), in form and substance satisfactory to the Agent, acting reasonably.

"Assignment" means an agreement whereby a financial institution becomes a Lender substantially in the form of Schedule H, with the blanks completed.

"Available Tenor" has the meaning attributed to it in Section 8.3(g).

"Average Daily Oil Production" means, the average daily production of oil and bitumen, net of royalties, of the Borrower and the other Loan Parties as set out in the most recent management approved forecast of the Borrower pursuant to and in accordance with Sections 14.2(c)(ii) and 14.2(d), as applicable.

"Average Daily Production" means, the average daily production of (a) oil (including natural gas liquids) and bitumen, and (b) natural gas, in each case, net of royalties, of the Borrower and the other Loan Parties as set out in the most recent management approved forecast pursuant to and in accordance with Sections 14.2(c)(ii) and 14.2(d), as applicable.

"BA Discount Rate" means:

- (a) In relation to a Bankers' Acceptance accepted by a Schedule I Lender, ATB Financial, or Export Development Canada, the CDOR Rate; and
- (b) in relation to a Bankers' Acceptance accepted by a Schedule II Lender or by a Schedule III Lender, the lesser of:
 - (i) the discount rate then applicable to Bankers' Acceptances as quoted by such non-Schedule I Lenders; and
 - (ii) the CDOR Rate plus 10 Basis Points per annum,provided that if both such rates are equal, then the "BA Discount Rate" applicable thereto shall be the rate specified in (i) above; and
- (c) in relation to a BA Equivalent Loan:
 - (i) made by a Schedule II Lender or by a Schedule III Lender, the rate determined in accordance with subparagraph (b) of this definition; and
 - (ii) made by any other Lender, the CDOR Rate plus 10 Basis Points per annum.

"BA Equivalent Loan" means Canadian Dollar Accommodations made pursuant to Section 9.3.

"BA Stamping Fee" has the meaning attributed to it in Section 3.8(a)(iii).

"Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

"Bail-In Legislation" means:

- (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation, rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule; and
- (b) with respect to the United Kingdom, Part I of the *United Kingdom Banking Act 2009* (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their respective Affiliates (other than through liquidation, administration or other insolvency proceedings).

"Bank Act (Canada)" means the *Bank Act*, S.C. 1991, c. 46 including the regulations made and, from time to time, in force under that Act.

"Bank Product Documents" means all agreements or arrangements (including guarantees) from time to time entered into or made by any one or more of the Borrower or any other Loan Party in connection with Bank Products.

"Bank Product Obligations" means, at any time and from time to time, all of the obligations, liabilities and indebtedness (present or future, absolute or contingent, matured or not) of the Borrower and the other Loan Parties to the Agent, any Lender or any Affiliate thereof under, pursuant or relating to the Bank Products and the Bank Product Documents, including all principal, interest, fees, legal and other costs, charges and expenses, and other amounts payable by the Borrower and the other Loan Parties under such Bank Products and Bank Product Documents.

"Bank Products" means any facilities or services related to cash management, including treasury, depository, credit or debit card, purchase card, electronic funds transfer, cash pooling and other cash management arrangements and commercial credit card and merchant card services provided to the Borrower or any other Loan Party by the Agent, any Lender or any Affiliate thereof (each, a **"Bank Product Provider"**).

"Bank Product Provider" has the meaning attributed to it in the definition of "Bank Products".

"Bankers' Acceptance" means depository bills as defined in the *Depository Bills and Notes Act* (Canada) in Canadian Dollars that are signed by the Borrower, made payable to CDS and accepted by a Lender pursuant to this Agreement.

"Banking Day" means any day, other than a Saturday or Sunday, on which financial institutions are open for domestic and foreign exchange business in Calgary, Alberta, Montreal, Quebec, Toronto, Ontario and New York, New York (for U.S. Dollar Advances only) and, for purposes of SOFR Loans, also must be a SOFR Banking Day.

"Bankruptcy and Insolvency Act (Canada)" means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, including the regulations made and, from time to time, in force under that Act.

"Basis Point" or **"bps"** means one one-hundredth of 1%.

"Benchmark" has the meaning attributed to it in Section 8.3(g).

"Benchmark Advance" has the meaning attributed to it in Section 8.3(f).

"Benchmark Replacement" has the meaning attributed to it in Section 8.3(g).

"Benchmark Replacement Conforming Changes" has the meaning attributed to it in Section 8.3(g).

"Benchmark Transition Event" has the meaning attributed to it in Section 8.3(g).

"Borrower" means Astara Energy Corp. and its successors and permitted assigns.

"Borrower's Account" means one or more current accounts maintained by the Borrower at a branch of the Agent or such other account as may be agreed to by the Agent and the Borrower.

"Borrower's Counsel" means Burnet, Duckworth & Palmer LLP or another firm of barristers and solicitors in an appropriate jurisdiction retained by the Loan Parties and acceptable to the Agent, acting reasonably.

"Borrowing Base" means the aggregate limit for Advances under the Credit Facilities (expressed in Canadian Dollars) established from time to time by the Lenders in accordance with Section 3.10(a), taking into consideration their assessment of the lending value of the hydrocarbon reserves of the Loan Parties and their respective usual and customary petroleum and natural gas lending criteria and practices in effect at the time of determination for loans to borrowers in the petroleum and natural gas industry in the jurisdictions in which such reserves are located.

"Borrowing Base Shortfall" has the meaning attributed to it in Section 3.11(a).

"Business Corporations Act (Alberta)" means the *Business Corporations Act*, R.S.A. 2000, c. B-9, as amended, including the regulations made, from time to time, under that Act.

"Canadian Dollar Exchange Equivalent" means with reference to Canadian Dollars, the amount thereof expressed in Canadian Dollars, and with reference to any amount (the **"Original Amount"**) expressed in another currency (the **"Original Currency"**), the amount expressed in Canadian Dollars on the date when such amount is being determined as herein provided, required to purchase the Original Amount of the Original Currency at the Spot Rate.

"Canadian Dollars" or **"Canadian \$"** or **"Cdn. \$"** or **"\$"** each means such currency of Canada which, as at the time of payment or determination, is legal tender in Canada for the payment of public or private debts.

"Canadian Prime Rate" means the variable rate of interest quoted by the Agent from time to time as the reference rate of interest which it employs to determine the interest rate it will charge for demand loans in Canadian Dollars to its customers in Canada and which it designates as its prime rate, provided that if such rate of interest is less than the CDOR Rate applicable to 1 month bankers' acceptances plus 100 Basis Points per annum, then the Canadian Prime Rate will equal to the CDOR Rate applicable to 1 month bankers' acceptances plus 100 Basis Points per annum; provided further that, if the rate determined above is less than the Floor, such rate shall be deemed to be the Floor Rate for purposes of this Agreement.

"Canadian Prime Rate Loan" means an Advance in Canadian Dollars which bears interest at a rate based on the Canadian Prime Rate (including Advances by way of overdraft from the Borrower's Account in Canadian Dollars).

"Capital Adequacy Guidelines" means the capital adequacy guidelines from time to time specified by the Office of the Superintendent of Financial Institutions and published by it as guidelines for banks in Canada.

"Cash Equivalents" means, as to any Person:

- (a) Canadian Dollars or U.S. Dollars;
- (b) securities issued by or directly and fully guaranteed or insured by the federal governments of Canada or the United States of America or any agency or instrumentality thereof (provided that the full faith and credit of the federal governments of Canada or the United States is pledged in support of those securities) having maturities of not more than 365 days from the date of acquisition;

- (c) certificates of deposit, guaranteed investment certificates and eurodollar time deposits with maturities of 365 days or less from the date of acquisition, bankers' acceptances or bearer deposit notes with maturities not exceeding 365 days and overnight bank deposits, in each case, with the Agent, any Lender or with any United States commercial bank or any Canadian chartered bank (or comparable financial institution, including ATB Financial) having capital and surplus in excess of Cdn. \$500,000,000 and a senior unsecured rating of "A-" or better by S&P and "A3" or better by Moody's;
- (d) repurchase obligations with a term of not more than seven days for underlying securities of the types described in subparagraphs (b) and (c) above entered into with any financial institution meeting the qualifications specified in subparagraph (c) above;
- (e) commercial paper rated at least P-1 by Moody's or A-1 by S&P or at least R-1 by DBRS and in each case maturing within 365 days after the date of acquisition; and
- (f) money market funds at least 95% of the assets of which constitute Cash Equivalents of the kinds described in subparagraphs (a) through (e) of this definition.

"CDOR Rate" means the arithmetic average of the yields to maturity for bankers' acceptances accepted by each Schedule I Lender quoted on the "Refinitiv Screen Canadian Dollar Offered Rate (CDOR) Page" of Reuters Monitor Money Rates Service (or any successor thereto or Affiliate thereof), at 10:00 a.m., (Toronto time) on the applicable date on which an Advance shall take place, for bankers' acceptances having a term similar to the term requested for each Bankers' Acceptance issued pursuant to the applicable Advance; provided, however, that: (a) if such a rate does not appear on such "Refinitiv Screen Canadian Dollar Offered Rate (CDOR) Page" as contemplated, then the CDOR Rate, on any day, shall be the arithmetic average of the discount rates (expressed to 5 decimal places) quoted by the Agent which would be applicable in respect of a purchase by the Schedule I Lenders of bankers' acceptances issued on such day (determined as of 10:00 a.m., Toronto time) on the applicable date on which an Advance shall take place, in a comparable amount and having a term equal or comparable to those proposed to be issued by the Borrower; and (b) if the rate determined as aforesaid shall ever be less than the Floor Rate, such rate shall be deemed to be the Floor Rate for the purposes of this Agreement.

"CDS" has the meaning attributed to it in Section 9.2(c).

"Change of Control" means if, after the Closing Date, any Person acquires, directly or indirectly, alone or in concert (within the meaning of the *Securities Act* (Alberta)) with other Persons, over a period of time or at any one time, Voting Securities in the capital of the Borrower aggregating in excess of 50% of all of the then issued and outstanding Voting Securities of the Borrower or otherwise acquires the power to elect a majority of the board of Directors of the Borrower (regardless of whether such Person or Persons are owned or controlled by the same Persons which owned or controlled such Voting Securities of the Borrower).

"Claim" has the meaning attributed to it in Section 19.5.

"Closing Certificate" means the officer's certificate of a Loan Party in form and substance acceptable to the Agent, acting reasonably.

"Closing Date" has the meaning attributed to it in Section 2.1.

"Commitment Amount" means the aggregate of the Syndicated Facility Commitment Amount and the Operating Facility Commitment Amount.

"Commodity Swap" means any agreement for the making or taking of delivery of any commodity (including, without limitation, Petroleum Substances but excluding agreements for the sale of Petroleum Substances in the ordinary course of business which are terminable on less than 31 days' notice without penalty or costs), any commodity swap agreement, floor, cap or collar agreement or commodity future or option or other similar agreements or arrangements, or any combination thereof, entered into by a Loan Party, the purpose and effect of which is to mitigate or eliminate such Loan Party's exposure to fluctuations in commodity prices, including such agreements relating to physical transactions.

"Companies' Creditors Arrangement Act (Canada)" means the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, including the regulations made and, from time to time, in force under that Act.

"Compliance Certificate" means the certificate of the Borrower substantially in the form of Schedule C, with the blanks completed.

"Consolidated Assets" means, on the date of determination, the assets of the Borrower determined on a consolidated basis in accordance with GAAP.

"Consolidated Debt" means in respect of the Borrower, all indebtedness, liabilities and obligations in respect of amounts borrowed which, in accordance with GAAP, on a consolidated basis, would be recorded in the Borrower's consolidated financial statements (including the notes thereto), and in any event including, without duplication:

- (a) the stated amount of letters of credit supporting obligations which would otherwise constitute Consolidated Debt within the meaning of this definition or any other letters of credit if drawn and not reimbursed;
- (b) obligations under any bankers' acceptances;
- (c) amounts that are then due and owing under any Financial Instrument;
- (d) obligations secured by any Purchase Money Lien (but excluding operating leases);
- (e) Finance Lease Obligations;
- (f) sale-leaseback payment obligations;
- (g) Indebtedness of another Person secured by any Lien existing on property owned by the Borrower, whether or not the obligations secured thereby will have been assumed;
- (h) liabilities or obligations for or in respect of the deferred purchase or acquisition price of property in excess of 90 days;
- (i) the redemption amount of any capital where the holder of such capital has the option to require the redemption of such capital for cash or property and payment of the redemption amounts; and
- (j) guarantees in respect of Indebtedness of another Person, including the types of obligations described in (a) through (i) above,

excluding, in any event, Non-Recourse Debt.

"Consolidated Debt to EBITDA Ratio" means, as at the end of each Fiscal Quarter, the ratio of Consolidated Debt as at the last day of such Fiscal Quarter to Consolidated EBITDA for the applicable four Fiscal Quarter period ending on the last day of such Fiscal Quarter.

"Consolidated EBITDA" means, for any fiscal period and as determined in accordance with GAAP (on a consolidated basis) in respect of the Borrower:

- (a) all Net Income for such period; plus
- (b) Interest Expense to the extent deducted in determining such Net Income; plus
- (c) all amounts deducted in the calculation of such Net Income in respect of the provision for income taxes; plus
- (d) all amounts deducted in the calculation of such Net Income in respect of non-cash items, including depreciation, depletion, amortization (including amortization of goodwill and other intangibles), accretion, deferred income taxes, foreign currency obligations, non-cash losses resulting from marking-to-market any outstanding hedging and financial instrument obligations, non-cash compensation expenses, provisions for impairment of oil and gas assets and any other non-cash expenses for such period; plus
- (e) to the extent deducted in the calculation of such Net Income, losses from asset sales; plus
- (f) losses attributable to extraordinary and non-recurring losses, including without limitation, transaction expenses related to future acquisitions, Dispositions or the Credit Facilities, including fees to the Lenders, advisors and legal counsel, in each case to the extent deducted in the calculation of such Net Income;

less (on a consolidated basis), without duplication:

- (g) earnings attributable to extraordinary and non-recurring earnings and gains, in each case to the extent included in the calculation of such Net Income;
- (h) to the extent included in the calculation of such Net Income, gains from asset sales;
- (i) all cash payments during such period relating to non-cash charges which were added back in determining Consolidated EBITDA in any prior period; and
- (j) to the extent included in such Net Income, any other non-cash items increasing such Net Income for such period, including non-cash gains resulting from marking-to-market any outstanding hedging and financial instrument obligations for such period,

provided that for the purposes of this definition:

- (x) (i) Consolidated EBITDA as at the end of the Fiscal Quarter ending December 31, 2022 shall be calculated on an annualized basis by multiplying the aggregate of the Consolidated EBITDA for such Fiscal Quarter and the immediately preceding Fiscal Quarter by two, (ii) Consolidated EBITDA as at the end of the Fiscal Quarter ending March 31, 2023 shall be calculated on an annualized basis by multiplying the aggregate of the Consolidated EBITDA for such Fiscal Quarter and the immediately preceding two Fiscal Quarters by 4/3, and (iv) Consolidated EBITDA as at the end of

all other Fiscal Quarters shall be the Consolidated EBITDA for the immediately preceding four Fiscal Quarters; and

- (y) if any Material Acquisition is made by a Loan Party (whether by amalgamation, asset or share acquisition or otherwise) at any time during the relevant period of calculation, such Material Acquisition shall be deemed to have been made on and as of the first day of such calculation period; and if any Material Disposition is made by a Loan Party (whether by asset or share disposition or otherwise) at any time during the relevant period of calculation, or the assets cease to be owned by a Loan Party, such Material Disposition shall be deemed to have been made on and as of the first day of such calculation period.

"Contaminants" means those substances, pollutants, wastes and special wastes which are defined as contaminants, hazardous, toxic, or a threat to public health or to the Environment under any applicable Environmental Law, including any radioactive materials, urea formaldehyde foam insulation, asbestos or polychlorinated biphenyls (PCB's).

"Contributing Lender" has the meaning ascribed thereto in Section 5.7(a).

"Conversion" means in relation to an Advance, a conversion of an Advance into another type of Advance made pursuant to this Agreement.

"Credit Facilities" means, collectively, the Syndicated Facility the Operating Facility, and **"Credit Facility"** means any of them.

"Criminal Code (Canada)" means the *Criminal Code*, R.S.C. 1985, c. C-46, including the regulations made and, from time to time, in force under that Act.

"Currency Hedging Agreement" means any currency swap agreement, cross-currency agreement, forward agreement, floor, cap or collar agreement, futures or options, insurance or other similar agreement or arrangement, or any combination thereof, entered into by any Loan Party, the purpose and effect of which is to mitigate or eliminate such Loan Party's exposure to fluctuations in currency exchange rates.

"Daily Simple SOFR" means, for any day, a rate per annum equal to SOFR for the day, with the conventions for this rate (which will include a lookback) being established by the Agent in accordance with the conventions for this rate selected or recommended by the Relevant Governmental Body for determining "Daily Simple SOFR" for syndicated business loans; provided that, if the Agent decides that any such convention is not administratively feasible for the Agent, then the Agent may establish another convention in its discretion, acting reasonably, and in consultation with the Borrower.

"Daily Simple SOFR Adjustment" means, with respect to Daily Simple SOFR, 0.10% (10 basis points) for a SOFR Period of one-month's duration, 0.15% (15 basis points) for a SOFR Period of three-months' duration, and 0.25% (25 basis points) for a SOFR Period of six-months' duration.

"DBRS" means Dominion Bond Rating Services Limited, and its successors.

"Default" means any event or condition which, with the giving of notice, lapse of time or upon a declaration or determination being made (or any combination thereof), would constitute an Event of Default.

"Defaulting Lender" means any Lender or, in the case of subparagraphs (e) and (g) below, a Lender or a Lender's parent (being any Person that directly or indirectly controls a Lender where control has the same meaning as in the definition of Affiliate (a **"Lender Parent"**)):

- (a) that is a Non-Paying Lender;
- (b) that has failed to fund any payment or its portion of any Advances required to be made by it hereunder within 1 Banking Day;
- (c) that has notified the Agent or the Borrower (verbally or in writing) that it does not intend to or is unable to comply with any of its funding obligations under this Agreement or has made a public statement to that effect or to the effect that it does not intend to or is unable to fund advances generally under credit arrangements to which it is a party;
- (d) that has failed, within 3 Banking Days after request by the Agent or the Borrower, to confirm that it will comply with the terms of this Agreement relating to its obligations to fund prospective Advances;
- (e) that becomes insolvent, has been deemed insolvent by a court of competent jurisdiction, or becomes the subject of bankruptcy or insolvency proceeding;
- (f) that is generally in default of its obligations under other existing credit or loan documentation under which it has commitments to extend credit; or
- (g) that becomes the subject of a Bail-In Action.

"Departing Lender" has the meaning ascribed thereto in Section 18.17.

"Depository Bills and Notes Act (Canada)" or **"DBNA"** means the *Depository Bills and Notes Act* (Canada), S.C. 1998, c. 13, including the regulations made and, from time to time, in force under that Act.

"Designated Material Subsidiary" means a Subsidiary which is designated as a Material Subsidiary pursuant to Section 14.1(m) and which would not otherwise fall within part (a), (b) or (c) of the definition of "Material Subsidiary".

"Determination Period" has the meaning attributed to it in Section 3.10(d)

"Director" means a director of a corporation and reference to action by the directors or board of directors when used with respect to a corporation means action by the directors of such corporation as a board.

"Discount Fraction" means:

$$\frac{1}{1 + (\text{the BA Discount Rate (expressed as a decimal)} \times \text{the number of days in the term of the Bankers' Acceptance divided by 365})}$$

"Discount Proceeds" means the actual amount (based on the BA Discount Rate) received by the Borrower from the sale of a Bankers' Acceptance hereunder without deduction for the BA Stamping Fee and which, in the case of a purchase of Bankers' Acceptances by the Lenders, means an amount equal to the face amount of the Bankers' Acceptances multiplied by the Discount Fraction (rounded up or down to the fifth decimal place with .000005 being rounded up).

"Disposition" means, in respect of a Person, any direct or indirect, sale, exchange, lease, transfer, assignment or other disposition (including, for certainty, any royalty disposition or sale-leaseback) of any of its assets or properties (including the sale of the Voting Securities or other equity interests in a Person and the sale, transfer, assignment or other disposition of P&NG Rights of such Person) to any other Person.

"Distribution" means any:

- (a) payment of any cash dividend on or in respect of any shares, units or other ownership interests of any class in the capital of a Loan Party (including any thereof acquired through the exercise of warrants or rights of conversion, exchange or purchase);
- (b) redemption, retraction, purchase or other acquisition or retirement, in whole or in part, of shares, units or other ownership interests of any class in the capital of a Loan Party (including any thereof acquired through the exercise of warrants or rights of conversion, exchange or purchase);
- (c) payment of principal, interest or other amounts in whole or in part, of any Indebtedness of a Loan Party (including any Indebtedness incurred or assumed by a Loan Party pursuant to a Finance Lease or operating lease) to a Related Party; or
- (d) transfer of any property for consideration of less than fair market value by a Loan Party,

but excluding, in each case, any such payment, redemption, purchase, acquisition, retirement or transfer between Loan Parties.

"Documents" means this Agreement and any other instruments or agreements entered into by the Parties relating to the Credit Facilities, including the Security and any document or agreement resulting from the operation of Section 4.1 and any other document designated as a "Document" by the Borrower and the Agent, in each case as the same may be amended from time to time.

"Draft" has the meaning attributed to it in Section 9.2(b).

"Drawdown" means a borrowing or credit of funds by way of Advances, other than an Advance by way of Rollover or Conversion.

"Drawdown Date" means the date specified in a Notice of Borrowing as the date on which a Drawdown will occur and which date will be a Banking Day, and which in the case of a SOFR Loan will be a SOFR Banking Day.

"EEA Financial Institution" means:

- (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority;
- (b) any entity established in an EEA Member Country which is a Lender Parent of an institution described in subparagraph (a) of this definition; or
- (c) any institution established in an EEA Member Country which is a subsidiary of an institution described in subparagraphs (a) or (b) of this definition and is subject to consolidated supervision with its Lender Parent.

"EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein and Norway.

"EEA Resolution Authority" means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"Effective Date" has the meaning attributed to it in Section 3.8(e).

"Electronic Image" has the meaning attributed to it in Section 19.18.

"Energy Regulator" means (a) with respect to the Province of Alberta, the Alberta Energy Regulator, (b) with respect to the Province of British Columbia, the BC Oil and Gas Commission, (c) with respect to the Province of Saskatchewan, the Saskatchewan Ministry of Energy and Resources, and (d) with respect to any other Applicable Jurisdiction, the regulatory body with responsibility for regulating the development of, including the oversight of environmental matters in, the oil and gas industry in such jurisdiction; and in each case, together with any successor or replacement agency, department, ministry or commission thereto.

"Engineering Report" means a report (in form and substance satisfactory to the Majority Lenders, acting reasonably) prepared by the Independent Engineer respecting the reserves of Petroleum Substances attributable to the assets and undertakings of the Loan Parties, which report shall, as of the effective date of such report, set forth, *inter alia*, (a) the proved, developed producing reserves of Petroleum Substances, (b) proved, developed nonproducing reserves of Petroleum Substances, (c) proved and undeveloped reserves of Petroleum Substances, and (d) the probable reserves of Petroleum Substances, in each case, attributable to the assets and undertakings of the Loan Parties and, for each 12 month period ending on the date of such report: anticipated rates of production, depletion and reinjection of Petroleum Substances; Crown, freehold and overriding royalties and freehold mineral taxes with respect to Petroleum Substances produced from or attributable to such assets and undertakings; production, revenue, value-added, wellhead or severance Taxes with respect to Petroleum Substances produced from or attributable to such assets and undertakings; operating costs; gathering, transporting, processing, marketing and storage fees payable with respect to Petroleum Substances produced from or attributable to such assets and undertakings; capital expenditures expected to be necessary to achieve anticipated rates of production; and net cash flow with respect to such assets and undertakings, including all revenues, expenses and expenditures described above.

"Environment" means all components of the earth, including all layers of the atmosphere, air, land (including all underground spaces and cavities and all lands submerged under water), soil, water (including surface and underground water), organic and inorganic matter and living organisms, and the interacting natural systems that include the components referred to in this definition.

"Environmental Certificate" means the certificate of the Borrower substantially in the form of Schedule I.

"Environmental Law" means any Law relating, in whole or in part, to the protection or enhancement of the Environment, including occupational safety, product liability, public health, public safety and transportation or handling of dangerous goods.

"Erroneous Payment" has the meaning assigned to it in Section 18.18(a).

"Erroneous Payment Deficiency Assignment" has the meaning attributed to it in Section 18.18(d).

"Erroneous Payment Impacted Facilities" has the meaning attributed to it in Section 18.18(d).

"Erroneous Payment Return Deficiency" has the meaning attributed to it in Section 18.18(d).

"Erroneous Payment Subrogation Rights" has the meaning attributed to it in Section 18.18(d).

"Escrow Funds" has the meaning attributed to it in Section 9.5.

"EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

"Event of Default" means an event specified in Section 15.1.

"Excess" has the meaning attributed to it in Section 5.8.

"Excluded Deposits/Amounts" means cash or Cash Equivalents:

- (a) held in escrow pursuant to an offering of subscription receipts (or similar equity offering) by the Borrower which have not yet been released from escrow in accordance with the terms of such offering;
- (b) on deposit in accounts acquired pursuant to any acquisition which are maintained by a Loan Party with a financial institution other than a Lender for a period 120 days following such acquisition provided that the aggregate amount on deposit in such accounts shall at no time exceed Cdn. \$1,000,000;
- (c) held by arm's length third parties representing deposits made by the Borrower or its Subsidiaries and which constitute Permitted Encumbrances;
- (d) held by arm's length third parties representing deposits, trust funds or other amounts payable by one or more arm's length third parties to the Borrower or any Subsidiary thereof, in each case, which are not then releasable to the Borrower or such Subsidiary thereof and which cannot be paid or transferred on the direction of the Borrower or a Subsidiary thereof;
- (e) held by arm's length third parties as a deposit or in an escrow or trust arrangement, in each case, representing the purchase price for the purposes of a transaction not prohibited by the terms of this Agreement (in good faith and not for the purposes of accumulating a cash reserve for or in contemplation of any insolvency proceeding of the Borrower or a Subsidiary thereof); or
- (f) held by the Agent or a Lender as cash collateral pursuant to the terms of this Agreement.

"Executive Order" means the executive order No. 13224 of 23 September 2011, entitled "Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism".

"Expected Average Netback" means, as at any date of determination, the amount which is the quotient of:

- (a) the amount which is equal to:

- (i) the quotient of:
 - (A) the expected consolidated revenue of the Loan Parties from the applicable Petroleum Substances for the corresponding term of the Mandatory Hedges, net of payments under the Mandatory Hedges for such period; less
 - (B) the aggregate amount of royalties expected to be payable by the Loan Parties in respect of such Petroleum Substances for the corresponding term of the Mandatory Hedges; less
 - (C) the aggregate amount of operating expenses expected to be payable by the Loan Parties in respect of such Petroleum Substances for the corresponding term of the Mandatory Hedges; less
 - (D) the aggregate amount of transportation expenses expected to be payable by the Loan Parties in respect of such Petroleum Substances for the corresponding term of the Mandatory Hedges, based upon the transportation expenses attributable to such Petroleum Substances payable over such period,

each of the foregoing also being based upon the Expected Production (adding back thereto any royalties netted therefrom as contemplated by the definition of Expected Production) of such Petroleum Substances over such corresponding period of determination; and
- (ii) the number of days in the relevant period of determination; and
- (b) the Expected Production of such quantity of such Petroleum Substances for the relevant period of determination on a boe/d basis.

"Expected Production" means, for any period of determination, the forecasted production of oil, natural gas or natural gas liquids of the Loan Parties (on a boe/d basis), net of royalties, projected by the Borrower.

"Extension" has the meaning attributed to it in Section 3.2(a).

"Extension Request" has the meaning attributed to it in Section 3.2(a).

"FCPA" means the United States Foreign Corrupt Practices Act of 1977, including any subordinate legislation thereunder.

"Federal Funds Rate" means, for any day, the rate of interest per annum set forth in the weekly statistical release designated as H.15(519), or any successor publication, published by the Federal Reserve Board (including any such successor, the **"H.15(519)"**) for such day opposite the caption "Federal Funds (Effective)". If on any relevant day such rate is not yet published in H.15(519), the rate for such day will be the rate of interest per annum set forth in the daily statistical release designated as the Composite 3:30 p.m. Quotations for U.S. Government Securities, or any successor publication, published by the Federal Reserve Bank of New York (including any successor, the **"Composite 3:30 p.m. Quotations"**) for such day under the caption "Federal Funds Effective Rate". If on any relevant day the appropriate rate per annum for such day is not yet published in either H.15(519) or the Composite 3:30 p.m. Quotations, the rate for such day will be the arithmetic mean of the rates per annum for the last transaction in overnight Federal funds arranged prior to 9:00 a.m.

(New York time) on that day by each of three major brokers of Federal funds transactions in New York City, selected by the Agent in its sole discretion, acting reasonably. Notwithstanding the foregoing, if the Federal Funds Rate as determined above is less than zero, then the Federal Funds Rate shall be deemed to be zero.

"Federal Reserve Board" or **"Federal"** means the Board of Governors of the Federal Reserve System of the United States of America or any successor thereof.

"Final Maturity Date" means, in respect of each Lender under the Credit Facilities, the date which is three hundred and sixty five (365) days after the Term Out Date of such Lender (as such Term Out Date may be extended hereunder).

"Finance Lease" means, with respect to any Person, any lease relating to real or personal property which is, in accordance with GAAP, classified and accounted for as a liability on the balance sheet of such Person, excluding, in any event, leases (whether entered into before or after December 31, 2018) that would otherwise have been classified as operating leases under GAAP prior to December 31, 2018.

"Finance Lease Obligations" means, with respect to any Person, all obligations of such Person under any Finance Leases.

"Financial Assistance" means with respect of any Person and without duplication, any loan, guarantee, indemnity, assurance, acceptance, extension of credit, loan purchase, share purchase, equity or capital contribution, investment or other form of direct or indirect financial assistance or support of any other Person or any obligation (contingent or otherwise), in each case, primarily for the purpose of enabling another Person to incur or pay any Indebtedness or to comply with agreements relating thereto or otherwise to assure or protect creditors of the other Person against loss in respect of Indebtedness of the other Person and includes any guarantee of or indemnity in respect of the Indebtedness of the other Person and any absolute or contingent obligation to (directly or indirectly):

- (a) advance or supply funds for the payment or purchase of any Indebtedness of any other Person;
- (b) purchase, sell or lease (as lessee or lessor) any property, assets, goods, services, materials or supplies primarily for the purpose of enabling any Person to make payment of Indebtedness or to assure the holder thereof against loss;
- (c) guarantee, indemnify, hold harmless or otherwise become liable to any creditor of any other Person from or against any losses, liabilities or damages in respect of Indebtedness;
- (d) make a payment to another for goods, property or services regardless of the non-delivery or non-furnishing thereof to a Person for the primary purpose referred to above; or
- (e) make an advance, loan or other extension of credit to or to make any subscription for equity, equity or capital contribution, or investment in or to maintain the capital, working capital, solvency or general financial condition of another Person, in each case, for the primary purposes referred to above.

The amount of any Financial Assistance is the amount of any loan or direct or indirect financial assistance or support, without duplication, given, unless the Financial Assistance is limited to a

determinable amount, in which case the amount of the Financial Assistance is the determinable amount.

"Financial Instruments" has the meaning attributed to it in Section 14.3(c).

"Financial Letters of Credit" means a stand-by Letter of Credit if it serves as a payment guarantee of the Borrower's financial obligations and is treated as a direct credit substitute for purposes of the Capital Adequacy Guidelines.

"First Party" has the meaning attributed to it in Section 19.4.

"Fiscal Quarter" means any fiscal quarter of the Borrower.

"Fiscal Year" means any fiscal year of the Borrower, and is currently January 1 to December 31 of each year.

"Floor Rate" means a rate of interest equal to 0%.

"Former Lender" has the meaning attributed to it in Section 4.8.

"GAAP" means generally accepted accounting principles which are in effect from time to time in Canada, including, for certainty, IFRS (but only to the extent IFRS is adopted by the Canadian Institute of Chartered Accountants or any successor thereto ("**CICA**") as generally accepted accounting principles in Canada and, then, subject to such modifications thereto as are agreed by the CICA).

"Governmental Acts" has the meaning attributed to it in Section 10.8.

"Governmental Authority" means any domestic or foreign, national, federal, provincial, state, municipal or other local government or regulatory body and any division, agency, ministry, commission, board or authority or any quasi-governmental or private body exercising any statutory, regulatory, expropriation or taxing authority under the authority of any of the foregoing, and any domestic, foreign or international judicial, quasi-judicial, arbitration or administrative court, tribunal, commission, board or panel acting under the authority of any of the foregoing.

"Hedge Monetization" means the termination, restructuring or unwinding of any Commodity Swap (but, for certainty, excluding the termination thereof on the scheduled maturity date thereof) which:

- (a) was in effect as of the date upon which the Borrowing Base was last determined or redetermined;
- (b) any one or more of the Lenders had attributed lending value thereto; and
- (c) has resulted in payments to the Borrower or a Subsidiary pursuant thereto.

"Hedging Obligations" means the actual Indebtedness or obligations of any Loan Party to a Swap Lender under or pursuant to a Swap Document.

"Hostile Acquisition" means an acquisition, which is required to be reported to applicable securities regulatory authorities, of shares of a corporation where the board of directors of that corporation has not approved such acquisition nor recommended to the shareholders of the corporation that they sell their shares pursuant to the proposed acquisition or of units of a trust where the trustee or manager or administrator of that trust has not approved such acquisition nor recommended to the unitholders of the trust that they sell their units pursuant to the proposed acquisition or of units of a partnership

where the board of directors of the general partner(s) thereof has not approved such acquisition nor recommended to the partners of the partnership that they sell their units pursuant to the proposed acquisition.

"IFRS" means International Financial Reporting Standards including International Accounting Standards and Interpretations together with their accompanying documents which are set by the International Accounting Standards Board, the independent standard-setting body of the International Accounting Standards Committee Foundation (the **"IASC Foundation"**), and the International Financial Reporting Interpretations Committee, the interpretative body of the IASC Foundation.

"includes" means "includes without limitation" and **"including"** means "including without limitation".

"Indebtedness" means, without duplication, the aggregate amount of all obligations, liabilities and indebtedness of a Person which would be classified under GAAP as indebtedness for borrowed money upon the consolidated balance sheet of such Person, including all long-term borrowings, the current portion of long-term borrowings, short-term borrowings, Finance Lease Obligations, the net amount of all monetary obligations of such Person arising in respect of a Financial Instrument and which are due and owing pursuant to the terms of the applicable Financial Instrument, and all monetary obligations, contingent or otherwise, of any of the foregoing arising from any guarantee made by such Person in respect of any of the foregoing.

"Indemnified Parties" has the meaning attributed to it in Section 19.5.

"Independent Engineer" means such firm or firms of independent engineers as may be selected from time to time by the Borrower and approved by the Lenders, acting reasonably.

"Individual Commitment Amount" means, from time to time, in respect of a Lender, that portion of the Commitment Amount which such Lender has severally agreed to make available to the Borrower in accordance with the terms and conditions of this Agreement, subject to adjustment pursuant to the terms of this Agreement.

"Individual Syndicated Facility Commitment Amount" means, from time to time, in respect of a Syndicated Facility Lender, that portion of the Syndicated Facility Commitment Amount which such Syndicated Facility Lender has severally agreed to make available to the Borrower in accordance with the terms and conditions of the Agreement, subject to adjustment pursuant to the terms of the Agreement.

"Interest Act (Canada)" means the *Interest Act*, R.S.C. 1985, c. I-15, including the regulations made and, from time to time, in force under that Act.

"Interest Expense" means, for any fiscal period, without duplication, interest expense of the Borrower determined on a consolidated basis in accordance with GAAP, as the same would be set forth or reflected in a consolidated statement of operations of the Borrower and, in any event and without limitation, shall include:

- (a) all interest accrued or payable in respect of such period, including capitalized interest and imputed interest with respect to lease obligations included as Indebtedness;
- (b) all fees (including standby and commitment fees, acceptance fees in respect of bankers' acceptances and fees payable in respect of letters of credit, letters of guarantee and similar instruments) accrued or payable in respect of such period, prorated (as required) over such period;

- (c) any difference between the face amount and the discount proceeds of any bankers' acceptances, commercial paper and other obligations issued at a discount, prorated (as required) over such period;
- (d) the aggregate of all purchase discounts relating to the sale of accounts receivable in connection with any asset securitization program; and
- (e) all net amounts charged or credited to interest expense under any Interest Hedging Agreements in respect of such period.

"Interest Hedging Agreement" means any interest swap agreement, forward rate agreement, floor, cap or collar agreement, futures or options, insurance or other similar agreement or arrangement, or any combination thereof, entered into by a Loan Party, the purpose and effect of which is to mitigate or eliminate such Loan Party's exposure to fluctuations in interest rates (but, for certainty, shall exclude conventional floating rate debt).

"Investment" means any one or more of the following: (a) any purchase or other acquisition of shares or other securities of any Person; (b) any form of Financial Assistance to or for the benefit of any Person; (c) any loan to any Person; (d) any other extension of credit to any Person, other than in the ordinary course of business; and (e) any capital contribution to any other person.

"ISP98" means the International Standby Practices ISP98, as published by the International Chamber of Commerce and in effect from time to time.

"Joint Bookrunners" means National Bank Financial Markets and ATB Financial, in such capacity.

"Judgment Interest Act (Alberta)" means the *Judgment Interest Act*, R.S.A. 2000, c. J-1, including the regulations made and from time to time in force under that Act.

"Law" means all constitutions, treaties, laws, statutes, codes, ordinances, orders, decrees, rules, regulations and municipal by-laws, whether domestic, foreign or international, any judgments, orders, writs, injunctions, decisions, rulings, decrees and awards of any Governmental Authority, and any policies, voluntary restraints, practices or guidelines of any Governmental Authority, and including any principles of common law and equity.

"Co-Lead Arrangers" means National Bank Financial Markets and ATB Financial, in such capacity.

"Lender BA Suspension Notice" has the meaning attributed to it in Section 9.6(b).

"Lender Benchmark Suspension Notice" has the meaning attributed to it in Section 8.3(f).

"Lenders" means, initially, the Lenders identified in Schedule B, and thereafter, each Person which may become a Lender under this Agreement, as a lender, by executing and delivering to the Agent an Assignment, and each of their respective successors and permitted assigns, and **"Lender"** means any one of them in such capacity.

"Lender Secured Documents" means, collectively, the Documents and the Swap Documents.

"Letter of Credit Fee" has the meaning attributed to it in Section 3.8(a)(v).

"Letters of Credit" means letters of credit or letters of guarantee in Canadian Dollars or such other currency acceptable to the Operating Facility Lender, issued under Article 10.

"Lien" means any mortgage, lien, pledge, charge (whether fixed or floating), security interest, conditional sale or title retention agreement (other than operating leases which are not in the nature of financing transactions), trust or deposit arrangements in the nature of a security interest or other encumbrance of any kind, contingent or absolute but excludes any contractual right of set-off created in the ordinary course of business and any writ of execution, or other similar instrument, arising from a judgment relating to the non-payment of Indebtedness.

"LMR" means, with respect to the Borrower or any other Loan Party and subject to Section 1.18, for any Applicable Jurisdiction, the liability management rating (or equivalent) established by the applicable Energy Regulator with respect to the abandonment and reclamation policies, regulations and directives of such Energy Regulator in such jurisdiction, in each case, as determined in accordance with applicable Law (including the rules and regulations of such Energy Regulator in respect thereof for the then relevant period) as calculated by or otherwise determined in accordance with the requirements of, such Energy Regulator, and as adjusted to remove any security, cash, letters of credit or other security deposits or credit.

"Loan Parties" means, collectively, the Borrower and each Material Subsidiary, and, **"Loan Party"** means any one of them.

"Lowest Borrowing Base Lender" has the meaning attributed to it in Section 3.10(e).

"Majority Lenders" means (a) if there are two or fewer Lenders, all Lenders or (b) if there are three or more Lenders, the Lenders holding, in aggregate, at least 66 ²/₃% of the Commitment Amount.

"Mandatory Hedges" has the meaning attributed to it in Section 14.1(w).

"Material Acquisition" means an acquisition by a Loan Party of shares or other assets from a third party (other than a Loan Party) completed in the immediately preceding four Fiscal Quarters for net consideration in excess of the Threshold Amount.

"Material Adverse Effect" means a material adverse effect on:

- (a) the financial condition of the Loan Parties taken as a whole;
- (b) the Loan Parties' collective ability to perform their respective material obligations under the Documents or the validity or enforceability of a material provision of the Documents; or
- (c) the property, business, operations, assets or liabilities of the Loan Parties taken as a whole.

"Material Dispositions" means a Disposition by a Loan Party to a third party (other than a Loan Party) (to the extent permitted hereunder) completed in the immediately preceding four Fiscal Quarters which results in net proceeds in excess of the Threshold Amount.

"Material Subsidiary" means any Subsidiary of the Borrower which:

- (a) has Consolidated Assets attributable thereto equal to or greater than 5.0% of the Consolidated Assets;
- (b) has Consolidated EBITDA attributable thereto equal to or greater than 5.0% of Consolidated EBITDA in the immediately preceding four Fiscal Quarters as reported in the most recent Compliance Certificate required to be delivered pursuant to Section 14.2(b);

- (c) owns or holds, directly or indirectly (whether through the ownership of or investments in other Subsidiaries of the Borrower or otherwise) any ownership interest in any reserves of Petroleum Substances which are included for purposes of the determination of the Borrowing Base; or
- (d) to the extent it is not a Material Subsidiary pursuant to paragraphs (a), (b) or (c) above, is from time to time designated as a Designated Material Subsidiary pursuant to Sections 14.1(l) and 14.1(m).

"Maturity Date" means the date which is (a) a SOFR Banking Day with respect to a SOFR Loan, on which the applicable SOFR Period expires in respect of a SOFR Loan, (b) the Banking Day which is the expiry date of a Letter of Credit, or (c) the Banking Day which is the date a Bankers' Acceptance or a BA Equivalent Loan becomes due and payable.

"Moody's" means Moody's Investors Service, Inc. and any successors thereto.

"NBC" means National Bank of Canada and its successors and permitted assigns.

"Net Income" means, for any fiscal period, the net income of the Borrower determined on a consolidated basis in accordance with GAAP, as set forth in the consolidated financial statements of the Borrower for such period, and for greater certainty shall exclude minority interests.

"Net Proceeds" means the Discount Proceeds of a Bankers' Acceptance (or in the case of a BA Equivalent Loan, the amount of such BA Equivalent Loan), less the applicable BA Stamping Fee.

"New Liability Management System" has the meaning ascribed thereto in Section 1.18.

"New LMS Requirements" has the meaning ascribed thereto in Section 1.18.

"Non-Agreeing Lender" the meaning ascribed thereto in Section 3.2(g).

"Non-BA Lender" means a Lender that (a) is not a bank chartered under the *Bank Act* (Canada); or (b) has notified the Agent in writing that it is unwilling or unable to accept bankers' acceptance drafts.

"Non-Consenting Lender" has the meaning ascribed thereto in Section 18.17.

"Non-Financial Letter of Credit" means a Letter of Credit that is not a Financial Letter of Credit.

"Non-Participating Lender" has the meaning attributed to it in Section 6.3.

"Non-Paying Lender" has the meaning ascribed thereto in Section 5.7(a).

"Non-Recourse Assets" means assets owned by a Loan Party which are encumbered by Non-Recourse Debt.

"Non-Recourse Debt" means any indebtedness or other obligations (including obligations secured by Purchase Money Liens), and guarantees, indemnities, endorsements (other than endorsements for collection in the ordinary course of business) or other contingent obligations in respect of obligations of another Person which, in each case, are incurred to finance the creation, development, construction or acquisition of assets and any increases in or extensions, renewals or refunding of any such indebtedness, liabilities and obligations, provided that the recourse of the lender thereof or any agent, trustee, receiver or other Person acting on behalf of the lender in respect of such indebtedness, liabilities and obligations or any judgment in respect thereof is limited in all circumstances (other than

in respect of false or misleading representations or warranties and customary indemnities provided with respect to such financings) to the assets created, developed, constructed or acquired in respect of which such indebtedness, liabilities and obligations has been incurred and to any receivables, inventory, equipment, chattel paper, intangibles and other rights or collateral arising from or connected with the assets created, developed, constructed or acquired (including the shares or other ownership interests in any single purpose entity which holds only such collateral) and to which the lender has recourse provided such Indebtedness was not created in contemplation of Non-Recourse Assets being purchased or a Person who owns such Non-Recourse Assets becoming a Loan Party.

"Notice of Borrowing" means, in relation to Advances, a notice by the Borrower to the Agent substantially in the form of Schedule E, with the blanks completed, as applicable.

"Notice of Repayment" means in relation to Advances, a notice by the Borrower to the Agent substantially in the form of Schedule F, with the blanks completed.

"Notice of Rollover or Notice of Conversion" means, in relation to Advances, a notice by the Borrower to the Agent substantially in the form of Schedule F, with the blanks completed.

"Obligations" means, as the context requires, without duplication: (a) the aggregate amount of all obligations, liabilities and Indebtedness, contingent or otherwise, of a Loan Party to the Co-Lead Arrangers, the Agent or any Lender under the Documents; or (b) with respect to the Credit Facilities or any of them, all of the foregoing outstanding under the Credit Facilities. For certainty, Erroneous Payment Subrogation Rights shall constitute Obligations.

"OFAC" means The Office of Foreign Assets Control of the U.S. Department of the Treasury.

"Operating Facility" means the Credit Facility established pursuant to Section 3.1(b), subject to the terms and conditions of this Agreement.

"Operating Facility Commitment Amount" means, Cdn. \$15,000,000 (or the Canadian Dollar Exchange Equivalent in U.S. Dollars), as such amount may hereafter be determined from time to time pursuant to this Agreement.

"Operating Facility Lender" means NBC in its capacity as the provider of the Operating Facility or any Lender in replacement thereof requested by the Borrower and consented to by the Agent and such Lender.

"Original Credit Agreement" has the meaning attributed to it in the preamble hereto.

"Original Currency" has the meaning attributed to it in Section 19.4.

"Paper Record" has the meaning attributed to it in Section 19.18.

"Payment Recipient" has the meaning attributed to it in Section 18.18(a).

"P&NG Leases" means, collectively, any and all documents of title including leases, reservations, permits, licences, unit agreements, assignments, trust declarations, participation, exploration, farm-out, farm-in, royalty, purchase or other agreements by virtue of which the Borrower or any Loan Party is entitled to explore for, drill for, recover, take or produce Petroleum Substances of any kind whatsoever from or with respect to P&NG Rights owned by the Borrower or any Loan Party (as applicable), or to share in the production or proceeds of production or any part thereof or proceeds of royalty, production, profits or other interests out of, referable to or payable in respect of Petroleum Substances of any kind whatsoever from or with respect to P&NG Rights owned by the Borrower or

any Loan Party (as applicable), and the rights of the Borrower or Loan Party (as applicable) thereunder.

"P&NG Rights" means all of the right, title, estate and interest, whether contingent or absolute, legal or beneficial, present or future, vested or not, and whether or not an "interest in land", of the Borrower and its Subsidiaries in and to any of the following, by whatever name the same are known:

- (a) rights to explore for, drill for and produce, take, save or market Petroleum Substances;
- (b) rights to a share of the production of Petroleum Substances;
- (c) rights to a share of the proceeds of, or to receive payments calculated by reference to the quantity or value of, the production of Petroleum Substances;
- (d) rights to acquire any of the rights described in subparagraphs (a) through (b) of this definition;
- (e) interests in any rights described in subparagraphs (a) through (c) of this definition; and
- (f) all extensions, renewals, replacements or amendments of or to the foregoing items described in subparagraphs (a) through (d) of this definition;

and including interests and rights known as working interests, royalty interests, overriding royalty interests, gross overriding royalty interests, production payments, profits interests, net profits interests, revenue interests, net revenue interests, economic interests and other interests and fractional or undivided interests in any of the foregoing and freehold, leasehold or other interests.

"Partial Extension" has the meaning attributed to it in Section 3.2(d).

"Participant" has the meaning attributed to it in Section 17.4.

"Participating Lender" has the meaning attributed to it in Section 6.3.

"Parties" means the Borrower, the Agent and the Lenders and their respective successors and permitted assigns, and **"Party"** means any one of the Parties.

"Pension Plan" means any retirement or pension benefit plan that is established by a Person for the benefit of its employees, that requires such Person to make periodic payments or contributions.

"Permitted Contest" means action taken by or on behalf of a Loan Party in good faith by appropriate proceedings diligently pursued to contest a Tax, claim or Lien, provided that:

- (a) the Person to which the Tax, claim or Lien being contested is relevant (and, in the case of a Loan Party, the Borrower on a consolidated basis) has established reasonable reserves therefor if and to the extent required by GAAP;
- (b) proceeding with such contest does not have, and would not reasonably be expected to have, a Material Adverse Effect; and
- (c) proceeding with such contest will not create a material risk of sale, forfeiture or loss of, or interference with the use or operation of, a material part of the property of the Loan Parties.

"Permitted Dispositions" means any:

- (a) sale or disposition in the ordinary course of business and in accordance with sound industry practice of any Loan Party's (i) inventory or production or (ii) other tangible personal property that is obsolete, surplus, no longer useful for its intended purpose or being replaced in the ordinary course of business;
- (b) (i) sales or dispositions of assets made in the ordinary course of business to third parties and (ii) Hedge Monetizations; provided that the aggregate fair market value of such sales and dispositions, together with the aggregate proceeds received by the Loan Parties in respect of such Hedge Monetizations, in each case, since the most recent Borrowing Base redetermination, do not collectively exceed the Threshold Amount;
- (c) abandonment, surrender or termination of P&NG Rights or interest therein which are effected in accordance with prudent industry practice and which dispositions are effected with respect to P&NG Rights which are not capable of production in economic quantities;
- (d) exchanges or farmouts of P&NG Rights which do not comprise assets used in the calculation of the Borrowing Base;
- (e) dispositions with respect to P&NG Rights which are not capable of production in economic quantities, having an aggregate fair market value not exceeding the Threshold Amount between Borrowing Base redeterminations;
- (f) sales or dispositions of assets between any of the Loan Parties,

provided that, no ARO Deficiency has occurred and is continuing or would occur, on a *pro forma* basis, after giving effect to such sale, transfer or other disposition described in subparagraphs (a) through (e) above.

"Permitted Encumbrances" means:

- (a) undetermined or inchoate Liens arising in the ordinary course of and incidental to construction or current operations which have not been filed pursuant to Law or in respect of which no steps or proceedings to enforce such Lien have been initiated or which relate to obligations which are not due or delinquent or if due or delinquent, any Lien which any Loan Party is contesting at the time by a Permitted Contest;
- (b) Liens incurred or created in the ordinary course of business and in accordance with sound industry practice in respect of the joint operation of oil and gas properties or related production or processing facilities as security in favour of any other Person conducting the development or operation of the property to which such Liens relate for the costs and expenses of such development or operation, provided such costs or expenses are not due or delinquent or if due or delinquent, any Lien which the applicable Loan Party is contesting at the time by a Permitted Contest;
- (c) easements, rights-of-way, servitudes, zoning or other similar rights or restrictions in respect of land (including rights-of-way and servitudes for railways, sewers, drains, pipelines, gas and water mains, electric light and power and telephone or telegraph or cable television conduits, poles, wires and cables) which, either alone or in the aggregate, would not reasonably be expected to have a Material Adverse Effect;

- (d) any Lien or trust arising in connection with worker's compensation, employment insurance, pension or employment Law;
- (e) the right reserved to or vested in any municipality or governmental or other public authority by the terms of any lease, license, franchise, grant or permit acquired or by any statutory provision to terminate any such lease, license, franchise, grant or permit or to require annual or other periodic payments as a condition of the continuance thereof;
- (f) all reservations in the original grant from the Crown of any lands and premises or any interests therein and all statutory exceptions, qualifications and reservations in respect of title;
- (g) public and statutory Liens not yet due and similar Liens arising by operation of Law;
- (h) the Security;
- (i) Liens for Taxes, assessments or governmental charges not at the time due or delinquent or, if due or delinquent, the validity of which is contested at the time by a Permitted Contest;
- (j) Liens under or pursuant to any judgment rendered, or claim filed, against the Borrower or other Loan Party, which the applicable Loan Party is contesting at the time by a Permitted Contest;
- (k) Liens granted to a public utility or any municipality or governmental or other public authority when required by such utility or municipality or other authority in connection with the operations of the Loan Parties, all in the ordinary course of its business which individually or in the aggregate do not materially detract from the value of the asset concerned or materially impair its use in the operation of the business of the Loan Parties, taken as a whole;
- (l) bankers' liens, rights of set-off and other similar Liens existing solely with respect to cash on deposit in one or more accounts maintained by the Loan Parties granted in the ordinary course of business in favour of a Lender or Lenders with which such accounts are maintained, securing amounts owing to such Lender or Lenders with respect to cash management and operating account arrangements, including those involving pooled accounts and netting arrangements;
- (m) pledges or deposits to secure performance of (i) bids, tenders, contracts (other than contracts for the payment of money) or (ii) leases of real property, in each case, to which a Loan Party is a party;
- (n) any Lien from time to time which is consented to in writing by all of the Lenders;
- (o) any Lien from time to time over the equity of any Loan Party substantially all of whose assets are Non-Recourse Assets and which secures Non-Recourse Debt;
- (p) any right of first refusal in favour of any Person granted in the ordinary course of business with respect to all or any of the P&NG Rights of any Loan Party, provided that when exercised, such rights of first refusal would relate to assets, the Disposition of which would constitute Permitted Dispositions hereunder;

- (q) provided it is a Permitted Disposition, any Lien or agreement entered into in the ordinary course of business relating to pooling or a plan of unitization affecting the property of the Borrower or a Loan Party, or any part thereof;
- (r) provided it is a Permitted Disposition, royalties, net profits and other interests and obligations arising in accordance with standard industry practice and in the ordinary course of business, under P&NG Leases in which the Borrower or a Loan Party have any interest;
- (s) Liens in respect of operating leases (to the extent the obligations, liabilities and indebtedness arising in connection with such operating leases are permitted under paragraph (c) of the definition of "Permitted Indebtedness" , and which, for certainty, shall not include any operating leases entered into in connection with any sale-leaseback);
- (t) Liens for penalties arising under non-participation provisions of operating agreements in respect of the Loan Parties' P&NG Rights; provided such Liens do not materially detract from the value of any material part of the property of the Loan Parties taken as a whole;
- (u) Liens on Petroleum Substances or the proceeds of sale of Petroleum Substances arising or granted or assumed by any Loan Party in the ordinary course of its business pursuant to a processing or transmission arrangement entered into or assumed by it in the ordinary course of business, securing the payment of its obligations in respect of the fees attributable to the processing or transmission (as the case may be) of any such Petroleum Substances under any such processing or transmission arrangement, but only insofar as such Liens relate to its obligations which are at such time not due or delinquent;
- (v) Liens resulting from the deposit of cash or securities as security when a Loan Party is required to do so by a Governmental Authority or by normal business practice in connection with contracts, licenses or tenders or similar matters in the ordinary course of business and for the purpose of carrying on the same, or to secure, surety or appeal bonds or to secure costs of litigation when required by applicable Law;
- (w) Liens granted by a Loan Party to another Loan Party if such Liens have been subordinated and postponed to the Security by a subordination agreement satisfactory to the Agent, acting reasonably;
- (x) any other Liens (including Purchase Money Liens and Liens in respect of Finance Leases, Non-Recourse Debt) which are not otherwise Permitted Encumbrances; provided that the aggregate principal amount of Indebtedness or other obligations secured thereby does not exceed the Threshold Amount; and
- (y) any extension, renewal or replacement (or successive extensions, renewals or replacements), as a whole or in part, of any Lien referred to in the preceding paragraphs (a) to (x) inclusive of this definition, so long as any such extension, renewal or replacement of such Lien is limited to all or any part of the same property that secured the Lien extended, renewed or replaced (plus improvements on such property) and the Indebtedness, liability or obligation secured thereby is not increased,

and for certainty, and notwithstanding the foregoing or anything to the contrary in this Agreement, Liens to secure obligations of any Loan Party under any Financial Instruments shall be restricted to the Security.

"Permitted Indebtedness" means the following:

- (a) the Obligations;
- (b) any Indebtedness owing by a Loan Party to another Loan Party;
- (c) unsecured Indebtedness of any Loan Party arising in connection with operating leases entered into in the ordinary course of business (which, for certainty, shall not include any operating leases entered into in connection with any sale-leaseback) which would have been operating leases under GAAP as in effect on December 31, 2018, regardless of whether such lease was entered into prior to or after December 31, 2018;
- (d) Indebtedness consisting of Financial Assistance permitted under Section 14.3(j);
- (e) Indebtedness pursuant to the Bank Product Documents and Swap Documents; and
- (f) other Indebtedness (including Finance Leases and Purchase Money Obligations) which is not otherwise Permitted Indebtedness; provided that the aggregate outstanding principal amount of all such obligations does not, in the aggregate at any time, exceed the Threshold Amount.

"Person" means an individual, a partnership, a corporation, a company, a trust, an unincorporated organization, a union, a government or any department or agency thereof (collectively an "entity") and the heirs, executors, administrators, successors, or other legal representatives, as the case may be, of such entity.

"Petroleum Substances" means any one or more of crude oil, bitumen, synthetic crude oil, petroleum, natural gas, natural gas liquids, related hydrocarbons and any and all other substances, whether liquid, solid or gaseous, whether hydrocarbons or not, produced or producible in association with any of the foregoing, including hydrogen sulphide and sulphur.

"Pricing Table" means the pricing table labelled "Pricing Table" set forth in Section 3.8(a).

"Principal Repayment" means the repayment by or for and on behalf of the Borrower to the Lenders of all or a portion of any Aggregate Principal Amount under the Credit Facilities.

"Property Loss Event" means, with respect to any property, any loss of or damage to such property or any taking of such property or condemnation thereof.

"Purchase Money Lien" means a Lien, whether given to a vendor, lender or any other Person, securing a Purchase Money Obligation, which Lien is limited exclusively to such property (including assumed or fixed improvements, if any, erected or constructed thereon) and any proceeds thereof and any extension, renewal, refinancing or replacement thereof.

"Purchase Money Obligation" means any monetary obligation created or assumed as part of the purchase price of real or tangible personal property, whether or not secured, any extensions, renewals or refundings of any such obligation, provided that the principal amount of such obligation outstanding on the date of such extension, renewal or refunding is not increased and further provided that any security given in respect of such obligation shall not extend to any property other than the property

acquired in connection with which such obligation was created or assumed and fixed improvements, if any, erected or constructed thereon and the proceeds thereof.

"Rateable Portion" means, at any time, subject to adjustment pursuant to Sections 3.4 or 6.3, the proportion of the Individual Commitment Amount of a Lender relative to the Commitment Amount of all Lenders, provided that when such term is used in relation to:

- (a) the Syndicated Facility Lenders in respect of the Syndicated Facility, such term means the proportion of the Individual Syndicated Facility Commitment Amount of a Syndicated Facility Lender, relative to the Syndicated Facility Commitment Amount of all Syndicated Facility Lenders; and
- (b) the Operating Facility Lender in respect of the Operating Facility, such term means 100% of the Operating Facility Commitment Amount.

"Related Party" means any Person that is not a Loan Party and which is any one or more of the following:

- (a) an Affiliate of the Borrower or any Subsidiary thereof; and
- (b) a unitholder, shareholder or partner of the Borrower or any Subsidiary which, together with all Affiliates of such person, owns or controls, directly or indirectly, more than 10% of the units, shares, capital or other ownership interests (however designated) of the Borrower or any Subsidiary, or an Affiliate of any such unitholder, shareholder or partner.

"Release" includes releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, disposing or dumping.

"Relevant Governmental Body" has the meaning attributed to it in Section 8.3(g).

"Remaining Period" has the meaning attributed to it in Section 3.2(d).

"Replacement Lender" has the meaning attributed to it in Section 3.2(g)(i).

"Resignation Notice" has the meaning attributed to it in Section 18.10.

"Resolution Authority" means, with respect to an EEA Financial Institution, an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

"Revolving Period" means the period commencing on the Closing Date and ending on the then current Term Out Date, as extended in accordance with Section 3.2.

"Revolving Lender" has the meaning attributed to it in Section 3.2(a).

"Rollover" means, with respect to an Advance:

- (a) in relation to a SOFR Loan, the continuation of all or any portion of such SOFR Loan for an additional SOFR Period subsequent to the initial or any subsequent SOFR Period applicable thereto; and

- (b) in relation to maturing Banker's Acceptances, the issuance of new Bankers' Acceptances in respect of all or any portion of such Bankers' Acceptances at their Maturity Date.

"**S&P**" means Standard & Poor's Rating Services and its successors.

"**Sanctioned Person**" means:

- (a) a person that is designated under, listed on, or owned or controlled by a person designated under or listed on, or acting on behalf of a person designated under or listed on, any Sanctions List;
- (b) a person that is located in, incorporated under the laws of, or owned or (directly or indirectly) controlled by, or acting on behalf of, a person located in or organized under the laws of a country or territory that is the target of country-wide or territory-wide Sanctions;
- (c) a person that is otherwise a target of Sanctions ("target of Sanctions" signifying a person with whom a person or other national of a Sanctions Authority would be prohibited or restricted by law from engaging in trade, business or other activities); or
- (d) any other person to which one or more Lenders would not be permitted to make a loan, or provide funding, in accordance with the Sanctions, or otherwise deal with pursuant to the Sanctions.

"**Sanctions**" means the economic sanctions laws, regulations, embargoes or restrictive measures administered, enacted or enforced by any Sanctions Authority, including any sanctions or requirements imposed by, or based upon the obligations or authorities set forth in, the *Special Economic Measures Act* (Canada), the *United Nations Act* (Canada), the *Criminal Code* (Canada), the *Freezing of Assets of Corrupt Foreign Officials Act* (Canada), the Executive Order, the U.S. *Bank Secrecy Act* (31 U.S.C. §§ 5311 et seq.), the U.S. *Money Laundering Control Act of 1986* (18 U.S.C. §§ 1956 et seq.), the *USA Patriot Act of 2001*, the U.S. *International Emergency Economic Powers Act* (50 U.S.C. §§ 1701 et seq.), the U.S. *Trading with the Enemy Act* (50 U.S.C. App. §§ 1 et seq.), the U.S. *United Nations Participation Act*, the U.S. *Syria Accountability and Lebanese Sovereignty Act*, the U.S. *Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010* or the *Iran Sanctions Act* (United States), or any of the foreign assets control regulations of the U.S. Department of the Treasury (including but not limited to 31 CFR, Subtitle B, Chapter V) or any other law or executive order relating thereto or regulation administered by OFAC.

"**Sanctions Authority**" means any of: (a) the Canadian government; (b) the United States government; (c) the United Nations; (d) the European Union; (e) the United Kingdom; or (f) the respective governmental institutions, departments and agencies of any of the foregoing, including Foreign Affairs, Trade and Development Canada, Public Safety Canada, OFAC, the United States Department of State, and Her Majesty's Treasury of the United Kingdom; "**Sanctions Authorities**" means all of the foregoing Sanctions Authorities, collectively.

"**Sanctions List**" means the "Specially Designated Nationals and Blocked Persons" list maintained by OFAC, the Consolidated List of Financial Sanctions Targets and the Investment Ban List maintained by Her Majesty's Treasury of the United Kingdom, or any substantially similar list maintained by, or public announcement of Sanctions designation made by, any of the Sanctions Authorities.

"**Second Currency**" has the meaning attributed to it in Section 19.4.

"**Secured Parties**" has the meaning attributed to it in Section 18.18(a) and "**Secured Party**" means any one of them.

"**Security**" has the meaning attributed to it in Section 4.1 and includes any other Lien hereafter granted to secure the payment of any Obligations, Bank Product Obligations and Hedging Obligations.

"**SOFR**" means a rate equal to the secured overnight financing rate as administered by the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

"**SOFR Banking Day**" means any Banking Day on which commercial banks are open for international business (including dealings in U.S. Dollar deposits); provided that for purposes of the determination of Term SOFR, a Banking Day also excludes a non-"U.S. Government Securities Business Day", namely a day on which the Securities Industry and Financial Markets Association in the United States recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

"**SOFR Loan**" means a loan denominated in U.S. Dollars and bearing interest based on the Adjusted Term SOFR.

"**SOFR Period**" means a period of 1, 3 or 6 months selected by the Borrower.

"**Specified Acquisition**" means an acquisition by a Loan Party of shares or other assets from a third party (other than a Loan Party) completed in a given Fiscal Quarter for net consideration in excess of Cdn.\$10,000,000.

"**Spot Rate**" means the spot rate of exchange as quoted by the Bank of Canada at the close of business on the Banking Day that such determination is to be made (or, if such determination is to be made before close of business on such Banking Day, then at close of business on the immediately preceding Banking Day) and, in either case, if no such rate is quoted, the spot rate of exchange quoted for wholesale transactions by the Agent in Montreal, Quebec on the Banking Day such determination is to be made in accordance with its normal practice

"**Subsidiary**" means any Person of which more than 50% of the outstanding Voting Securities are owned, directly or indirectly by another Person, provided that the ownership of such securities confers the right to elect at least a majority of the board of directors of such Person, or a majority of Persons serving similar roles, and includes any legal entity in like relationship to a Subsidiary.

"**Successor Agent**" has the meaning attributed to it in Section 18.10.

"**Swap Documents**" has the meaning attributed to it in Section 4.1.

"**Swap Document Demand for Payment**" means a demand made by a Swap Lender pursuant to a Swap Document demanding payment of all obligations under such Swap Document which are then due and payable relating thereto and shall include any notice thereunder or related thereto which, when delivered, would require an early termination thereof and a payment by the Borrower or a Subsidiary thereof in settlement of obligations thereunder as a result of such early termination.

"**Swap Lender**" means any Lender or any Affiliate thereof that is a hedge provider under a Financial Instrument entered into prior to such Swap Lender or relevant Affiliate ceasing to be a Lender, which, for certainty, includes a Lender or relevant Affiliate that entered into a Financial Instrument with a Loan Party prior to becoming a Lender hereunder (each such Affiliate, a "**Hedging Affiliate**"). For greater certainty, any Person who enters into a Financial Instrument after such Person ceases to be a Lender or a Hedging Affiliate, as applicable, is not a Swap Lender for purposes of such Financial Instrument,

and any Lender or any Affiliate thereof that is a hedge provider under a Financial Instrument entered into prior to the Closing Date is a Swap Lender for purposes of those Financial Instruments.

"Syndicated Facility" means, the Credit Facility established pursuant to Section 3.1(a), subject to the terms and conditions of this Agreement.

"Syndicated Facility Commitment Amount" means Cdn. \$55,000,000 (or the Canadian Dollar Exchange Equivalent thereof in U.S. Dollars), as such amount may hereafter be determined from time to time pursuant to this Agreement.

"Syndicated Facility Lenders" means those Lenders who have an Individual Syndicated Facility Commitment Amount, and **"Syndicated Facility Lender"** means any of them.

"Taxes" means all taxes of any kind or nature whatsoever including income taxes, capital taxes, minimum taxes, levies, imposts, stamp taxes, royalties, duties, charges to tax, value added taxes, commodity taxes, goods and services taxes, and all fees, deductions, compulsory loans, withholdings and restrictions or conditions resulting in a charge imposed, levied, collected, withheld or assessed as of the date hereof or at any time in the future by any governmental or quasi-governmental authority of or within any jurisdiction whatsoever having power to tax, together with penalties, fines, additions to tax and interest thereon and any instalments in respect thereof.

"Term Out Date" means, in respect of each Lender under a Credit Facility:

- (a) initially, the date that is three hundred sixty-four (364) days after the Closing Date; and
- (b) if the Term Out Date is thereafter further extended pursuant to Section 3.2, that date which is three hundred sixty-four (364) days after its then current Term Out Date;

"Term Period" means, for each Lender, the period commencing on its Term Out Date and ending on its Final Maturity Date;

"Term SOFR" means, for any SOFR Period, the "Term SOFR" reference rate for a comparable period on the 2nd Banking Day prior to the first day of such SOFR Period, as such rate is published by the CME Group Benchmark Administration Limited (or a successor administrator selected by the Agent), provided however that if such reference rate for such period has not been published on such 2nd Banking Day, then Term SOFR will be the "Term SOFR" reference rate for such period as published by its administrator on the first preceding Banking Day for which such reference rate was published so long as such first preceding Banking Day is not more than 3 Banking Days prior to the 2nd Banking Day referred to above.

"Term SOFR Adjustment" means, with respect to Term SOFR, 0.10% (10 basis points) for a SOFR Period of one-month's duration, 0.15% (15 basis points) for a SOFR Period of three-months' duration, and 0.25% (25 basis points) for a SOFR Period of six-months' duration.

"Threshold Amount" means an amount equal to 5% of the Borrowing Base then in effect.

"UK Bribery Act" means the *Bribery Act 2010* (United Kingdom), including any subordinate legislation thereunder.

"UK Financial Institution" means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to

time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain Affiliates of such credit institutions or investment firms.

"UK Resolution Authority" means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

"Uniform Customs" means the Uniform Customs and Practice for Documentary Credits of the International Chamber of Commerce current at the time of issuance of the applicable Letter of Credit.

"U.S. Base Rate" means the greater of: (a) variable rate of interest quoted by the Agent from time to time as the reference rate of interest which it employs to determine the interest rate it will charge for demand loans in U.S. Dollars to its customers in Canada and which it designates as its "U.S. Base Rate"; and (b) the Federal Funds Rate plus 100 Basis Points.

"U.S. Base Rate Loan" means an Advance bearing interest at a fluctuating rate determined by reference to the U.S. Base Rate (including Advances by way of overdraft from the Borrower's Account in U.S. dollars).

"U.S. Dollars" or **"U.S. \$"** each means such currency of the United States of America which, as at the time of payment or determination, is legal tender therein for the payment of public or private debts.

"Voting Securities" means securities of capital stock of any class of any corporation, partnership units in the case of a partnership, trust units in the case of a trust, or other evidence of ownership serving similar purposes, carrying voting rights under all circumstances, provided that, for the purposes of this definition, shares which only carry the right to vote conditionally on the happening of an event will not be considered Voting Securities, whether or not such event will have occurred, nor will any securities be deemed to cease to be Voting Securities solely by reason of a right to vote accruing to securities of another class or classes by reason of the happening of such event.

"Write-Down and Conversion Powers" means:

- (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule; and
- (b) with respect to the United Kingdom, any powers of the applicable UK Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

**SCHEDULE B
ASTARA ENERGY CORP.
FIRST AMENDED AND RESTATED CREDIT AGREEMENT
DATED APRIL 18, 2023**

**INDIVIDUAL COMMITMENT AMOUNTS
(Cdn. \$)**

Syndicated Facility Lenders	Syndicated Facility Commitment Amount (Cdn.\$)
National Bank of Canada	\$20,000,000
ATB Financial	\$35,000,000
Total Syndicated Facility Commitment Amount	\$55,000,000

Operating Facility Lender	Operating Facility Commitment Amount (Cdn.\$)
National Bank of Canada	\$15,000,000
Total Operating Facility Commitment Amount	\$15,000,000

SCHEDULE C
ASTARA ENERGY CORP.
FIRST AMENDED AND RESTATED CREDIT AGREEMENT
DATED APRIL 18, 2023

FORM OF COMPLIANCE CERTIFICATE

DATE: [•]

TO: National Bank of Canada ("**National Bank**"), as Agent

AND TO: The Lenders

RE: First amended and restated credit agreement (as amended, supplemented or otherwise modified from time to time, the "**Credit Agreement**") dated April 18, 2023 among Astara Energy Corp., as borrower (the "**Borrower**"), National Bank and those other financial institutions which are or hereafter become lenders thereunder (collectively, the "**Lenders**"), and National Bank, as agent for the Lenders (in such capacity, together with its successors and assigns, in such capacity, the "**Agent**")

Capitalized terms used herein and not otherwise defined herein have the meanings given to them in the Credit Agreement.

This Compliance Certificate is delivered pursuant to Section 14.2(b) of the Credit Agreement.

I, _____, the duly appointed [**insert name of office**] of the Borrower, hereby certify in such capacity for and on behalf of the Borrower, and not in my personal capacity and without assuming any personal liability whatsoever, after making due inquiry:

1. This Compliance Certificate applies to the Fiscal Quarter ending _____, 20____ (the "**Calculation Date**").
2. I am familiar with and have examined the provisions of the Credit Agreement and I have made such reasonable investigations of corporate records and inquiries of other officers and senior personnel of each of the Loan Parties as I have deemed necessary for purposes of this Compliance Certificate.
3. Based on the foregoing, no Default or Event of Default has occurred and is continuing.
4. The Consolidated Debt to EBITDA Ratio of the Borrower as at the Calculation Date for the four Fiscal Quarter period ending on the Calculation Date is _____:1.00, the calculation of which is outlined in Exhibit 1 hereto, [**as adjusted for Material Acquisitions and Material Dispositions during the applicable period in accordance with the definition of "Consolidated EBITDA" for the applicable period**] AND/OR [**as annualized in accordance with the definition of "Consolidated EBITDA" for the applicable period**].

5. All Financial Instruments of the Loan Parties are set out in Exhibit 2 hereto, including all new Swap Documents since the last Compliance Certificate was delivered and the position and market value of each Financial Instrument in effect as at the Calculation Date.
6. As of the date hereof, the Borrower has no Subsidiaries other than those listed in Schedule G to the Credit Agreement and the information contained in such schedule remains true and accurate in all respects **[except as follows: [describe any exceptions]]**.
7. As at the Calculation Date, the LMR of the Borrower **[and of [list each other Loan Party here]]** in each Applicable Jurisdiction is as follows:

Loan Party

Applicable Jurisdiction

LMR

8. The completed ARO Report and Decommissioning Expense Worksheet, together with (a) any Annual ARO Budget Update, (b) the information as to the amount the Borrower and the other Loan Parties have expended on decommissioning expenses and (c) a summary of how the Loan Parties have performed against the budgeted amount in the applicable Annual ARO Budget (as updated pursuant to the foregoing Annual ARO Budget Update (if applicable)) with the explanation and commentary from management explaining any material deviations therefrom and the other matters related to any changes in the Borrower's abandonment and reclamation policies, is all attached hereto as Exhibit 3 and is true and accurate in all material respects.
9. The completed ARO Report and Decommissioning Expense Worksheet attached hereto as Exhibit 3 accurately sets forth, as at the Calculation Date:
 - a. the Loan Parties' ARO Liabilities (Producing), ARO Liabilities (Non-Producing) and ARO Liabilities (Aggregate) in each Applicable Jurisdiction applicable to such Loan Parties;
 - b. the Loan Parties' ARO Liabilities (Producing), ARO Liabilities (Non-Producing) and ARO Liabilities (Aggregate) in all jurisdictions that are not Applicable Jurisdictions;
 - c. the Loan Parties' total wells, categorized between active (producing) and inactive (nonproducing), and, in each case, segregated between gross and net wells;
 - d. the Loan Parties' ARO Liabilities (Producing), ARO Liabilities (Non-Producing) and ARO Liabilities (Aggregate) related to all wells (gross and net); and
 - e. the Loan Parties' ARO Liabilities (Producing), ARO Liabilities (Non-Producing) and ARO Liabilities (Aggregate) related to all facilities and pipelines, and sites requiring reclamation only.

10. As of the date hereof, each of the representations and warranties of the Borrower set forth in the Documents deemed to be made on each Drawdown is true and correct.

DATED as of the date first written above.

Name: _____
[•]

Title: [•]

EXHIBIT 1

CONSOLIDATED DEBT TO EBITDA RATIO

Applicable to the Fiscal Quarter Ending _____

[attach calculations]

EXHIBIT 2

FINANCIAL INSTRUMENTS

[attach list]

EXHIBIT 3

ARO AND DECOMMISSIONING EXPENSE WORKSHEET

[attach worksheet]

**SCHEDULE D
ASTARA ENERGY CORP.
FIRST AMENDED AND RESTATED CREDIT AGREEMENT
DATED APRIL 18, 2023**

FORM OF EXTENSION REQUEST

DATE: [•]

TO: National Bank of Canada ("**National Bank**"), as [**Agent/Operating Facility Lender**]

Dear Sirs/Mesdames:

Astara Energy Corp., as borrower, National Bank and those other financial institutions which are or hereafter become lenders thereunder (collectively, the "**Lenders**"), and National Bank, as agent for the Lenders (in such capacity, together with its successors and assigns in such capacity, the "**Agent**"), are parties to a first amended and restated credit agreement dated April 18, 2023 (such credit agreement, as it may be amended, supplemented or otherwise modified from time to time, the "**Credit Agreement**").

We hereby give notice of our request for an offer of extension of the Term Out Date in respect of [**the Syndicated Facility / the Operating Facility/ each Credit Facility**] for a further period of [•] not to exceed one (1) year pursuant to Section 3.2(c) of the Credit Agreement.

As of the date hereof, there exists no Default or Event of Default, except those set out below which have been expressly disclosed to and waived or agreed to by the Lenders.

Yours very truly,

ASTARA ENERGY CORP.

Per: _____

Name: [•]

Title: [•]

**SCHEDULE E
ASTARA ENERGY CORP.
FIRST AMENDED AND RESTATED CREDIT AGREEMENT
DATED APRIL 18, 2023**

FORM OF NOTICE OF BORROWING

DATE: [•]

TO: National Bank of Canada ("**National Bank**"), as [**Agent/Operating Facility Lender**]

AND TO: The Lenders [**Syndicated Facility only**]

RE: First amended and restated credit agreement (as amended, supplemented or otherwise modified from time to time, the "**Credit Agreement**") dated April 18, 2023 among Astara Energy Corp., as borrower (the "**Borrower**"), National Bank and those other financial institutions which are or hereafter become lenders thereunder (collectively, the "**Lenders**"), and National Bank, as agent for the Lenders (in such capacity, together with its successors and assigns in such capacity, the "**Agent**")

-
1. THE DRAWDOWN DATE IS THE ____ DAY OF _____, 20____.
 2. Pursuant to Section 5.2 of the Credit Agreement, the undersigned hereby irrevocably requests that the following Advances be made available under the applicable Credit Facility:

Syndicated Facility:

<u>TYPE OF ADVANCE</u>	<u>PRINCIPAL AMOUNT</u>	<u>TERM</u>
Canadian Prime Rate Loan		N/A
U.S. Base Rate Loan		N/A
Bankers' Acceptances		
SOFR Loan		

Operating Facility:

<u>TYPE OF ADVANCE</u>	<u>PRINCIPAL AMOUNT</u>	<u>TERM</u>
Canadian Prime Rate Loan		N/A
U.S. Base Rate Loan		N/A
Letter of Credit		

3. As of the date of this Notice of Borrowing, no Default or Event of Default has occurred and is continuing or would be expected to result from the foregoing Advances and each of the representations and warranties of the Borrower set forth in the Documents deemed to be made on each Drawdown is true and correct as of the date of the requested Drawdown.
4. Capitalized terms used herein and not otherwise defined herein have the meanings given to them by the Credit Agreement.

DATED as of the date first written above.

ASTARA ENERGY CORP.

Per: _____
Name: [•]
Title: [•]

**SCHEDULE F
ASTARA ENERGY CORP.
FIRST AMENDED AND RESTATED CREDIT AGREEMENT
DATED APRIL 18, 2023**

**FORM OF NOTICE OF ROLLOVER OR NOTICE OF
CONVERSION OR NOTICE OF REPAYMENT**

DATE: [•]

TO: National Bank of Canada ("**National Bank**"), as [**Agent/Operating Facility Lender**]

AND TO: The Lenders [**Syndicated Facility only**]

RE: First amended and restated credit agreement (as amended, supplemented or otherwise modified from time to time, the "**Credit Agreement**") dated April 18, 2023 among Astara Energy Corp., as borrower (the "**Borrower**"), National Bank and those other financial institutions which are or hereafter become lenders thereunder (collectively, the "**Lenders**"), and National Bank, as agent for the Lenders (in such capacity, together with its successors and assigns in such capacity, the "**Agent**")

Capitalized terms used herein and not otherwise defined herein have the meanings given to them by the Credit Agreement.

1. Pursuant to Section [3.5 / 5.4] of the Credit Agreement, the undersigned hereby irrevocably notifies the Agent that it will be:
 - (a) rolling over part or all of the Accommodation under the [**Syndicated Facility/Operating Facility**] described as:

Type of Accommodation: _____

*Principal Amount: _____

Maturity Date: _____

into the same Accommodation described as:

Maturity Date: _____

* if only part of maturing Advance is rolled over, please indicate.

or;

(b) converting part or all of the Accommodation under the **[Syndicated Facility/Operating Facility]** described as:

Type of Accommodation: _____

*Principal Amount: _____

Maturity Date: _____

into an Accommodation described as:

*if only part of maturing Advance is converted, please indicate.

Type of Accommodation: _____

*Principal Amount: _____

Maturity Date: _____

effective the ____ day of _____, 20____.

(c) repaying part or all of the Advance described as:

Type of Accommodation: _____
Credit Facility **[Syndicated Facility/Operating Facility]**

*Principal Amount⁽¹⁾: _____

Maturity Date: _____

(1) If only part of maturing Advance is being repaid, please indicate the applicable amount being repaid including the details provided above in respect thereof and whether the balance will be rolled over or Converted

2. This Notice is irrevocable.

3. No Default or Event of Default has occurred and is continuing.

DATED as of the date first written above.

ASTARA ENERGY CORP.

Per: _____

Name: [•]

Title: [•]

SCHEDULE G
ASTARA ENERGY CORP.
FIRST AMENDED AND RESTATED CREDIT AGREEMENT
DATED APRIL 18, 2023
LIST OF SUBSIDIARIES

Borrower						
Legal Name	Jurisdiction of Incorporation or Formation	Location of Chief Executive Office	Location of Registered or Head Office	Location of Business and Assets	Governing Law of Partnership Agreement or Trust Instrument (if applicable)	Trade Name
Astara Energy Corp.	Alberta	Alberta	Alberta	Alberta Saskatchewan British Columbia	Not applicable	None

Subsidiaries								
Legal Name	Jurisdiction of Incorporation or Formation	Location of Chief Executive Office	Location of Registered or Head Office	Location of Business and Assets	Governing Law of Partnership Agreement or Trust Instrument (if applicable)	Trade Name	Ownership of Issued Voting Securities	Designation
1651558 Alberta Inc.	Alberta	Alberta	Alberta	Alberta	Not applicable	None	100% owned by Astara Energy Corp.	Material Subsidiary
Astara Energy LP	Alberta	Alberta	Alberta	Alberta British Columbia	Alberta	Note	94.42% owned by Astara Energy Corp. 5.58% owned by 1651558 Alberta Inc.	Material Subsidiary

SCHEDULE H
ASTARA ENERGY CORP.
FIRST AMENDED AND RESTATED CREDIT AGREEMENT
DATED APRIL 18, 2023

FORM OF ASSIGNMENT

DATE: [•] (the "**Effective Date**")

TO: National Bank of Canada ("**National Bank**"), as [**Agent/Operating Facility Lender**]

AND TO: The Lenders

RE: First amended and restated credit agreement (as amended, supplemented or otherwise modified from time to time, the "**Credit Agreement**") dated April 18, 2023 among Astara Energy Corp., as borrower (the "**Borrower**"), National Bank and those other financial institutions which are or hereafter become lenders thereunder (collectively, the "**Lenders**"), and National Bank, as agent for the Lenders (in such capacity, together with its successors and assigns in such capacity, the "**Agent**")

Unless otherwise indicated, capitalized terms defined in the Credit Agreement have the same meanings when used herein.

1. [**Name of assignee lender**] (the "**Assignee**") acknowledges that its proper officers have received and reviewed a copy of the Credit Agreement and the other Documents and further acknowledges the provisions of the Credit Agreement and the other Documents.
2. The Assignee desires to become a Lender under the Credit Agreement. Effective on the Effective Date, [**Name of assigning lender**] (the "**Assignor**") has agreed to and does hereby sell, assign and transfer to the Assignee, and the Assignee hereby irrevocably purchases and assumes, an interest in the [**Syndicated Facility/Operating Facility**], the Assignee assumes the obligations of the Assignor in respect of the Assignor's [**Individual Syndicated Facility/Operating Facility**] Commitment Amount to the extent of Cdn.\$[•] of such commitment (the "**Assigned Commitment**"), and a share of the rights of the Assignor as a [**Syndicated Facility/Operating Facility**] Lender under the Credit Agreement to the extent of the Assigned Commitment, including without limitation, a share (the "**Pro Rata Share**") of the rights of the Assignor with respect to the Aggregate Principal Amount owing to the Assignor under the [**Syndicated Facility/Operating Facility**] equal to the proportion that the amount of the Assigned Commitment bears to Cdn.\$[•] (being the amount of the [**Individual Syndicated Facility/Operating Facility**] Commitment Amount of the Assignor on the Effective Date prior to the assignment and transfer under this Assignment) (the Assigned Commitment and such Pro Rata Share are referred to herein as the "**Assigned Interest**"); and, accordingly, the Assignee has agreed to execute this Assignment and deliver an original of it to the Agent.
3. The Assignee, by its execution and delivery of this Assignment, agrees that from and after the date hereof it will be a [**Syndicated Facility/Operating Facility**] Lender under the Credit Agreement to the extent of the Assigned Commitment and the Pro Rata Share and agrees to be bound by and to perform, where required, all of the terms, conditions and covenants of the Credit Agreement and the other Documents applicable to a [**Syndicated Facility/Operating Facility**] Lender; but its liability to make Advances will be limited to its share of such Advances based upon its [**Individual Syndicated Facility/Operating Facility**] Commitment Amount identified in paragraph 4 below, subject to the provisions of the Credit Agreement.

4. The Assignee confirms that its **[Individual Syndicated Facility/Operating Facility]** Commitment Amount under the Credit Agreement will be as follows:

[State amount in Canadian Dollars.]

5. The Assignee agrees to assume all liabilities and obligations of the Assignor as a Lender under the Credit Agreement and the other Documents to the extent of the Assigned Interest as provided for herein and the Assignor is hereby released and discharged from such obligations and liabilities to the same extent but only in respect of such obligations and liabilities arising from and after the Effective Date.
6. The Assignor: (a) represents and warrants that: (i) it is the legal and beneficial owner of the Assigned Interest; (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim; and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to: (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Document; (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Documents; (iii) the financial condition of any of the Loan Parties or any other Person obligated in respect of any Document; or (iv) the performance or observance by any of the Loan Parties or any other Person of any of their respective obligations under any Document.
7. The Assignee: (a) represents and warrants that: (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and to consummate the transactions contemplated hereby and to become a **[Syndicated Facility Lender AND/OR Operating Facility]** under the Credit Agreement; and (ii) it has received a copy of the Credit Agreement, copies of the most recent financial statements of the Borrower delivered pursuant to the Credit Agreement and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Agent or any other **[Syndicated Facility/Operating Facility]** Lender; and (b) agrees that: (i) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a **[Syndicated Facility/Operating Facility]** Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder; (ii) it will, independently and without reliance on the Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Documents; and (iii) it will perform in accordance with their terms all of the obligations which by the terms of the Documents are required to be performed by it as a Lender.
8. From and after the Effective Date, the Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignee whether such amounts have accrued prior to, on or after the Effective Date. The Assignor and the Assignee shall make all appropriate adjustments in payments by the Agent for periods prior to the Effective Date or with respect to the making of this assignment directly between themselves.
9. Notices will be given to the Assignee in the manner provided for in the Credit Agreement at the following address:

[•]

Attention: **[•]**

e-mail: **[•]**

10. This Assignment shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and permitted assigns. This Assignment may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment by telecopy or by sending a scanned copy by electronic mail shall be effective as delivery of a manually executed counterpart of this Assignment. This Assignment shall be governed by, and construed in accordance with, the Laws in force in the Province of Alberta from time to time.

DATED as of the date first written above.

[Name of Assignee]

Per: _____
Name: [•]
Title: [•]

* * *

The Assignor hereby acknowledges the above Assignment and agrees that its **[Individual Syndicated Facility/Operating Facility]** Commitment Amount is reduced by an amount equal to the commitment assigned to the Assignee hereby.

DATED as of the date first written above.

[Name of Assignor]

Per: _____
Name: [•]
Title: [•]

Consented to and acknowledged as of the date first written above by:

NATIONAL BANK OF CANADA,
as Agent

ASTARA ENERGY CORP.
[while no Event of Default exists]

Per: _____
Name:
Title:

Per: _____
Name:
Title:

**[NATIONAL BANK OF CANADA, as
Operating Lender]**

Per: _____
Name:
Title:

**SCHEDULE I
ASTARA ENERGY CORP.
FIRST AMENDED AND RESTATED CREDIT AGREEMENT
DATED APRIL 18, 2023**

FORM OF ENVIRONMENTAL CERTIFICATE

DATE: [•]

TO: National Bank of Canada ("**National Bank**"), as Agent

RE: First amended and restated credit agreement (as amended, supplemented or otherwise modified from time to time, the "**Credit Agreement**") dated April 18, 2023 among Astara Energy Corp., as borrower (the "**Borrower**"), National Bank and those other financial institutions which are or hereafter become lenders thereunder (collectively, the "**Lenders**"), and National Bank, as agent for the Lenders (in such capacity, together with its successors and assigns in such capacity, the "**Agent**")

This certificate is delivered pursuant to 14.2(s) of the Credit Agreement. Capitalized terms used herein and not otherwise defined herein have the meanings given to them by the Credit Agreement.

1. I, [•], am the duly appointed [•] of the Borrower and hereby certify in such capacity for and on behalf of the Borrower and each of the other Loan Parties, and not in my personal capacity and without assuming any personal liability whatsoever, as follows:
2. The following certifications are made to the best of my knowledge after due enquiry. My due enquiry has been limited to discussions and correspondence with responsible officers and staff of the Borrower and each of the other Loan Parties to confirm that the internal environmental reporting and response procedures of the Borrower and each of the other Loan Parties have been followed in all material respects as they relate to the certifications made herein and that the matters herein set forth are true and correct, and that matters reported on by such officers and staff are true and correct.
3. The following certifications in paragraphs 4 through 9 are qualified as to (i) the matters, if any, disclosed in Exhibit 1 hereto, and (ii) any breach of, or failure to comply with, any Environmental Laws, provided that the breach or failure to comply has not had, or would not reasonably be expected to have (whether on an individual or cumulative basis), a Material Adverse Effect.
4. The property of the Borrower and every other Loan Party is owned, leased, managed, controlled or operated, in compliance with Environmental Laws.
5. There are no existing, pending or threatened (by written notice):
 - (a) claims, complaints, notices or requests for information received from a Governmental Authority by the Borrower or any other Loan Party, or of which the Borrower or any other Loan Party is otherwise aware, with respect to any alleged violation of or alleged liability under any Environmental Laws by the Borrower or any other Loan Party; or
 - (b) stop, cleanup or preventative orders, directions or action requests, notice of which has been received from a Governmental Authority by the Borrower or any other Loan Party or of which the Borrower or any other Loan Party is otherwise aware, relating to the Environment which as a result thereof, requires any work, repair, remediation, cleanup, construction or capital expenditure with respect to any property owned, leased, managed, controlled or operated by the Borrower or any other Loan Party.

6. Except in compliance with Environmental Laws, no Contaminant has been received, handled, used, stored, treated or shipped at or from, and there has been no discharge or Release of a Contaminant at, on, from or under any property owned, leased, managed, controlled or operated by the Borrower or any other Loan Party, in each case, which would reasonably be expected to create an obligation or liability in excess of an amount equal to the Threshold Amount.
7. None of the lands and facilities owned, leased, managed, controlled or operated by the Borrower or any other Loan Party, have been used as a land fill site or, except in compliance with Environmental Laws, as a waste disposal site.
8. No condition exists, at, on or under any of the premises or facilities owned, leased, managed, controlled or operated by the Borrower or any other Loan Party, which with the passage of time, or the giving of notice or both, has given rise to or could reasonably be expected to give rise to a violation or liability under any Environmental Laws.
9. The Borrower has obtained and has caused each other Loan Party to obtain all permits, licenses and other authorizations (collectively the "**Permits**") which are required under Environmental Laws and the Borrower and each of the other Loan Parties are in compliance with all terms and conditions of all Permits and each of the Permits is in full force and effect and unrevoked as of the date of this certificate.
10. Neither the Borrower nor any other Loan Party is aware of any matter affecting the Environment which has had or could reasonably be expected to have a Material Adverse Effect.

The undersigned officer acknowledges that the Agent and the Lenders are relying on this certificate in connection with Advances made under the Credit Agreement.

[Remainder of Page Intentionally Left Blank]

DATED as of the date first written above.

ASTARA ENERGY CORP.

Name:
Title:

EXHIBIT 1

[•]