

CDN. \$20,000,000

TERM CREDIT FACILITY

FOURTH AMENDING AGREEMENT

AMONG

**TOUCHSTONE EXPLORATION INC.
(as Borrower)**

AND

**CROWN CAPITAL PARTNER FUNDING, LP
(as Lender)**

Dated as of October 31, 2019

FOURTH AMENDING AGREEMENT

THIS AGREEMENT dated as of October 31, 2019.

AMONG:

TOUCHSTONE EXPLORATION INC., as borrower (the "**Borrower**")

OF THE FIRST PART

- and -

CROWN CAPITAL PARTNER FUNDING, LP, by its general partner,
CROWN CAPITAL LP PARTNER FUNDING INC., as lender (the
"**Lender**")

OF THE SECOND PART

WHEREAS the Borrower and the Lender are parties to the Credit Agreement.

AND WHEREAS the Lender has agreed to advance an additional \$5,000,000 to the Borrower pursuant to the Credit Agreement and the terms hereof.

AND WHEREAS the parties hereto have agreed to amend certain provisions of the Credit Agreement as set out herein.

NOW THEREFORE in consideration of the covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby conclusively acknowledged by each of the parties hereto, the parties hereto covenant and agree as follows:

1. INTERPRETATION

1.1 In this Agreement (including the recitals hereto), unless something in the subject matter or context is inconsistent therewith:

"**Agreement**" means this fourth amending agreement; and

"**Credit Agreement**" means the credit agreement dated November 7, 2016 among the Borrower and the Lender, as amended by a first amending agreement dated as of May 15, 2017, a second amending agreement dated as of June 13, 2018, and a third amending agreement dated as of March 29, 2019.

1.2 Capitalized terms used herein without express definition shall have the same meanings herein as are ascribed thereto in the Credit Agreement.

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

2. AMENDMENT

2.1 The definition of "**Loan**" in Section 1.1 of the Credit Agreement is deleted in its entirety and replaced with the following:

""**Loan**" means, collectively, the Original Loan and the Second Loan;"

2.2 The following definitions shall be added to the Credit Agreement in their correct alphabetical order:

""**Original Loan**" means the advance of \$15,000,000 made by the Lender to the Borrower on the Effective Date subject to the terms and conditions of this Agreement;

""**Second Loan**" means the advance of \$5,000,000 made by the Lender to the Borrower on or around the Second Loan Date subject to the terms and conditions of this Agreement; and

""**Second Loan Date**" means October 31, 2019."

2.3 The definition of "**Capital Lease**" in Section 1.1 of the Credit Agreement is deleted in its entirety and replaced with the following:

""**Capital Lease**" means any lease or charter of property, real or personal, which would, in accordance with GAAP as in effect on December 31, 2018, be required to be classified and accounted for as a capitalized lease on a balance sheet of a lessee, where the lessee is a Borrower or another Loan Party;"

2.4 The definition of "**Capitalized Lease Obligation**" in Section 1.1 of the Credit Agreement is deleted in its entirety and replaced with the following:

""**Capitalized Lease Obligations**" means, at any time, the amount of any obligation which would, in accordance with GAAP as in effect on December 31, 2018, be required to be classified and accounted for as a Capital Lease on the consolidated balance sheet of the Borrower;"

2.5 The definition of "**Funded Debt**" in Section 1.1 of the Credit Agreement is deleted in its entirety and replaced with the following:

""**Funded Debt**" means, without duplication and on a consolidated basis, at any time, in respect of the Borrower, obligations of the Borrower which are considered to constitute indebtedness for borrowed money on which the principal bears interest (including the Loan), Postponed Debt, obligations under corporate guarantees (excluding Guarantees granted in connection with this Agreement), interest-bearing liabilities, Purchase Money Security Interests, capitalized interest, and the redemption price of any securities issued by the Borrower having attributes substantially similar to debt (such as securities which are redeemable at the option of the holder, at a fixed date or at fixed intervals), indemnity or reimbursement obligations to financial institutions which issued letters of credit, obligations under bankers' acceptances, depository bills or depository notes, capital and synthetic lease obligations; *provided* that Funded Debt shall not include operating leases as determined under GAAP as in effect on December 31, 2018;"

2.6 The definition of "**Production Payment Agreement**" in Section 1.1 of the Credit Agreement is deleted in its entirety and replaced with the following:

""**Production Payment Agreement**" means the production payment agreement between the Borrower and the Lender dated on or about the date hereof as may be amended, restated, supplemented or otherwise modified from time to time pursuant to which the Borrower, among other things, agrees to pay to the Lender a production payment equal to (i) 1% of the Loan Parties' gross sales of Petroleum Substances in the Republic of Trinidad and Tobago for the

period commencing on the Effective Date and ending on the date immediately prior to Second Loan Date; and (ii) 1.33% of the Loan Parties' gross sales of Petroleum Substances in the Republic of Trinidad and Tobago for the period commencing on the Second Loan Date and ending on the Maturity Date;"

2.7 All references to the term "Loan" in Section 3.2 of the Credit Agreement shall be deleted in their entirety and replaced with the term "Original Loan".

2.8 Section 3.3 of the Credit Agreement is deleted in its entirety and replaced with the following:

"(a) The Original Loan shall only be used by the Borrower:

- (i) to provide cash collateral in respect of the letter of credit outstanding as at the date of this Agreement and issued by The Bank of Nova Scotia pursuant to the credit agreement dated December 4, 2014 between Primera Oil and Gas Limited and Touchstone Exploration (Trinidad) Ltd., as borrowers, The Bank of Nova Scotia, as administrative agent and collateral agent and the Lenders (as defined therein); and
- (ii) for working capital purposes.

(b) The Second Loan shall only be used by the Borrower:

- (i) in connection with the drilling of a second onshore exploration well in the Ortoire Block in the Republic of Trinidad and Tobago during the fourth quarter of 2019; and
- (ii) for working capital purposes."

2.9 Section 3.4(a) of the Credit Agreement is deleted in its entirety and replaced with the following:

"(a) The principal amount of the Loan shall be repaid on each Quarterly Payment Date in accordance with the following:

- (i) from the Effective Date up to but excluding January 1, 2021: Nil; and
- (ii) commencing January 1, 2021 and on each Quarterly Payment Date thereafter up to and including October 1, 2023: \$1,100,000;"

2.10 The Address for Notice of the Lender on the signature page to the Credit Agreement is deleted in its entirety and replaced with the following:

"Bay Adelaide Centre
333 Bay Street
Suite 2730
Toronto, ON M5H 2R2"

3. REPRESENTATIONS AND WARRANTIES

The Borrower hereby represents and warrants to the Lender as of the date hereof that:

- (a) The second onshore exploration well known as 'Casadura-1' which the Borrower intends to drill during the fourth quarter of 2019 and which will be funded, in whole or in part, by the Second Loan, is located in the Ortoire Block in the Republic of Trinidad and Tobago; and

- (b) Each of the representations and warranties of the Borrower set forth in Article 2.1 of the Credit Agreement is true and accurate in all respects as of the date hereof except those made as of a specified date.

4. EFFECTIVENESS

This Agreement shall become effective upon the later to occur of (a) the execution and delivery of this Agreement, (b) the payment to the Lender by the Borrower of an amendment fee of \$100,000, (c) execution of an amending agreement in respect of the Production Payment Agreement in form and substance satisfactory to each of the Lender and the Borrower (each acting reasonably), (d) delivery to the Lender of an opinion of counsel of the Borrower and a current certificate of an officer of the Borrower, each in form and substance satisfactory to the Lender (acting reasonably), and (e) a resolution of the Board of Directors of the Borrower approving this Agreement and the amending agreement in respect of the Production Payment Agreement (the "**Effective Date**").

5. DRAWDOWN OF THE SECOND LOAN

Following satisfaction or waiver of the conditions set out in Article 4 of this Agreement, and upon written request by the Borrower prior to 11:00 am, Calgary time on the date on which the Second Loan is to be paid to the Borrower (the "**Drawdown Date**"), the Lender shall advance the Second Loan to the Borrower, or to the order of the Borrower, at such account or accounts as the Borrower shall direct in writing to the Lender.

6. CONFIRMATION OF CREDIT AGREEMENT AND OTHER DOCUMENTS

The Credit Agreement and all covenants, terms and provisions thereof, except as expressly amended and supplemented by this Agreement, shall be and continue to be in full force and effect. The Credit Agreement as amended hereby is hereby ratified and confirmed and shall from and after the Effective Date continue in full force and effect as herein amended. Nothing herein contained shall in any way diminish or affect any lien or security created by the Security or by any instrument supplemental or ancillary to or in implement of the Security. All of the Borrower's obligations, and all of the Lender's rights and remedies, shall remain unaltered and in full force, except as specifically modified hereby.

7. MISCELLANEOUS

7.1 This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and federal laws of Canada applicable therein.

7.2 The parties hereto shall from time to time do all such further acts and things and execute and deliver all such documents as are required in order to effect the full intent of and fully perform and carry out the terms of this Agreement.

7.3 This Agreement may be executed in any number of counterparts, including by way of facsimile or PDF, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument.

7.4 This Agreement shall constitute a Loan Document for the purposes of the Credit Agreement.

7.5 If any provision of this Agreement is or becomes illegal, invalid or unenforceable in any jurisdiction, the illegality, invalidity or unenforceability of that provision will not affect, the legality, validity or enforceability of the remaining provisions of this Agreement or the Credit Agreement

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first written above.

TOUCHSTONE EXPLORATION INC.

By: (signed) "Paul R. Baay"
Name: Paul R. Baay
Title: President & CEO

By: (signed) "Scott Budau"
Name: Scott Budau
Title: CFO

**CROWN CAPITAL PARTNER FUNDING, LP, by
its general partner, CROWN CAPITAL LP
PARTNER FUNDING INC.**

By: (signed) "Tim Oldfield"
Name: Tim Oldfield
Title: Chief Investment Officer

By: _____
Name:
Title: