

## PROMISSORY NOTE

**AMOUNT: CDN. \$1,714,000**

**DUE: April 1, 2027**

FOR VALUE RECEIVED **Bengal Energy Ltd.** (the "**Borrower**") hereby promises to pay to the order of **Texada Capital Management Ltd.** (the "**Lender**") at [REDACTED - *Personal Information*], the sum of One million seven hundred and fourteen thousand Canadian Dollars (Cdn. \$1,714,000) (the "**Principal Sum**") together with interest thereon from and after the date hereof and interest on overdue and unpaid interest, before and after demand, default and judgment, at a rate per annum equal to ten percent (10%) ("**Interest**") at the times specified herein.

### 1. PAYMENT OF PRINCIPAL SUM AND INTEREST

- (a) The Principal Sum shall be payable in full on April 1, 2027 (the "**Maturity Date**") if not otherwise payable by the terms hereof prior thereto, in which case such earlier date shall become the Maturity Date. Notwithstanding the foregoing, the Principal Sum shall become due and payable as provided for in Section 4 upon the occurrence of an Event of Default.
- (b) The Borrower shall make payments of Interest to the Lender commencing on March 1, 2025. Interest accruing due hereunder shall be calculated daily in accordance with the "nominal rate" method of interest calculation on the basis of a 365 or 366 day year (as the case may be) and shall be due and payable quarterly in arrears on the first business day of the following quarter. Any amount of Interest not paid when due (including overdue and unpaid Interest) shall bear interest at the applicable aforesaid rate, be calculated daily and compounded on the last business day of each calendar quarter and shall be paid without the necessity of any demand being made, but if demand is made, on demand. The theory of deemed reinvestment shall not apply to the calculation of Interest or the payment of other amounts hereunder.
- (c) No interest to be paid hereunder shall be paid at a rate exceeding the maximum rate permitted by applicable law. In the event any such interest or fee exceeds such maximum rate, such interest or fee shall be reduced or refunded, as the case may be, so as to be payable at the highest rate recoverable under applicable law.
- (d) The Borrower may at any time prepay the Principal Sum hereunder, in whole or in part, without any notice or penalty to the Lender, provided that any such prepayment shall be in a minimum amount of Cdn.\$200,000.

### 2. COVENANTS OF THE BORROWER

The Borrower hereby covenants and agrees with the Lender that, unless the Lender otherwise agrees in writing that the Borrower shall:

- (a) duly and punctually pay the Principal Sum and Interest, and all fees and other amounts required to be paid by the Borrower hereunder, as and when the same becomes due and in the manner specified herein;
- (b) only use the proceeds of the Principal Sum to pay amounts owing to [REDACTED - *commercially sensitive information relating to counter-party*] and [REDACTED - *commercially sensitive information relating to counter-party*]

- (c) maintain its existence under the laws of Alberta and register and qualify and remain registered and qualified to carry on business in all jurisdictions where the character of the properties owned by it or the nature of the business transacted by it makes such registration or qualification necessary;
- (d) provide prompt notice to the Lender of any Default or Event of Default upon it becoming aware thereof;
- (e) and shall cause the Guarantor to, within 10 business days after notice thereof from the Lender, do all such further acts and things and execute and deliver all such further documents as shall be reasonably required by the Lender in order to ensure the terms and provisions of the Documents are fully performed and carried out and to ensure that each material provision of the Documents are and continue to be a valid and binding obligations of the Borrower and the Guarantor enforceable against the Borrower and the Guarantor, as applicable, in accordance with its terms;
- (f) not create or permit to exist any mortgage, charge, lien, encumbrance or other security interest (the "**Security Interests**") on any of its present or future assets, other than any such Security Interests existing as of the date hereof or as otherwise consented to by the Lender;
- (g) not create, incur, assume or allow to exist any Indebtedness other than: (i) trade payables incurred in the ordinary course of business; (ii) Indebtedness existing as of the date hereof; and (iii) any Indebtedness owing to the Lender; and
- (h) ensure that the outstanding Principal Sum and any accrued and unpaid Interest is repaid with net proceeds of any sale of the Guarantor's interest the Cuisinier field in Australia or the sale of any shares of the Guarantor held by the Borrower until the Principal Sum and any accrued and unpaid Interest is paid in full.

### 3. **SECURITY**

To secure the payment and indefeasible satisfaction in full of the Principal Sum and Interest, the Borrower hereby:

- (a) assigns, transfers, pledges, mortgages and charges to and in favour of the Lender and grants to and in favour of the Lender a continuing first priority security interest in and to all of the Borrower's present and after-acquired personal property; and
- (b) mortgages and charges as and by way of a first floating charge to and in favour of the Lender the undertaking and all the property and assets, rights and things of the Borrower both present and future, legal or equitable, of which the Borrower may be possessed or to which it may be entitled or which may hereafter be acquired by the Borrower, including all its right, title, estate and interest in and to any and all real, personal or mixed property, now owned or hereafter acquired by the Borrower, and all its present and future revenues, incomes, moneys, rights, franchises, goods, wares, merchandise, inventories, materials, supplies, book debts, accounts and accounts receivable, negotiable and non-negotiable instruments, judgments, investment property, choses in action, chattel paper, shares and investments, and all other property and things of value of every kind and nature, tangible or intangible, legal or equitable and all proceeds and all products of, and all accessions to, any of the foregoing,

except in all circumstances, any shares held by the Borrower in the capital of the Guarantor from time to time (collectively, the "**Collateral**").

- (c) The Borrower acknowledges conclusively that the Borrower and the Lender intend the charge in the Collateral to attach immediately upon the execution of this Promissory Note. The charge shall be effective and shall attach as of the date hereof whether the monies hereby secured or any part thereof shall become owing by the Borrower before or after or upon the date of execution of this Promissory Note. The Borrower acknowledges conclusively that value has been given.
- (d) To the extent not prohibited by any law applicable to the Borrower, the Borrower hereby waives its rights, if any, under all provisions of applicable law that would in any manner, limit, restrict or otherwise affect the Lender's rights and remedies hereunder or impose any additional obligations on the Lender.

#### 4. EVENTS OF DEFAULT

The occurrence and continuance of any one or more of the following events (each such event being herein referred to as an "**Event of Default**") shall constitute a default under this Promissory Note:

- (a) if the Borrower defaults in payment of the Principal Sum and Interest when due and payable;
- (b) if the Borrower neglects to observe or perform any covenant or obligation of the Borrower contained herein; or
- (c) if the Borrower or the Guarantor (i) institutes or commences proceedings to be adjudicated a bankrupt or insolvent or consent to the filing of a bankruptcy or insolvency proceeding against it, (ii) files, institutes or commences or otherwise takes any proceeding relating to reorganization, adjustment, arrangement, composition, compromise, stay of proceedings or relief similar to any of the foregoing under any applicable law regarding bankruptcy, insolvency, reorganization or relief of debtors (including under the *Bankruptcy and Insolvency Act*), (iii) consents to the filing of any such proceeding, (iv) consents to the appointment of a receiver, liquidator, trustee or assignee in bankruptcy or similar official or to the liquidation of all or a substantial part of his property and assets, (v) makes an assignment for the benefit of creditors, (vi) admits in writing its inability to pay its debts generally as they become due, (vii) generally not be paying its debts as they come due or otherwise be insolvent, or (viii) takes any other action authorizing or in furtherance of any of the foregoing;
- (d) if any proceeding is filed, instituted or commenced by any person seeking (i) to adjudicate the Borrower or the Guarantor a bankrupt or insolvent or the liquidation, adjustment, arrangement, compromise, composition, stay of proceedings or similar relief of or for such party under any applicable law regarding bankruptcy, insolvency, reorganization or relief of debtors (including under the *Bankruptcy and Insolvency Act*), or (ii) to appoint a receiver, liquidator, trustee or assignee in bankruptcy or similar official of the Borrower or the Guarantor or of all or a substantial part of its property and assets;
- (e) if there is a breach or failure of due performance or observance by the Borrower or the Guarantor of any covenant or provision under this Promissory Note (other than those otherwise dealt with in this Section 3) or in any other Document, unless such breach or failure is cured to the satisfaction of the Lender, acting reasonably, within fifteen days after written notice thereof by the Lender to the Borrower; or
- (f) if at any time, the Lender directly or indirectly through one more entities owned or controlled by the Lender, ceases to own, in the aggregate, less than 51% of the issued and outstanding voting shares in the capital of the Borrower (on a basic basis).

## 5. ACCELERATION AND REMEDIES

(a) Upon the occurrence of:

- (i) an Event of Default, other than an Event of Default specified in Sections 4(c) or 4(d) above, the Lender shall have the option (upon notice to the Borrower) to declare any unpaid portion of the Principal Amount plus all accrued and unpaid Interest thereon to be immediately due and payable to the Lender with interest at the Interest Rate thereafter;
- (ii) an Event of Default specified in Sections 4(c) or 4(d) above, the unpaid portion of the Principal Amount plus all accrued and unpaid Interest thereon shall automatically become due and payable to the Lender, with interest at the Interest Rate thereafter, without any requirement that notice be given to the Borrower,

and the exercise by the Lender of such option, or the occurrence of an Event of Default specified in Sections 4(c) or 4(d) above, shall be deemed to constitute due demand for payment thereof and the Lender shall have all rights and remedies available to it at law, in equity or otherwise, whether arising by virtue of this Promissory Note or otherwise.

- (b) Upon an Event of Default, the Lender may, in its absolute discretion exercise such rights and remedies as are provided by the *Personal Property Security Act* (Alberta) with respect to the Collateral or any part thereof that constitutes personalty and all other rights and remedies recognized under applicable laws against the Borrower or in respect of the Collateral or any part thereof for the enforcement of full payment and performance of all the Principal Sum and Interest. If there is any deficiency of payment in respect of such amounts the Borrower shall be and at all times remain liable for the payment thereof to the Lender.

## 6. CONDITIONS PRECEDENT

The Principal Sum shall be available subject to the Borrower having provided the Lender with:

- (a) an executed copy of an unsecured guarantee from the Guarantor, in form and substance satisfactory to the Lender, acting reasonably; and
- (b) evidence of registration of the Security Interest granted by the Borrower in favour of the Lender hereunder at the Alberta personal property registry.

## 7. DEFINED TERMS

In this Promissory Note, the following terms shall have the following meanings:

- (a) "**Default**" means any event or circumstance which, with the giving of notice or lapse of time, or both, would constitute an Event of Default;
- (b) "**Documents**" means this Promissory Note and the Guarantee and all restatements of, amendments, modifications or supplements to, all or any part of the foregoing;
- (c) "**Guarantor**" means Bengal Energy (Australia) Pty Ltd.; and
- (d) "**Indebtedness**" means all present and future obligations and indebtedness of a person, whether direct or indirect, absolute or contingent, including all indebtedness for borrowed money and all

other liabilities which in accordance with generally accepted accounting principles applicable to such person would appear on the liability side of a balance sheet (other than items of capital, retained earnings and surplus or deferred tax reserves).

8. **MISCELLANEOUS**

- (a) Any demand, notice or communication to be made or given hereunder shall be in writing and may be made or given by personal delivery or by email as follows:

To the Borrower:

Suite 640, 630 6th Avenue S.W.  
 Calgary, AB T2P 0S8  
 Attention: [REDACTED - Personal Information]  
 Email: [REDACTED - Personal Information]

To the Lender:

[REDACTED - Personal Information]

or to such other address or email as any party may from time to time notify the other. Any demand, notice or communication made or given by personal delivery shall be conclusively deemed to have been given at the time of and on the day of actual delivery thereof, or, if made or given by email, on the day of transmittal thereof.

- (b) The Borrower and each party liable hereunder hereby waives presentment, notice of dishonour, protest and notice of protest of this Promissory Note.
- (c) This Promissory Note shall be construed in accordance with and governed by the terms of the laws of the Province of Alberta and the federal laws of Canada applicable therein.
- (d) Any provision of this Promissory Note which is or becomes prohibited or unenforceable in any jurisdiction does not invalidate, affect or impair the remaining provisions hereof in such jurisdiction and any such prohibition or unenforceability in any jurisdiction does not invalidate or render unenforceable such provision in any other jurisdiction.
- (e) The Lender acknowledges by its acceptance of this Promissory Note that the Borrower's counsel is acting as counsel to the Borrower and not as counsel to the Lender and the Lender is solely responsible for obtaining such legal, tax and financial advice as it considers necessary or appropriate in connection with the Documents and completion of the transactions contemplated thereby, and the Corporation bears no responsibility for any such matters.

**[signature page follows]**

DATED at Calgary, Alberta on March 3, 2025.

**BENGAL ENERGY LTD.**

Per: (signed) "Jerrad Blanchard"  
Name: Jerrad Blanchard  
Title: Chief Financial Officer