ALVOPETRO ENERGY LTD.
ALVOPETRO S.A. EXTRAÇÃO DE PETRÓLEO E GÁS NATURAL

as Borrowers

and

ALVOPETRO OIL AND GAS INVESTMENTS INC.
ALVOPETRO INVESTIMENTOS E PARTICIPAÇÕES LTDA.
ALVOPETRO PARTICIPAÇÕES EM PETRÓLEO E GÁS LTDA.

as Guarantors

and

CORDIANT EMERGING LOAN FUND IV, a sub-fund of Cordiant Capital Funds, acting through its manager **CORDIANT LUXEMBOURG S.A.**

ALLIANZ EM LOANS S.C.S., acting through its manager **CORDIANT LUXEMBOURG S.A.**

as Lenders

and

CORDIANT LUXEMBOURG S.A.

as Administrative Agent and Collateral Agent

CREDIT AND GUARANTEE AGREEMENT

September 20, 2019

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CREDIT AND GUARANTEE AGREEMENT

Credit and Guarantee Agreement dated September 20, 2019 among Alvopetro Energy Ltd. and Alvopetro S.A. Extração de Petróleo e Gás Natural, as Borrowers, Alvopetro Oil and Gas Investments Inc., Alvopetro Investimentos e Participações Ltda. and Alvopetro Participações em Petróleo e Gás Ltda., as Guarantors, Cordiant Emerging Loan Fund IV, a sub-fund of Cordiant Capital Funds, acting through its manager Cordiant Luxembourg S.A. and Allianz EM Loans S.C.S., acting through its manager Cordiant Luxembourg S.A, as Lenders, and Cordiant Luxembourg S.A., as Administrative Agent and Collateral Agent.

WHEREAS the Borrowers have requested that the Lenders make available to them a term loan facility for the purpose of developing, operating and maintaining the Project (as defined below), and the Lenders have agreed to do so on the terms and conditions set forth herein;

NOW THEREFORE in consideration of the mutual covenants and agreements herein set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE 1
INTERPRETATION

Section 1.1 Defined Terms.

As used in this Agreement, the following terms have the following meanings:

"**57(A1) Well**" means the vertical exploration well drilled by Alvopetro S.A. described as 1-ALV-57-A1-BA with a final depth initially targeted of 1,500 metres located in the municipality of Entre Rios and part of Alvopetro S.A.'s concession contract number 48610.010810/2015-15 (REC-T-57_R13).

"**Adjusted Consolidated EBITDA**" means, for any period, Consolidated EBITDA, adjusted as follows (without duplication):

(a) decreased by an amount equal to all income taxes of the Credit Parties accrued in accordance with GAAP for such period;

(b) increased or decreased, as applicable, by the net change to non-cash operating working capital during such period; and

(c) decreased in an amount equal to Capital Expenditures for such period.

"**Adjusted Consolidated Indebtedness**" means, at any time, Consolidated Indebtedness, decreased by the sum of (without duplication):

(a) any Debt of any Credit Party owed to Enerflex in connection with the Gas Treatment Agreement; and

(b) any unrestricted cash.

"**Additional Material Project Agreement**" shall mean each contract or agreement entered into subsequent to the date hereof by a Credit Party, or by an agent on behalf of a Credit Party, in connection with the Project (i) that replaces or is entered into in substitution of an existing Material Project Agreement or (ii) an early termination of which could reasonably be expected to result in a Material Adverse Effect.

"**Administrative Agent**" means Cordiant Luxembourg S.A. as administrative agent for the Lenders under this Agreement and the other Credit Documents, and any successor administrative agent appointed pursuant to Section 10.9, and their successors and permitted assigns.

"**Advances**" means advances made by a Lender pursuant to Article 3 and "**Advance**" means any one of such advances.

"**Advances Outstanding**" means, in relation to the Borrowers and any Lender at any time, an amount equal to the aggregate principal amount of all outstanding Advances made by the Lender under the Term Facility; and, in relation to the Borrowers and all Lenders at any time, means the sum of the Advances Outstanding under the Term Facility to each Lender.

"**Advisory Warrant Certificate**" means the warrant certificate to be dated as of the Funding Date between the Parent and the Arranger in respect of 3,760,338 warrants exercisable at a price of $0.60 per common share for a period of three (3) years from the Closing Date, issued to the Arranger by the Parent.

"**Affiliate**" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"**Agents**" means, collectively, the Administrative Agent and the Collateral Agent.

"**Agreement**" means this credit and guarantee agreement as amended, modified, extended, renewed, replaced, restated, supplemented or refinanced from time to time; and the expressions "**Article**" and "**Section**" followed by a number mean and refer to the specified Article or Section of this Agreement.

"**Alvopetro S.A.**" means Alvopetro S.A. Extração de Petróleo e Gás Natural, a corporation duly organized and existing under the laws of Brazil.

"**Annual Business Plan**" means, for any Financial Year, (i) quarterly detailed pro forma consolidated balance sheets, statements of earnings and statements of cash flows of the Credit Parties for the Financial Year in form and substance satisfactory to the Administrative Agent, acting reasonably, as approved by the Board of Directors of the Parent, and (ii) a capital expenditure program setting forth Capital Expenditures proposed to be made in the Financial Year.

"**ANP**" means the Brazilian National Agency of Petroleum, Natural Gas and Biofuels (*Agência Nacional do Petróleo, Gás Natural e Biocombustíveis - ANP*).

"**Anti-Terrorism Laws**" means any law, judgment, order, executive order, decree, ordinance, rule or regulation related to terrorism financing, money laundering or Sanctions including Part II.1 of the Criminal Code, R.S.C. 1985, c.C-46, the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*, S.C. 2000, c. 17, and regulations promulgated pursuant to the *Special Economic Measures Act*, S.C. 1992, c. 17, the *United Nations Act*, R.S.C. 1985, c. U-2, the *Justice for Victims of Corrupt Foreign Officials Act*, S.C. 2017, c. 21, the *Federal Law No. 12,846 of August 1, 2013* (Brazilian Anti-Corruption Law) and the *Federal Law No. 9,613 of March 3, 1998* (Brazilian Anti-Money Laundering Law).

"**Applicable Law**" means, (a) any domestic or foreign statute, law (including common and civil law), treaty, code, ordinance, rule, regulation, restriction or by-law (zoning or otherwise); (b) any judgment, order, writ, injunction, determination, decision, ruling, decree or award; (c) any regulatory policy, practice, guideline or directive; or (d) any franchise, licence, qualification, authorization, consent, exemption, waiver, right, permit or other approval of any Governmental Authority, binding on or affecting the Person referred to in the context in which the term is used or binding on or affecting the Assets of such Person.

"**Approved Fund**" means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"**Arranger**" means Cordiant Capital Inc.

"**Arranger's Account**" means such account which shall be specified in writing by the Administrative Agent to the Borrowers from time to time as being the "Arranger's Account" for the purposes of this Agreement.

"**Asset**" means, with respect to any Person, any property (including real property), assets and undertakings of such Person of every kind and wheresoever situate, whether now owned or hereafter acquired (and, for greater certainty, includes any equity or like interest of such Person in any other Person).

"**Assignment and Assumption**" means an assignment and assumption entered into by a Lender and an Eligible Assignee and accepted by the Administrative Agent, in substantially the form of Exhibit 12.6(2)(e) or any other form approved by the Administrative Agent.

"**Authorization**" means, in respect of any transaction or event, any authorization, permit, consent, approval, resolution, licence, exemption, filing, notarisation or registration with any Governmental Authority required in connection with such transaction or event.

"**Availability Period**" means the period commencing on the Funding Date and ending on the earliest to occur of (i) the date falling on the first anniversary of the Funding Date; (ii) the date on which the Commitment of each Lender has been fully utilized; and (iii) the date on which the Commitment of each Lender has been terminated or otherwise reduced to zero in accordance with the terms of this Agreement.

"**Base Case Forecast**" means the projections dated as of the Closing Date relating to the development and operation of the Project for the period commencing on the date of such Base Case Forecast and continuing through the Maturity Date, in form and substance reasonably acceptable to the Administrative Agent, acting on behalf of the Lenders, which projections shall be certified by an officer of the Parent to the effect that (a) such projections were made in good faith and (b) the assumptions on the basis of which such projections were made were (when made) believed to be reasonable and consistent with the Project Budget and Schedule.

"**Board of Directors**" means, with respect to any Person, (i) in the case of any corporation, the board of directors of such Person, (ii) in the case of any limited liability company, the board of managers of such Person, (iii) in the case of any partnership, the board of directors of the general partner of such Person and (iv) in any other case, the functional equivalent of the foregoing.

"**Borrowers**" means, at any time, collectively, the Parent and Alvopetro S.A., and their respective successors and permitted assigns.

"**Borrowing**" means a borrowing consisting of one or more Advances.

"**Borrowing Notice**" has the meaning specified in Section 3.2(1).

"**Brazilian Guarantors**" means Alvopetro Investimentos e Participações Ltda. and Alvopetro Participações em Petróleo e Gás Ltda. or any Subsidiary incorporated under the laws of Brazil that becomes a Guarantor pursuant to the terms hereunder.

"**Brazilian Reais**" means lawful money of Brazil.

"**Buildings and Fixtures**" means all plant, buildings, structures, erections, improvements, appurtenances and fixtures (including fixed machinery and fixed equipment) situate on any of the Subject Properties.

"**Business**" means the exploration, acquisition, development, production, transportation and processing of natural gas and petroleum resources and related products**.**

"**Business Day**" means any day of the year, other than a Saturday, Sunday or any day on which banks are closed for business in São Paulo, Brazil, Luxembourg City, Luxembourg, Calgary, Alberta or Montreal, Quebec.

"**Caburé Fields**" means the interests and rights of Alvopetro S.A. in concession contract number 48610.001425/2008-40 (REC-T-197) and 48610.000057/2014-61 (REC-T-198), and also including Alvopetro S.A.'s rights and interests specified in the UOA with respect to concession contracts held by Imetame Energia Ltda., all interest and rights of Alvopetro S.A. of which are governed by the terms of the UOA.

"**Caburé Pipeline**" means the transfer pipeline to be built from the Caburé Fields to the UPGN.

"**Capital Expenditures**" means all expenditures made by a Person required to be capitalized in accordance with GAAP.

"Capital Lease" means a lease that would, in accordance with GAAP in force on December 31, 2018, be treated as a finance lease (notwithstanding any subsequent change to GAAP).

"**Cash Equivalents**" means any of the following: (i) securities issued, guaranteed or insured by the government of Canada or any province thereof, the United States of America or any state thereof, or Brazil or any state thereof, maturing not more than one year from the date of acquisition thereof, and (ii) term deposits, certificates of deposit or overnight bank deposits having maturities of not more than six months from the date of acquisition issued by a Lender or any commercial bank organized under the laws of Canada or the United States or any state thereof having combined capital and surplus of not less than $500,000,000 (or the Equivalent Amount in any other currency).

"**Cash Proceeds of Realization**" means the aggregate of (i) all Proceeds of Realization in the form of cash and (ii) all cash proceeds of the sale or disposition of non-cash Proceeds of Realization, in each case expressed in U.S. Dollars.

"**Change in Law**" means the occurrence, after the Closing Date, of any of the following: (a) the adoption, making, issuance or taking effect of any Applicable Law, (b) any change in any Applicable Law or in the administration, interpretation, implementation or application thereof by any Governmental Authority, or (c) compliance by any Lender (or, for the purposes of Section 8.1(2), by any lending office of such Lender or by such Lender's holding company, if any) with any request, rule, regulation, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the Closing Date, provided that notwithstanding anything herein to the contrary (i) the *Dodd-Frank Wall Street Reform and Consumer Protection Act* and all requests, rules, regulations, guidelines or directives thereunder or issued in connection therewith or in implementation thereof, and (ii) all requests, rules, regulations, guidelines and directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the Canadian, United States or foreign regulatory authorities, in each case, pursuant to Basel III, shall in each case be deemed to be a "**Change in Law**", regardless of the date enacted, adopted, issued or implemented.

"**Change of Control**" means the occurrence of any of the following events: (i) any Person (or any successor to it continuing from any amalgamation, merger or other reorganization) or group of Persons becoming the owner, directly or indirectly, beneficially or of record, of Equity Securities representing more than 35% of the aggregate ordinary voting power represented by the outstanding share capital of the Parent, (ii) any sale, lease, exchange or other transfer (in one transaction or series of related transactions) of all or substantially all of the Parent's property and assets, or (iii) the Parent's shareholders approve any plan or proposal for the liquidation or dissolution of the Parent.

"**Closing Date**" means the date on which all of the conditions precedent set forth in Section 4.1 have been satisfied.

"**Collateral**" means any and all Assets in respect of which the Collateral Agent or any Secured Creditor has or will have or is intended to have a Lien pursuant to a Security Document.

"**Collateral Agent**" means Cordiant Luxembourg S.A., in its capacity as collateral agent for the Secured Creditors, and any successor collateral agent appointed pursuant to Section 10.9, and their successors and permitted assigns.

"**Commitment**" means, at any time, in respect of a Lender, the maximum amount of Advances which such Lender has covenanted to make under the Term Facility, as set forth in Schedule A (which shall be amended and distributed to all parties by the Administrative Agent from time to time as other Persons become Lenders or to reflect any increase or reduction in Commitments in accordance with the terms hereof), and which for greater certainty shall in each case be reduced by such Lender's rateable share of the amount of any permanent repayments or reductions required or made hereunder.

"**Compliance Certificate**" means a certificate of the Parent substantially in the form of Exhibit 6.1(a)(iv), signed on its behalf by their respective chief financial officer or any other officers acceptable to the Administrative Agent.

"**Consolidated Debt Service**" means, for any period, the aggregate of (i) all Consolidated Interest Charges, and (ii) all regularly scheduled principal, Capital Lease or other payments on account of Consolidated Indebtedness, in each case for such period.

"**Consolidated Depreciation Expense**" means, for any period, depreciation, amortization and other non-cash expenses of the Parent which reduces Consolidated Net Income for such period, determined on a consolidated basis in accordance with GAAP.

"**Consolidated EBITDA**" means, for any period, Consolidated Net Income,

(a) increased, to the extent deducted in calculating Consolidated Net Income, by the sum of (without duplication):

(i) Consolidated Interest Charges;

(ii) all Taxes of the Parent (on a consolidated basis) accrued in accordance with GAAP for such period;

(iii) Consolidated Depreciation Expense;

(iv) items classified as extraordinary, unusual or non-recurring losses;

(v) any other non-cash items reducing Consolidated Net Income (excluding any such non-cash charge to the extent that it represents an accrual or reserve for a potential cash charge in any future period or amortization of a prepaid cash charge that was paid in a prior period);

(b) decreased, to the extent included in calculating Consolidated Net Income, by (without duplication):

(i) items classified as extraordinary, unusual or non-recurring gains; and

(ii) any other non-cash items increasing Consolidated Net Income for such period (excluding any such non-cash item to the extent it represents the reversal of an accrual or reserve for potential cash item in any prior period).

"**Consolidated Indebtedness**" means at any time the aggregate stated balance sheet amount of all Debt of the Parent determined on a consolidated basis plus, to the extent not included in Debt, any indebtedness of the Parent on a consolidated basis in respect of receivables sold or discounted (other than to the extent they are sold on a non-recourse basis).

"**Consolidated Interest Charges**" means, for any period, for the Parent on a consolidated basis, the sum of (without duplication of amounts added) (i) the aggregate amount of interest expenses (including imputed interest with respect to Capital Lease obligations) accrued during such period on a consolidated basis in accordance with GAAP, (ii) all capitalized interest during such period, (iii) the net amount payable (or less the net amount receivable) under any interest rate swap, cap or collar arrangements or similar arrangements during such period, and (iv) the aggregate of all purchase discounts relating to the sale of accounts receivable in connection with any asset securitization program.

"**Consolidated Net Income**" means, subject to Section 1.8 for any period, the net income (loss) of the Parent determined on a consolidated basis in accordance with GAAP; provided however, that there shall be excluded therefrom (i) the net income (but not loss) of any Subsidiary to the extent that the declaration of distributions by that Subsidiary of that income is restricted by a contract, operation of law or otherwise, and (ii) the net income (or loss) of any Person (other than a Subsidiary) in which any Credit Party has an ownership interest, except to the extent that any such income is actually received by such Credit Party in the form of dividends or similar distributions.

"**Control**" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "**Controlling**" and "**Controlled**" have corresponding meanings.

"**Credit Documents**" means this Agreement, the Notes, the Security Documents, the Fee Letters, the Facility Warrant Certificate, the Advisory Warrant Certificate and all other documents to be executed and delivered to the Administrative Agent, the Collateral Agent and the Lenders, or any of them, by the Credit Parties, or any of them, from time to time in connection with this Agreement or any other Credit Document.

"**Credit Obligations**" means all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or unmatured, at any time or from time to time due or accruing due and owing by or otherwise payable by the Credit Parties, or any of them, to the Administrative Agent, the Collateral Agent and the Lenders, or any of them, under, in connection with or pursuant to the Credit Documents, including all Advances Outstanding, all accrued interest and Fees and all other amounts payable under this Agreement.

"**Credit Parties**" means, collectively, the Borrowers and the Subsidiaries.

"**Debt**" of any Person means (without duplication):

(a) all indebtedness of such Person for borrowed money, including borrowings of commodities, prepaid forward sales of commodities, bankers' acceptances, letters of credit or letters of guarantee;

(b) all indebtedness of such Person for the deferred purchase price of Assets or services, other than for Assets and services purchased in the ordinary course of business and paid for in accordance with customary practice and not represented by a note, bond, debenture or other evidence of Debt;

(c) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to Assets acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such Assets);

(d) all obligations of such Person represented by a note, bond, debenture or other evidence of Debt;

(e) all obligations under Capital Leases and all obligations under synthetic leases, in each case, in respect of which such Person is liable as lessee;

(f) all obligations with respect to any Equity Securities in the capital of the Person which, by their terms (or by the terms of any security into which they are convertible or for which they are exchangeable), or upon the happening of any event (i) mature or are mandatorily redeemable pursuant to a sinking fund obligation or otherwise, (ii) are redeemable for cash or debt at the sole option of the holder, or (iii) provide for scheduled payments of dividends in cash, in each case, on or prior to the Maturity Date;

(g) the net amount of all obligations of such Person (determined on a mark-to-market basis) under Derivatives Agreements; and

(h) all Debt of another entity of a type described in clauses (a) through (g) which is directly or indirectly guaranteed by such Person, which is secured by a Lien on any Assets of such Person, which such Person has agreed (contingently or otherwise) to purchase or otherwise acquire, or in respect of which such Person has otherwise assured a creditor or other entity against loss.

The Debt of any Person shall include the Debt of any other entity (including a partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or relationship with such entity, except (other than in the case of general partner liability) to the extent that the terms of such Debt expressly provide that such Person is not liable therefor.

"**Default**" means an event which, with the giving of notice or passage of time, or both, would constitute an Event of Default.

"**Defaulting Lender**" means any Lender, as determined by the Administrative Agent, that:

(a) has failed to (i) fund all or any portion of its Advances within two Business Days of the date such Advances were required to be funded hereunder unless such Lender notifies the Administrative Agent and the Borrowers in writing that such failure is the result of such Lender's determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in writing) has not been satisfied, or (ii) pay to the Administrative Agent or any Lender any other amount required to be paid by it hereunder within two Business Days of the date when due;

(b) has notified any Borrower, the Administrative Agent or any Lender in writing that it does not intend to comply with its funding obligations under this Agreement or has made a public statement to the effect that it does not intend to comply with its funding obligations under this Agreement (unless such writing or public statement relates to such Lender's obligation to fund an Advance hereunder and states that such position is based on such Lender's determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied);

(c) has failed, within three Business Days after written request by the Administrative Agent or any Borrower, to confirm in writing to the Administrative Agent and the Borrowers that it will comply with its prospective funding obligations hereunder;

(d) has failed to fulfill its obligations (whether as agent, lender or letter of credit issuer) under one or more other lending commitments; or

(e) has or has a direct or indirect parent that has (i) become or is insolvent, (ii) become the subject of a proceeding under Applicable Law relating to bankruptcy, insolvency, reorganization or relief of debtors and, in the case of a proceeding instituted against it (but not instituted by it) such proceeding is not dismissed or stayed within 30 days after the commencement thereof, or (iii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets.

Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (e) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender upon delivery of written notice of such determination to each Borrower and each Lender.

"Derivatives Agreement" means any agreement relating to a transaction of a type commonly considered to be a derivatives or hedging transaction or any combination of such transactions, in each case, whether relating to one or more of currencies, interest, commodities, securities or other matters, including (i) any option, collar, floor or cap, (ii) any forward contract, and (iii) any rate swap, basis swap, commodity swap, cross-currency swap or other swap or contract for differences.

"**Disposition**" means, with respect to any Asset of any Person, any direct or indirect sale, lease (where such Person is the lessor), assignment, cession, transfer, exchange, conveyance, release or gift of such Asset, including by means of a sale and leaseback transaction, or any reorganization, consolidation, amalgamation or merger of such Person pursuant to which such Asset becomes the property of any other Person; and "**Dispose**" and "**Disposed**" have meanings correlative thereto.

"**EDC Indemnity**" means the bonding products declaration and indemnity agreement dated March 17, 2014 granted by the Borrower to Export Development Canada, as amended or supplemented from time to time.

"**Eligible Assignee**" means any Person (other than a natural person, any Credit Party or any Affiliate of a Credit Party, any Defaulting Lender or any subsidiary of a Defaulting Lender, any Person who, upon becoming a Lender, would constitute a Defaulting Lender, or any direct competitor of the Borrowers), in respect of which any consent that is required by Section 12.6(2) has been obtained, provided that, so long as no Event of Default has occurred and is continuing at the time of the assignment to such Person, such assignment to such Person would not give rise to a request for compensation pursuant to Section 8.1 or Section 8.2 as of the date of such assignment.

"**Enerflex**" means Enerflex Energia Ltda., a corporation organized and existing under the laws of Brazil and all other subsidiaries and partnership interests of Enerflex Ltd., a corporation existing under the laws of Canada.

"**Environmental Laws**" means all Applicable Laws and agreements with a Governmental Authority relating to public health, the protection of the environment, the release of hazardous materials and occupational health and safety.

"**Environmental Liabilities**" means all liabilities imposed by, under or pursuant to Environmental Laws or which relate to the existence of contaminants on, under or about the Subject Properties.

"**Equity Securities**" means, with respect to any Person, any and all shares, interests, participations, rights in, or other equivalents (however designated and whether voting or non-voting) of, such Person's capital, including any interest in a partnership, limited partnership or other similar Person and any beneficial interest in a trust, and any and all rights, warrants, options or other rights exchangeable for or convertible into any of the foregoing.

"**Equivalent Amount**" means, on any day with respect to any two currencies, the amount obtained in one such currency (the "**first currency**") when an amount in the other currency is converted into the first currency using the Administrative Agent's spot rate for the conversion of the applicable amount of the other currency into the first currency in effect as of 12:00 noon (Calgary time) on such Business Day (or the immediately preceding Business Day if such day is not a Business Day) or, in the absence of such a spot rate on such day, using such other rate as the Administrative Agent may reasonably select.

"**Event of Abandonment**" shall mean a formal, public announcement by any Credit Party of a decision to abandon or indefinitely defer, or the abandonment of, the construction, completion or operation of any portion of the Project for any reason if any such action could reasonably be expected to result in a Material Adverse Effect.

"**Event of Default**" has the meaning specified in Section 9.1.

"**Event of Taking**" shall mean any taking, seizure, confiscation, requisition, exercise of rights of eminent domain, public improvement, appropriation, inverse condemnation, condemnation or similar action or threat of any such action of or proceeding by any Governmental Authority or other Person relating to all or any part of the Project if any such action could reasonably be expected to result in a Material Adverse Effect.

"**Excluded Taxes**" means in the case of the Lender or any other recipient of any payment to be made by or on account of any obligation of a Borrower hereunder (i) Taxes imposed on or measured by its net income (however denominated), net worth, net profits, capital and franchise taxes imposed on it in lieu of net income taxes and branch profits taxes, in each case, (A) by the jurisdiction under the laws of which the Lender (as the case may be) is organized or has its principal office or applicable lending office or any political subdivision thereof or (B) that are Other Taxes; (ii) withholding Taxes attributable to the failure to comply with Section 8.2; and (iii) any Canadian withholding Tax imposed on a payment by or on account of any obligation of the Borrower hereunder as a result of: (A) the recipient and the Borrower being non-arm's length (within the meaning of the *Income Tax Act* (Canada)) or (B) the recipient being a "specified non-resident shareholder" of the Borrower or being non-arm's length with a "specified shareholder" of the Borrower (in each case within the meaning of the *Income Tax Act* (Canada)), other than, in each case, where the non-arm's length relationship arises in connection with or as a result of the Lender or such recipient having executed, delivered, become a party to, performed its obligations under, received payments under, or received or enforced any rights under any Credit Document.

"**Facility Warrant Certificate**" means the warrant certificate to be dated as of the Funding Date between the Parent and the Arranger in respect of 4,297,530 warrants exercisable at a price of $0.60 per common share for a period of three (3) years from the Closing Date, issued to the Arranger for the benefit of the Lenders by the Parent.

"Fee Letters" means, collectively, (i) the fee letter dated September 20, 2019 between the Administrative Agent, the Lenders and the Borrowers and (ii) the fee letter dated September 20, 2019 between the Arranger and the Borrowers.

"**Fees"** means the fees payable by any Borrower under this Agreement and the Fee Letters.

"**Financial Quarter**" means a period of three consecutive months in each Financial Year ending on March 31, June 30, September 30 and December 31 of such year.

"**Financial Year**" means, in relation to the Borrower, its financial year commencing on January 1 of each calendar year and ending on December 31 of such year.

"**Foreign Lender**" means any Lender that is not organized under the laws of the jurisdiction in which a Borrower is resident for tax purposes by application of the laws of that jurisdiction and that is not otherwise considered or deemed in respect of any amount payable to it hereunder or under any Credit Document to be resident for income tax or withholding tax purposes in the jurisdiction in which such Borrower is resident for tax purposes by application of the laws of that jurisdiction. For the purposes of this definition, Canada and each Province and Territory thereof shall be deemed to constitute a single jurisdiction and the United States of America, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

"**Fund**" means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business.

"**Funding Date**" means the date following the Closing Date on which all of the conditions precedent set forth in Section 4.3 are satisfied.

"**GAAP**" means accounting principles generally accepted in Canada as set out in the *CPA Canada Handbook - Accounting* at the relevant time applied on a consistent basis (except for changes made with the prior written consent of the Administrative Agent and approved by the Parent's independent auditors in accordance with promulgations of the Chartered Professional Accountants Canada), which as of the date hereof is IFRS.

"**Gas Treatment Agreement**" means the agreement entered into between Enerflex, Alvopetro S.A. and the Parent effective September 20, 2018.

"**Gomo Fields**" means the interests of Alvopetro S.A. in concession contract number 8610.001295/2008-45 (REC-T-183) and 48610.001425/2008-40 (REC-T-197), along with all existing and future wells and facilities, other than any portion of such concession contracts included as part of the Caburé Fields.

"**Goods**" means tangible personal property but excluding chattel paper, documents of title, instruments, money and investment property (as these terms are defined in the *Personal Property Security Act* (Alberta) from time to time).

"**Governmental Authority**" means the government of Canada, Brazil or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, including any supranational bodies such as the European Union or the European Central Bank and including a Minister of the Crown, Superintendent of Financial Institutions or other comparable authority or agency, any securities exchange and any self-regulatory organization.

"**Guarantee**" of or by any Person (in this definition, the "**guarantor**") means (a) any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Debt or other obligation of any other Person (in this definition, the "**primary credit party**") in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof (whether in the form of a loan, advance, stock purchase, capital contribution or otherwise), (ii) to purchase or lease property, securities or services for the purpose of assuring the holder of such Debt or other obligation of the payment thereof, (iii) to maintain working capital, equity capital solvency, or any other balance sheet, income statement or other financial statement condition or liquidity of the primary credit party so as to enable the primary credit party to pay such Debt or other obligation, (iv) as an account party in respect of any letter of credit or letter of guarantee issued to support such Debt or other obligation, or (v) entered into for the purpose of assuring in any other manner the holder of such Debt or other obligation of the payment or performance thereof or to protect such holder against loss in respect thereof (in whole or in part), or (b) any Lien on any Assets of the guarantor securing any Debt or other obligation of the primary credit party, whether or not such Debt or other obligation is assumed by the guarantor (or any right, contingent or otherwise, of any holder of such Debt or other obligation to obtain any such Lien); provided, however, if such Debt or other obligation has not been assumed, the amount of such Guarantee shall be the lesser of the amount of the Debt or other obligation so secured and the value of the Assets to which a Lien has attached. The term "Guarantee" shall not include endorsements of instruments for deposit or collection in the ordinary course of business.

"**Guarantors**" means, at any time, collectively, Alvopetro Oil and Gas Investments Inc., a corporation incorporated under the laws of Alberta, the Brazilian Guarantors, any Person who may become a Guarantor under this Agreement in accordance with Section 11.20 and their respective successors and permitted assigns.

"**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.

"Imetame" means Imetame Energia Ltda. and all Affiliates thereof from time to time.

"Impermissible Qualification" means, relative to the financial statements or notes thereto of the Parent or the opinion or report of any independent auditors as to such financial statements or notes thereto, any qualification or exception to such financial statements, notes, opinion or report, as the case may be, which is of a "going concern" or similar nature or which relates to any limited scope of examination of matters relevant to such financial statements, if such limitation results from the refusal or failure of the Parent to grant access to necessary information or to cause such access to be granted, provided that, until the Production Start Date, any qualification of a "going concern" nature regarding the ability of the Parent to continue depending on management's ability to identify additional sources of capital and to raise sufficient resources to fund the Caburé and Gomo development shall not be considered an Impermissible Qualification.

"**Indemnified Taxes**" means Taxes other than Excluded Taxes.

"**Indemnitee**" has the meaning specified in Section 12.5(2).

"**Information**" has the meaning specified in Section 12.14(2).

"**Inventory**" means all inventory now owned or hereafter acquired by a Credit Party, including (i) finished Goods, raw materials, new and unused production, packing and shipping supplies, (ii) work in progress, (iii) all new and unused maintenance items, and (iv) all other materials and supplies on hand to be used or consumed or which might be used or consumed in the manufacture, packing, shipping, advertising, selling, or furnishing of Goods.

"**Investment**" in any Person means any direct or indirect investment in such Person including (i) any advances, loans or other extensions of credit, Guarantees, indemnities, capital contributions, assumption of debt, or other contingent liabilities in the nature of a Guarantee or indemnity or capital contributions to or in respect of such Person, (ii) any purchase of any Equity Securities, bonds, notes, debentures or other securities of such Person or (iii) the acquisition of all or substantially all the Assets of such Person or of a business carried on by, or a division of, such Person.

"Leased Properties" means, collectively, the real properties forming the subject matter of the Leases.

"**Leases**" means the leases, subleases, rights to occupy and licences of real property or Buildings and Fixtures to which any Credit Party is a party (i) at the Closing Date, and (ii) after the Closing Date, but shall exclude (iii) leases, rights and licences terminated in accordance with their terms (and not as the result of a default) or assigned or otherwise disposed of after the Closing Date as permitted by this Agreement.

"**Lenders**" mean, collectively, the lenders set forth on the signature pages of this Agreement, any Person who may become a Lender under this Agreement in accordance with Section 12.6, and, in the singular, any one of them.

"**Lenders' ESG Policy**" means the Responsible Investment Policy of the Arranger provided by the Lender to the Parent from time to time.

"**Lender's Account**" means, with respect to each Lender, such account which shall be specified in writing by such Lender to the Borrowers from time to time as being its "Lender's Account" for the purposes of this Agreement.

"**Leverage Ratio**" means, at any time, the ratio of Adjusted Consolidated Indebtedness to Consolidated EBITDA for the most recently completed four Financial Quarters.

"**Lien**" means any mortgage, deed of trust, trust or deemed trust, lien (statutory, fiduciary or otherwise), pledge, assignment, hypothecation, encumbrance, charge, security interest, deposit arrangement, royalty interest, claim, right of detention or seizure, right of distraint, easement, or right of set off (other than a right of set off arising in the ordinary course), including the interest of a vendor or a lessor under any conditional sale agreement, Capital Lease, title retention agreement or consignment agreement (or any financing lease having substantially the same economic effect as any of the foregoing), and any other agreement, trust or arrangement that in substance secures payment or performance of an obligation.

"**Majority Lenders**" means, at any time, Lenders who, taken together, hold at least **6**6-2/3% of the aggregate Commitments (or the Advances Outstanding if the Commitments have been terminated or expired) at that time. Subject to Section 10.16(a), the Advances Outstanding or Commitments of any Defaulting Lender shall be disregarded in determining Majority Lenders at any time.

"**Material Adverse Effect**" means (i) a material adverse effect on the business, operations, results of operations, prospects, Assets, liabilities or financial condition of the Credit Parties taken as a whole, (ii) a material adverse effect on the ability of any of the Credit Parties to perform its material obligations under any Credit Document to which it is a party, or (iii) a material adverse effect on the rights and remedies of the Lenders, the Collateral Agent or the Administrative Agent (or any of them) under any Credit Document.

"**Material Agreements**" means the Material Project Agreements, the agreements listed in Schedule 5.1(v) and any agreement, contract or similar instrument to which any Credit Party is a party or to which any of their Assets may be subject for which breach, non-performance, cancellation, termination or failure to renew could reasonably be expected to result in a Material Adverse Effect.

"**Material Permits**" means all certificates, authorizations and permits issued by any federal, state, local or foreign regulatory Governmental Authority necessary for each of the Borrowers to conduct its business as currently conducted and to carry out the Project including, but not limited to, the concession granted by ANP by means of which it was granted to

Alvopetro S.A. the right to engage in activities related to the exploration, appraisal, development and production of natural oil and natural gas in the Project, as listed on Schedule 5.1(f).

"**Material Project Agreements**" means the agreements identified as such on Schedule 5.1(v) and, after the execution and delivery of this Agreement, each Additional Material Project Agreement and any replacement of any thereof, other than any Material Project Agreement which ceases to be designated as such with the prior written consent of the Administrative Agent.

"**Material Project Party**" means, at any particular time, each Person (other than the Credit Parties) party to a Material Project Agreement at such time**.**

"**Maturity Date**" means the third anniversary of the Funding Date.

"**Net Proceeds"** means any one or more of the following:

(a) with respect to any Disposition of Assets by any Credit Party, the net amount equal to the aggregate amount received in cash (including any cash received by way of deferred payment pursuant to a note receivable, other non-cash consideration or otherwise, and the release of any amount from an indemnity reserve, escrow or similar fund, but in each case only as and when such cash is so received) in connection with such Disposition, less the sum of (x) reasonable fees (including, without limitation, reasonable accounting, advisory and legal fees), commissions and other out-of-pocket expenses incurred or paid for by the applicable Credit Party in connection with such Disposition (as evidenced by supporting documentation provided to the Administrative Agent upon request therefore by the Administrative Agent), (y) taxes incurred in connection with such Disposition, whenever payable, and (z) the principal amount of any Debt (other than Debt under the Credit Documents) that is secured by such Asset and that is required to be repaid in connection with such Disposition; and

(b) with respect to the receipt of proceeds by any Credit Party under any insurance policy, the net amount equal to the aggregate amount received in cash in connection with such receipt of insurance proceeds less taxes incurred attributable to such proceeds, whenever payable.

"**Non-PIK Interest**" means the interest payable to each Lender pursuant to Section 3.3(1).

"**Notes**" means the promissory notes to be issued substantially in the form of Schedule hereto, each in favor of a Lender, governed by and construed in accordance with the laws of Brazil, duly executed by Alvopetro S.A. and guaranteed per *aval* by the Brazilian Guarantors, and for an amount equal to one hundred and thirty percent (130%) of the Commitment of each Lender.

"**Observer**" means a natural Person that is employed by or is a principal of the Arranger who is appointed from time to time by the Arranger as board observer pursuant to Section 7.2.

"**Offtake Agreement**" means the gas sales agreement dated April 30, 2018 between Companhia de Gás da Bahia – Bahiagás and Alvopetro S.A.

"**Original Currency**" has the meaning specified in Section 12.7(1).

"**Other Currency**" has the meaning specified in Section 12.7(1).

"**Other Taxes**" means all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or under any other Credit Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Credit Document, in each case, including any interest, additions to tax or penalties applicable thereto.

"**Owned Properties**" means, collectively, (i) the land and premises owned by any Credit Party on the Closing Date, including the Buildings and Fixtures thereon, and (ii) after the Closing Date, the lands and premises notified to the Administrative Agent pursuant to each Compliance Certificate including the Buildings and Fixtures thereon, but shall exclude lands and premises Disposed of as permitted in this Agreement as and from the date of such Disposition.

"**Parent**" means Alvopetro Energy Ltd., a corporation incorporated under the laws of Alberta.

"**Participant**" has the meaning specified in Section 12.6(4).

"**Pension Plan**" means a plan or arrangement maintained, sponsored or funded by any Credit Party or in respect of which any Credit Party has any liability, contingent or otherwise, in each case, that is or is intended to be a "registered pension plan" as such term is defined in the *Income Tax Act* (Canada).

"Permitted Disposition" means a Disposition of Assets permitted pursuant to Section 6.2(d).

"**Permitted Liens**" means, in respect of any Person, any one or more of the following:

(a) Liens for Taxes which are not due or delinquent or the validity of which is being contested at the time by the Person in good faith by proper legal proceedings if adequate provision has been made for their payment and such Liens are not executed on or enforced against any of the Assets of any such Person;

(b) Inchoate or statutory Liens of contractors, subcontractors, mechanics, workers, suppliers, materialmen, carriers and others in respect of construction, maintenance, repair or operation of Assets of the Person, in each case, (i) that are related to obligations not due or delinquent, (ii) that are not registered against title to any assets of the Person, (iii) either (A) in respect of which adequate holdbacks are being maintained as required by Applicable Law or (B) that are being contested in good faith by appropriate proceedings and in respect of which there has been set aside a reserve (segregated to the extent required by GAAP) in an adequate amount and (iv) that do not materially reduce the value of the Assets of the Person or materially interfere with the use of such Assets in the operation of the business of the Person;

(c) Easements, rights-of-way, servitudes, restrictions and similar rights in real property provided that such easements, rights-of-way, servitudes, restrictions and similar rights do not materially reduce the value of the affected Assets of the Person or materially interfere with the use of such Assets in the operation of the business of the Person;

(d) Title defects or irregularities which are of a minor nature and which do not materially reduce the value of the Assets of the Person or materially interfere with the use of such Assets in the operation of the business of the Person;

(e) Liens resulting from the deposit of cash or securities up to an aggregate amount, at any time, of $500,000 in connection with bids or tenders in the ordinary course of business, abandonment, exploration or minimum work obligations in the ordinary course of business, or to secure obligations in the ordinary course of business pursuant to workers' compensation, employment insurance or similar legislation;

(f) Liens securing appeal bonds and other similar Liens arising in connection with court proceedings (including, without limitation, surety bonds, security for costs of litigation where required by Applicable Law and letters of credit) or any other instruments serving a similar purpose;

(g) Attachments, judgments and other similar Liens arising in connection with court proceedings; provided, however, that the Liens are in existence for less than 10 days after their creation or the execution or other enforcement of the Liens is effectively stayed or the claims so secured are being actively contested in good faith and by proper legal proceedings;

(h) The reservations, limitations, provisos and conditions, if any, expressed in any original grant from the Crown of any real property or any interest therein or in any comparable grant in jurisdictions other than Canada (including, for certainty, Brazil), provided they do not materially reduce the value of the Assets of the Person or materially interfere with the use of such Assets in the operation of the business of the Person;

(i) Liens given to a public utility or any municipality or governmental or other public authority when required by such utility or other authority in connection with the operation of the business or the ownership of the Assets of the Person, provided that such Liens do not materially reduce the value of the Assets of the Person or materially interfere with the use of such Assets in the operation of the business of the Person;

(j) Servicing agreements, development agreements, site plan agreements, subdivision agreements and other agreements with Governmental Authorities pertaining to the use or development of any of the Assets of the Person, provided same are complied with and do not materially reduce the value of the Assets of the Person or materially interfere with the use of such Assets in the operation of the business of the Person including, without limitation, any obligations to deliver letters of credit and other security as required;

(k) Applicable municipal and other governmental restrictions, including municipal by-laws and regulations, affecting the use of land or the nature of any structures which may be erected thereon, provided such restrictions have been complied with and do not materially reduce the value of the Assets of the Person or materially interfere with the use of such Assets in the operation of the business of the Person;

(l) The right reserved to or vested in any Governmental Authority by any statutory provision or by the terms of any lease, licence, franchise, grant or permit of the Person, to terminate any such lease, licence, franchise, grant or permit, or to require annual or other payments as a condition to the continuance thereof;

(m) Liens in favour of the Collateral Agent and the other Secured Creditors (or any of them) created by the Security Documents;

(n) Purchase Money Mortgages securing Debt permitted to be incurred pursuant to Section 6.2(a)(ii);

(o) Liens incurred or created in the ordinary course of business and in accordance with sound industry practice in respect of the exploration, development or joint operation of oil and gas properties or related production or processing facilities or the transmission of natural gas, petroleum and related products as security in favour of any other Person conducting the exploration, development or operation of the property to which such Liens relate for any Person's portion of the costs and expenses of such exploration, development, operation or transmission, provided such costs or expenses are not due or delinquent or if due or delinquent, any such Lien which a Credit Party is contesting in good faith and by appropriate proceedings;

(p) To the extent a Lien is created thereby, a sale or disposition of oil and gas properties or encumbrance granted resulting from any pooling or unitization agreement entered into in the ordinary course of business when it is necessary to do so in order to facilitate the orderly exploration, development or operation of such properties, provided that, the resulting pooled or unitized interest is proportional (either on an acreage or reserve basis) to the interest contributed by it and is not materially less than the applicable Person's direct or indirect interest in such oil and gas properties prior to such pooling or unitization and its obligations in respect thereof are not greater than its proportional share based on the interest acquired by it;

(q) To the extent a Lien is created thereby, farmout interests or overriding royalty interests, net profit interests, reversionary interests and carried interests in respect of any Person to the extent entered into with or granted to arm's length third parties in the ordinary course of business and in accordance with sound industry practice;

(r) Any Lien or trust arising in connection with worker's compensation, employment insurance, pension and employment law;

(s) Any Lien related to cash collateral posted pursuant to the RBC LC Agreement, provided the Borrower has received the prior written consent of the Lenders; and

(t) Any Lien in favour of Export Development Canada securing obligations under the EDC Indemnity up to an aggregate amount of $5,000,000, provided that such Lien is subordinated in writing to the Liens in favour of the Collateral Agent and the other Secured Creditors (or any of them) created by the Security Documents, in form and substance reasonably satisfactory to the Collateral Agent.

"**Person**" means an individual, sole proprietorship, corporation, limited liability company, trust, joint venture, association, company, partnership, institution, public benefit corporation, investment or other fund, Governmental Authority or other entity, and pronouns have a similarly extended meaning.

"**PIK Interest**" means the interest payable to each Lender pursuant to Section 3.3(3).

"**Proceeds of Realization**" means all cash and non-cash proceeds derived from any sale, disposition or other realization of the Collateral (i) after any notice by the Administrative Agent to each Borrower pursuant to Section 9.1 declaring all indebtedness of such Borrower hereunder to be immediately due and payable, (ii) upon any dissolution, liquidation, winding-up, reorganization, bankruptcy, insolvency or receivership of any of the Credit Parties (or any other arrangement or marshalling of the Collateral that is similar thereto) or (iii) upon the enforcement of, or any action taken with respect to, any of the Credit Documents. For greater certainty, prior to the Security becoming enforceable (x) insurance proceeds derived as a result of the loss or destruction of any of the Collateral and (y) cash or non-cash proceeds derived from any expropriation or other condemnation of any of the Collateral shall not constitute Proceeds of Realization.

"**Production Start Date**" means the date on which the first sale of gas occurs under and pursuant to the Offtake Agreement.

"**Project**" means, collectively, (i) the construction of the Caburé Pipeline, (ii) the construction of the UPGN, (iii) the incurrence and payment of Caburé unit development costs, (iv) drilling and completion activities in the Caburé Fields and Gomo Fields, and (v) drilling and completing the 57(A1) Well.

"**Project Budget and Schedule**" means (a) a budget setting forth, on a monthly basis, the timing and amount of (i) all projected payments of costs to construct the Project from the

Closing Date through the projected Production Start Date and (ii) all projected operation and maintenance expenses expected to be incurred by the Borrower from the Closing Date through the Maturity Date and (b) a schedule (which shall be consistent with the budget in clause (a)) setting forth the proposed design, engineering, procurement, construction and testing milestone schedule for the Project development through the projected Production Start Date, as certified by the Parent.

"**Purchase Money Mortgage**" means any Lien charging an Asset (other than accounts receivable or Inventory) acquired by a Credit Party (or leased pursuant to a Capital Lease), which is granted or assumed by a Credit Party or which arises by operation of law in favour of the transferor concurrently with and for the purpose of the acquisition of such Asset, in each case where (i) the principal amount secured by the Lien is not in excess of 100% of the purchase price (after any post-closing adjustment) of the Asset acquired, and (ii) such security interest extends only to the Asset acquired and its proceeds.

"**RBC LC Agreement**" means the letter agreement dated November 20, 2015 among the Parent and Royal Bank of Canada, as amended from time to time to the date hereof.

"**Related Parties**" means, with respect to any Person, such Person's Affiliates and the directors, officers, employees, agents and advisors of such Person and of such Person's Affiliates.

"**Restricted Payment**" means, with respect to any Person, any payment by such Person (i) of any dividend or other distribution on issued Equity Securities of such Person or any of its subsidiaries, (ii) on account of, or for the purpose of setting apart any property for a sinking or other analogous fund for, the purchase, redemption, retirement or other acquisition of any issued Equity Securities of such Person or any of its subsidiaries (except such payments relating to the net cash settlement of stock options pursuant to the Parent's stock option plan where approved by the Board of Directors thereof), or (iii) of any principal of, or interest or premium on, or of any amount in respect of a sinking or analogous fund or defeasance fund for, any Debt of such Person to a Person referred to in clause (v), (iv) in respect of an Investment, or (v) of any management, consulting or similar fee or any bonus payment or comparable payment, or by way of gift or other gratuity, to (A) any Affiliate of such Person, (B) any Person that directly or indirectly owns or controls Equity Securities of such Person carrying more than 10% of the voting rights outstanding at such time, (C) any Affiliate of a Person described in clause (B), (D) any Person that is an officer or director of such Person or of any Affiliate of such Person or of any Person described in clause (B) or clause (C), or (E) any immediate family member of any of the foregoing.

"ROF" means the *Registro de Operação Financeira*, an electronic registration identified by a number obtained by or on behalf of Alvopetro S.A., prior to any Borrowing to it through the Central Bank of Brazil Information System – SISBACEN, authorizing Alvopetro S.A. to enter into the relevant foreign exchange contract for the inflow of funds into Brazil, to make the relevant registration of the principal payment schedule, and to make payments in U.S. Dollars with respect to interest, fees and expenses expressed therein.

"Sanctioned Person" means any Person that is a designated target of Sanctions or is otherwise a subject of Sanctions, including as a result of being (i) owned, held or controlled by any person which is a designated target of Sanctions, (ii) located or resident in, a national of, or organized under, the laws of any country that is subject to general or country-wide Sanctions, or (iii) a "designated person", a "politically exposed foreign person" or "terrorist group" as described in any Canadian Sanctions.

"Sanctions" means applicable economic or trade sanctions or other restrictive measures administered or enforced by a Governmental Authority (including, in Canada, Global Affairs Canada and Public Safety Canada) or other relevant sanctions authority which governs transactions in controlled goods or technologies or dealings with countries, entities, organizations or individuals subject to such economic or trade sanctions or restrictive measures.

"**Secured Creditors**" means the Administrative Agent, the Collateral Agent and the Lenders.

"**Secured Obligations**" means all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or unmatured, at any time or from time to time due or accruing due and owing by or otherwise payable by the Credit Parties, or any of them, to the Secured Creditors, or any of them, under, in connection with or pursuant to the Credit Documents, and Secured Obligations of a particular Credit Party shall mean all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or unmatured, at any time or from time to time due or accruing due and owing by or otherwise payable by such Credit Party to the Secured Creditors, or any of them, under, in connection with or pursuant to the Credit Documents to which such Credit Party is a party.

"**Security**" means, at any time, the Liens in favour of the Secured Creditors, or any of them, in the Assets of the Credit Parties securing their obligations under this Agreement and the other Credit Documents.

"**Security Documents**" means the agreements described as such in Schedule 4.1(f)(iii), the guarantees and security delivered pursuant to Section 6.1(r), and any other security granted to the Secured Creditors, or any of them, as security for the Secured Obligations of the Credit Parties under this Agreement and the other Credit Documents.

"**Solvent**" means, with respect to any Person on a particular date, that on such date:

(a) such Person is not for any reason unable to meet its obligations as they generally become due,

(b) such Person has not ceased paying its current obligations in the ordinary course of business as they generally become due, and

(c) the aggregate property of such Person is, at a fair valuation, sufficient, or, if disposed of at a fairly conducted sale under legal process, would be sufficient, to enable payment of all its obligations, due and accruing due;

(d) such Person is not "insolvent", as defined or used in Brazilian bankruptcy law;

(e) such Person is not inadequately capitalized to engage in any current or contemplated business or transaction.

"**Subject Properties**" means collectively, the Owned Properties and the Leased Properties.

"**Subsidiaries**" means each subsidiary of the Parent including, without limitation, those identified as such in Schedule 5.1(aa) which includes, for all purposes and effects, the Guarantors.

"**subsidiary**" means with respect to any Person (the "**parent**") at any date, (i) any corporation, limited liability company, association or other business entity of which securities or other ownership interests representing more than 50% of the voting power of all equity interests entitled to vote in the election of the Board of Directors thereof are, as of such date, owned, controlled or held by the parent and/or one or more subsidiaries of the parent, (ii) any partnership, (x) the sole general partner or the managing general partner of which is the parent and/or one or more subsidiaries of the parent or (y) the only general partners of which are the parent and/or one or more subsidiaries of the parent and (iii) any other Person that is otherwise Controlled by the parent and/or one or more subsidiaries of the parent.

"**Taxes**" means all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"**Term Facility**" means the term credit facility to be made available to the Borrowers under this Agreement for the purposes set out in Section 2.3.

"**U.S. Dollars**" and "**U.S. $**" means lawful money of the United States of America.

"**UOA**" means the unitization and unit operating agreement dated April 18, 2018 between Imetame and Alvopetro S.A.

"**UPGN**" means the gas treatment plant to be constructed by Enerflex to be located in the municipality of Mata de São João and for which Alvopetro S.A. must prepare all site construction necessary to receive and install the gas treatment plant pursuant to the Gas Treatment Agreement.

Section 1.2 Gender and Number.

Any reference in the Credit Documents to gender includes all genders and words importing the singular number only include the plural and vice versa.

Section 1.3 Headings, etc.

The provision of a Table of Contents, the division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and are not to affect the interpretation of this Agreement.

Section 1.4 Currency.

All references in the Credit Documents to $ or dollars, unless otherwise specifically indicated, are expressed in United States currency.

Section 1.5 Certain Phrases, etc.

In any Credit Document (i) (y) the words "**including**" and "**includes**" mean "**including (or includes) without limitation**" and (z) the phrase "**the aggregate of**", "**the total of**", "**the sum of**", or a phrase of similar meaning means "**the aggregate (or total or sum), without duplication, o**f", (ii) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "**from**" means "**from and including**" and the words "**to**" and "**until**" each mean "**to but excluding**", and references to "**this Agreement**", "**hereof**" and "**herein**" and like references refer to such Credit Document and not to any particular Article, Section or other subdivision of such Credit Document.

Section 1.6 Non-Business Days.

Whenever any payment to be made hereunder shall be stated to be due or any action to be taken hereunder shall be stated to be required to be taken on a day other than a Business Day, such payment shall be made or such action shall be taken on the next succeeding Business Day and, in the case of the payment of any amount, the extension of time shall be included for the purposes of computation of interest, if any, thereon.

Section 1.7 Accounting Terms.

All accounting terms not specifically defined in this Agreement shall be interpreted in accordance with GAAP. If there occurs a material change in GAAP and, as a result, an amount required to be determined hereunder would be materially different (as determined by the Parent or the Administrative Agent), the Parent and the Administrative Agent shall negotiate in good faith to revise (if appropriate) the relevant covenants to give effect to the intention of the parties under this Agreement as at the date hereof, and any new covenant shall be subject to approval by the Majority Lenders. Until the successful conclusion of any such negotiation and approval by the Majority Lenders, and/or if the Parent and the Majority Lenders cannot agree on revisions to the covenants within thirty (30) days following the implementation of the change, the Parent shall thereafter make all calculations for the purpose of determining compliance with the financial covenants contained herein both under GAAP in existence as at the date hereof and GAAP subsequently in effect and applied by the Parent.

Section 1.8 Calculations on a Pro Forma Basis.

If during a period relevant to the determination of Consolidated EBITDA, Consolidated Interest Charges or Consolidated Net Income, any Credit Party has made either (i) a Disposition permitted hereunder or (ii) an acquisition, then for the purposes of determining compliance with the financial covenants in Section 6.3(a) and Section 6.3(b):

(1) Consolidated EBITDA, Consolidated Interest Charges and Consolidated Net Income shall be calculated on a pro forma basis as if such Disposition or acquisition, as applicable, had taken place on the day prior to the first day of such period, as applicable;

(2) Any indebtedness of any description that is permanently repaid (with a corresponding permanent reduction to any commitment) or assumed by the purchaser in connection with such Disposition or acquisition, as applicable, shall be deemed to have been so repaid or assumed on the day prior to the first day of such period; and

(3) Interest paid by any Credit Party in respect of any such indebtedness repaid or assumed by the purchaser during such period shall be excluded (to the extent otherwise included) from the calculation of Consolidated EBITDA, Consolidated Interest Charges and Consolidated Net Income.

Section 1.9 Rateable Portion of Advances.

References in this Agreement to a Lender's rateable portion of Advances or rateable share of payments of principal, interest, Fees or any other amount, shall mean and refer to a rateable portion or share as nearly as may be rateable in the circumstances, as determined in good faith by the Administrative Agent. Each such determination by the Administrative Agent shall be prima facie evidence of such rateable share.

Section 1.10 Incorporation of Schedules.

The schedules attached to this Agreement shall form an integral part of it.

Section 1.11 Conflict.

The provisions of this Agreement prevail in the event of any conflict or inconsistency between its provisions and the provisions of any of the other Credit Documents.

Section 1.12 Certificates.

Any certificate required by the terms of this Agreement or any Credit Document to be given by an officer of a Borrower for and on behalf of any Credit Party shall be given without any personal liability on the part of the officer giving the certificate.

Section 1.13 Permitted Liens.

Any reference in this Agreement or any of the other Credit Documents to a Permitted Lien or a Lien permitted by this Agreement is not intended to subordinate or postpone, and shall not be interpreted as subordinating or postponing, or as any agreement to subordinate or postpone, any Lien created by any of the Credit Documents to any Permitted Lien or any Lien permitted hereunder.

Section 1.14 References to Agreements.

Except as otherwise provided in this Agreement, any reference in this Agreement to any agreement or document means such agreement or document as the same may have been or may from time to time be amended, modified, extended, renewed, restated, replaced or supplemented in accordance herewith and therewith.

Section 1.15 Statutes.

Except as otherwise provided in this Agreement, any reference in this Agreement to a statute refers to such statute and all rules and regulations made under it as the same may have been or may from time to time be amended, re-enacted or replaced.

Section 1.16 Currency Equivalents Generally.

Any amount specified in Article 5, Article 6 or Article 9 to be in U.S. Dollars shall also include the Equivalent Amount of such amount in any currency other than U.S. Dollars. For purposes of determining compliance with Section 6.2 with respect to any transaction in a currency other than U.S. Dollars, no Default shall be deemed to have occurred solely as a result of changes in rates of exchange occurring after the time such transaction occurs but, for the avoidance of doubt, the foregoing provisions of this Section 1.16 shall otherwise apply to Section 6.2.

Section 1.17 Joint and Several Obligations.

All obligations of the Borrowers under this Agreement are joint and several.

ARTICLE 2
CREDIT FACILITY

Section 2.1 Availability.

(1) Subject to Section 2.2, each Lender severally agrees, on the terms and conditions of this Agreement, to make Advances rateably to each Borrower in accordance with its Commitment during the Availability Period.

Section 2.2 Commitments and Facility Limits.

(1) Prior to the Production Start Date, the Advances Outstanding under the Term Facility to all Lenders shall not exceed $13,000,000.

(2) Subject to Section 2.2(1), the Advances Outstanding under the Term Facility to all Lenders shall not exceed the aggregate Commitments.

(3) The Term Facility does not revolve and any amount repaid or prepaid, as the case may be, under the Term Facility cannot be reborrowed and reduces the Commitments, rateably by the amount repaid or prepaid, as the case may be.

Section 2.3 Use of Proceeds.

Each Borrower shall use the proceeds of Advances under the Term Facility for the purpose of developing, operating and maintaining the Project, and for general corporate purposes only.

Section 2.4 Mandatory Repayments and Reductions of Commitments.

The Borrowers shall repay the Advances Outstanding under the Term Facility on the Maturity Date, subject to Section 9.2.

Section 2.5 Mandatory Prepayments.

(1) Within five Business Days after receipt by any Credit Party of Net Proceeds from any Disposition of Assets other than a Permitted Disposition (except a Disposition pursuant to Section 6.2(d)(v)), the Borrowers shall prepay Advances Outstanding under the Term Facility in an aggregate amount equal to 100% of such Net Proceeds, or such lesser percentage of such Net Proceeds as agreed to by the Lenders, such prepayment to be applied in accordance with Section 2.10. For greater certainty, this Section 2.5(1) shall not constitute approval for any Disposition of Assets that is not a Permitted Disposition.

(2) Within five Business Days after any Credit Party has declared a dividend permitted pursuant to Section 6.2(v)(ii), the Borrowers shall prepay Advances Outstanding under the Term Facility in an aggregate amount equal to 200%, or such lesser amount as determined by the Lenders, of the aggregate amount of such dividend, such prepayment to be applied in accordance with Section 2.10.

(3) Within five Business Days after receipt by any Credit Party of Net Proceeds of property insurance, prepay, or, to the extent the Administrative Agent is loss payee under any insurance policy, irrevocably direct the Administrative Agent to prepay, Advances Outstanding under the Term Facility in an aggregate amount equal to 100% of such Net Proceeds, such prepayment to be applied in accordance with Section 2.10, provided that:

(a) so long as no Default or Event of Default has occurred and is continuing, no such prepayment shall be required on such date to the extent that the Borrowers have delivered a certificate to the Administrative Agent on or prior to such date stating that such Net Proceeds shall be used to replace or restore any Assets in respect of which such Net Proceeds were paid within 180 days following receipt (which certificate shall set forth the estimates of the proceeds to be so expended); and

(b) all such Net Proceeds not applied as a mandatory prepayment of Advances Outstanding under the Term Facility pursuant to Section 2.5(3)(a) but not so used within 180 days after the date of receipt thereof shall be paid and applied on the last day of such 180 day period as a mandatory prepayment of Advances Outstanding under the Term Facility as provided above in this Section 2.5(3).

Section 2.6 Optional Prepayments; Termination and Reductions of Commitments.

The Borrowers may, subject to the provisions of this Agreement, at any time or from time to time after the first anniversary of the Funding Date, (i) prepay without penalty or bonus Advances Outstanding under the Term Facility, in whole or in part, upon two Business Days' notice to the Administrative Agent, by delivery of a notice to the Administrative Agent stating the proposed date and aggregate principal amount of any prepayment of Advances Outstanding. The applicable Borrower shall, on the specified date, pay to the Lenders the amount of the proposed prepayment (together with any accrued interest on such amount). Each partial prepayment or reduction shall be in an aggregate principal amount of U.S. $500,000 or in an integral multiple of such amount. To the extent the Borrowers terminate the Commitments pursuant to this Section 2.6, the Borrowers shall repay all Credit Obligations.

Section 2.7 Facility Cancellation

The Borrowers may, subject to the provisions of this Agreement, at any time or from time to time during the Availability Period, cancel all or part of the undrawn portion of the Term Facility, upon ten Business Days' notice to the Administrative Agent, subject to the payment by the Borrowers to the Lenders of a cancellation fee equal to [redacted]% of such cancelled portion of the Term Facility.

Section 2.8 Fees.

(1) The Borrowers shall pay to the Lenders and the Arranger all fees in accordance with the terms and conditions of the Fee Letters.

(2) The Borrowers shall pay to the Lenders a commitment fee of [redacted]% per annum on the undisbursed amount of the Term Facility available to the Borrowers from time to time, which fee shall be due and payable upon the expiration of the Availability Period.

(3) The Borrowers shall pay to the Lender, each December 31, all reasonable travel costs and expenses incurred by the Lenders and the Administrative Agent in the monitoring of its credit exposure under and in connection with this Agreement and the Term Facility more generally, including without limitation commercially reasonable air travel and accommodations for up to two persons to inspect the operations of the Borrowers and for the Observer to attend Board of Directors meetings.

Section 2.9 Payments under this Agreement.

(1) All payments to be made by the Borrowers shall be made without condition or deduction for any counterclaim, defense, recoupment or set-off. Unless otherwise expressly provided in this Agreement, the Borrowers shall (i) make any payment required to be made by it to a Lender or the Arranger by depositing the amount of the payment to the relevant Lender's Account or Arranger's Account, as applicable, not later than noon (Calgary time) on the date the payment is due, and (ii) with respect to any

prepayment, provide to the Administrative Agent, upon two Business Days' notice to the Administrative Agent, a notice of prepayment which shall be irrevocable and binding on the Borrowers and shall specify the date of repayment and the amount to be repaid. The Borrowers shall make each repayment or prepayment in U.S. Dollars.

(2) Unless otherwise expressly provided in this Agreement, each Lender shall make its rateable portion of Advances available on the proposed date thereof by wire transfer of immediately available funds by noon (Calgary time) on such date to the relevant Borrowers' account (or cause the Borrowers' account to be credited).

Section 2.10 Application of Payments and Prepayments.

(1) All mandatory prepayments received by the Lenders pursuant to Section 2.5(1) through Section 2.5(3), inclusive, and optional prepayments under the Term Facility pursuant to Section 2.6 shall be applied by the Administrative Agent against the Advances Outstanding.

(2) If at any time insufficient funds are received by and available to the Lenders to pay fully all Credit Obligations then due hereunder then such funds shall be applied (i) first, in reduction of the Borrowers' obligation to pay any unpaid interest and any Fees which are due and owing, (ii) second, in reduction of the Borrowers' obligation to pay any expenses, claims or losses referred to in Section 12.5, and (iii) third, in reduction of the Borrowers' obligation to pay any amounts due and owing on account of any unpaid principal amount of Advances and any other unpaid Advances Outstanding which are due and owing.

Section 2.11 Computations of Interest and Fees.

(1) All computations of interest shall be made by the Administrative Agent taking into account the actual number of days occurring in the period for which such interest is payable and on the basis of a year of 365 days.

(2) All computations of Fees shall be made by the Administrative Agent on the basis of a year of 365 days taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which the fees are payable.

(3) For purposes of the *Interest Act* (Canada), (i) whenever any interest or Fee under this Agreement is calculated using a rate based on a year of 365 days (or such other period that is less than a calendar year), as the case may be, the rate determined pursuant to such calculation, when expressed as an annual rate, is equivalent to (x) the applicable rate based on a year of 365 days (or such other period that is less than a calendar year), (y) multiplied by the actual number of days in the calendar year in which the period for which such interest or fee is payable (or compounded) ends, and (z) divided by 365 (or such other period that is less than a calendar year), (ii) the principle of deemed reinvestment of interest does not apply to any interest calculation under this Agreement, and (iii) the rates of interest stipulated in this Agreement are intended to be nominal rates and not effective rates or yields.

(4) If any provision of this Agreement or of any of the other Credit Documents would obligate a Credit Party to make any payment of interest or other amount payable to any Lender in an amount or calculated at a rate which would be prohibited by Applicable Law or would result in a receipt by such Lender of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)) then, notwithstanding such provisions, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by Applicable Law or so result in a receipt by such Lender of interest at a criminal rate, such adjustment to be effected, to the extent necessary, as follows: firstly, by reducing the amount or rate of interest required to be paid to such Lender under the applicable Credit Document, and thereafter, by reducing any fees, commissions, premiums and other amounts required to be paid to such Lender which would constitute "interest" for purposes of Section 347 of the *Criminal Code* (Canada).

ARTICLE 3
ADVANCES

Section 3.1 The Advances.

Each Advance under the Term Facility shall be made to the applicable Borrower on the same day rateably by the Lenders and shall be in the aggregate minimum amount of $1,000,000 and in an integral multiple of $100,000 (or the aggregate amount of the undrawn Commitments if such amount is less than $1,000,000).

Section 3.2 Procedure for Borrowing.

(1) Each Borrowing shall be made on ten Business Days prior notice, given not later than 11:00 a.m. (Calgary time) by a Borrower to the Administrative Agent. Each notice of a Borrowing (a "**Borrowing Notice**") shall be in substantially the form of Exhibit 3.2(1), shall be irrevocable and binding on such Borrower and shall specify the requested date of the Borrowing and the aggregate amount of the Borrowing. Upon fulfilment by the Borrowers or waiver by the Lenders of the applicable conditions set forth in Article 4, the Lenders will make such funds available to such Borrower in accordance with Article 2.

(2) The Borrowers, the Subsidiaries and the Lenders acknowledge and agree that any Borrowing to be made by Alvopetro S.A. from any of the Lenders in accordance with this Section shall be a Borrowing under Brazilian Federal Law No. 4,131, dated as of September 3, 1962, as amended from time to time, and in accordance with the Central Bank of Brazil's applicable regulation. Promptly upon the receipt of the proceeds of the Borrowing by Alvopetro S.A. (and in no event more than five days thereafter), Alvopetro S.A. will arrange for all necessary notifications to the Central Bank of Brazil (if any) in respect of the repayment schedule for the Borrowing and will convert the U.S. Dollar amount of the Borrowing proceeds into Brazilian Reais at the then prevailing official rate of exchange in accordance with the applicable regulations of the Central Bank of Brazil.

Section 3.3 Interest on Advances.

(1) The Borrowers shall pay interest on the unpaid principal amount of each Advance from the date of the Advance until the principal amount of the Advance is repaid in full, at the rate of 9.50% per annum; provided, however, that such rate shall be increased to 11.50% (the "**Default Interest Rate**") from and after the date of the occurrence of an Event of Default and for so long as such Event of Default continues.

(2) Non-PIK Interest on Advances shall be calculated and payable in arrears (i) on the fifteenth (15th) day of each month, and (ii) when the Advance becomes due and payable in full or is repaid.

(3) In addition to the Non-PIK Interest payable on each Advance pursuant to Section 3.3(1), the Borrowers hereby agree to pay to the Lenders PIK Interest on the unpaid principal amount of each Advance from the date of the Advance until the principal amount of the Advance is repaid in full, at the rate of 3.00% per annum.

(4) PIK Interest on Advances shall be calculated in arrears (i) on the fifteenth (15th) day of each month, and (ii) immediately prior to when the Advances Outstanding become due and payable in full or are repaid in full and, in either case, such interest shall be capitalized on such date and added to the then outstanding aggregate principal amount of such Advance, provided that upon the occurrence of an Event of Default that is continuing the Lender shall be entitled, at its election, to receive such PIK Interest in cash on the fifteenth (15th) day of each month.

Section 3.4 Notes.

(1) The Advances made hereunder by the Lenders shall be evidenced by two Notes, each in the amount equal to one hundred and thirty per cent (130%) of the Commitment of each Lender, duly issued by Alvopetro S.A. in favor of each of the Lenders and guaranteed *per aval* by the Brazilian Guarantors pursuant to the terms hereof.

ARTICLE 4
CONDITIONS OF LENDING

Section 4.1 Conditions Precedent to Closing Date

The occurrence of the Closing Date is subject to receipt by the Administrative Agent or Collateral Agent, as applicable, on behalf of each Lender of each of the agreements and other documents, and the satisfaction of the conditions precedent, set forth below, each of which shall be (i) in form and substance reasonably satisfactory to each Lender (with respect to which each Lender may consult with counsel) and (ii) if applicable, in full force and effect, unless, in each case, waived by each Lender:

(a) the Lenders shall have completed a due diligence investigation of the Credit Parties in scope, and with results, satisfactory to the Lenders, subject only to outstanding diligence points set forth on Schedule 4.1(a) (the "**Post-Closing Diligence**"), and shall have been given such access to the management, records, books of account, contracts and properties of the Credit Parties and shall have received such financial, business and other information regarding each of the foregoing persons and businesses as they shall have requested, including, without limitation, information as to possible contingent liabilities, tax matters, collective bargaining agreements and other arrangements with employees, other indebtedness of the Credit Parties, the most recently completed annual (or other audited) financial statements of the Borrowers, interim financial statements of the Borrowers dated the end of the most recent fiscal quarter for which financial statements are available;

(b) a certificate by an officer of the Parent confirming that all necessary Authorizations required to carry out the Project have been obtained and complied with and continue to be complied with in all material respects;

(c) no Default or Event of Default has occurred or is continuing or would arise immediately after giving effect to or as a result of the occurrence of the Closing Date;

(d) the representations and warranties of the Borrowers contained in Article 5 and of the Credit Parties contained in each of the other Credit Documents are true and correct on the date of the Advance as if such representations and warranties were made on that date;

(e) since June 30, 2019, there has not been an event or circumstance which could reasonably be expected to result in a Material Adverse Effect, and the Parent shall have provided an officer's certificate certifying same;

(f) the Administrative Agent has received, in sufficient quantities for each Lender:

(i) certified copies of (i) the charter documents and by-laws of each Credit Party, (ii) all resolutions of the Board of Directors or shareholders, as the case may be, of each Credit Party approving the borrowing and other matters contemplated by this Agreement and the other Credit Documents, and (iii) a list of the officers and directors authorized to sign agreements together with their specimen signatures;

(ii) a certificate of status, compliance or like certificate with respect to each Credit Party issued by the appropriate Governmental Authority of the jurisdiction of its incorporation and of each jurisdiction in which it owns any assets or carries on any business;

(iii) the Credit Documents specified in Schedule 4.1(f)(iii) duly executed by all parties thereto;

(iv) the Project Budget and Schedule;

(v) the Base Case Forecast, dated as of the Closing Date, certified as such by an officer of the Parent;

(vi) copies of each Material Project Agreement identified as such on Schedule 5.1(v) and each Material Permit identified as such on Schedule 5.1(f);

(vii) (i) all documents, instruments, financing statements and notice of security, other than the Security Documents governed by the laws of Brazil, shall have been properly registered, recorded and filed in all places which, (ii) searches shall have been conducted in all jurisdictions which, and (iii) deliveries of all consents and approvals applicable, and deliveries of acknowledgements, confirmations, undertakings, subordinations, discharges, waivers, directions, negotiable documents of title and other documents and instruments to the Administrative Agent shall have been made which, in each case, are desirable or required to make effective the Security and to ensure the perfection and the first-ranking priority of such Security subject only to Permitted Liens which rank by law in priority;

(viii) certificates representing the Equity Securities and instruments pledged pursuant to the Security Documents listed on Schedule 4.1(f)(ii) together with a copy of the share registry book and/or articles of association of any relevant Credit Party incorporated pursuant to the laws of Brazil duly registered with the competent board of commerce and/or, as the case may be, the duly executed stock transfer powers;

(ix) certificates of insurance showing the Collateral Agent as additional insured on behalf of the Secured Creditors (in the case of liability insurance) and/or first loss payee with respect to insurance required to be maintained by the Credit Parties pursuant to Section 6.1(q);

(x) an opinion of counsel to each Credit Party addressed to the Lenders, the Administrative Agent and the Collateral Agent relating to the status and capacity of such Credit Party, the due authorization, execution and delivery and the validity and enforceability of the Credit Documents to which such Credit Party is a party, and perfection of the Security granted pursuant to the Security Documents, other than the Security Documents governed by the laws of Brazil, to which such Credit Party is a party in the jurisdiction of incorporation of such Credit Party, in the Province of Alberta, in Brazil and in any other relevant jurisdiction, and such other usual and customary matters as the Administrative Agent may reasonably request;

(xi) all approvals, acknowledgments and consents of all Governmental Authorities and other Persons which are required to be obtained by any Credit Party in order to complete the transactions contemplated by this

Agreement and to perform its obligations under any Credit Document to which it is a party;

(xii) interim consolidated balance sheets and statements of earnings and cash flows of the Parent for the partial Fiscal Year period as of the month most recently ended and projected balance sheets and statements of earnings for each of the Parent's Financial Years between the date hereof and the Maturity Date; and

(xiii) the documentation and other information that is required by the Agents and the Lenders pursuant to Anti-Terrorism Laws and applicable "know your client" laws and regulations.

Section 4.2 Conditions Precedent to the Funding Date

The occurrence of the Funding Date is subject to receipt by the Administrative Agent on behalf of each Lender of each of the agreements and other documents, and the satisfaction of the conditions precedent, set forth below, each of which shall be (i) in form and substance reasonably satisfactory to each Lender (with respect to which each Lender may consult with counsel) and (ii) if applicable, in full force and effect, unless, in each case, waived by each Lender:

(a) the Lenders shall have completed the Post-Closing Diligence with results satisfactory to the Lenders;

(b) no Default or Event of Default has occurred or is continuing or would arise immediately after giving effect to or as a result of the occurrence of the Funding Date;

(c) the representations and warranties of the Borrowers contained in Article 5 and of the Credit Parties contained in each of the other Credit Documents are true and correct on the date of the Advance as if such representations and warranties were made on that date;

(d) since June 30, 2019, there has not been an event or circumstance which could reasonably be expected to result in a Material Adverse Effect and the Parent shall have provided an officer's certificate certifying same;

(e) the Administrative Agent has received, in sufficient quantities:

(i) the Advisory Warrant Certificate;

(ii) the Facility Warrant Certificate;

(iii) (i) the Security Documents governed by the laws of Brazil, shall have been properly registered, recorded and filed in all places which, (ii) searches shall have been conducted in all jurisdictions which, and (iii) deliveries of the filings before the Board of Trade for registration of all consents and approvals applicable, and (iv) deliveries of acknowledgements, confirmations, undertakings, subordinations, discharges, waivers, directions, negotiable documents of title and other documents and instruments to the Administrative Agent shall have been made which, in each case, are desirable or required to make effective the Security and to ensure the perfection and the first-ranking priority of such Security subject only to Permitted Liens which rank by law in priority;

(iv) an opinion of counsel to each Credit Party addressed to the Lenders, the Administrative Agent and the Collateral Agent relating to the perfection of the Security granted pursuant to the Security Documents governed by the laws of Brazil, and such other usual and customary matters as the Administrative Agent may reasonably request;

(v) an opinion of counsel to the Parent addressed to the Lenders, the Administrative Agent and the Collateral Agent relating to the status and capacity of the Parent, the due authorization, execution and delivery and the validity and enforceability of the Advisory Warrant Certificate and the Facility Warrant Certificate, and such other usual and customary matters as the Administrative Agent may reasonably request;

(vi) a copy of the relevant ROF, when applicable;

(vii) such other certificates and documentation as the Administrative Agent may reasonably request; and

(f) the Parent shall have obtained all approvals, acknowledgments and consents of all Governmental Authorities and other Persons which are required to be obtained in connection with the issuance of warrants contemplated by each of the Advisory Warrant Certificate and the Facility Warrant Certificate.

(g) all fees and other amounts then payable under the Credit Documents have been paid in full and such fees may be payable out of the first Advance.

Section 4.3 Conditions Precedent to Advances

(1) The obligation of each Lender to make Advances or otherwise give effect to any Borrowing Notice is subject to fulfilment of the following conditions at the time of any Borrowing Notice or Advance, as the case may be:

(a) each of the Closing Date and the Funding Date has occurred;

(b) no Default or Event of Default has occurred or is continuing or would arise immediately after giving effect to or as a result of the Advance or Borrowing Notice;

(c) the Advance will not violate any Applicable Law;

(d) the representations and warranties contained in Article 5 of this Agreement and in any other Credit Document are true and correct on the date of the Advance or Borrowing Notice, as the case may be, as if they were made on that date except for any representation and warranty which is stated to be made only as of a certain date (and then as of such date), and except to the extent that on or prior to such date the Borrowers have advised the Administrative Agent in writing of a variation in any such representation or warranty, and the Majority Lenders have approved such variation in accordance with Section 12.1;

(e) no new Applicable Law has been adopted, made or issued or has taken effect and no change has occurred to the administration, interpretation, implementation or application of Applicable Laws thereof by any Governmental Authority except to the extent such new Applicable Law or change could not reasonably be expected to have a Material Adverse Effect; and

(f) no Applicable Law, regulation, directive, communication or action has been imposed, issued or taken by any Governmental Entity that could reasonably be expected to prevent the usage of such Advance as set forth in Section 2.3.

(2) Each of the giving of any Borrowing Notice by the Borrowers and the acceptance by the Borrowers of any Advance shall be deemed to constitute a representation and warranty by the Borrowers that, on the date of such Borrowing Notice or Advance, as the case may be, and after giving effect to it and to the application of any proceeds from it, the statements set forth in Section 4.3(1)(a), Section 4.3(1)(c) and Section 4.3(1)(d) are true and correct.

Section 4.4 No Waiver.

The making of an Advance or otherwise giving effect to any Borrowing Notice, without the fulfilment of one or more conditions set forth in Section 4.1, Section 4.2 or Section 4.3, shall not constitute a waiver of any condition and the Administrative Agent and the Lenders reserve the right to require fulfilment of such condition in connection with any subsequent Borrowing Notice or Advance.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES

Section 5.1 Representations and Warranties.

Each Borrower represents and warrants to each Agent and each Lender, acknowledging and confirming that each Agent and each Lender is relying on such representations and warranties without independent inquiry in entering into this Agreement and providing Advances that:

(a) **Incorporation and Qualification**. Each Borrower is a corporation duly incorporated, organized and validly existing under the laws of its jurisdiction of incorporation. Each of the Subsidiaries is a corporation and/or a limited liability company duly incorporated, organized and validly existing under the laws of its jurisdiction of incorporation as set forth in Schedule 5.1(a). Each Credit Party is qualified, licensed or registered to carry on business under the laws applicable to it in all jurisdictions in which such qualification, licensing or registration is necessary or where failure to be so qualified could not reasonably be expected to have a Material Adverse Effect;

(b) **Corporate Power**. Each Credit Party has all requisite corporate power and authority to (i) own, lease and operate its properties and assets and to carry on its business as now being conducted by it, and (ii) enter into and perform its obligations under the Credit Documents to which it is a party;

(c) **Conflict With Other Instruments**. The execution and delivery by each Credit Party and the performance by each of them of their respective obligations under, and compliance with the terms, conditions and provisions of, the Credit Documents to which they are a party will not (i) conflict with or result in a breach of any of the terms or conditions of (u) their respective constating documents or by-laws, (v) any Applicable Law, or (w) to the extent such conflict or breach could reasonably be expected to cause a Material Adverse Effect, any contractual restriction binding on or affecting them or their respective Assets, or (ii) result in, require or permit (x) the imposition of any Lien, other than a Permitted Lien, in, on or with respect to any of their respective Assets (except in favour of the Collateral Agent and the Secured Creditors (or any of them)), (y) the acceleration of the maturity of any Debt binding on or affecting any Credit Party, or (z) any third party to terminate or acquire rights under any Material Agreement;

(d) **Corporate Action, Governmental Approvals, etc.** The execution and delivery of each of the Credit Documents by each Credit Party and the performance by each Credit Party of their respective obligations under the Credit Documents have been duly authorized by all necessary corporate action including, without limitation, the obtaining of all necessary shareholder consents. No authorization, consent, approval, registration, qualification, designation, declaration or filing with any Governmental Authority or other Person, is or was necessary in connection with the execution, delivery and performance of obligations under the Credit Documents and for the availability and transfer of U.S. Dollars required to make payments under any Credit Documents except as are in full force and effect, unamended, at the Closing Date;

(e) **Execution and Binding Obligation.** This Agreement and the other Credit Documents have been duly executed and delivered by each Credit Party, in each case, to the extent a party thereto and constitute legal, valid and binding obligations of each such Person enforceable against them in accordance with their respective terms, subject only to any limitation under Applicable Laws relating to (i) bankruptcy, insolvency, arrangement or creditors' rights generally, and (ii) the discretion that a court may exercise in the granting of equitable remedies;

(f) **Authorizations, etc.**

(i) All material Authorizations (including all Permits) required (A) for the execution and delivery by each Borrower of each of the Credit Documents and the Material Project Agreements to which it is a party or (B) for the development, construction, ownership or operation of the Project or any portion thereof, have been duly obtained, were validly issued and are in full force and effect and are not the subject of any pending appeal (except appeals which could not reasonably be expected to have a Material Adverse Effect), except for those Authorizations (x) not required to have been obtained or issued as of the date this representation is made or is deemed to be made hereunder and are reasonably expected to be obtained in the normal course of the construction of the Project after the date this representation is made or is deemed to be made hereunder and for which no fact or circumstance exists, to the Borrowers' knowledge, which makes it reasonably likely that such Authorizations shall not be issued in a timely manner or obtained without unnecessary delay or cost or (y) which the failure to so obtain could not reasonably be expected to have a Material Adverse Effect;

(ii) The material Authorizations required for the development and construction of the Project as of the Closing Date are as set out in Schedule 5.1(f); and

(iii) None of the Credit Parties are in violation of, or not in compliance with, any Applicable Law or Authorizations the violation of or the non-compliance with which could reasonably be expected to result in a Material Adverse Effect;

(g) **Trademarks, Patents, etc.** Each Credit Party possesses all the trademarks, trade names, copyrights, patents and licences necessary for the conduct of their respective businesses, each of which is in good standing and in full force and effect, except where the failure to possess or maintain in good standing and in full force and effect such trademarks, trade names, copyrights, patents and licences, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. To the knowledge of each of the Borrowers, neither it nor any of the Subsidiaries is infringing or is alleged to be infringing on the rights of any Person with respect to any patent, trademark, trade name, copyright (or any application or registration in respect thereof), licence, discovery, improvement, process, formula, know-how, data, plan or specification;

(h) **Ownership and Use of Property.** Each Credit Party has good and marketable title in fee simple to the Owned Properties and good and merchantable title to all the tangible and intangible personal property reflected as assets in their books and records in each case free and clear of any Liens other than Permitted Liens. No Credit Party has any commitment or obligation (contingent or otherwise) to grant any Liens except for Permitted Liens. Each Credit Party owns, leases or has the lawful right to use all of the Assets necessary for the proper conduct of their respective businesses. Each of the Subject Properties including the Buildings and Fixtures thereon, and their use, operation and maintenance for the purpose of carrying on the Business is in compliance with any restrictive covenant applicable thereto and Applicable Law except where the failure to be in compliance, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect;

(i) **Ownership of Subject Properties.** No Credit Party (i) owns any real property other than the Owned Properties, (ii) is bound by any agreement to own or lease any real property other than the Leased Properties pursuant to the Leases, or (iii) has leased any of its Owned Properties, except, in each case, as set out in Schedule 5.1(i);

(j) **Leased Properties.** Each Lease is in good standing, creates a good and valid leasehold estate in the Leased Properties thereby demised, and is in full force and effect without amendment. With respect to each Lease, (i) all rents and additional rents that are due and payable have been paid, (ii) no waiver, indulgence or postponement of the lessee's obligations has been granted by the lessor, (iii) there exists no event of default or event, occurrence, condition or act which, with the giving of notice, the lapse of time or the happening of any other event or condition, would become a default under such Lease, and (iv) to the knowledge of the Borrowers, all of the covenants to be performed by any other party under such Lease have been fully performed;

(k) **Condition of Assets.** All of the Buildings and Fixtures on the Owned Properties were constructed in accordance with all Applicable Laws and the Credit Parties have adequate rights of ingress and egress into and from the Subject Properties for the operation of the Business in the ordinary course except where the failure to do so could not reasonably be expected to have a Material Adverse Effect. The buildings, plants, structures, vehicles, equipment, technology and communications hardware and other tangible personal property (including the Buildings and Fixtures) of the Credit Parties required for the operation of the Business are structurally sound, in good operating condition and repair having regard to their use and age and are adequate and suitable for the uses to which they are being put. None of such buildings, plants, structures, vehicles, equipment or other property are in need of maintenance or repairs except for routine maintenance and repairs in the ordinary course that are not material in nature or cost;

(l) **Work Orders.** There are no outstanding work orders relating to the Subject Properties from or required by any Governmental Authority, nor do the Borrowers have notice of any possible impending or future work order except work orders, if any, which, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect;

(m) **Expropriation.** No part of any of the Subject Properties or the Buildings and Fixtures located on the Subject Properties has been taken or expropriated by any Governmental Authority, no written notice or proceeding in respect of an expropriation been given or commenced nor is the Borrower aware of any intent or proposal to give any such notice or commence any proceedings except where such expropriations, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect;

(n) **Encroachments.** Except for Permitted Liens, the Buildings and Fixtures located at each of the Subject Properties are located entirely within such Subject Property and are in conformity with set-back and coverage requirements of all applicable Governmental Authorities and there are otherwise no encroachments from the Subject Properties onto the property of any other Person. There are no encroachments upon any of the Subject Properties except for encroachments, if any, that individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect;

(o) **Compliance with Applicable Laws.** Each Credit Party is in compliance with all Applicable Laws except where the failure to be in compliance, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect;

(p) **Withholding and Remittance of Source Deductions.** Each Credit Party has withheld from its employees, customers and other applicable payees (and timely paid to the applicable Governmental Authority) the proper and accurate amount of all Taxes, priority claims and other amounts required to be withheld or collected and remitted in compliance with all Applicable Laws;

(q) **No Default.** No Credit Party is in violation of its constating documents, its by-laws or any shareholders' agreement applicable to it;

(r) **No Default or Event of Default.** No Default or Event of Default has occurred and is continuing or would reasonably be expected to arise immediately after giving effect to or as a result of any Advance or Borrowing Notice pursuant to this Agreement;

(s) **No Material Adverse Agreements.** Neither any Borrower nor any of the Subsidiaries is a party to any agreement or instrument, other than the Material Project Agreements and the Credit Documents, or subject to any restriction (including any restriction set forth in its constating documents, by-laws or any shareholders' agreement applicable to it) which has or, to the best of its knowledge, in the future may have a Material Adverse Effect;

(t) **Environmental Matters.** It has complied with all applicable Environmental Laws, any consent, agreement, permit, license, authorization or approval required by any Environmental Law and all other material covenants, conditions, restrictions or agreements directly or indirectly concerned with any contamination, pollution or waste or the release or discharge of any toxic or hazardous substance in connection with its business or any of its Assets in any jurisdiction which is or was at any time owned, leased or occupied by it or on which it has conducted any activity where failure to do so might reasonably be expected to have a Material Adverse Effect. Specifically, except as set forth in Schedule 5.1(t):

(i) none of the Subject Properties or other Assets under the charge, management or control of any Credit Party (i) has ever been used by any Person as a waste disposal site or a landfill, or (ii) has ever had any asbestos, asbestos-containing materials, PCBs, radioactive substances or aboveground or underground storage systems, active or abandoned, located on, in, at or under it at the Closing Date;

(ii) there are no contaminants located in, on, at, under or about any of the Subject Properties which are of a nature or in such quantities that any Credit Party or any of the Subject Properties could be subject to a remedial order or clean-up order issued by a Governmental Authority at the Closing Date or result in the Borrower or any Subsidiary incurring liability in excess of Cdn. $100,000;

(iii) to the knowledge of each Borrower, no properties adjacent to any of the Subject Properties are contaminated where such contamination could, if it migrated to a Subject Property, have a material adverse effect on the Subject Property; and

(iv) no Credit Party has transported, removed or disposed of any waste from Canada to a location outside of Canada as at the Closing Date;

(u) **Pension Plans.** There are no existing Pension Plans;

(v) **Material Agreements, etc.**

(i) As at the date hereof, Schedule 5.1(v) constitutes an accurate list of all Material Project Agreements;

(ii) There are no material contracts, services, materials or rights required for the current stage of the Project other than (A) Authorizations and (B) those granted by, or to be provided to the Credit Parties pursuant to, the Material Project Agreements. The Administrative Agent has received a certified copy of each Material Project Agreement (other than those that are not required to be delivered as of the date of the making of this representation) as in effect on the date of its delivery to the Administrative Agent and each amendment, modification or supplement to each such Material Project Agreement. None of the Material Project Agreements has been impaired, and all of the Material Project Agreements (other than those that are not required to be entered into pursuant to this Agreement as of the date of the making of this representation or that have been cancelled or terminated as permitted under this Agreement) are in full force and effect; and

(iii) The Credit Parties have not entered into, directly or indirectly, any transaction that is otherwise permitted hereunder with or for the benefit of an Affiliate of the Parent (including guarantees and assumptions of obligations of an Affiliate of the Parent) except upon fair and reasonable terms no less favorable to the Parent (or its applicable Subsidiary) than would be obtained in a comparable arm's-length transaction with a Person that is not an Affiliate of the Parent, and except as permitted under the Credit Documents. Each Material Project Agreement entered into with an Affiliate as of the Closing Date is listed on Schedule 5.1(v);

(w) **Materials, Utilities, Supplies; Etc.** There are no material supplies, materials or equipment necessary for construction, operation or maintenance of the Project, that are not expected to be available at the Project on commercially reasonable terms consistent, in all material respects, with the Project Budget and Schedule;

(x) **Labour Matters.** There are no existing or, to the knowledge of each Borrower, threatened strikes, lock-outs or other disputes relating to any collective bargaining agreement to which any Credit Party is a party and no trade union, council of trade unions or employee bargaining agency has applied or, to the knowledge of each Borrower, threatened to apply to be certified as the bargaining agent of any of the employees of any Credit Party in the last three (3) years. The hours worked and payments made to employees of each Credit Party have not been in violation of any Applicable Laws, except where such violations could not reasonably be expected to result in a Material Adverse Effect;

(y) **Books and Records.** All books and records of each Credit Party have been fully, properly and accurately kept and completed in accordance with GAAP, where applicable, and there are no material inaccuracies or discrepancies of any kind contained or reflected therein. The Credit Parties' books and records and other data and information are available to the Parent in the ordinary course of its business;

(z) **Tax Liability.** Each Credit Party has filed all tax and information returns which are required to be filed. Each Credit Party has paid all Taxes which have become due pursuant to such returns or pursuant to any assessment received by any of them other than those in respect of which liability based on such returns or assessments is being contested in good faith and by appropriate proceedings where adequate reserves have been established in accordance with GAAP, and all Taxes that any Governmental Authority is currently entitled to collect in respect of such contest, if any, have been paid. Adequate provision for payment has been made for Taxes not yet due. There are no disputes with respect to Taxes existing or pending involving any Credit Party or the Business which could reasonably be expected to have a Material Adverse Effect;

(aa) **Corporate Structure.** At the Closing Date:

(i) there are no subsidiaries of the Parent other than the subsidiaries identified as such in Schedule 5.1(aa); and

(ii) the share ownership of each of the Subsidiaries is as described in Schedule 5.1(aa);

(bb) **Financial Statements.** The historical financial statements provided to the Lenders in connection with this Agreement and the audited consolidated financial statements of the Parent most recently delivered to the Administrative Agent pursuant to Section 6.1(a) have been prepared in accordance with GAAP and each presents fairly and consistently:

(i) the assets, liabilities, (whether accrued, absolute, contingent or otherwise) and financial position of the Parent on a consolidated basis as at the respective dates of the relevant statements; and

(ii) the sales and earnings of the Parent on a consolidated basis during the periods covered by such statements;

(cc) **Financial Year.** The Financial Year of the Parent ends on December 31 of each calendar year;

(dd) **Debt.** No Credit Party has any Debt except as permitted by Section 6.2(a). There exists no default under the provisions of any instrument evidencing such Debt or of any agreement relating thereto which default could reasonably be expected to have a Material Adverse Effect;

(ee) **Solvency.** Each Borrower and each Subsidiary is, and immediately after giving effect to the execution and delivery of this Agreement and the making of the Borrowings hereunder will be, Solvent;

(ff) **Brazilian Bankruptcy Law**. Immediately after giving effect to the execution and delivery of this Agreement and the making of the Borrowings under this Agreement, the obligations of the Borrowers under this Agreement will not be avoidable under Brazilian bankruptcy law;

(gg) **Security.** The Security Documents are effective (or, in the case of the Brazilian Security Documents, will be effective when registered) to create in favour of the Collateral Agent for the benefit of the Secured Creditors and/or in favour of the Lenders, as the case may be, legal, valid and perfected first priority Liens (subject only to Permitted Liens which rank by law in priority), enforceable in accordance with their terms against third parties and any trustee in bankruptcy in the Collateral subject thereto, except to the extent a secured creditor's rights are affected or limited by applicable bankruptcy, insolvency, moratorium, organization and other laws of general application limiting the enforcement of secured creditors' rights generally. The Credit Parties as described in each Security Document have good title to all of the Collateral free and clear of all Liens except Permitted Liens. No filings or recordings are required in order to perfect the security interests created under the Security Documents except for filings or recordings listed in such agreements, all of which shall have been made on or will be made prior to the first Advance;

(hh) **No Litigation.** There is no action, suit, arbitration or proceeding pending, taken or to each Borrower's knowledge, threatened, before or by any Governmental Authority or arbitrator or by or against any elected or appointed public official or private person in Canada, Brazil or elsewhere, which (i) challenges, or to the knowledge of each Borrower, has been proposed which may challenge, the validity or propriety of the transactions contemplated under the Credit Documents or the documents, instruments and agreements executed or delivered in connection therewith or related thereto, or (ii) could reasonably be expected to have a Material Adverse Effect;

(ii) **Scheduled Disclosure.** At the Closing Date:

(i) Schedule 5.1(ii)(i) is a list of all addresses at which each Credit Party (i) has their respective chief executive office, head office and principal place of business, (ii) has their respective registered office, (iii) carries on business, or (iv) stores material tangible personal property (except for goods in transit in the ordinary course of business);

(ii) Schedule 5.1(ii)(ii) is a list of all trademarks, tradenames, copyrights and patents (and the registration particulars thereof) of any Credit Party which are material to such Credit Party and which are registered with the Canadian Intellectual Property Office or with a similar office in another jurisdiction;

(iii) Schedule 5.1(ii)(iii) is a list of all actions, suits, arbitrations or proceedings pending, taken or to the knowledge of each Borrower, threatened, before or by any Governmental Authority or other Person affecting any Credit Party; and

(iv) Schedule 5.1(ii)(iv) contains a list of all collective bargaining agreements to which any Credit Party is a party;

(jj) **Anti-Terrorism, Anti-Corruption Laws.** No Credit Party or Related Party thereof is a Sanctioned Person or is in violation of any Anti-Terrorism Law or Sanction, or deals in property or interests in property, or otherwise engages in any transaction, prohibited by any Anti-Terrorism Law or Sanction. No Credit Party or Related Party thereof shall use any of the Borrowings and of the other services and products, if any, to be provided by any of the Secured Creditors under or in connection with this Agreement (i) on behalf of, or for the benefit of, any Person other than any Credit Party, (ii) directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, official of any public international organization, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the *Corruption of Foreign Public Officials Act* (Canada), or any similar laws, rules or regulations issued, administered or enforced by any Governmental Authority having jurisdiction over any Credit Party, or (iii) in a manner that would result in a violation of any Sanctions. Each Credit Party has taken measures appropriate to the circumstances (in any event as required by Applicable Law) to ensure that each Credit Party is and will continue to be in compliance with such applicable anti-corruption laws, rules and regulations and Anti-Terrorism Laws;

(kk) **Disclosure.** All (i) forecasts and projections supplied to the Agents and the Lenders, including that contained in the Project Budget and Schedule or the Base Case Forecast, were prepared in good faith, adequately disclosed all relevant assumptions and are reasonable, and (ii) other written information supplied to the Agents and the Lenders is true and accurate in all material respects and does not contain any untrue statement of material fact or omit to state a material fact necessary in order to make the statements contained in such written information not misleading in light of the circumstances under which such statements were made. There is no fact known to any Borrower which could reasonably be expected to have a Material Adverse Effect and which has not been fully disclosed to the Agents and the Lenders. No event has occurred which could reasonably be expected to have a Material Adverse Effect since the Closing Date**;**

(ll) **Proper Form.** The Credit Documents are in proper legal form under its governing laws for the enforcement thereof against the parties thereto, as applicable, for their validity and effectiveness, as well as the enforcement thereof in Canada or Brazil, as applicable; and to ensure the legality, validity, enforceability, priority or admissibility in evidence of this Agreement and the other Credit Documents, it is not necessary that this Agreement or any other Credit Document, other than the Security Documents, as provided herein and therein, be filed, registered or recorded with, or executed or notarized before, any court or other authority in Canada or Brazil, as applicable, or that any registration charge or stamp or similar tax be paid on or in respect of this Agreement or any other Credit Document, or any other document relating to the matters covered by this Agreement or any other Credit Document, other than as provided herein or therein, provided, however, that for the admission of any documents written in a language which is not Portuguese before the public agencies and courts in Brazil, the signature of the parties thereto signing outside of Brazil would have to be notarized by a public notary licensed as such under the laws of the place of signing and (a) the signature of such notary public would have to be authenticated by a consular official of Brazil, or (b) as from August 14, 2016, if any foreign party to the document has signed it in a country that is party to the Hague convention abolishing the legalization for foreign public documents and its signature has been authenticated by a notary public in the place of signing, the document would have to be apostilled; and such documents would have to be translated into the Portuguese language by a sworn public translator and filed together with its sworn translation under Titles and Deed Registry (*Cartório de Registro de Títulos e Documentos*);

(mm) **Civil Law; No immunity.** Each Credit Party is subject to civil and commercial law with respect to its obligations under the Credit Documents to which it is a party, and the execution, delivery and performance of the Credit Documents to which it is a party constitute private and commercial activities rather than public or governmental acts. Neither it nor any of its Assets has any immunity (sovereign or otherwise) from the jurisdiction of any court or from setoff or any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) under the laws of any jurisdiction; and

(nn) **Regulatory limitations.** No Credit Party is subject to any statute or regulation that prohibits or restricts the incurrence of obligations under this Agreement or under any other Credit Document, including, without limitation, statutes or regulations of ANP or those relative to common or contract carriers or to the sale of electricity, gas, steam, water, telephone, telegraph or other public utility services.

Section 5.2 Survival of Representations and Warranties.

(1) The representations and warranties in this Agreement and in any certificates or documents delivered to the Administrative Agent and the Lenders shall not merge in or be prejudiced by and shall survive any Advance and shall continue in full force and effect so long as any amounts are owing by either Borrower to the Lenders, or any of them, under this Agreement.

(2) The representations and warranties in Section 5.1 will be deemed to be repeated by each Borrower on the date of delivery of any Borrowing Notice by any Borrower and the date of delivery of each Compliance Certificate, except to the extent that on or prior to such date any Borrower has advised the Administrative Agent in writing of a variation in any such representation or warranty, and the Majority Lenders have approved such variation in accordance with Section 12.1.

ARTICLE 6
COVENANTS

Section 6.1 Affirmative Covenants

So long as any amount owing under this Agreement remains unpaid or any Lender has any obligation under this Agreement, and unless consent is given in accordance with Section 12.1, each Borrower, as applicable, shall do, and shall cause each other Credit Party to do, the following:

(a) **Financial Reporting.** Deliver to the Administrative Agent (with sufficient copies for each of the Lenders):

(i) within 30 days of the commencement of each Financial Year, (i) the Annual Business Plan for the Financial Year, together with a reasonably detailed budget for the Financial Year providing supplementary detailed schedules and information supplementary to and consistent with the Annual Business Plan and (ii) an updated Base Case Forecast, updated by the Borrower to reflect historical information and updated projections made in good faith and believed to be reasonable at such time, in form and substance reasonably acceptable to the Administrative Agent;

(ii) between the Closing Date and the Production Start Date, at the end of each month, and between the Production Start Date and the Maturity Date, every six months, an updated Project Budget and Schedule, in form and substance reasonably acceptable to the Administrative Agent;

(iii) as soon as practicable and in any event within 60 days after the end of each of the first three Financial Quarters in each Financial Year (x) a consolidated balance sheet of the Parent as of the end of the Financial Quarter, (y) consolidating balance sheets of each Credit Party, and (z) the related consolidated statements of earnings and changes in financial position for the Financial Quarter and for the period commencing at the end of the previous Financial Year and ending with the end of the Financial Quarter; in each case (except for the statement of changes in financial position) setting forth in comparative form the figures for the corresponding Financial Quarter and corresponding portion of the previous Financial Year;

(iv) as soon as practicable and in any event within 120 days after the end of each Financial Year, a copy of the financial statements of the Parent for the Financial Year prepared on a consolidated basis reported on by the Parent's independent auditors; and

(v) together with each delivery of financial statements, a Compliance Certificate substantially in the form of Exhibit 6.1(v).

(b) **Authorizations.** Maintain in force all Authorizations necessary at the relevant time to carry out the Project, including all Material Permits;

(c) **Accounts Receivable and Inventory Reporting**. Deliver to the Administrative Agent (with sufficient copies for each of the Lenders) promptly on demand by the Administrative Agent (and in any event not less frequently than the 30th day of each month) in respect of the preceding month (i) a consolidated detailed statement and an ageing of the accounts receivable of the Parent and such other details, including classification by name, customer location and currency as the Administrative Agent and the Lenders may reasonably require, and (ii) a consolidated summary statement of Inventory of the Parent in detail satisfactory to the Lenders, acting reasonably;

(d) **Environmental Reporting.** Promptly, and in any event within 10 days, deliver to the Administrative Agent (with sufficient copies for each of the Lenders) a detailed statement describing any of the following occurrences: (i) any order or judgment of any Governmental Authority requiring any Credit Party to incur Environmental Liabilities (w) in excess of $100,000 in any other currency in any one instance, (x) together with all other expenditures incurred in respect of Environmental Liabilities in any Financial Year, in excess of $100,000 in the aggregate, (ii) any state of affairs on any of the Subject Properties which could result in the incurrence of Environmental Liabilities (y) in excess of $500,000 in any one instance, or (z) together with all other expenditures incurred in respect of Environmental Liabilities in any Financial Year, in excess of $500,000 in the aggregate, and (iii) the action taken;

(e) **Additional Reporting Requirements.** Deliver to the Administrative Agent (with sufficient copies for each of the Lenders):

(i) as soon as practicable, and in any event within five days after the occurrence of each Default or Event of Default, a statement of the chief financial officer of the Parent or any other officer acceptable to the Administrative Agent, acting reasonably, setting forth the details of the Default or Event of Default and the action which the Parent proposes to take or has taken;

(ii) from time to time upon request of the Administrative Agent, evidence of the maintenance of all insurance required to be maintained pursuant to this Agreement, including originals or copies as the Administrative Agent may request of policies, certificates of insurance, riders, endorsements and proof of premium payments;

(iii) promptly upon their issuance, copies of all notices, reports, press releases, circulars, offering documents and other documents filed with, or delivered to, any stock exchange or the Alberta Securities Commission or a similar Governmental Authority in any other jurisdiction;

(iv) promptly upon becoming aware thereof, a notice of (A) the threat of, or commencement of, any strike or lockout, (B) any work stoppage or other labour dispute, (C) any breach or non-performance of, or any default under, any Material Agreement, (D) any dispute, litigation, investigation, proceeding or suspension between any Credit Party and any Governmental Authority, (E) the threat of, commencement of, or any material adverse development in, any action, suit, arbitration, investigation or other proceeding affecting any Credit Party, (F) and any other matter to the extent that the same has had or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect;

(v) promptly upon (i) delivery to another Material Project Party pursuant to a Material Project Agreement, copies of all material notices or other material documents delivered to such Material Project Party by the applicable Credit Party relating to facts or circumstances that could reasonably be expected to have a Material Adverse Effect and (ii) such documents becoming available, copies of all material notices or other material documents received by any Credit Party pursuant to any Material Project Agreement relating to facts or circumstances that could reasonably be expected to have a Material Adverse Effect (such as any notice or other document relating to a failure by a Credit Party to perform any of its covenants or obligations under such Material Project Agreement, termination of a Material Project Agreement or a force majeure event under a Material Project Agreement, but excluding any notice provided in the ordinary course of business); and

(vi) such other information respecting the condition or operations, financial or otherwise, of the Business or any Credit Party as the Administrative Agent, on behalf of the Lenders, may from time to time reasonably request;

(f) **Corporate Existence.** Except as otherwise permitted in this Agreement, preserve and maintain its corporate existence;

(g) **Permitted Uses.** Use the proceeds of the Advances hereunder only for the purposes permitted pursuant to Section 2.3 and in compliance with Section 5.1(jj);

(h) **Compliance with Applicable Laws, etc.** Comply with the requirements of all Applicable Laws except where non-compliance with any such requirement of Applicable Law could not reasonably be expected to have a Material Adverse Effect;

(i) **Credit Policy and Accounts Receivable.** Maintain, at all times, written credit policies consistent with good business practices, adhere to such policies and collect accounts receivable in the ordinary course of business;

(j) **Environmental Obligations.** Promptly, if the Administrative Agent has a good faith concern that a discharge of a contaminant has occurred or a condition exists on any of the Subject Properties that could have a Material Adverse Effect, cause to be conducted such environmental investigations (including without limitation, environmental site assessments and environmental compliance reviews) as are reasonably required by the Administrative Agent by an environmental consultant approved by the Administrative Agent, and remedy any condition or non-compliance with Environmental Laws revealed by any such investigation;

(k) **Maintenance of Properties.** Keep and maintain the Subject Properties including the Buildings and Fixtures in good operating condition and repair having regard to their use and age and make all repairs, renewals, replacements, additions and improvements to the Subject Properties including the Buildings and Fixtures and their other Assets, so that the Business may be properly and advantageously conducted at all times in accordance with prudent business management practice;

(l) **Material Agreements.**

(i) (i) Perform and observe all of its material covenants and material obligations contained in each of the Material Project Agreements, (ii) take all reasonable and necessary action to prevent the termination, suspension or cancellation of any Material Project Agreement in accordance with the terms of such Material Project Agreements or otherwise (except for the expiration of any Material Project Agreement in accordance with its terms and not as a result of a breach or default thereunder) and (iii) enforce against the relevant Material Project Party each material covenant or material obligation of each Material Project Agreement to which such Person is a party in accordance with such agreement's terms; and

(ii) Furnish the Administrative Agent with certified copies of (i) all amendments, supplements or modifications of any Material Project Agreement, and (ii) all Additional Material Project Agreements, in each case, promptly after execution and delivery of such documents;

(m) **Project Construction.** Cause the Project, in all material respects, to be constructed and completed in accordance with, and otherwise take such actions in respect of the Project as are required by, generally accepted prudent industry practices, the Project Budget and Schedule, and the Material Project Agreements;

(n) **Payment of Taxes and Claims.** Pay or cause to be paid, when due, (i) all Taxes imposed upon it or upon its income, sales, capital or profit or any other Assets belonging to it before the same becomes delinquent or in default, and (ii) all claims which, if unpaid, might by Applicable Law become a Lien upon the Assets of any Credit Party, except any such Tax or claim which is being contested in good faith and by proper proceedings and in respect of which Credit Parties have established adequate reserves in accordance with GAAP or which are Permitted Liens;

(o) **Keeping of Books.** Keep (i) proper books of record and account, in which full and correct entries shall be made in respect of the Business or businesses, as the case may be, in accordance with GAAP, and (ii) books and records pertaining to the Collateral in such detail, form and scope as required pursuant to Applicable Law in Brazil;

(p) **Visitation and Inspection.** At any reasonable time from time to time, and as often as reasonably requested, permit each Lender and the Administrative Agent to visit the financial records and the Assets of each Credit Party and to make extracts from and copies of such financial records, and to discuss their affairs, finances and accounts with the senior officers of the Parent and (in the presence of such representatives as it may designate) its auditors, at the expense of the Borrowers;

(q) **Maintenance of Insurance.** Maintain, in respect of itself and each of other Credit Party, insurance at all times with responsible insurance carriers (minimum rating of BBB+ from S&P or equivalent) and in such amounts and covering such risks as are usually carried by companies with established reputations engaged in similar businesses and owning similar Assets in the same general areas in which such Credit Party, as the case may be, operate, such policies to show the Collateral Agent as additional insured on behalf of the Secured Creditors (in the case of liability insurance) and/or first loss payee. Such insurance shall provide notice to the Collateral Agent within 30 days after the cancellation thereof. The Borrowers shall not cancel, materially reduce the amount or materially change the coverage of such insurance without the prior written consent of the Collateral Agent. Such insurance shall also be renewed upon expiry with copies of renewal application and approval sent to the Collateral Agent;

(r) **Security from New Subsidiaries.** Upon the direct or indirect formation or acquisition by the Parent of a Subsidiary, the Parent shall deliver or cause to be delivered:

(i) an unconditional guarantee of the obligations of each Borrower by such Subsidiary in a form substantially similar to the guarantees delivered by the Subsidiaries on the Closing Date, or a joinder agreement to this Agreement adding such Subsidiary as a Guarantor, in form and substance satisfactory to the Administrative Agent;

(ii) such Security Documents and other documents (including financing statements, notices of security, consents, approvals, acknowledgements, undertakings, subordinations, discharges, waivers, directions, negotiable documents of title and other documents and instruments), and registrations with respect thereto, as the Administrative Agent determines, acting reasonably, are necessary or desirable in order to create a first priority perfected Lien (subject only to Permitted Liens which rank by law in priority) in all Assets of such Subsidiary and all Equity Interests in the capital of such Subsidiary (including, to the extent such Equity Interests are certificated, delivery to the Collateral Agent and/or the Lenders, as the case may be of certificates evidencing Equity Interests along with appropriate stock powers of attorney in respect of any such Equity Interests); and

(iii) such corporate resolutions, certificates, legal opinions and such other documents and registrations as may be reasonably required by the Administrative Agent;

all such deliveries to be in form and substance satisfactory to the Administrative Agent, acting reasonably, with sufficient copies for each Lender;

(s) **Anti-Terrorism Laws.** Promptly provide all information with respect to the Credit Parties, their respective directors, authorized signing officers or persons in control of the Credit Parties, including supporting documentation and other evidence, as may be reasonably requested by any Agent or Lender, or any prospective assignee or participant of an Agent or Lender, in order to comply with any applicable Anti-Terrorism Laws or such other applicable "know your client" laws and requirements, whether now or hereafter existence;

(t) **Environmental, Social and Governance.** Comply with the requirements of the Lenders' ESG Policy;

(u) **ROF & Exchange Contracts.** Alvopetro S.A. shall deliver to the Administrative Agent, within ten (10) days from the date of each Borrowing, copies of the ROF with the final *Esquema de Pagamento*, as well as copies of the relevant foreign exchange contracts (*contratos de câmbio*) that shall be executed in connection with the use of proceeds of Advances in accordance with Section 2.3 of this Agreement;

(v) **Environmental Law**. Comply, and cause the Project to, in all material respects with all applicable Environmental Laws required by applicable Environmental Laws, including but not limited to the licenses, approvals registrations or permits required by the laws of Brazil in relation any Assets subject to the Security Documents governed by the laws of Brazil, except where such noncompliance with Environmental Laws, or failure to obtain and so comply with and maintain such licenses, approvals, registrations or permits would not, individually or in the aggregate, have a Material Adverse Effect;

(w) **Execution Formalities.** Have the Borrowers' and Subsidiaries' legal representative signature to this Agreement (i) if made in Brazil, properly notarized (*reconhecimento de firma*); and (ii) if made outside Brazil, notarized by a public notary licensed under the laws of the place of signing, having the signature of such notary public authenticated by a consular official of Brazil or apostilled if any foreign party to the document has signed it in a country that is party to the Hague convention abolishing the legalization for foreign public documents.

(x) **Registration of this Agreement.** Register this Agreement, together with its sworn translation into Portuguese, with the competent Registry of Titles and Deeds in Brazil, by no later than the date falling 30 (thirty) days from the Closing Date; and

(y) **Further Assurances.** At its cost and expense, upon request of the Administrative Agent, execute and deliver or cause to be executed and delivered to the Administrative Agent such further instruments and do and cause to be done such further acts as may be necessary or proper in the reasonable opinion of the Administrative Agent to carry out more effectually the provisions and purposes of the Credit Documents.

Section 6.2 Negative Covenants.

So long as any amount owing under this Agreement remains unpaid or any Lender has any obligation under this Agreement and, unless consent is given in accordance with Section 12.1, the Borrowers shall not and shall not permit any other Credit Party to :

(a) **Debt.** Create, incur, assume or suffer to exist any Debt without the prior written consent of each Lender, which consent shall not be unreasonably withheld, except:

(i) Debt of the Credit Parties to the Lenders under the Credit Documents;

(ii) Debt incurred in respect of Capital Leases and Purchase Money Mortgages up to an aggregate outstanding amount, at any time, of $1,000,000;

(iii) Debt of any Credit Party to any other Credit Party to the extent permitted in Section 6.2(i)(ii);

(iv) Debt of the Credit Parties under any Derivatives Agreements permitted hereunder;

(v) Guarantees (i) by a Credit Party of Debt of any other Credit Party permitted pursuant to this Section 6.2(a), provided that to the extent any required consent to the primary Debt is conditional upon a requirement to be subordinated, the Debt under any such Guarantee is subordinated on the same terms;

(vi) Debt from time to time incurred pursuant to the RBC LC Agreement and the corresponding EDC Indemnity related thereto, up to an aggregate outstanding amount, at any time, of $5,000,000;

(vii) Debt of the Credit Parties incurred to Imetame under the UOA; and

(viii) Debt of the Credit Parties incurred to Enerflex under the Gas Treatment Agreement;

(b) **Liens.** Create, incur, assume or suffer to exist, or permit any of the Subsidiaries to create, incur, assume or suffer to exist, any Lien on any of their respective Assets except Permitted Liens;

(c) **Mergers, Etc.** Enter into any reorganization, consolidation, amalgamation, arrangement, winding-up, merger or other similar transaction except (i) any Credit Party with any other Credit Party may enter into such transactions with each other if:

(i) No Default or Event of Default exists and is continuing or would result from such transaction;

(ii) in the case of a transaction involving any Credit Party incorporated under the laws of Canada or one of its Provinces or Territories, the continuing corporation is also a limited liability corporation existing under the laws of Canada or one of its Provinces or Territories;

(iii) the continuing corporation assumes the relevant Credit Parties' obligations under the Credit Documents and makes or causes to be made delivery to the Administrative Agent of the relevant items set out in Section 6.1(r), as determined by the Administrative Agent (and, for greater certainty, for purposes of this Section 6.2(c) only, references to "**Subsidiary**" in Section 6.1(r) shall be deemed to be references to the continuing corporation); and

(iv) in the case of a transaction involving any Borrower, the other Credit Parties confirm that their guarantees continue to extend to the Secured Obligations of such Borrower and the Security granted pursuant to their Security Documents continues to secure the obligations under such guarantees;

(d) **Disposal of Assets Generally.** Dispose of any Assets to any Person except:

(i) *bona fide* sales of inventory in the ordinary course of business;

(ii) Assets (other than Equity Securities in the capital of any Subsidiary) which have no material economic value in the Business or are obsolete;

(iii) Dispositions pursuant to a transaction permitted by Section 6.2(b);

(iv) Dispositions between Credit Parties;

(v) Dispositions of Assets (including any Equity Securities) in each Financial Year not otherwise permitted pursuant to this Section 6.2(d) resulting in consideration received for such Assets (which in the case of any such Dispositions to Affiliates will be not less than the fair market value thereof) of not more than $500,000 in the aggregate for all such Dispositions during such Financial Year, provided that no Default or Event of Default exists or would result therefrom, and all the proceeds of such Disposition, or such lesser percentage of the proceeds of such

Disposition agreed to by each Lender, are applied to Advances Outstanding in accordance with Section 2.5(1);

(e) **Transactions with Related Parties.** Directly or indirectly, enter into any agreement with, make any financial accommodation for, or otherwise enter into any transaction with, (i) an Affiliate of any Credit Party, (ii) any Person that directly or indirectly owns or controls Equity Securities of any Credit Party carrying more than 10% of the voting rights of such Credit Party, (iii) any Affiliate of a Person described in clause (ii); (iv) any Person that is an officer or director of any Credit Party, or of any Affiliate of such Person, or of any Person described in clause (ii) or (iii), or (v) any immediate family member of any of the foregoing, in each case, except in the ordinary course of, and pursuant to the reasonable requirements of, business and at prices and on terms not less favourable to the Credit Party than could be obtained in a comparable arm's length transaction with another Person;

(f) **Change in Business.** Make any change in the nature of the Business;

(g) **Share Capital.** Issue any Equity Securities, except issuances by (i) the Parent or (ii) any Credit Party (other than the Parent) to any other Credit Party provided the Equity Securities so issued are promptly pledged to the Collateral Agent, and certificates representing the same together with stock transfer powers duly executed in blank have been delivered to the Collateral Agent and/or the Lenders, as the case may be, pursuant to the Security Documents.

(h) **Restricted Payments.** Declare, make or pay any Restricted Payments, except:

(i) the payment of salaries and bonuses to officers of any Credit Party in their capacity as such in the ordinary course of business or as otherwise approved by the directors or compensation committee of such Credit Party;

(ii) customary directors' fees, customary directors' and officers' indemnifications and similar arrangements for directors and officers of any Credit Party entered into in the ordinary course of business provided such fees, indemnifications and arrangements are reasonable and consistent with market practice;

(iii) the payment of any taxes incurred by an employee of a Credit Party in connection with the cash settlement by such employee of its stock options in such Credit Party which are vesting in 2019 and 2020, provided that the aggregate amount of all such payments shall be limited to $250,000 for the period beginning on the Closing Date and ending on December 31, 2020; and

(iv) provided that no Default or Event of Default has occurred and is continuing or could result therefrom any other Credit Party may make regularly scheduled payments to any Person with respect to Debt permitted pursuant to Section 6.2 or with respect to Debt to which each Lender has consented in accordance with Section 6.2;

(i) **Investments.** Make any Investment in any Person, except the following Investments (each, a "**Permitted Investment**"):

(i) purchases by a Credit Party of Equity Securities of another Credit Party;

(ii) intercompany loans made by a Credit Party to another Credit Party;

(iii) Guarantees by any Credit Party of any other Credit Party of Debt permitted pursuant to Section 6.2(a)(iv);

(iv) Investments in existence on the Closing Date and described in Schedule 6.2(i)(iv)**;**

(v) Investments in Cash Equivalents;

(j) **Lease-Backs.** Enter into any arrangements, directly or indirectly, with any Person, whereby such Credit Party, shall sell or transfer any Asset in connection with the rental or lease of the Asset so sold or transferred or of other Assets for substantially the same purposes as the Asset so sold or transferred;

(k) **Derivatives Agreements.** Enter into or suffer to exist or permit any of the Subsidiaries to enter into or suffer to exist any Derivatives Agreement other than a Derivatives Agreement between any Credit Party and any other Person designed to protect such Credit Party against fluctuations in currency exchange or interest rates, in each case, entered into by such Credit Party in the ordinary course of, and pursuant to the reasonable requirements of its business, and not for speculative investment or on a margined basis;

(l) **Capital Expenditures.** Make or commit to make, in any Financial Year any Capital Expenditures exceeding in the aggregate for the Credit Parties the amount as set forth in the Annual Business Plan, or set forth in any update thereto provided it is properly approved by the Board of Directors and a copy thereof has been delivered to the Administrative Agent;

(m) **Change of Auditors.** Change its auditors;

(n) **Financial Year.** Change its Financial Year;

(o) **Amendments**.

(i) Make or permit to be made any amendments to any Material Agreement if such amendments could reasonably be expected to have a Material Adverse Effect or to be adverse to the interests of the Lenders under the Credit Documents;

(ii) (A) Amend or change any of its constating documents or (B) enter into any agreement with respect to its Equity Securities, except where such amendment, change or new agreement is not adverse to the interests of the Lenders under the Credit Documents;

(p) **Material Project Agreements.** (i) Suspend, cancel or terminate any Material Project Agreement or consent to, allow to subsist, or accept any suspension, cancellation or termination thereof, (ii) sell, transfer, assign (other than pursuant to the Credit Documents) or otherwise dispose of (by operation of law or otherwise) or consent to any such sale, transfer, assignment or disposition of any part of its interest in any Material Project Agreement, (iii) initiate or settle a material arbitration claim or proceeding under any Material Project Agreement without having given the Administrative Agent prior written notice, and provided that such claim or proceeding could not reasonably be expected to have a Material Adverse Effect, (iv) agree to or petition, request or take any other material legal or administrative action that, in the case of any of the foregoing (i) through (iv) (I) seeks, or may reasonably be expected, to impair any Material Project Agreement and (II) has (or could reasonably be expected to have) a Material Adverse Effect.

(q) **Suspension or Abandonment.** (i) permit or suffer to exist an Event of Abandonment or (ii) order, or allow to subsist or consent to any suspension of work in excess of thirty (30) days under any Material Project Agreement, in each such case without the prior written approval of the Administrative Agent.

(r) **Restrictive Agreements.** Directly or indirectly enter into, incur or permit to exist, any agreement or other arrangement that prohibits, restricts or imposes any condition upon:

(i) the ability of any Credit Party to create, incur or permit to exist any Lien upon any of its Assets;

(ii) the ability of any Credit Party to pay dividends or other distributions with respect to any Equity Securities or with respect to, or measured by, its profits or to make or repay loans or advances to any Credit Party or to provide a guarantee of any Debt of any Subsidiary; or

(iii) the ability of any Credit Party to sell, lease or transfer any of its property to any other Credit Party;

except:

(iv) restrictions and conditions contained in the Credit Documents, the Material Agreements and the Material Permits;

(v) restrictions and conditions existing on the Closing Date identified on Schedule 6.2(r)(v) (but shall apply to any extension or renewal of, or any amendment or modification expanding the scope of, any such restriction or condition);

(vi) restrictions or conditions imposed by any agreement relating to Debt permitted pursuant to Section 6.2(a)(ii) if such restrictions or conditions apply only to the Assets securing such Debt;

(vii) customary provisions in leases and other ordinary course contracts restricting the assignment, sub letting or pledge thereof; and

(viii) any encumbrances or restrictions imposed by any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of the contracts, instruments, obligations or arrangements referred to in clauses (iv) through (vii) above; provided that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings are, no more restrictive than those contained in the contracts, instruments, obligations and arrangements, prior to such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement or refinancing;

(s) **Funds on Trust.** Make or permit any Subsidiary to place any funds on trust with third parties outside of the ordinary course of business except to the extent constituting a Permitted Lien;

(t) **Contaminants, etc**.

(i) Permit any asbestos, asbestos-containing materials, PCBs, radioactive substances or any other contaminants which could be the subject of a clean-up order to be located in, on, at, under or about any of the Subject Properties;

(ii) Permit any underground storage systems to be located or installed at any of the Subject Properties.

(u) **Pension Plans.** Maintain, sponsor, fund or suffer to exist any Pension Plan.

(v) **Dividends.** Declare or pay dividends at any time, except:

(i) dividends declared or paid by any Credit Party (other than the Parent); provided that no Default or Event of Default has occurred and is continuing or could result therefrom; and

(ii) dividends declared or paid by the Parent after December 31, 2020; provided that (i) no Default or Event of Default has occurred and is continuing or could result therefrom, (ii) the aggregate cash balance of the Parent on a consolidated basis would not be less than $2,500,000 immediately after the payment of such dividend, and (iii) an amount equal to 200%, or such lower amount as may be agreed to by the Lenders in writing, of the aggregate amount of such dividend is applied to Advances Outstanding in accordance with Section 2.5(2) contemporaneously with the declaration of such dividend.

Section 6.3 Financial Covenants.

So long as any amount owing under this Agreement remains unpaid or any Lender has any obligation under this Agreement, and unless consent is given in accordance with Section 12.1, the Borrowers shall:

(a) **Maintenance of Debt Service Ratio.** Maintain, at all times after the date falling on the first anniversary of the Funding Date, a minimum ratio, calculated at the end of each Financial Quarter (each a "**DSR Calculation Date**") for the four Financial Quarters then ended of Adjusted Consolidated EBITDA to Consolidated Debt Service of 1.30:1; provided that for each DSR Calculation Date up to and including December 31, 2020, such ratio shall be calculated on an annualized basis for the period commencing on the later of (i) January 1, 2020 and (ii) the Production Start Date, and in no event later than April 1, 2020, and ending on such DSR Calculation Date; and

(b) **Maintenance of Leverage Ratio.** Maintain, at all times after the date falling on the first anniversary of the Funding Date, a maximum Leverage Ratio, calculated at the end of each Financial Quarter (each a "**Leverage Ratio Calculation Date**") for the four Financial Quarters then ended of 2.25:1; provided that for each Leverage Ratio Calculation Date up to and including December 31, 2020, such Leverage Ratio shall be calculated on an annualized basis for the period commencing on the later of (i) January 1, 2020 and (ii) the Production Start Date, and in no event later than April 1, 2020 and ending on such Leverage Ratio Calculation Date.

Section 6.4 Security Covenants.

So long as any amount owing under this Agreement remains unpaid or any Lender has any obligation under this Agreement, and unless consent is given in accordance with Section 12.1, each Borrower shall:

(a) **Status of Accounts, Collateral.** With respect to the Collateral (i) immediately notify the Administrative Agent if any account in excess of $100,000 arises out of contracts with any Governmental Authority, and execute, or cause any applicable Subsidiary to execute, any instruments and take, or cause any applicable Subsidiary to take, any steps required by the Majority Lenders in order that all moneys due or to become due by the Governmental Authority to any Borrower or Subsidiary under the contract are assigned to the Collateral Agent and/or to the Lenders, as the case may be, by the appropriate means pursuant to the Applicable Law and notice of such assignment be given to the Governmental Authority, when required by Applicable Law (except for monies arising from the Material Project Agreements, which is already covered in the appropriate Security Document), (ii) report immediately to the Administrative Agent any matters materially adversely affecting the value, enforceability or collectibility of the Collateral, taken as a whole, and (iii) notify the Administrative Agent in writing of any agreement under which any terms of sale or service (written or oral) which are materially different from normal operating procedures may have been or will be granted;

(b) **Business Outside Certain Jurisdictions.** At least 30 days prior to any of the following changes becoming effective, notify the Administrative Agent in writing of (i) any proposed change in (v) the jurisdiction of organization of any Credit Party, (w) the location of any place of business of any Credit Party or any additional such location, (x) the location of any of the chief executive office, principal place of business, head office or registered office of any Credit Party, (y) jurisdictions in which account debtors of any Credit Party are located or any additional such location, and (z) the jurisdiction of any place where tangible Assets of any Credit Party are stored, and (ii) any proposed change in the name (including the adoption of a French form of name) of any Credit Party; and

(c) **Perfection and Protection of Security Interest.** Perform, execute and deliver and cause each other Credit Party to perform, execute and deliver all acts, agreements and other documents as may be requested by the Administrative Agent at any time to register, file, signify, publish, perfect, maintain, protect, and enforce the Security including (i) executing, recording and filing of the Credit Documents and financing or continuation statements in connection therewith, in form and substance satisfactory to the Administrative Agent, (ii) delivering to the Collateral Agent or the Lenders, as the case may be, the originals of all instruments, documents and chattel paper and all other Collateral of which the Administrative Agent determines the Collateral Agent or the Lenders, as the case may be, should have physical possession in order to perfect and protect the Security, (iii) delivering to the Collateral Agent or the Lenders, as the case may be, warehouse receipts covering any portion of the Collateral located in warehouses and for which warehouse receipts have issued, (iv) placing notations on its books of account to disclose the Security, (v) delivering to the Collateral Agent all letters of credit on which any Credit Party is named beneficiary, and (vi) taking such other steps as are deemed necessary by the Administrative Agent to maintain the Security.

ARTICLE 7
LONG TERM PARTNERSHIP

Section 7.1 Right of First Offer

(1) If either Borrower (in such capacity, the "**Offering Borrower**") proposes to enter into any other debt financing arrangements with any Person (a "**Proposed Debt Financing**"), it will give notice (a "**ROFO Notice**") to each Lender, setting out the principal terms at which the Offering Borrower proposes to enter into such Proposed Debt Financing.

(2) Each Lender will have the right (but not the obligation) (the "**Right of First Offer**"), within a period of 15 Business Days after the receipt of a ROFO Notice (the "**ROFO Period**"), to inform the Offering Borrower, by written notice, of its intention to enter into the Proposed Debt Financing upon principal terms no less favorable than those set out in such ROFO Notice (a "**ROFO Exercise Notice**").

(3) If a Lender elects to enter into the Proposed Debt Financing pursuant to a ROFO Exercise Notice (in such capacity, the "**Offering Lender**"), then the Offering Borrower and the Offering Lender shall negotiate the principal terms of the Proposed Debt Financing, which shall be no less favorable than those set out in such ROFO Notice. If the Offering Borrower and the Offering Lender agree on such terms, the Proposed Debt Financing will be consummated within 60 days of delivery of such ROFO Notice, or as promptly as commercially practicable thereafter.

(4) If, within the ROFO Period, a written notice of such election is not given to the Offering Borrower or the Lenders elect not to exercise their Right of First Offer, then the Offering Borrower may, to the extent permitted under Section 6.2(a), enter into the Proposed Debt Financing with any Person, other than a Related Party of the Offering Borrower, within 180 days of the end of the ROFO Period, provided that such Proposed Debt Financing is on principal terms no less favorable to the Offering Borrower than those set out in the ROFO Notice. If a Proposed Debt Financing is not completed within a 180-day period following the end of the ROFO Period or such Proposed Debt Financing does not satisfy the requirements of this Section 7.1, no Proposed Debt Financing will be entered into without the Offering Borrower giving each Lender another ROFO Notice, to which the Lenders' Right of First Offer will apply.

Section 7.2 Board Observer Rights

The Parent shall grant and maintain board observer rights in favour of the Observer and invite the Observer (or such substitute Observer as the then current Observer may designate) to attend all meetings of the Board of Directors of the Parent as an observer only and in a non-voting observer capacity, without remuneration of any kind, provided that (i) the Observer shall have executed a non-disclosure agreement in favour of the Parent, in form and substance satisfactory to the Parent, and agreed to comply with any policies of the Board of Directors relating to the trading of securities of the Parent as if the Observer were a director of the Parent and (ii) the Observer shall not be permitted to attend any meeting (or portion thereof) (A) at which the Board of Directors of the Parent is considering any matter that may affect or involve the Lenders, including without limitation any matter related to this Agreement or the other Credit Documents, (B) if such attendance or the Observer's access to information or documents as a result of such attendance could adversely affect the solicitor-client privilege between the Parent or any other Credit Party and their legal counsel, or (C) if the provision of the Board Materials (as defined herein) or information at such a meeting would violate any provision of Applicable Laws, in each case as determined by the Board of Directors of the Parent in its sole and absolute discretion (the circumstances described in (A), (B) or (C) being a "**Conflict Matter**"). The Observer will act as a board observer only and will not take part of any resolutions or other actions of a director. In this respect, the Parent shall give the Observer copies of all notices, minutes, consents and other materials of its Board of Directors that it provides to all of its directors ("**Board Materials**"), except for any such materials that relate to a Conflict Matter. The attendance of any meeting of the Board of Directors of the Parent by the Observer shall not constitute the Observer a director or alternate director or shadow director or put the Observer in that capacity.

ARTICLE 8
CHANGES IN CIRCUMSTANCES

Section 8.1 Increased Costs.

(1) If any Change in Law shall:

(a) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender;

(b) subject any Lender to any Tax of any kind whatsoever with respect to this Agreement, the Notes, any Advance made by it or any participation by it in any Advance, or change the basis of taxation of payments to such Lender in respect thereof, except for Indemnified Taxes or Other Taxes covered by Section 8.2 and the imposition, or any change in the rate, of any Excluded Tax payable by such Lender; or

(c) impose on any Lender any other condition, cost or expense affecting this Agreement, the Notes, Advances made by such Lender or Advances in which such Lender has a participation interest;

and the result of any of the foregoing shall be to increase the cost to such Lender of making, converting to, continuing, maintaining, issuing or participating in any Advance (or of maintaining its obligation to make, issue or participate in any such Advance), or to reduce the amount of any sum received or receivable by such Lender hereunder (whether of principal, interest or any other amount), then upon request of such Lender the Borrowers will pay to such Lender such additional amount or amounts as will compensate such Lender for such additional costs incurred or reduction suffered.

(2) If any Lender determines that any Change in Law affecting such Lender or any lending office of such Lender or such Lender's holding company, if any, regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, the Commitment of such Lender or the Advances made, issued or participated in, by such Lender, to a level below that which such Lender or its holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of its holding company with respect to capital adequacy), then from time to time the Borrowers will pay to such Lender such additional amount or amounts as will compensate such Lender or its holding company for any such reduction suffered.

(3) A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in Section 8.1(1) or Section 8.1(2), including reasonable detail of the basis of calculation of the amount or amounts, and delivered to the Borrowers shall be conclusive absent manifest error. The Borrowers shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

(4) Failure or delay on the part of any Lender to demand compensation pursuant to this Section 8.1 shall not constitute a waiver of such Lender's right to demand such compensation, except that the Borrowers shall not be required to compensate a Lender pursuant to this Section 8.1 for any increased costs incurred or reductions suffered more than nine months prior to the date that such Lender notifies the Borrowers of the Change in Law giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefore, unless the Change in Law giving rise to such increased costs or reductions is retroactive, in which case the nine-month period referred to above shall be extended to include the period of retroactive effect thereof.

(5) The provisions of this Section 8.1 shall survive the termination of this Agreement and the repayment of all Advances Outstanding.

Section 8.2 Taxes.

(1) If any Credit Party, any Agent or any Lender is required by Applicable Law to deduct or pay any Indemnified Taxes (including any Other Taxes) in respect of any payment by or on account of any obligation of any Credit Party hereunder or under any other Credit Document, then (i) the sum payable shall be increased by such Credit Party when payable as necessary so that after making or allowing for all required deductions and payments for Indemnified Taxes (including deductions and payments applicable to additional sums payable under this Section 8.2), the Agent or Lender, as the case may be, receives an amount equal to the sum it would have received had no such deductions or payments for Indemnified Taxes been required, (ii) such Credit Party shall make any such deductions required to be made by it under Applicable Law and (iii) such Credit Party shall timely pay the full amount required to be deducted to the relevant Governmental Authority in accordance with Applicable Law.

(2) Without limiting the provisions of Section 8.2(1) above, each Credit Party shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with Applicable Law.

(3) The Credit Parties shall indemnify each Agent and each Lender, within 10 days after demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) paid by such Agent or Lender and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Credit Parties by a Lender (with a copy to the Administrative

Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(4) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by a Credit Party to a Governmental Authority, such Credit Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment satisfactory to the Administrative Agent.

(5) Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which any Credit Party is resident for tax purposes, or any treaty to which such jurisdiction is a party, with respect to payments hereunder or under any other Credit Document shall, at the request of such Credit Party, deliver to such Credit Party (with a copy to the Administrative Agent), at the time or times prescribed by Applicable Law or reasonably requested by such Credit Party or the Administrative Agent, such properly completed and executed documentation prescribed by Applicable Law as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if requested by such Credit Party or the Administrative Agent, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by such Credit Party or the Administrative Agent as will enable such Credit Party or the Administrative Agent to determine whether or not such Lender is subject to withholding or information reporting requirements.

(6) If an Agent or a Lender determines, in its sole discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by a Credit Party or with respect to which a Credit Party has paid additional amounts pursuant to this Section 8.2 or that, because of the payment of such Taxes or Other Taxes, it has benefited from a reduction in Excluded Taxes otherwise payable by it, it shall pay to such Credit Party an amount equal to such refund or reduction (but only to the extent of indemnity payments made, or additional amounts paid, by such Credit Party under this Section 8.2 with respect to the Taxes or Other Taxes giving rise to such refund or reduction), net of all expenses of such Agent or such Lender, as the case may be, and without interest (other than any net after Tax interest paid by the relevant Governmental Authority with respect to such refund). Such Credit Party, upon the request of such Agent or such Lender, agrees to repay the amount paid over to such Credit Party (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to such Agent or such Lender if such Agent or such Lender is required to repay such refund or reduction to such Governmental Authority. This Section 8.2(6) shall not be construed to require any Agent or any Lender to make available its tax returns (or any other information relating to its taxes that it deems confidential) to the Credit Parties or any other Person, to arrange its affairs in any particular manner or to claim any available refund or reduction.

(7) The provisions of this Section 8.2 shall survive the termination of this Agreement and the repayment of all Advances Outstanding.

Section 8.3 Mitigation Obligations; Replacement of Lenders.

(1) If any Lender requests compensation under Section 8.1, or requires the Credit Parties to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 8.2, then such Lender shall (at the request of the Borrowers) use reasonable efforts to designate a different lending office for funding or booking its Advances hereunder or to assign its rights and obligations hereunder to another of its offices, branches or Affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 8.1 or Section 8.2, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrowers hereby agree to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(2) If any Lender requests compensation under Section 8.1 or if the Credit Parties are required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 8.2, and in each case, such Lender has declined or is unable to designate a different lending office in accordance with Section 8.3(1), or if any Lender's obligations are suspended pursuant to Section 8.4 or if any Lender becomes a Defaulting Lender, then the Borrowers may, at their sole expense and effort and provided no Event of Default has occurred and is continuing, upon 10 days' notice to such Lender and the Administrative Agent, either (i) repay all outstanding Advances Outstanding due to such Lender (or such portion which has not been assumed pursuant to clause (b) below) and terminate the Commitments of such Lender, or (ii) require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 12.6), all of its interests, rights (other than its existing rights to payments pursuant to Section 8.1 or Section 8.2) and obligations under this Agreement and the related Credit Documents (including all or any portion of the Notes) to an Eligible Assignee that shall assume such obligations, provided that:

(a) the assigning Lender receives payment of an amount equal to the principal amount of its Advances Outstanding, accrued interest thereon, accrued Fees and all other Credit Obligations payable to it (including any breakage costs and other amounts required to be paid under this Agreement as a result of prepayment to a Lender) from the assignee (to the extent of such outstanding principal amount and accrued interest and Fees) or the Borrowers (in the case of all other amounts);

(b) in the case of any such assignment resulting from a claim for compensation under Section 8.1 or payments required to be made pursuant to Section 8.2, such assignment will result in a reduction in such compensation or payments thereafter; and

(c) such assignment does not conflict with Applicable Law.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrowers to require such assignment and delegation cease to apply.

Section 8.4 Illegality.

If any Lender determines that any Applicable Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable lending office to make, maintain, issue or participate in, any Advance (or to maintain any such obligation to make, issue or participate in any Advance), or to determine or charge interest rates based upon any particular rate, then, on notice thereof by such Lender to the Borrowers through the Administrative Agent, any obligation of such Lender with respect to the activity that is unlawful shall be suspended until such Lender notifies the Administrative Agent and the Borrowers that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, the Borrowers shall, upon demand from such Lender (with a copy to the Administrative Agent), prepay or take any necessary steps with respect to any Advance, in order to avoid the activity that is unlawful. Upon any such prepayment or conversion, the Borrowers shall also pay accrued interest on the amount so prepaid or converted and any applicable breakage costs. Each Lender agrees to designate a different lending office if such designation will avoid the need for such notice and will not otherwise be disadvantageous to such Lender.

ARTICLE 9
EVENTS OF DEFAULT

Section 9.1 Events of Default.

The occurrence of any one or more of the following events shall constitute an event of default under this Agreement (an **"Event of Default"**):

(a) the Borrowers fail to pay any amount of the Advances Outstanding when such amount becomes due and payable;

(b) the Borrowers fail to pay any interest or Fees when they become due and payable and such failure remains unremedied for a period of three Business Days;

(c) any representation or warranty or certification made or deemed to be made by a Credit Party or any of their respective directors or officers in any Credit Document shall prove to have been incorrect in any material respect when made or deemed to be made and, if the circumstances giving rise to the incorrect representation or warranty are capable of modification or rectification (such that, thereafter the representation or warranty would be correct), the representation or warranty remains uncorrected for a period of 10 days;

(d) a Borrower fails to perform, observe or comply with any of the covenants contained in Section 6.2 or Section 6.3;

(e) a Borrower fails to perform, observe or comply with any other term, covenant or agreement contained in any Credit Document to which it is a party and such failure remains unremedied for 10 days following notice of such failure by the Administrative Agent to such Borrower;

(f) a Subsidiary fails to perform, observe or comply with any term, covenant or agreement contained in any Credit Document to which it is a party and such failure remains unremedied for 10 days following notice of such failure by the Administrative Agent to the Borrower;

(g) any Credit Party fails to pay the principal of, or premium or interest or other amount on, any of its Debt (excluding Debt under this Agreement) which is outstanding in an aggregate principal amount exceeding $500,000 when such amount becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) and such failure continues after the applicable grace period, if any, specified in the agreement or instrument relating to the Debt without waiver of failure by the holder of the Debt; or any other event occurs or condition exists and continues after the applicable grace period, if any, specified in any agreement or instrument relating to any such Debt without waiver by the holder of the Debt, if its effect is to accelerate, or permit the acceleration of the Debt; or any such Debt shall be declared to be due and payable prior to its stated maturity and the declaration has not been rescinded by the holder of the Debt;

(h) any Credit Party fails to perform or observe any term, covenant or agreement contained in any Material Agreement on its part to be performed or observed where such failure could reasonably be expected to have a Material Adverse Effect; or any Material Agreement is terminated or revoked or permitted to lapse (other than in accordance with its terms and not as a result of default); or any party to any Material Agreement delivers a notice of termination or revocation (other than in accordance with its terms and not as a result of default) in respect of the Material Agreement;

(i) any Credit Party repudiates its obligations under any Credit Document or any material provision thereof, or claims any of the Credit Documents or any material provision thereof to be invalid or withdrawn in whole or in part;

(j) any one or more of the Credit Documents or any material provision thereof ceases to be, or is determined by a court of competent jurisdiction not to be, a legal, valid and binding obligation of any Credit Party which is a party thereto, enforceable by the Administrative Agent, the Collateral Agent, the Lenders or any of them against such Credit Party;

(k) if any of the Security shall cease to be a valid and perfected first priority Lien on any Collateral thereunder or any Assets intended to be Collateral thereunder, subject only to Permitted Liens which rank by law in priority;

(l) any judgment or order for the payment of money in excess of $500,000 is rendered against any Credit Party and either (i) enforcement proceedings have been commenced by a creditor upon the judgment or order, or (ii) there is any period of fifteen consecutive days during which a stay of enforcement of the judgment or order, by reason of a pending appeal or otherwise, is not in effect;

(m) any Credit Party incurs any Environmental Liabilities which will require expenditures, (i) for any one occurrence, in excess of $100,000 after application of insurance proceeds, or (ii) aggregating in any Financial Year on a consolidated basis, $500,000 after application of insurance proceeds;

(n) there is a Change of Control;

(o) any Credit Party (i) becomes insolvent or generally not able to pay its debts as they become due, (ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit of creditors, (iii) institutes or has instituted against it any proceeding seeking (x) to adjudicate it a bankrupt or insolvent, (y) liquidation, winding up, administration, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any Applicable Law relating to bankruptcy, insolvency, reorganization or relief of debtors including any proceeding under applicable corporate law seeking a compromise or arrangement of, or stay of proceedings to enforce, some or all of the debts of such Person, or (z) the entry of an order for relief or the appointment of a receiver, receiver-manager, administrator, custodian, monitor, trustee or other similar official for it or for any substantial part of its Assets, and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, such Person fails to diligently and actively oppose such proceeding, or any of the actions sought in such proceeding (including the entry of an order for relief against it or the appointment of a receiver, receiver-manager, administrator, custodian, monitor, trustee or other similar official for it or for any substantial part of its properties and assets) occurs, or (iv) takes any corporate action to authorize any of the above actions;

(p) there has occurred an event or development that, in the sole opinion of the Majority Lenders, has had or could reasonably be expected to have a Material Adverse Effect and such event or development remains in effect for ten (10) calendar days;

(q) the audited consolidated financial statements of the Parent are qualified by an Impermissible Qualification;

(r) the Production Start Date has not occurred prior to May 31, 2020;

(s) any attachment, execution or legal process shall be enforced against any Assets of the Credit Parties which has or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, and such attachment, execution or legal process shall remain unstayed and in effect for a period of thirty (30) calendar days, unless the Borrowers can demonstrate they took the reasonable legal steps to remedy such execution, as determined by the Administrative Agent at its sole discretion;

(t) an Event of Abandonment has occurred;

(u) an Event of Taking has occurred; or

(v) any Governmental Authority (including without limitation the Central Bank of Brazil) shall (A) declare a general suspension of payment or a moratorium on the payment of debt of any Credit Party (which does not expressly exclude this Agreement) or (B) fail to exchange, or to approve or permit the exchange of, Brazilian Reais for U.S. Dollars, or take any other action including the promulgation, operation or enforcement of any law, act, decree, regulation, ordinance, order, policy, or determination, or any modification of, or change in the interpretation of, any of the foregoing that has the effect of restricting or preventing such exchange or the transfer of any funds outside Brazil, beyond the extent to which such restrictions exist on the date hereof, or U.S. Dollars shall be unavailable in any legal exchange market therefor in Brazil in accordance with normal commercial practice.

Section 9.2 Acceleration.

Upon the occurrence and during the continuance of an Event of Default, the Administrative Agent shall at the request of, or may with the consent of, the Majority Lenders, by written notice to the Borrowers (i) terminate the Lenders' obligations to make further Advances under the Term Facility; and (ii) (at the same time or at any time after such termination) declare all Credit Obligations to be immediately due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower; provided that, upon the occurrence of an Event of Default under Section 9.1(o), the Lender's obligations to make further Advances under the Term Facility shall automatically terminate and all Credit Obligations shall become immediately due and payable, with any presentment, demand, protest or notice of any kind from the Administrative Agent or any Lender.

Section 9.3 Remedies Upon Default.

(1) Upon a declaration that the Advances Outstanding are immediately due and payable pursuant to Section 9.2, the Lenders may and the Administrative Agent shall at the request of, or may with the consent of, the Majority Lenders, commence such legal action or proceedings as the Majority Lenders, in their sole discretion, deem expedient, including the commencement of enforcement proceedings under the Credit Documents, all without any additional notice, presentation, demand, protest, notice of dishonour, entering into of possession of any property or assets, or any other action or notice, all of which are expressly waived by the Borrowers.

(2) The rights and remedies of the Administrative Agent, the Collateral Agent and the Lenders or of any of them under the Credit Documents are cumulative and are in addition to, and not in substitution for, any other rights or remedies. Nothing contained in the Credit Documents with respect to the indebtedness or liability of the Borrowers to the Secured Creditors, nor any act or omission of the Secured Creditors, or any of them, with respect to the Credit Documents or the Security shall in any way prejudice or affect the rights, remedies and powers of the Secured Creditors under the Credit Documents and the Security.

Section 9.4 Right of Set-off.

If an Event of Default has occurred and is continuing, each of the Lenders and each of their respective Affiliates is hereby authorized at any time and from time to time to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender or any such Affiliate to or for the credit or the account of any Borrower against any and all of the obligations of such Borrower now or hereafter existing under this Agreement or any other Credit Document to such Lender, irrespective of whether or not such Lender has made any demand under this Agreement or any other Credit Document and although such obligations of the Credit Party may be contingent or unmatured, are owed to a branch or office of such Lender different from the branch or office holding such deposit or obligated on such indebtedness, or are owed to such Lender and not to the Affiliate holding such deposit or obligated on such indebtedness; provided that in the event that any Defaulting Lender or its Affiliate shall exercise any such right of set-off, (i) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 10.16 and, pending such payment, shall be segregated by such Defaulting Lender or its Affiliate from its other funds and deemed held in trust for the benefit of the Administrative Agent and the Lenders, and (ii) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the obligations owing to such Defaulting Lender or its Affiliate as to which it exercised such right of set-off. The rights of each of the Lenders and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of set-off, consolidation of accounts and bankers' lien) that the Lenders or their respective Affiliates may have. Each Lender may notify the Borrowers and the Administrative Agent after any such set-off and application, but the failure to give such notice shall not affect the validity of such set-off and application. If any Affiliate of a Lender exercises any rights under this Section 9.4, it shall share the benefit received in accordance with Section 10.14 as if the benefit had been received by the Lender of which it is an Affiliate.

Section 9.5 Application of Cash Proceeds of Realization.

(1) Subject to the claims, if any, of secured creditors of the Credit Parties whose security ranks in priority to the Security, all Cash Proceeds of Realization shall be applied and distributed, and the claims of the Secured Creditors shall be deemed to have the relative priorities which would result in the Cash Proceeds of Realization being applied and distributed, as follows:

(a) *first*, to the payment of all costs and expenses (including fees of counsel) of the Agents in connection with realization on the Security and enforcing the rights of the Lenders under the Credit Documents;

(b) *second*, except as set forth in clause (a) above, to the payment of the outstanding Secured Obligations owing to each Secured Creditor, rateably according to the proportion that the Secured Obligations owing to such Secured Creditor at such time bear to the Secured Obligations owing to all Secured Creditors at such time;

(c) *third*, to the payment of the surplus, if any, to whomever may be lawfully entitled to receive such surplus.

ARTICLE 10
THE AGENTS AND THE LENDERS

Section 10.1 Appointment and Authority.

Each of the Secured Creditors hereby irrevocably appoints the Administrative Agent to act on its behalf as the Administrative Agent hereunder and under the other Credit Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. Each of the Secured Creditors hereby irrevocably appoints the Collateral Agent to act on its behalf as the Collateral Agent hereunder and under the other Credit Documents and authorizes the Collateral Agent to take such actions on its behalf and to exercise such powers as are delegated to the Collateral Agent by the terms hereof or thereof, if applicable, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Secured Creditors, and no Credit Party shall have rights as a third party beneficiary of any of such provisions (other than pursuant to Section 10.8(1), Section 10.13(2) and Section 10.16).

Section 10.2 Rights as a Lender.

Each Person serving as an Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not an Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include each Person serving as an Agent hereunder in its individual capacity. Each such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with any Credit Party or any Affiliate thereof as if such Person were not an Agent and without any duty to account to the Lenders.

Section 10.3 Exculpatory Provisions.

(1) No Agent shall have any duties or obligations except those expressly set forth herein and in the other Credit Documents, and its duties shall be administrative in nature. Without limiting the generality of the foregoing, no Agent:

(a) shall be subject to any fiduciary or other implied duties, regardless of whether a Default or Event of Default has occurred and is continuing;

(b) shall have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Credit Documents that such Agent is required to exercise as directed in writing by the Majority Lenders (or such other number or percentage of the Lenders as shall be expressly provided for in the Credit Documents), but such Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, (i) may expose such Agent to liability, (ii) is contrary to any Credit Document or Applicable Law, (iii) would require such Agent to become registered to do business in any jurisdiction, or (iv) would subject such Agent to taxation; and

(c) shall, except as expressly set forth herein and in the other Credit Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrowers or any of their respective Affiliates that is communicated to or obtained by the Person serving as Agent or any of its Affiliates in any capacity.

(2) No Agent (and none of its directors, officers, agents or employees) shall be liable for any action taken or not taken by it (i) with the consent or at the request of the Majority Lenders (or such other number or percentage of the Lenders as is necessary, or as such Agent believes in good faith is necessary, under the provisions of the Credit Documents) or (ii) in the absence of its own gross negligence or wilful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment.

(3) Except as otherwise expressly specified in this Agreement, no Agent shall be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Credit Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default or Event of Default (and each Agent shall be deemed not to have knowledge of any Default or Event of Default unless and until such Agent has been notified in writing by a Credit Party of such fact or has been notified in writing by a Lender that it considers that a Default or Event of Default has occurred and is continuing, such notification to specify in detail the nature thereof), (iv) the validity, enforceability, effectiveness or genuineness of, or the sufficiency or value of, or the perfection or priority of any lien or security interest created or purported to be created under or in connection with, this Agreement, any other Credit Document or any other agreement, instrument or document (and each Agent shall be entitled to assume that the same are valid, enforceable, effective, genuine, sufficient, supported by value given, have been signed or delivered by the proper parties and are what they purport to be), or (v) the satisfaction of any condition specified in this Agreement, other than to confirm receipt of items expressly required to be delivered to such Agent.

(4) No Agent is obliged to (i) take or refrain from taking any action or exercise or refrain from exercising any right or discretion under the Credit Documents, or (ii) incur or subject itself to any cost in connection with the Credit Documents, unless it is first specifically indemnified or furnished with security by the Secured Creditors, in form and substance satisfactory to it (which may include further agreements of indemnity or the deposit of funds).

Section 10.4 Reliance by Agents.

Each Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, internet or intranet posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. Each Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making, extension, renewal or increase of an Advance that by its terms must be fulfilled to the satisfaction of a Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender unless the Administrative Agent shall have received notice to the contrary from such Lender prior to the making of such Advance. Each Agent may consult with legal counsel (who may be counsel for the Borrowers), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

Section 10.5 Indemnification of Agents.

(1) Each Lender agrees to indemnify each Agent and hold it harmless (to the extent not reimbursed by the Borrowers), according to its rateable share (and not jointly or jointly and severally) from and against any and all losses, claims, damages, liabilities and related expenses, including the fees, charges and disbursements of any counsel, which may be incurred by or asserted against such Agent in any way relating to or arising out of the Credit Documents or the transactions therein contemplated or any actions taken or omitted to be taken by such Agent. However, no Lender shall be liable for any portion of such losses, claims, damages, liabilities and related expenses resulting from such Agent's gross negligence or wilful misconduct.

(2) Each Secured Creditor agrees to indemnify the Collateral Agent and hold it harmless (to the extent not reimbursed by the Borrowers) according to its rateable share (and not jointly or jointly and severally) from and against any and all losses, claims, damages, liabilities and related expenses, including the fees, charges and disbursements of any counsel, which may be incurred by or asserted against the Collateral Agent in any way relating to or arising out of any of the Security Documents or any other document contemplated thereby or any action taken or omitted by the Collateral Agent under any of the Security Documents or any document contemplated thereby. However, no Secured Creditor shall be liable for any portion of such losses, claims, damages, liabilities and related expenses resulting from the Collateral Agent's gross negligence or wilful misconduct.

Section 10.6 Delegation of Duties.

Each Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Credit Document by or through any one or more sub-agents appointed by such Agent. Each Agent and any such sub-agent of such Agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The provisions of this Article 10 and other provisions of this Agreement and the other Credit Documents for the benefit of the Agents shall apply to any such sub-agent and to the Related Parties of the Agents and any such sub-agents, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Agents. No Agent shall be responsible for the negligence or misconduct of any of its sub-agents except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that such Agent acted with gross negligence or wilful misconduct in the selection of such sub-agent.

Section 10.7 Notices.

Each Agent shall promptly deliver to each Lender any notices, reports or other communications contemplated in this Agreement which are intended for the benefit of the Lenders.

Section 10.8 Administrative Agent's Clawback

(1) The failure of a Lender to make an Advance shall not relieve any other Lender of its obligations in connection with such Advance, but no Lender is responsible for any other Lender's failure in respect of an Advance. Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any advance of funds that such Lender will not make available to the Administrative Agent such Lender's share of such advance, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with the provisions of this Agreement concerning funding by Lenders and may, in reliance upon such assumption, make available to the Borrowers a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable advance available to the Administrative Agent, then the applicable Lender shall pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrowers to but excluding the date of payment to the Administrative Agent, at a rate determined by the Administrative Agent in accordance with prevailing banking industry practice on interbank compensation. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Advance included in such advance. If the Lender does not do so forthwith, the Borrowers shall pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon at the interest rate applicable to the advance in question. Any payment by any Borrower shall be without prejudice to any claim the Borrowers may have against a Lender that has failed to make such payment to the Administrative Agent.

(2) Unless the Administrative Agent shall have received notice from the Borrowers prior to the date on which any payment is due to the Administrative Agent for the account of any Lender hereunder that the Borrowers will not make such payment, the Administrative Agent may assume that the Borrowers have made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute the amount due to the Lenders. In such event, if the Borrowers have not in fact made such payment, then each of the Lenders severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at a rate determined by the Administrative Agent in accordance with prevailing banking industry practice on interbank compensation.

Section 10.9 Replacement of Agents.

(1) Each Agent may resign at any time by giving 30 days prior notice of its resignation to the Lenders and the Borrowers. Upon receipt of any such notice of resignation, the Majority Lenders shall have the right, with the prior written consent of the Borrowers, to appoint a successor, which shall be a Lender, an Affiliate of any Lender or any other Person as determined by the Majority Lenders. An Agent may also be removed at any time by the Majority Lenders upon 30 days' notice to the Administrative Agent and the Borrowers as long as the Majority Lenders, with the prior written consent of each Borrower, appoint and obtain the acceptance of a successor within such 30 days, which shall be a Lender, an Affiliate of any Lender or any other Person as determined by the Majority Lenders. Upon the occurrence of an Event of Default that is continuing, the obligation to obtain each Borrower's consent to the removal or appointment of an Agent in accordance with this Section 10.9(1) shall cease.

(2) If no such successor shall have been so appointed by the Majority Lenders and shall have accepted such appointment within 30 days after the retiring Agent gives notice of its resignation, then the retiring Agent may on behalf of the Lenders, appoint a successor Agent meeting the qualifications specified in Section 10.9(1), provided that if the retiring Agent shall notify the Borrowers and the Lenders that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and, in any event, (i) the retiring or removed Agent shall be discharged from its duties and obligations hereunder and under the other Credit Documents (except that in the case of any Security held by the Collateral Agent on behalf of the Secured Creditors under any of the Credit Documents, the retiring or removed Collateral Agent shall continue to hold such Security until such time as a successor Collateral Agent is appointed) and (ii) except for any indemnity payments owed to the retiring or removed Agent, all payments, communications and determinations provided to be made by, to or through such Agent shall instead be made by or to each Lender directly, until such time as the Majority Lenders appoint a successor Agent pursuant to Section 10.9(1).

(3) Upon a successor's appointment as Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the former

Agent (other than any rights to indemnity payments owed to the former Agent), and the former Agent shall be discharged from all of its duties and obligations hereunder or under the other Credit Documents. The fees payable by the Borrowers to a successor Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrowers and such successor. After the termination of the service of the former Agent, the provisions of this Article 10 and of Section 12.5 shall continue in effect for the benefit of such former Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the former Agent was acting as an Agent.

Section 10.10 Non-Reliance on Agents and Other Lenders.

Each Lender acknowledges that it has, independently and without reliance upon any Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon any Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Credit Document or any related agreement or any document furnished hereunder or thereunder.

Section 10.11 Collective Action of the Secured Creditors.

Each of the Secured Creditors hereby acknowledges that to the extent permitted by Applicable Law, all Security and the remedies provided under the Credit Documents to the Secured Creditors are for the benefit of the Secured Creditors collectively and acting together and not severally and further acknowledges that its rights hereunder and under any Security are to be exercised not severally upon the decision of the Majority Lenders (or such other number or percentage of the Lenders as shall be expressly provided for in the Credit Documents). Accordingly, notwithstanding any of the provisions contained herein or in any Security, each of the Secured Creditors hereby covenants and agrees that it shall not be entitled to take any action hereunder or thereunder including, without limitation, any declaration of default hereunder or thereunder without the prior written agreement of the Majority Lenders (or such other number or percentage of the Lenders as shall be expressly provided for in the Credit Documents). Each of the Secured Creditors hereby further covenants and agrees that upon any such written agreement being given, it shall co-operate fully with each other to the extent requested by such Party. Notwithstanding the foregoing, in the absence of instructions from the Lenders and where in the sole opinion of an Agent, acting reasonably and in good faith, the exigencies of the situation warrant such action, such Agent may without notice to or consent of the Secured Creditors take such action on behalf of the Secured Creditors as it deems appropriate or desirable in the interest of the Secured Creditors.

Section 10.12 Secured Obligations.

All Secured Obligations shall rank *pari passu* with each other and any proceeds from any realization of the Collateral shall be applied to the Secured Obligations rateably in accordance with Section 9.5 (whether such Collateral is in the name of the Collateral Agent or in the name of any one or more of the other Secured Creditors and without regard to any priority to which any Secured Creditor may otherwise be entitled under Applicable Law).

Section 10.13 Holding of Security; Discharge.

(1) Each Secured Creditor agrees with the other Secured Creditors that it will not, without the prior consent of the other Secured Creditors, take or obtain any Lien on any properties or assets of any Borrower or any other Credit Party to secure the obligations of the Borrowers under the Credit Documents, except for the benefit of all Secured Creditors or as may otherwise be required by Applicable Law.

(2) The Secured Creditors hereby irrevocably authorize the Collateral Agent or the Lenders, as the case may be to, and the Collateral Agent or the Lenders, as the case may be, will, release the Security on any Collateral constituting Assets subject to a Disposition to any Person (other than a Credit Party), if (i) the Parent has certified to the Agents that the Disposition is in compliance with the terms of this Agreement (and the Agents may rely conclusively on any such certificate, without further inquiry) or (ii) subject to Section 12.1, the Majority Lenders have consented to the Disposition of such Collateral. The Collateral Agent or the Lenders, as the case may be, will, at the request and expense of the Borrower, execute and deliver to the relevant Credit Party such financing change statements, releases, discharges, documents or other instruments as the Credit Party may reasonably require to effect the release and discharge of the Security over such Collateral, provided that the proceeds of any such Disposition shall continue to constitute part of the Collateral.

Section 10.14 Sharing of Payments by Lenders.

If any Lender, by exercising any right of set-off or counterclaim or otherwise, obtains any payment or other reduction that might result in such Lender receiving payment or other reduction of a proportion of the aggregate amount of its Advances Outstanding and accrued interest thereon or other obligations hereunder greater than its rateable share thereof as provided herein, then the Lender receiving such payment or other reduction shall (a) notify the Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the Advances Outstanding and such other obligations of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders rateably in accordance with the aggregate amount of principal of and accrued interest on their respective Advances Outstanding and other amounts owing them, provided that:

(a) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(b) the provisions of this Section 10.14 shall not be construed to apply to (x) any payment made by the Borrowers pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender) or (y) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Advances to any assignee or participant, other than to the Borrowers or any respective Affiliate of the Borrowers (as to which the provisions of this Section 10.14 shall apply).

The Borrowers consent to the foregoing and agrees, to the extent they may effectively do so under Applicable Law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against it rights of set-off and counterclaim and similar rights of Lenders with respect to such participation as fully as if such Lender were a direct creditor of the Borrowers in the amount of such participation.

Section 10.15 Liability of the Lenders *inter se*.

Each of the Lenders agrees with each of the other Lenders that, except as otherwise expressly provided in this Agreement, none of the Lenders has or shall have any duty or obligation, or shall in any way be liable, to any of the other Lenders in respect of the Credit Documents or any action taken or omitted to be taken in connection with them.

Section 10.16 Defaulting Lenders.

Notwithstanding any provision in this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) such Defaulting Lender shall have no voting or consent rights with respect to matters under this Agreement or other Credit Documents and, accordingly, the Commitments and Advances Outstanding of such Defaulting Lender 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 12.1); provided that any waiver or amendment which affects such Defaulting Lender differently than other Lenders generally shall require the consent of such Defaulting Lender;

(b) to the extent permitted by Applicable Law, the Administrative Agent shall be entitled to withhold and deposit in one or more non-interest bearing cash collateral accounts in the name of the Administrative Agent any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of a Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article 9 or otherwise), which payments shall be applied at such time or times as may be determined by the Administrative Agent as follows: *first*, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent in such capacity hereunder; *second*, as any Borrower may request (so long as no Default or Event of Default exists), to the funding of any Advance in respect of which that Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; and *third*, if so determined by the Administrative Agent and the Borrowers, to be held in a deposit account and released in order to satisfy obligations of such Defaulting Lender to fund future Advances under this Agreement; provided that if such payment is a payment of the principal amount of any Advances in respect of which such Defaulting Lender has not fully funded its appropriate share, such payment shall be applied solely to pay the Advances Outstanding owed to all non-Defaulting Lenders on a rateable basis prior to being applied to the payment of any Advances Outstanding to any Defaulting Lender, until such time as all Advances are held by the Lenders rateably in accordance with the Lenders' Commitments. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post cash collateral pursuant to this Section 10.16 shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto;

(c) for greater certainty, neither the Administrative Agent nor any of its Affiliates nor any of their respective directors, officers, employees, managers, administrators, trustees, agents, advisors and representatives shall be liable to any Lender (including a Defaulting Lender) for any action taken or omitted to be taken by it in connection with amounts received and deposited by the Administrative Agent in a cash collateral account pursuant to this Section 10.16 and applied in accordance with the provisions of this Agreement, save and except for the gross negligence or wilful misconduct of the Administrative Agent as determined by a final and non-appealable judgment of a court of competent jurisdiction;

Section 10.17 No Other Duties. etc.

Anything herein to the contrary notwithstanding, none of the Arranger or holders of similar titles specified in this Agreement shall have any powers, duties or responsibilities under this Agreement or any of the other Credit Documents, except in its capacity, as applicable, as an Agent or a Lender hereunder.

Section 10.18 Survival.

The provisions of this Article shall survive the termination of this Agreement and the repayment of all Advances Outstanding.

ARTICLE 11
GUARANTEE

Section 11.1 Guarantee.

Each Guarantor irrevocably and unconditionally guarantees to the Secured Creditors the due and punctual payment, and the due performance, whether at stated maturity, by acceleration or otherwise, of the Secured Obligations. Each Guarantor agrees that the Secured Obligations will be paid to the Collateral Agent and Secured Creditors strictly in accordance with their terms and conditions.

Section 11.2 Indemnity.

If any or all of the Secured Obligations are not duly performed by the Borrowers and are not performed by the Guarantors, or any of them, under Section 11.1 for any reason whatsoever, each Guarantor will, as a separate and distinct obligation, indemnify and save harmless the Collateral Agent and the Secured Creditors from and against all losses resulting from the failure of the Borrower to duly perform such Secured Obligations.

Section 11.3 Primary Obligation.

If any or all of the Secured Obligations are not duly performed by the Borrowers and are not performed by the Guarantors, or any of them, under Section 11.1 or the Collateral Agent and the Secured Creditors are not indemnified under Section 11.2, in each case, for any reason whatsoever, such Secured Obligations will, as a separate and distinct obligation, be performed by each Guarantor as a primary obligor.

Section 11.4 Absolute Liability.

Each Guarantor agrees that the liability of such Guarantor under Section 11.1 and Section 11.3 and, for greater certainty, under Section 11.2, is absolute and unconditional irrespective of:

(a) the lack of validity or enforceability of any terms of any of the Credit Documents;

(b) any contest by either Borrower or any other Person as to the amount of the Secured Obligations, the validity or enforceability of any terms of the Credit Documents or the perfection or priority of any security granted to the Collateral Agent or the Secured Creditors;

(c) any defence, counter claim or right of set-off available to either Borrower;

(d) any release, compounding or other variance of the liability of either Borrower or any other Person liable in any manner under or in respect of the Secured Obligations or the extinguishment of all or any part of the Secured Obligations by operation of law;

(e) any change in the time or times for, or place or manner or terms of payment or performance of the Secured Obligations or any consent, waiver, renewal, alteration, extension, compromise, arrangement, concession, release, discharge or other indulgences which the Secured Creditors or the Collateral Agent may grant to either Borrower or any other Person;

(f) any amendment or supplement to, or alteration or renewal of, or restatement, replacement, refinancing or modification or variation of (including any increase in the amounts available thereunder or the inclusion of an additional borrower thereunder), or other action or inaction under, this Agreement, the other Credit Documents or any other related document or instrument, or the Secured Obligations;

(g) any discontinuance, termination, reduction, renewal, increase, abstention from renewing or other variation of any credit or credit facilities to, or the terms or conditions of any transaction with, either Borrower or any other Person;

(h) any change in the ownership, control, name, objects, businesses, assets, capital structure or constitution of either Borrower, any Guarantor or any other Credit Party or any reorganization (whether by way of reconstruction, consolidation, amalgamation, merger, transfer, sale, lease or otherwise) of either Borrower, any Guarantor or any other Credit Party or their respective businesses;

(i) any dealings with the security which the Secured Creditors or the Collateral Agent hold or may hold pursuant to the terms and conditions of the Credit Documents, including the taking, giving up or exchange of securities, their variation or realization, the accepting of compositions and the granting of releases and discharges;

(j) any limitation of status or power, disability, incapacity or other circumstance relating to either Borrower, any Guarantor, any other Credit Party or any other Person, including any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation, winding-up or other like proceeding involving or affecting either Borrower, any Guarantor, any other Credit Party or any other Person or any action taken with respect to this Agreement by any trustee or receiver, or by any court, in any such proceeding, whether or not the Guarantor shall have notice or knowledge of any of the foregoing;

(k) the assignment of all or any part of the benefits of this Agreement;

(l) any impossibility, impracticability, frustration of purpose, force majeure or illegality of any Credit Document, or the occurrence of any change in the laws, rules, regulations or ordinances of any jurisdiction or by any present or future action of (i) any governmental entity that amends, varies, reduces or otherwise affects, or purports to amend, vary, reduce or otherwise affect, any of the Secured Obligations or the obligations of any Guarantor under this Agreement, or (ii) any court order that amends, varies, reduces or otherwise affects any of the Secured Obligations;

(m) any taking or failure to take security, any loss of, or loss of value of, any security, or any invalidity, non-perfection or unenforceability of any security held by the Secured Creditors or the Collateral Agent, or any exercise or enforcement of, or failure to exercise or enforce, security, or irregularity or defect in the manner or procedure by which the Collateral Agent and the Secured Creditors realize on such security;

(n) any application of any sums received to the Secured Obligations, or any part thereof, and any change in such application; and

(o) any other circumstances which might otherwise constitute a defence available to, or a discharge of, any Guarantor, either Borrower or any other Person in respect of the Secured Obligations or this Agreement.

Section 11.5 Joint and Several Obligations.

The obligations of each Guarantor under this Agreement shall be joint and several.

Section 11.6 Remedies.

The Secured Creditors and the Collateral Agent are not bound to exhaust their recourse against either Borrower or any other Person or realize on any security they may hold in respect of the Secured Obligations before being entitled to (i) enforce payment and performance against the Guarantors, or any of them, under this Agreement or (ii) pursue any other remedy against the Guarantors, or any of them, and each of the Guarantors renounces all benefits of discussion and division.

Section 11.7 Amount of Secured Obligations.

Any account settled or stated by or between the Collateral Agent and either Borrower, or if any such account has not been settled or stated immediately before demand for payment under this Article 11, any account stated by the Collateral Agent shall, in the absence of manifest mathematical error, be accepted by each of the Guarantors as conclusive evidence of the amount of the Secured Obligations which is due by the Borrowers to the Secured Creditors and the Collateral Agent or remains unpaid by the Borrowers to the Secured Creditors and the Collateral Agent.

Section 11.8 Payment on Demand.

Each Guarantor will pay and perform the Secured Obligations and pay all other amounts payable by it to the Secured Creditors or the Collateral Agent under this Agreement, and the obligation to do so arises, immediately after demand for such payment or performance is made in writing to it. The liability of each Guarantor bears interest from the date of such demand at the rate or rates of interest then applicable to the Secured Obligations under and calculated in the manner provided in the Credit Documents (including any adjustment to give effect to the provisions of the *Interest Act* (Canada)).

Section 11.9 Costs and Expenses.

Each Guarantor is liable for and will pay on demand by the Collateral Agent all reasonable expenses, costs and charges incurred by or on behalf of the Secured Creditors in connection with this Article 11, including all reasonable legal fees, courts costs, receivers or agent's remuneration and other expenses in connection with enforcing any of their rights under this Article 11.

Section 11.10 Assignment and Postponement.

(1) All obligations, liabilities and indebtedness of each Borrower to each Guarantor of any nature whatsoever and all security therefor (the "**Intercorporate Indebtedness**") are assigned and transferred by such Guarantor to the Collateral Agent as continuing and collateral security for such Guarantor's obligations under this Agreement and postponed to the payment in full of all Secured Obligations. Until the occurrence of an Event of Default that is continuing, such Guarantor may receive payments in respect of the Intercorporate Indebtedness owed to it as permitted under this Agreement. No Guarantor will assign all or any part of the Intercorporate Indebtedness owed to it to any Person other than the Collateral Agent or the Secured Creditors.

(2) Upon the occurrence and during the continuation of an Event of Default, all Intercorporate Indebtedness will be held in trust for the Secured Creditors and the Collateral Agent and will be collected, enforced or proved subject to, and for the purpose of, this Article 11. In such event, any payments received by any Guarantor in respect of the Intercorporate Indebtedness will be held in trust for the Secured Creditors and the Collateral Agent and segregated from other funds and property held by such Guarantor and immediately paid to the Collateral Agent on account of the Secured Obligations.

(3) The Intercorporate Indebtedness owed to it shall not be released or withdrawn by any Guarantor without the prior written consent of the Collateral Agent. No Guarantor will allow a limitation period to expire on the Intercorporate Indebtedness owed to it or ask for or obtain any security or negotiable paper for, or other evidence of, such Intercorporate Indebtedness except for the purpose of delivering the same to the Collateral Agent.

(4) In the event of any insolvency, bankruptcy or other proceeding involving the liquidation, arrangement, compromise, reorganization or other relief with respect to either Borrower or its debts, each Guarantor will, upon the request of the Collateral Agent, make and present a proof of claim or commence such other proceedings against such Borrower on account of the Intercorporate Indebtedness owed to it as may be reasonably necessary to establish such Guarantor's entitlement to payment of such Intercorporate Indebtedness. Such proof of claim or other proceeding must be made or commenced prior to the earlier of (i) the day which is 30 days after notice requesting such action is delivered by or on behalf of the Collateral Agent to such Guarantor and (ii) the day which is 10 days preceding the date when such proof of claim or other proceeding is required by applicable law to be made or commenced. Such proof of claim or other proceeding must be in form and substance acceptable to the Collateral Agent.

(5) If any Guarantor fails to make and file such proof of claim or commence such other proceeding in accordance with this Section, the Collateral Agent is irrevocably authorized, empowered and directed and appointed the true and lawful attorney of such Guarantor (but is not obliged) with the power to exercise for and on behalf of such Guarantor the following rights, upon the occurrence and during the continuance of an Event of Default: (i) to make and present for and on behalf of such Guarantor proofs of

claims or other such proceedings against the applicable Borrower on account of the Intercorporate Indebtedness owed to such Guarantor, (ii) to demand, sue for, receive and collect any and all dividends or other payments or disbursements made in respect of the Intercorporate Indebtedness owed to such Guarantor in whatever form the same may be paid or issued and to apply the same on account of the Secured Obligations, and (iii) to demand, sue for, collect and receive each such payment and distribution and give acquittance therefor and to file claims and take such other actions, in its own name or in the name of such Guarantor or otherwise, as the Collateral Agent may deem necessary or advisable to enforce its rights under this Article 11.

(6) Each Guarantor will execute all subordinations, postponements, assignments and other agreements as the Collateral Agent may reasonably request to more effectively subordinate and postpone the Intercorporate Indebtedness to the payment and performance of the Secured Obligations.

(7) The provisions of this Section 11.10 remain in full force and effect until (i) the Secured Obligations and all other amounts owing under the Credit Documents are repaid in full; and (ii) the Secured Creditors have no further obligations under any of the Credit Documents.

Section 11.11 Suspension of Guarantor Rights.

So long as there are any Secured Obligations, no Guarantor will exercise any rights which it may at any time have by reason of the performance of any of its obligations under this Article 11 (i) to be indemnified by either Borrower, (ii) to claim contribution from any other guarantor of the debts, liabilities or obligations of either Borrower, or (iii) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Secured Creditors or the Collateral Agent under any of the Credit Documents. Each Guarantor hereby agrees in favour of the Borrowers, the other Guarantors and the Secured Creditors, that any such rights of indemnification, contribution, or subrogation terminate in the event of a sale, foreclosure or other disposition of any of the equity securities of either Borrower, such Guarantor or any other Credit Party in connection with an exercise of rights and remedies by the Collateral Agent and the other Secured Creditors. Each Guarantor further agrees that the Borrowers and other guarantors of the debts, liabilities and obligations of the Borrowers are intended third party beneficiaries of such Guarantor's agreement contained in this Section 11.11.

Section 11.12 No Prejudice to Secured Creditors or Collateral Agent.

The Secured Creditors and the Collateral Agent are not prejudiced in any way in the right to enforce any provision of this Article 11 by any act or failure to act on the part of the Borrowers, the Secured Creditors or the Collateral Agent. The Collateral Agent and the Secured Creditors may, at any time and from time to time, in such manner as any of them may determine is expedient, without any consent of, or notice to, the Guarantors, or any of them, and without impairing or releasing the obligations of the Guarantors, or any of them, (i) change the manner, place, time or terms of payment or performance of the Secured Obligations, (ii) renew or alter the Secured Obligations, (iii) amend, vary, modify, supplement or replace any Credit Document or any other related document or instrument, (iv) discontinue, reduce, renew, increase, abstain from renewing or otherwise vary any credit or credit facilities to, any transaction with, either Borrower or any other Person, (v) release, compound or vary the liability of either Borrower or any other Person liable in any manner under or in respect of the Secured Obligations, (vi) take or abstain from taking securities or collateral from any other Person, or from perfecting securities or collateral of any other Person, (vii) exercise or enforce or refrain from exercising or enforcing any right or security against either Borrower, any Guarantor or any other Person, (viii) accept compromises or arrangement from any Person, (ix) apply any sums from time to time received to the Secured Obligations, or any part thereof, and change any such application in whole or in part from time to time, (x) otherwise deal with, or waive or modify their right to deal with, any Person and security. In their dealings with the Borrowers, the Collateral Agent and the Secured Creditors need not enquire into the authority or power of any Person purporting to act for or on behalf of either Borrower.

Section 11.13 Rights of Subrogation.

Any rights of subrogation acquired by any Guarantor by reason of payment under this Article 11, and not terminated pursuant to Section 11.11 shall not be exercised until the Secured Obligations and all other amounts due to the Secured Creditors and the Collateral Agent have been paid or repaid in full and such rights of subrogation shall be no greater than the rights held by the Secured Creditors and the Collateral Agent. In the event (i) of the liquidation, winding up or bankruptcy of either Borrower (whether voluntary or compulsory), (ii) that either Borrower makes a bulk sale of any of its assets within the provisions of any bulk sales legislation, or (iii) that either Borrower makes any composition with creditors or enters into any scheme of arrangement, the Secured Creditors and the Collateral Agent have the right to rank in priority to each of the Guarantors for their full claims in respect of the Secured Obligations and receive all dividends and other payments until their claims have been paid in full. Each of the Guarantors will continue to be liable, less any payments made by such Guarantor, for any balance which may be owing to the Secured Creditors or the Collateral Agent by the Borrowers. No valuation or retention of their security by the Secured Creditors or the Collateral Agent shall, as between the Collateral Agent and the Secured Creditors and each of the Guarantors, be considered as a purchase of such security or as payment or satisfaction or reduction of all or any part of the Secured Obligations. If any amount is paid to any Guarantor at any time when all the Secured Obligations and other amounts due to the Secured Creditors and the Collateral Agent have not been paid in full, the amount will be held in trust for the benefit of the Secured Creditors and the Collateral Agent and immediately paid to the Collateral Agent to be credited and applied to the Secured Obligations, whether matured or unmatured. No Guarantor has recourse against the Secured Creditors or the Collateral Agent for any invalidity, non-perfection or unenforceability of any security held by the Secured Creditors or the Collateral Agent or any irregularity or defect in the manner or procedure by which the Secured Creditors or the Collateral Agent realize on such security.

Section 11.14 No Set-off.

To the fullest extent permitted by law, each Guarantor makes all payments under this Article 11 without regard to any defence, counter-claim or right of set-off available to it.

Section 11.15 Successors of the Borrower.

This Article 11 will not be revoked by any change in the constitution of either Borrower. This Article 11 extends to any person, firm or corporation acquiring, or from time to time carrying on, the business of either Borrower.

Section 11.16 Continuing Guarantee and Continuing Obligations.

The respective obligation of each Guarantor under Section 11.1 is a continuing guarantee, and the respective obligations of each Guarantor under Section 11.2 and Section 11.3 are continuing obligations. Each of Section 11.1, Section 11.2 and Section 11.3 extends to all present and future Secured Obligations, applies to and secures the ultimate balance of the Secured Obligations due or remaining due to the Collateral Agent and the Secured Creditors and is binding as a continuing obligation of each Guarantor until the Collateral Agent and the Secured Creditors release such Guarantor. This Article 11 will continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Secured Obligations is rescinded or must otherwise be returned by the Secured Creditors or the Collateral Agent upon the insolvency, bankruptcy or reorganization of either Borrower or otherwise, all as though the payment had not been made.

Section 11.17 Supplemental Security.

This Article 11 is in addition and without prejudice to and supplemental to all other guarantees, indemnities, obligations and security now held or which may hereafter be held by the Secured Creditors or the Collateral Agent.

Section 11.18 Security for Guarantee.

Each Guarantor acknowledges that this Article 11 is intended to secure payment and performance of the Secured Obligations and that the payment and performance of the Secured Obligations and the other obligations of such Guarantor under this Article 11 are secured pursuant to the terms and provisions of the Security Documents granted by such Guarantor.

Section 11.19 Right of Set-off.

Upon the occurrence and during the continuance of any Event of Default, the Collateral Agent and each of the Secured Creditors are authorized by each Guarantor at any time and from time to time and may, to the fullest extent permitted by law, set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by the Collateral Agent or the Secured Creditors to or for the credit or the account of such Guarantor against any and all of the obligations of such Guarantor now or hereafter existing irrespective of whether or not (i) the Secured Creditors or the Collateral Agent have made any demand under this Article 11, or (ii) any of the obligations comprising the Secured Obligations are contingent or unmatured. The rights of the Collateral Agent and the Secured Creditors under this Section 11.19 are in addition and without prejudice to and supplemental to other rights and remedies which the Collateral Agent and the Secured Creditors may have.

Section 11.20 Additional Guarantors.

Additional persons may from time to time after the date of this Agreement become Guarantors under this Agreement by executing and delivering to the Administrative Agent a joinder agreement to this Agreement in form and substance satisfactory to the Administrative Agent (a "**Joinder Agreement**"). Effective from and after the date of the execution and delivery by any Person to the Collateral Agent of a Joinder Agreement, such Person shall be, and shall be deemed for all purposes to be, a Guarantor under this Agreement with the same force and effect, and subject to the same agreements, representations, guarantees, indemnities, liabilities and obligations, as if such Person were, effective as of such date, an original signatory to this Agreement as a Guarantor. The execution and delivery of a Joinder Agreement by any Person shall not require the consent of any other Guarantor and all of the obligations of each Guarantor under this Agreement shall remain in full force and effect notwithstanding the addition of any additional Guarantor to this Agreement.

Section 11.21 Brazilian Guarantors

Each Brazilian Guarantor hereby declares that it irrevocably and unconditionally guarantees to each of the Lenders, as if it was the principal debtor (*devedor solidário*) and primary obligor, the performance of all obligations of each of the Borrower assumed by it hereunder and under any other Credit Documents, especially, but not limited to, the due and punctual payment of principal, interest and any other amounts due hereunder and thereunder, including all reasonable costs to the Lenders incurred in the collection and enforcement of all sums due hereunder and thereunder, regardless of the enforceability of the obligations of the Borrowers. The Brazilian Guarantors hereby expressly waive the benefits set forth in articles 333, sole paragraph, 364, 366, 821, 827, 829, sole paragraph, 830, 834, 835, 837, 838 and 839 of Brazilian Federal Law No. 10,406 dated as of January 10, 2002 (Brazilian Civil Code) and article 794 of the Brazilian Federal Law No. 13,105 dated as of March 16, 2015 (Brazilian Civil Procedure Code). This guarantee is an absolute, unconditional and continuing guarantee of the Borrowers' obligations hereunder and under any other Credit Documents and shall remain in full force and effect until all amounts payable by the Borrowers under this Agreement have been validly, finally and irrevocably paid in full, and shall not be affected in any way by the absence of any action to obtain such amounts from the Borrowers or by any variation, extension, waiver, compromise or release of any or all of the obligations of the Borrowers hereunder.

ARTICLE 12
MISCELLANEOUS

Section 12.1 Amendments, etc.

(1) Subject to Section 12.1(2) and Section 12.1(3), no amendment or waiver of any provision of any of the Credit Documents, nor consent to any departure by any Borrower or any other Person from such provisions, shall be effective unless in writing and approved by the Majority Lenders. Any amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given.

(2) Without the prior written consent of each Lender (other than a Defaulting Lender, subject to Section 10.16(a)), no amendment, waiver or consent shall:

(a) increase any Lender's Commitment;

(b) reduce or forgive the principal amount of any Advance Outstanding; waive, reduce or postpone any scheduled repayment of principal of any Advance Outstanding; or extend the scheduled final maturity of any Advance Outstanding;

(c) reduce the stated rate of interest on any Advance Outstanding, or any Fee; or waive, reduce or extend the time for payment of interest on any Advance Outstanding or any payment of Fees;

(d) change the definition of Majority Lenders; or change the percentage of the Commitments, or the number or percentage of Lenders, in each case, required for the Lenders, or any of them, the Collateral Agent or the Administrative Agent to take any action;

(e) amend the requirement of *pro rata* application of all amounts received by the Administrative Agent in respect of the Term Facility or the Secured Obligations, or the requirement of *pro rata* sharing by the Lenders pursuant to Section 10.14 (*Sharing of Payments by Lenders*);

(f) consent to the assignment or transfer by any Borrower of any of its rights and obligations under any Credit Document;

(g) release any of the guarantees of the Secured Obligations provided by the Subsidiaries or, except to the extent provided in Section 10.13(2), any of the Collateral; or

(h) amend this Section 12.1.

(3) Only written amendments, waivers or consents signed by the Administrative Agent, in addition to the Majority Lenders, shall affect the rights or duties of the Administrative Agent under the Credit Documents. Only written amendments, waivers or consents signed by the Collateral Agent, in addition to the Majority Lenders, shall affect the rights or duties of the Collateral Agent under the Credit Documents.

Section 12.2 Waiver.

No failure on the part of a Lender or an Agent to exercise, and no delay in exercising, any right under any of the Credit Documents shall operate as a waiver of such right; nor shall any single or partial exercise of any right under any of the Credit Documents preclude any other or further exercise of such right or the exercise of any other right. The closing of this transaction shall not prejudice any right of one party against any other party in respect of anything done or omitted under this Agreement or in respect of any right to damages or other remedies.

Section 12.3 Evidence of Debt and Borrowing Notices.

(1) The indebtedness of the Borrowers resulting from Advances under the Term Facility shall be evidenced by the records of the Administrative Agent acting on behalf of the Lenders pursuant to Section 12.6(3).

(2) Prior to the receipt of any Borrowing Notice, the Administrative Agent may act on the basis of a notice by telephone (containing the same information as would be contained in the Borrowing Notice) believed by it to be from an authorized person representing the Borrowers. In the event of a conflict between the Administrative Agent's record of any Advance and the Borrowing Notice, the Administrative Agent's record shall prevail, absent manifest error.

Section 12.4 Notices: Effectiveness; Electronic Communication.

(1) Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in Section 12.4(3)), all notices and other communications provided for herein shall be in writing and shall be sent by personal delivery or courier service or mailed by certified or registered mail:

(a) to the Borrowers at:

Alvopetro Energy Ltd.
Suite 1700, 525 - 8th Avenue SW
Calgary, AB T2P 1G1

Attention: [redacted]

Telephone: [redacted]
Email: [redacted]

(b) to the Guarantors at:

c/o Alvopetro Energy Ltd.
Suite 1700, 525 - 8th Avenue SW
Calgary, AB T2P 1G1

Attention: [redacted]

Telephone: [redacted]
Email: [redacted]

(c) to the Administrative Agent at:

c/o Cordiant Capital Inc.
1002 Sherbrooke Street West
28th Floor
Montreal, Quebec H3A 3L6

Attention: [redacted]

Telephone: [redacted]
Email: [redacted]

(d) to the Collateral Agent at:

c/o Cordiant Capital Inc.
1002 Sherbrooke Street West
28th Floor
Montreal, Quebec H3A 3L6

Attention: [redacted]

Telephone: [redacted]
Email: [redacted]

(e) and, if to a Lender, to it at its address specified in the Register.

(2) A Notice is deemed to have been given and received if sent by personal delivery or courier service, or mailed by certified or registered mail, on the date of delivery if it is a Business Day and the delivery was made prior to 4:00 p.m. (local time in place of receipt) and otherwise on the next Business Day. Notices delivered through electronic communications to the extent provided in Section 12.4(3) below, shall be effective as provided in Section 12.4(3).

(3) Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent. An Agent or a Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications.

(4) Any party hereto may change its address for notices and other communications hereunder by notice to the other parties hereto.

Section 12.5 Expenses; Indemnity; Damage Waiver.

(1) The Borrowers shall pay (i) all reasonable expenses incurred by the Lenders and the Agents, including the fees, charges and disbursements of counsel, in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Credit Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), including all reasonable travel and lodging costs in connection with due diligence and meetings at the offices of either Borrower or otherwise related to the Term

Facility and (ii) all reasonable expenses incurred by the Lenders and the Agents, including the reasonable fees, charges and disbursements of counsel, in connection with the enforcement or protection of their rights in connection with this Agreement and the other Credit Documents, including their rights under this Section 12.5, or in connection with the Advances issued hereunder, including all such expenses incurred during any workout, restructuring or negotiations in respect of such Advances.

(2) The Borrowers shall indemnify each Agent (and any sub-agent thereof), each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "**Indemnitee**") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the fees, charges and disbursements of any counsel for any Indemnitee, incurred by any Indemnitee or asserted against any Indemnitee by any third party or by any Credit Party arising out of, in connection with, or as a result of (a) the execution, delivery or enforcement of this Agreement, any other Credit Document or any agreement or instrument contemplated hereby or thereby, the performance or non-performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation or non-consummation of the transactions contemplated hereby or thereby, (b) any Advance or the use or proposed use of the proceeds therefrom, (c) the presence of contaminants in, on, at, under or about, or the discharge or likely discharge of contaminants from, any of the Subject Properties or any of the properties now or previously used or occupied by any Borrower, any of their respective Subsidiaries or any of the other Credit Parties, or the breach by or non-compliance with any Environmental Law by any mortgagor, owner or lessee of such properties, or any Environmental Liability related in any way to any Borrower or any of their respective Subsidiaries, or (d) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by a Credit Party and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and non-appealable judgment to have resulted from the gross negligence or wilful misconduct of such Indemnitee.

(3) To the extent that the Borrowers for any reason fail to indefeasibly pay any amount required under Section 12.5(1) or Section 12.5(2) to be paid by it to an Agent (or any sub-agent thereof) or any Related Party of any of the foregoing, each Lender severally agrees to pay to such Agent (or any such sub-agent) or such Related Party, as the case may be, such Lender's rateable portion (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount, provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against such Agent (or any such sub-agent) in its capacity as such, or against any Related Party of any of the foregoing acting for an Agent (or any such sub-agent) in connection with such capacity.

(4) To the fullest extent permitted by Applicable Law, none of the Borrowers or Subsidiaries shall assert, and hereby waive, any claim against any Indemnitee, on any theory of liability, for indirect, consequential, punitive, aggravated or exemplary damages (as

opposed to direct damages) arising out of, in connection with, or as a result of, this Agreement, any other Credit Document or any agreement or instrument contemplated hereby (or any breach thereof), the transactions contemplated hereby or thereby, any Advance or the use of the proceeds thereof. No Indemnitee shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Credit Documents or the transactions contemplated hereby or thereby.

(5) Without limiting the foregoing, the Borrowers shall pay to each Lender on demand any amounts required to compensate the Lender for any loss suffered or incurred by it as a result of (i) any payment being made, any conversion, or any assignment as a result of a request by the Borrowers pursuant to Section 8.3(2) in respect of an Advance, (ii) the failure of the Borrowers to give any notice in the manner and at the times required by this Agreement, (iii) the failure of the Borrowers to effect an Advance in the manner and at the time specified in any Borrowing Notice or to make a prepayment in the manner and at the time specified in any notice with respect thereto, or (iv) the failure of the Borrowers to make a payment or a mandatory repayment in the manner and at the time specified in this Agreement, including any foreign exchange loss and any loss or expense arising from the liquidation or deployment of funds obtained by it to maintain such Advance or from fees payable to terminate the deposits from which such funds were obtained. The Borrowers shall also pay any customary administrative fees charged by such Lender in connection with the foregoing.

(6) All amounts due under this Section 12.5 shall be payable promptly after demand therefor. A certificate of an Agent or a Lender setting forth the amount or amounts owing to such Agent, Lender or a sub-agent or Related Party, as the case may be, as specified in this Section, including reasonable detail of the basis of calculation of the amount or amounts, and delivered to the Borrowers shall be conclusive absent manifest error.

(7) The provisions of this Section 12.5 shall survive the termination of this Agreement and the repayment of all Advances Outstanding. To the extent required by law to give full effect to the rights of the Indemnitees under this Section 12.5, the parties hereto agree and acknowledge that each Agent and Lender is acting as agent for its respective Related Parties and agrees to hold and enforce such rights on behalf of such Related Parties as they may direct. The Borrowers acknowledge that neither its obligation to indemnify nor any actual indemnification by it of the Lenders, the Agents or any other Indemnitee in respect of such Person's losses for legal fees and expenses shall in any way affect the confidentiality or privilege relating to any information communicated by such Person to its counsel.

Section 12.6 Successors and Assigns.

(1) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that the Borrowers may not assign or otherwise transfer any of their rights or obligations

hereunder other than as presented by Section 6.2(b) or with the prior written consent of the Administrative Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an Eligible Assignee in accordance with Section 12.6(2), (ii) by way of participation in accordance with Section 12.6(4), or (iii) by way of pledge or assignment of a security interest subject to the restrictions of Section 12.6(7) (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in Section 12.6(4) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(2) Any Lender may at any time assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and its Advances Outstanding); provided that:

(a) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Advances Outstanding or the Lender's Commitment assigned, except that this Section 12.6(2)(a) shall not prohibit any Lender from assigning all or a portion of its rights and obligations among separate credits on a non-*pro rata* basis;

(b) any assignment must be approved by the Administrative Agent (such approval not to be unreasonably withheld or delayed) unless no Event of Default has occurred and is continuing in which case no such approval shall be required, and the assignment is of a Commitment that is fully advanced;

(c) such Lender must give the Borrowers five Business Days' prior written notice, unless the proposed assignee is itself already a Lender, an Affiliate of a Lender or an Approved Fund, or a Default or Event of Default has occurred and is continuing;

(d) in connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrowers and the Administrative Agent, the applicable rateable share of Advances previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent and the Lenders hereunder (and interest accrued thereon), and (y) acquire (and fund as appropriate) its full rateable share of all Advances. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under Applicable Law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs; and

(e) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to Section 12.6(3), from and after the effective date specified in each Assignment and Assumption, the Eligible Assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement and the other Credit Documents, including any collateral security, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Article 8 and Section 12.5, and shall continue to be liable for any breach of this Agreement by such Lender, with respect to facts and circumstances occurring prior to the effective date of such assignment; provided that, except to the extent otherwise expressly agreed to by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with Section 12.6(4). Any payment by an assignee to an assigning Lender in connection with an assignment or transfer shall not be or be deemed to be a repayment by the Borrowers or a new Advance to the Borrowers.

(3) The Administrative Agent shall maintain at one of its offices in Montréal, Québec a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Advances Outstanding to, each Lender pursuant to the terms hereof from time to time (the "**Register**"). The entries in the Register shall be conclusive, absent manifest error, and the Borrowers, the Agents and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender for all purposes of this Agreement. In addition, the Administrative Agent shall maintain on the Register information regarding the designation and revocation of designation of any Lender as a Defaulting Lender. The Register shall be available for inspection by the Borrowers and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(4) Any Lender may at any time, without the consent of the Borrowers or the Administrative Agent, sell participations to any Person (other than a natural person, a Credit Party or any Affiliate of a Credit Party) (each, a "**Participant**") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitments and/or its Advances Outstanding); provided that (i) such Lender must give the Administrative Agent and the Borrowers five Business Days' prior written notice of such sale of participations, (ii) such Lender's obligations under this Agreement shall remain unchanged, (iii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iv) the Borrower, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any payment by a Participant to a Lender in connection with a sale of a participation shall not be or be deemed to be a repayment by the Borrowers or a new Advance to the Borrowers.

Subject to Section 12.6(5), the Borrowers agree that each Participant shall be entitled to the benefits of Section 8.1 and Section 8.2 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 12.6(2), provided such Participant agrees to be subject to Section 8.3 as if it were a Lender. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.4 as though it were a Lender, provided such Participant agrees to be subject to Section 10.14 as though it were a Lender.

(5) A Participant shall not be entitled to receive any greater payment under Section 8.1 and Section 8.2 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrowers' prior written consent or at a time when an Event of Default has occurred and is continuing.

(6) The Borrowers shall provide such certificates, acknowledgments and further assurances in respect of this Agreement and the Term Facility as such Lender may reasonably require in connection with any participation or assignment pursuant to this Section 12.6.

(7) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, but no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

Section 12.7 Judgment Currency.

(1) If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due to a Secured Creditor in any currency (the "**Original Currency**") into another currency (the "**Other Currency**"), the parties agree, to the fullest extent that they may effectively do so, that the rate of exchange used shall be that at which, in accordance with normal banking procedures, such Secured Creditor could purchase the Original Currency with the Other Currency on the Business Day preceding the day on which

final judgment is given or, if permitted by Applicable Law, on the day on which the judgment is paid or satisfied.

(2) The obligations of each Credit Party in respect of any sum due in the Original Currency from it to any Secured Creditor under any of the Credit Documents shall, notwithstanding any judgment in any Other Currency, be discharged only to the extent that on the Business Day following receipt by such Secured Creditor of any sum adjudged to be so due in the Other Currency, such Secured Creditor may, in accordance with normal banking procedures, purchase the Original Currency with such Other Currency. If the amount of the Original Currency so purchased is less than the sum originally due to such Secured Creditor in the Original Currency, each Credit Party agree, as a separate obligation and notwithstanding the judgment, to indemnify such Secured Creditor, against any loss, and, if the amount of the Original Currency so purchased exceeds the sum originally due to such Secured Creditor in the Original Currency, such Secured Creditor shall remit such excess to such Credit Party.

Section 12.8 Interest on Amounts.

Except as may be expressly provided otherwise in this Agreement, all amounts owed by the Borrowers to any Agent and to any of the Lenders, which are not paid when due (whether at stated maturity, on demand, by acceleration or otherwise) shall bear interest (both before and after default and judgment), from the date on which such amount is due until such amount is paid in full, payable on demand, at a rate per annum equal at all times to the Default Interest Rate plus PIK Interest at the rate applicable thereto.

Section 12.9 Anti-Terrorism Laws.

(1) If, upon the written request of any Lender, the Administrative Agent has ascertained the identity of any Borrower or any authorized signatories of any Borrower for purposes of Anti-Terrorism Laws, then the Administrative Agent:

(a) 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 Administrative Agent within the meaning of the applicable Anti-Terrorism Law; and

(b) shall provide to such Lender copies of all information obtained in such regard without any representation or warranty as to its accuracy or completeness.

(2) Notwithstanding and except as may otherwise be agreed in writing, each of the Lenders agrees that the Administrative Agent does not have any obligation to ascertain the identity of any Borrower or any authorized signatories of any Borrower on behalf of any Lender, or to confirm the completeness or accuracy of any information it obtains from any Borrower or any authorized signatory in doing so.

Section 12.10 Limitations Act.

Notwithstanding the provisions of the *Limitations Act, 2002* (Ontario), a claim may be brought on this Agreement at any time within 6 years from the date on which payment of the relevant Credit Obligations is due pursuant hereto or, in the case of Credit Obligations that are demand obligations, demand for payment of the relevant Credit Obligations is made to the Credit Parties in accordance with the terms of this Agreement.

Section 12.11 Governing Law: Jurisdiction: Etc.

(1) This Agreement shall be governed by, and construed in accordance with, the laws of the Province of Alberta and the laws of Canada applicable in that Province.

(2) Each Credit Party irrevocably and unconditionally submits, for itself and its Assets, to the non-exclusive jurisdiction of the courts of the Province of Alberta, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or any other Credit Document, or for recognition or enforcement of any judgment, and each of the parties hereto irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Credit Document shall affect any right that any Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Credit Document against any Credit Party or its Assets in the courts of any jurisdiction.

(3) Each Credit Party irrevocably consents to the service of any and all process in any such action or proceeding to such Credit Party at the address provided for it in Section 12.4. Nothing in this Section 12.11(3) limits the right of any Agent or any Lender to serve process in any other manner permitted by Applicable Law.

(4) Each Credit Party irrevocably and unconditionally waives, to the fullest extent permitted by Applicable Law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement or any other Credit Document in any court referred to in Section 12.11(2). Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

Section 12.12 Waiver of Jury Trial.

Each party hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Law, any right it may have to a trial by jury in any legal proceeding directly or indirectly arising out of or relating to this Agreement or any other Credit Document or the transactions contemplated hereby or thereby (whether based on contract, tort or any other theory). Each party hereto (a) certifies that no representative, agent or attorney of any other Person has represented, expressly or otherwise, that such other Person would not, in the event of litigation, seek to enforce the foregoing waiver and (b) acknowledges that it and the other parties hereto have been induced to enter into this Agreement and the other Credit Documents by, among other things, the mutual waivers and certifications in this Section.

Section 12.13 Counterparts: Integration: Effectiveness: Electronic Execution.

(1) This Agreement may be executed in any number of counterparts, each of which is deemed to be an original, and such counterparts together constitute one and the same instrument. Transmission of an executed signature page by facsimile, email or other electronic means is as effective as a manually executed counterpart of this Agreement. This Agreement and the other Credit Documents and any separate letter agreements with respect to fees payable to the Administrative Agent constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. This Agreement shall become effective when it has been executed by the Administrative Agent and when the Administrative Agent has received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto.

(2) The words "**execution**," "**signed**," "**signature**," and words of like import in any Assignment and Assumption shall be deemed to include electronic signatures or the keeping of records in electronic form, 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 in any Applicable Law, including Parts 2 and 3 of the *Personal Information Protection and Electronic Documents Act* (Canada), the *Electronic Transactions Act* (Alberta) 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.

Section 12.14 Treatment of Certain Information: Confidentiality.

(1) Each of the Agents and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to it, its Affiliates and its Affiliates' respective partners, directors, officers, employees, managers, administrators, trustees, agents, auditors, advisors and representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority purporting to have jurisdiction over it (including any self-regulatory authority), (c) to the extent required by Applicable Laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Credit Document or any action or proceeding relating to this Agreement or any other Credit Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section 12.14 to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective party (or its partners, directors, officers, employees, managers,

administrators, trustees, agents, advisors or other representatives) to any swap, derivative, credit-linked note or similar transaction under which payments are to be made by reference to the Borrowers and their obligations, this Agreement or payments hereunder, or the advisors of the Persons referred to in (i) and (ii), (g) with the consent of the Borrowers or (h) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to the Administrative Agent or any Lender on a non-confidential basis.

(2) For purposes of this Section, "**Information**" means all information received in connection with this Agreement from any Credit Party relating to any Credit Party or any of their respective businesses, other than any such information that is available to the Administrative Agent or any Lender on a non-confidential basis prior to such receipt. Any Person required to maintain the confidentiality of Information as provided in this Section 12.14 shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information. In addition, the Administrative Agent may disclose to any agency or organization that assigns standard identification numbers to loan facilities such basic information describing the facilities provided hereunder as is necessary to assign unique identifiers (and, if requested, supply a copy of this Agreement), it being understood that the Person to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to make available to the public only such Information as such person normally makes available in the course of its business of assigning identification numbers.

Section 12.15 Severability.

If any court of competent jurisdiction from which no appeal exists or is taken, determines any provision of this Agreement to be illegal, invalid or unenforceable, that provision will be severed from this Agreement and the remaining provisions will remain in full force and effect.

Section 12.16 Time of the Essence.

Time is of the essence in this Agreement.

Section 12.17 *USA PATRIOT Act*.

Each Lender that is subject to the requirements of the *USA PATRIOT Act* hereby notifies each Borrower that, pursuant to the requirements of the *USA PATRIOT Act*, it is required to obtain, verify and record information that identifies such Borrower, which information includes the name and address of such Borrower and other information that will allow such Lender to identify such Borrower in accordance with the *USA PATRIOT Act*.

Section 12.18 No Fiduciary Duty.

Each Agent, each Lender and their respective Affiliates (collectively, solely for purposes of this Section 12.18, the "**Lenders**"), may have economic interests that conflict with those of the Credit Parties, their shareholders and their Affiliates. Each Credit Party agrees that nothing in the Credit Documents will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between any Lender, on the one hand, and such Credit Party, its shareholders or its Affiliates, on the other hand. Each Credit Party acknowledges and agrees that (a) the transactions contemplated by the Credit Documents (including the exercise of rights and remedies hereunder and thereunder) are arm's-length commercial transactions between the Lenders, on the one hand, and the Credit Parties, on the other hand, and (b) in connection therewith and with the process leading thereto, (i) no Lender has assumed an advisory or fiduciary responsibility in favour of any Credit Party, its shareholders or its Affiliates with respect to the transactions contemplated hereby (or the exercise of rights or remedies with respect thereto) or the process leading thereto (irrespective of whether any Lender has advised, is currently advising or will advise any Credit Party, its shareholders or its Affiliates on other matters) or any other obligation to such Credit Party except the obligations expressly set forth in the Credit Documents and (ii) each Lender is acting solely as principal and not as the agent or fiduciary of any Credit Party, its management, shareholders, creditors or any other person. Each Credit Party acknowledges and agrees that it has consulted its own legal and financial advisors to the extent it deemed appropriate and that it is responsible for making its own independent judgment with respect to such transactions and the process leading thereto. Each Credit Party agrees that it will not claim that any Lender has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to any Credit Party, in connection with such transactions or the process leading thereto.

[Remainder of page left intentionally blank]

IN WITNESS WHEREOF the parties have executed this Credit and Guarantee Agreement.

ALVOPETRO ENERGY LTD., as Borrower

By: [redacted]

Name: Alison Howard
Title: Chief Financial Officer

By: ______________________________

Name:
Title:

ALVOPETRO S.A. EXTRAÇÃO DE PETRÓLEO E GÁS NATURAL, as Borrower

By: ______________________________

Name:
Title:

By: ______________________________

Name:
Title:

IN WITNESS WHEREOF the parties have executed this Credit and Guarantee Agreement.

ALVOPETRO ENERGY LTD., as Borrower

By: [redacted]
Name:
Title:

By: ______________________
Name:
Title:

ALVOPETRO S.A. EXTRAÇÃO DE PETRÓLEO E GÁS NATURAL, as Borrower [redacted]

By: ______________________
Name:
Title:

By: [redacted]
Name:
Title:

ALVOPETRO OIL AND GAS INVESTMENTS INC., as Guarantor

By: [redacted]

Name: Alison Howard
Title: Chief Financial Officer

By: ______________________________

Name:
Title:

ALVOPETRO INVESTIMENTOS E PARTICIPAÇÕES LTDA., as Guarantor

By: ______________________________

Name:
Title:

By: ______________________________

Name:
Title:

ALVOPETRO PARTICIPAÇÕES EM PETRÓLEO E GÁS LTDA., as Guarantor

By: ______________________________

Name:
Title:

By: ______________________________

Name:
Title:

ALVOPETRO OIL AND GAS INVESTMENTS INC., as Guarantor

By: [redacted]
Name:
Title:

By: ______________________
Name:
Title:

ALVOPETRO INVESTIMENTOS E PARTICIPAÇÕES LTDA., as Guarantor

By: [redacted]
Name:
Title:

By: [redacted]
Name:
Title:

ALVOPETRO PARTICIPAÇÕES EM PETRÓLEO E GÁS LTDA., as Guarantor

By: [redacted]
Name:
Title:

By: [redacted]
Name:
Title:

Benn Mikula
Co-CEO and Managing Partner
Cordiant Capital Inc.

Piero Galassi
Group Chief Financial Officer
Cordiant Capital Inc.

CORDIANT EMERGING LOAN FUND IV, a sub-fund of Cordiant Capital Funds, acting through its manager **CORDIANT LUXEMBOURG S.A.**, as Lender

By: [redacted]

Name:

Title: [redacted]

By:

Name:

Title:

Benn Mikula
Co-CEO and Managing Partner
Cordiant Capital Inc.

Piero Galassi
Group Chief Financial Officer
Cordiant Capital Inc.

ALLIANZ EM LOANS S.C.S., acting through its manager **CORDIANT LUXEMBOURG S.A.**, as Lender

By: [redacted]

Name:

Title: [redacted]

By:

Name:

Title:

Benn Mikula
Co-CEO and Managing Partner
Cordiant Capital Inc.

Piero Galassi
Group Chief Financial Officer
Cordiant Capital Inc.

CORDIANT LUXEMBOURG S.A., as Administrative Agent and Collateral Agent

By: [redacted]

Name:

Title: [redacted]

By:

Name:

Title:

SCHEDULE A
LENDERS AND COMMITMENTS

Lender	Applicable Lending Office	Commitment
Cordiant Emerging Loan Fund IV, a sub-fund of Cordiant Capital Funds, acting through its manager Cordiant Luxembourg S.A.	1002 Sherbrooke Street West, 28th Floor Montreal, QC Canada H3A 3L6	$[redacted]
Allianz EM Loans S.C.S., acting through its manager Cordiant Luxembourg S.A.	1002 Sherbrooke Street West, 28th Floor Montreal, QC Canada H3A 3L6	$[redacted]
Total		$15,000,000

SCHEDULE 3.4
FORM OF BRAZILIAN NOTE

NOTA PROMISSÓRIA

Valor: US$[•] ([•]).

Vencimento: À vista. Nos termos do artigo 34 do Decreto 57.663/1966, fica o detentor da presente Nota Promissória autorizado a apresentá-la dentro do prazo de 10 (dez) anos contados da data da presente Nota Promissória.

Lugar do Pagamento: Cidade de São Paulo, Estado de São Paulo, Brasil.

Por meio da presente Nota Promissória, em caráter *pro solvendo*, **[•]**, com sede na Cidade de [•], Estado de [•], na [•], CEP [•], CNPJ/ME nº [•], neste ato legalmente representada por seus representantes legais abaixo assinados, irrevogavelmente e incondicionalmente, promete pagar, à vista, em recursos imediatamente disponíveis, ao **[•]**, com sede na [•], CNPJ/ME nº [•] ("**Beneficiário**") ou à sua ordem, a quantia de US$[•] ([•]), livre de quaisquer deduções de impostos, taxas ou tributos de qualquer natureza, presentes ou futuras.

Para efeito de conversão para moeda corrente nacional em caso de execução judicial desta Nota Promissória no Brasil, a taxa de câmbio a ser utilizada deverá ser a taxa de venda do dólar dos Estados Unidos da América, divulgada no dia que antecede à data de pagamento da presente Nota Promissória, pelo Banco Central do Brasil.

A presente Nota Promissória é regida pelas leis da República Federativa do Brasil.

São Paulo, SP, Brasil.

Data: [•].

[•]

Garantida "*bom por aval*":

[•]
com sede na [•], CNPJ/ME [•]

Garantida "*bom por aval*":

[•]
com sede na [•], CNPJ/ME [•]

Garantida "*bom por aval*":

[•]
com sede na [•], CNPJ/ME [•]

Garantida "*bom por aval*":

[•]
com sede na [•], CNPJ/ME [•]

SCHEDULE 4.1(a)
POST-CLOSING DILIGENCE

Reception and review of the documents listed below, with results, satisfactory to the Lenders:

	Document
Alvopetro S.A Extração de Petróleo e Gás Natural	Debt Clearance Certificate of Notary Protest Office of the branch of Salvador/BA
	Debt Clearance Certificate of Notary Protest Office of the branch of Mata de São João/BA
	Debt Clearance Certificate of Notary Protest Office of the branch of Pojuca/BA
	Debt Clearance Certificate of Notary Protest Office of the branch of Jiribatuba/BA
	Debt Clearance Certificate of Notary Protest Office of the branch of Araçás/BA
	Debt Clearance Certificate of Municipal Tax of the branch of Salvador/BA
	Debt Clearance Certificate of Municipal Tax of the branch of Jiribatuba/BA
	Debt Clearance Certificate of Municipal Tax of the branch of Araçás/BA
	Lease Agreement with Anderson Araujo Couto dated July 1, 2015
Alvopetro Investimentos e Participações Ltda.	Debt Clearance Certificate of Municipal Tax of the city of Rio de Janeiro/RJ
	Clearance Certificate of the Lower Civil Court of Rio de Janeiro/RJ
	Clearance Certificate of the Lower Labor Court of Rio de Janeiro/RJ, issued by "TRT 1ª Região"

Alvopetro Participações em Petróleo e Gás Ltda.	Debt Clearance Certificate of Municipal Tax of the city of Rio de Janeiro/RJ
	Clearance Certificate of the Lower Civil Court of Rio de Janeiro/RJ
	Clearance Certificate of the Lower Labor Court of the Rio de Janeiro/RJ, issued by "TRT 1ª Região"
Célio Paranhos	Identity Card (RG)
	Social Security Number (CPF)
	Marriage Certificate and/or Prenuptial Agreement
	Proof of residence
	Income Tax Return
	Clearance Certificate of the Lower Civil Court re. Tutelage, Curatorship, Interventions and related proceedings of Rio de Janeiro/RJ
	Clearance Certificate of the Lower Civil Court of Rio de Janeiro/RJ
	Clearance Certificate of the Lower Labor Court of Rio de Janeiro/RJ
	Debt Clearance Certificate of Federal Taxes
	Debt Clearance Certificate of State Taxes of the State of Rio de Janeiro
	Debt Clearance Certificate of Municipal Tax of Rio de Janeiro/RJ
	Debt Clearance Certificate of Notary Protest Office of Rio de Janeiro/RJ

SCHEDULE 4.1(d)(iii)
CREDIT DOCUMENTS

1. This Agreement;

2. The Notes;

3. The Fee Letters;

4. The Advisory Warrant Certificate;

5. The Facility Warrant Certificate;

Security Documents:

6. General Security Agreement granted by the Parent in favour of the Collateral Agent.

7. General Security Agreement granted by Alvopetro Oil and Gas Investments Inc. in favour of the Collateral Agent.

8. Fiduciary Assignment Agreement of Receivables and Other Covenants (*Contrato de Cessão Fiduciária de Recebíveis e Outras Avenças*) entered into by and among the Borrowers and the Lenders;

9. Fiduciary Lien of Shares Agreement and Other Covenants (*Contrato de Alienação Fiduciária de Ações e Outras Avenças*) entered into by and among Alvopetro Investimentos e Participações Ltda., the Borrowers and the Lenders creating a lien over the shares issued by Alvopetro S.A.;

10. Fiduciary Lien of Quotas Agreement and Other Covenants (*Contrato de Alienação Fiduciária de Quotas e Outras Avenças*) entered into by and among Alvopetro Oil and Gas Investments Inc., Célio Paranhos, the Borrowers, the Lenders and Alvopetro Investimentos e Participações Ltda. creating a lien over the quotas issued by Alvopetro Investimentos e Participações Ltda.;

11. Fiduciary Lien of Quotas Agreement and Other Covenants (*Contrato de Alienação Fiduciária de Quotas e Outras Avenças*) entered into by and among the Borrowers, the Guarantors and the Lenders creating a lien over the quotas issued by Alvopetro Participações em Petróleo e Gás Ltda.;

12. Fiduciary Assignment Agreement of Emerging Rights and Other Covenants (*Contrato de Cessão Fiduciária de Direitos Emergentes e Outras Avenças*) entered into by and among the Borrowers and the Lenders; and

13. Fiduciary Transfer of Equipment Agreement and Other Covenants (*Contrato de Alienação Fiduciária de Equipamentos em Garantia e Outras Avenças*) entered into by and among the Borrowers and the Lenders.

SCHEDULE 5.1(a)
JURISDICTIONS OF INCORPORATION

Company Name	Shareholder(s)	Jurisdiction of Incorporation
Alvopetro Energy Ltd.	Publicly traded company, listed on the TSX Venture Exchange	Alberta
Alvopetro Oil and Gas Investments Inc.	Alvopetro Energy Ltd. (100%)	Alberta
Alvopetro Investimentos e Participações Ltda.	Alvopetro Oil and Gas Investments Inc. (99.9999986%) and Celio Paranhos (0.0000014%)	Brazil
Alvopetro S.A. Extração de Petróleoe Gás Natural	Alvopetro Investimentos e Participações Ltda. (100%)	Brazil
Alvopetro Participações em Petróleo e Gás Ltda (Dormant)	Alvopetro Investimentos e Participações Ltda. (99.99%) and Alvopetro Oil and Gas Investments Inc. (0.01%)	Brazil

SCHEDULE 5.1(i)

LEASED OWNED PROPERTIES

Property Description	**Owned or Leased by Alvopetro**	**Location / Address**	**Date of Acquisition / lease by Alvopetro**	**Counterparty property is leased to**	**Date of lease**	**Other Notes**
Fazenda Girolandia	Owned	Area desmembrada da Fazenda Mangueira situada no municipio de Dias D´avila, medindo 104ta (cento e quatro tarefas), baianas, com as seguintes confrontações: pelo lado direito, limita-se com José de São Leão, pelo lado esquerdo com as terras de Rogerio de Tal, pelo fundo e frente com as terras de José Pita	September 23, 2014	Anderson Araujo Couto	July 1, 2015	Property currently listed for sale.
Fazenda Nova Esperanca	Currently leased under long-term (99 year) lease agreement with intention to transition to outright purchase.	Incra nº 3200560016867, medindo 109 tarefas, demarcadas, limitandos-e com a Estrada de Ferro Federal Leste Brasileiro, com a Fazenda Vitoria, Com a Fazenda Mata de Pedro Guimarães e com a Estrada que vai para o vinte mil com a Fazenda Buril	November 29, 2018	Under the terms of the Offtake Agreement with Bahiagas (Clause 5.2.2.1), Alvopetro will provide a portion of this land to Bahiagas via a commodatum	Land lending agreement (Commodatum) to be executed with Bahiagas as provided for in the Offtake Agreement, dated April 30, 2018.	Intention is that long-term lease agreement will transition to outright ownership in the coming months (Cost = R$15,000)

SCHEDULE 5.1(f)
MATERIAL PERMITS AND AUTHORIZATIONS

Material Authorizations and Material Permits obtained as of the Closing Date:

Received by the Credit Parties

- Preliminary Environmental License issued by Instituto do Meio Ambiente e Recusos Hídricos – INEMA nº 17.514, for the installation of the Sistema Caburé de Gás Natural, dated December 15, 2018 and valid until December 15, 2021
- Environmental License issued by Instituto do Meio Ambiente e Recusos Hídricos – INEMA nº 18.351, for the authorization to suppress native vegetation for the installation of the Sistema Caburé de Gás Natural, dated May 10, 2019 and valid until May 10, 2023
- Environmental License issued by Instituto do Meio Ambiente e Recusos Hídricos – INEMA nº 18.352, for the installation of the Sistema Caburé de Gás Natural, dated dated May 10, 2019 and valid until May 10, 2022.
- Environmental License issued by Instituto do Meio Ambiente e Recusos Hídricos – INEMA nº 11.435, for the drilling of the well 198, dated September 17, 2018 and valid until September 17, 2022
- Environmental License issued by Instituto do Meio Ambiente e Recusos Hídricos – INEMA nº 8340, granting authorization for the drilling of the well 182, dated September 14, 2014, and valid until September 14, 2016
- Environmental License issued by Instituto do Meio Ambiente e Recusos Hídricos – INEMA nº 15.512, granting authorization for the re-entry on the well 183, dated January 13, 2018, and valid until January 13, 2020.
- Environmental License issued by Instituto do Meio Ambiente e Recusos Hídricos – INEMA nº 17.718, granting authorization for the hydraulic stimulation on the well 183, dated January 26, 2019 and valid until January 26, 2020
- Environmental License issued by Instituto do Meio Ambiente e Recusos Hídricos – INEMA nº 16.699, granting authorization for the re-entry on the well 197, dated August 15, 2018, and valid until August 15, 2020.
- Environmental License issued by Instituto do Meio Ambiente e Recusos Hídricos – INEMA nº 7663, tranfering the License to operate on the well Bom Lugar, from Alvorada Petróleo S.A to Alvopetro S.A, dated July 04, 2014.
- Environmental License issued by Instituto do Meio Ambiente e Recusos Hídricos – INEMA nº 2060, granting authorization to Alvorada Petróleo S.A, to operate on the well Bom Lugar, dated February 10, 2012, and valid until February 10, 2015
- Environmental License issued by Instituto do Meio Ambiente e Recusos Hídricos – INEMA nº 17.656, granting authorization for the drilling of the well 182, dated January 12, 2019, and valid until January 11, 2023.
- Authorization from the Agência Nacional do Petróleo, Gás Natural e Biocombustíveis (ANP) for construction of the UPGN dated May 17, 2019
- Authorization from Agência Nacional do Petróleo, Gás Natural e Biocombustíveis (ANP) for construction of the Caburé Pipeline dated June 12, 2019
- Servidões Administrativas (faixa de domínio do gasoduto – right of way) de todos os proprietários de terreno, incluindo propriedade privada, estadual (SEINFRA) e federal (Petrobras) – May and June 2019

Received by third parties

- Licença de Alteração da Licença de Operação da Unidade (LO) incluindo novos poços, linhas de fluxo e sistema de alta pressão do HUB (Imetame) – July, 2019
- Licença de Alteração da Licença de Operação da Unidade (LO) (Bahiagas), June 2019
- Bahiagas Declaration of Public Utility – June 2019

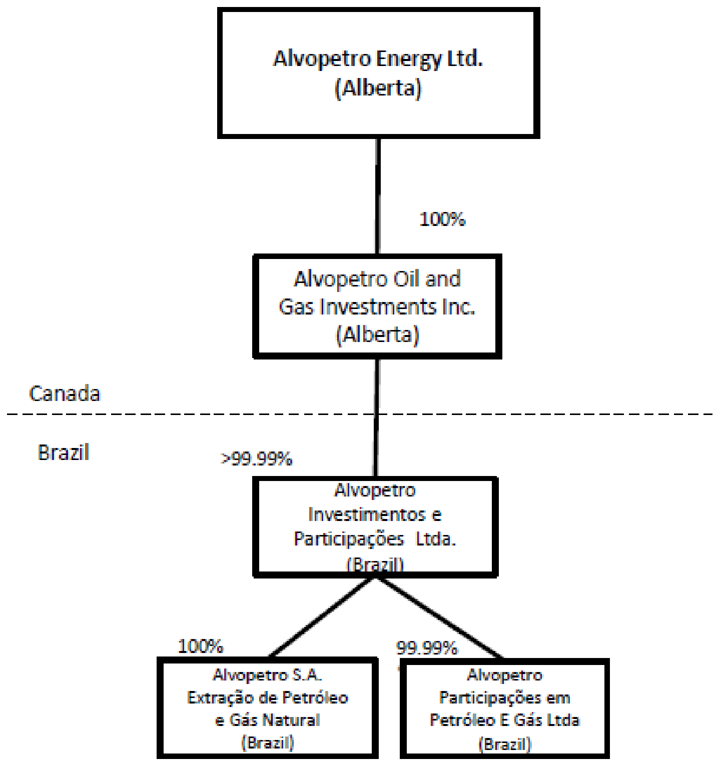
SCHEDULE 5.1(t)
ENVIRONMENTAL COMPLIANCE

Not applicable

SCHEDULE 5.1(v)
MATERIAL PROJECT AGREEMENT

Agreement	**Number**	**Date of Execution**	**Parties**	**Assignment Date**
Contrato de Concessão para Exploração, Desenvolvimento e Produção de Petróleo e Gás Natural	48610.001295/2008-45 (REC-T-183)	31 de março de 2008 / March 31, 2008	Agência Nacional do Petróleo, Gás Natural e Biocombustíveis – ANP / Petrosynergy Ltda.,	30 de abril de 2014 / April 30, 2014
Contrato de Concessão para Exploração, Desenvolvimento e Produção de Petróleo e Gás Natural	48610.001425/2008-40 (REC-T-197)	12 de março de 2008 / March 12, 2008	Agência Nacional do Petróleo, Gás Natural e Biocombustíveis – ANP / Construtora Pioneira S/A	14 de abril de 2008 e 09 de abril de 2012 / April 14, 2008 and April 9, 2012
Contrato de Concessão para Exploração, Desenvolvimento e Produção de Petróleo e Gás Natural	48610.000057/2014-61 (REC-T-198)	15 de maio de 2014 / May 15, 2014	Agência Nacional do Petróleo, Gás Natural e Biocombustíveis – ANP / Alvopetro S.A. Extração de Petróleo e Gás Natural	Not applicable.
Contrato de Concessão para Exploração, Desenvolvimento e Produção de Petróleo e Gás Natural	48610.009285/2005-13 (Bom Lugar)	13 de julho de 2006 / July 13, 2006	Agência Nacional do Petróleo, Gás Natural e Biocombustíveis – ANP / Construtora Pioneira S/A	23 de outubro de 2009 e 09 de abril de 2012 / October 23, 2009 and April 09, 2012
Contrato de Compra e Venda de Gás Natural	Not applicable	April 30, 2018	Companhia de Gás da Bahia – Bahiagás / Alvopetro S.A. Extração de Petróleo e Gás Natural	Not applicable
Gas Treatment Agreement	Not applicable	September 20, 2018	Enerflex Energia LTD / Alvopetro S.A. Extração de Petróleo e Gás Natural	Not applicable
Acordo de Unitizacão e Operaçãda Unidade	Not applicable	April 18, 2018	Imetame Energia Ltda. / Alvopetro S.A. Extração de Petróleo e Gás Natural	Not applicable
Pipeline Construction Contract	001/2018	December 23, 2018	Tecmaster Engenhaira e Construçóes Ltda. / Alvopetro S.A. Extração de Petróleo e Gás Natural	Not applicable
UPGN Site Construction Contract	Not applicable	March 25, 2019	Tss Serviços Tiago Sampaio Sena Eireli Me / Alvopetro S.A. Extração de Petróleo e Gás Natural	Not applicable

SCHEDULE 5.1(aa)
CORPORATE STRUCTURE



NOTE

** Remaining 0.01% held by Alvopetro Oil and Gas Investments Inc. (Alberta).*

***Alvopetro Oil and Gas investments holds 74,019,411 quotas with 1 quota held by Celio Paranhos, a quotaholder. Ownership % held by Alvopetro Oil and Gas Investments Inc. is 99.9999986%*

SCHEDULE 5.1(ii)(i)
LOCATION OF ASSETS AND BUSINESS

Company Name	**Location of assets and business**
Alvopetro Energy Ltd.	- Suite 1700, 525 – 8th Avenue SW, Calgary AB T2P 1G1 (chief executive office, head office and principal place of business) - 4000, 421 – 7 Ave SW, Calgary AB T2P 4K9 (registered office)
Alvopetro Oil and Gas Investments Inc.	- Suite 1700, 525 – 8th Avenue SW, Calgary AB T2P 1G1 (chief executive office, head office and principal place of business) - 4000, 421 – 7 Ave SW, Calgary AB T2P 4K9 (registered office)
Alvopetro Investimentos e ParticipaçõesLtda.	- Rua Major Lopes, 800 - 3º andar - São Pedro Belo Horizonte, Minas Gerais, Brazil (chief executive office, head office and principal place of business) - Avenida Passos, 101, Room 1204, Centro, in the City of Rio de Janeiro, State of Rio de Janeiro, Zip Code 20.051-040, Brazil (registered office)
Alvopetro S.A. Extração de Petróleoe Gás Natural	- Rua Major Lopes, 800 - 3º andar - São Pedro Belo Horizonte, Minas Gerais, Brazil (chief executive office, head office, registered office) - Rua Ewerton Visco, 290, Boulevard Side Empresarial, Sala 2004, Caminho das Árvores, Salvador, Bahia, Brazil (carries on business) - Estrada do Vinte Mil, Km 4,5, Zona Rural, Mata de São João, Bahia Brazil (carries on business) - Rodovia BA 093, Km 45, Loteamento Viver, nº34, Bairro: Star, Pojuca,Bahia, Brazil (carries on business, stores material tangible property) - Rua do Campo, s/n, Distrito de Jiribatuba, Vera Cruz,Bahia, Brazil (carries on business) - Estrada Estadual Araças – Alagoinhas, Km 3, s/n, Bairro Povoado de Bom Lugar, Araçás, Bahia,Brazil (carries on business)
Alvopetro Participações em Petróleo e Gás Ltda	- Rua Major Lopes, 800 - 3º andar - São Pedro Belo Horizonte, Minas Gerais, Brazil (chief executive office, head office and principal place of business) - Avenida Passos, No. 101, Room 1204, Centro, City of Rio de Janeiro, State of Rio de Janeiro, Zip Code 20.051-040 (registered office)

SCHEDULE 5.1(ii)(ii)
INTELLECTUAL PROPERTY

Not applicable.

SCHEDULE 5.1(ii)(iii)
ACTIONS, SUITS, ARBITRATIONS, PROCEEDINGS

Labour Claims - Alvopetro S.A. engaged third party companies to provide services and while Alvopetro does have stringent policies in place when hiring contractors to ensure that employees are paid for services on Alvopetro projects, there are cases where past employees of contracted companies may bring labour suits against the employer/contracted company . Where service periods of claimants include time spent on Alvopetro projects, the employee may name Alvopetro within their labour claim. Alvopetro will only be responsible for any amounts to the extent that the claimant is successful. In all claims, Alvopetro has been named together with other defendants and in case any such defendant pays any condemnation prior to Alvopetro, Alvopetro will not be compelled to pay any amount thereof. Alvopetro engages lawyers to prepare our defence with respect to all labour claims and so far no payments have been made related to the below processes. The amounts reflected are the maximum amounts claimed, but typically even where a claimant is successful, the amounts are greatly reduced by the time an award is granted.

Claimant	Contracted company	Alvopetro appears as:	Process number	Max Claim
EMILIO MANOEL GOMES	Suporte Ambiental	4th part	0000122-10.2015.5.05.0006	R$ 7,941
ARIANE DOS SANTOS COSTA	USAResgate	4th part	0001708-16.2015.5.05.0222	R$ 32,000
JOSÉ UEDER SILVA SANTOS	Doble S	3rd part	0000240-80.2016.5.05.0222	R$ 40,000
GERALDINO MASCARENHAS FILHO	ASSP	2nd part	0001850-65.2016.5.05.0131	R$ 16,970
MARCELO SANTOS SILVA	ASSP	2nd part	0001851-50.2016.5.05.0131	R$ 9,000
GILBERTO DE SOUZA SILVA	Relimpp	2nd part	0001756-38.2016.5.05.0222	R$ 45,000
NIVALDO MESSIAS DOS SANTOS	ASSP	2nd part	0001856-66.2016.5.05.0133	R$ 10,000
ELENALDO DE ARAUJO SANTOS	ASSP	2nd part	0001857-51.2016.5.05.0133	R$ 7,000
ISMAR DE SOUZA BARROS	Carboflex	3rd part	0000096-18.2017.5.20.0008	R$ 63,412
JAILSON SANTOS DE JESUS	Limit Transporte	2nd part	0000279-46.2017.5.05.0221	R$ 40,000
JOSÉ ADILSON TELES TAVARES	Carboflex	4th part	0000486-91.2017.5.20.0006	R$ 56,220
CARLOS DOS SANTOS BENTO	Doble S	3rd part	0000476-98.2017.5.05.0221	R$ 40,000
EDINELSON DE JESUS	Limit Transporte	2nd part	0000808-65.2017.5.05.0221	R$ 9,000
BRUNO CESAR DA ROCHA FARIAS SANTANA	Carboflex	3rd part	0001248-19.2017.5.20.0003	R$ 100,000
ELIANDO LUIZ DE JESUS SANTOS	ASSP SEG. PATRIMONIAL	3rd part	0000844-07.2017.5.05.0222	R$ 40,000
PEDRO BISPO MOREIRA JUNIOR	FAXE	2rd part	0001592-73.2016.5.05.0222	R$ 40,000
CLÁUDIO SANTOS NASCIMENTO	Limit Transportes	3rd part	0001013-94.2017.5.05.0221	R$ 100,000
BRENO DE MELO GUEDES	Faxe	8th part	0000033-50.2017.5.05.0221	R$ 100,000

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GILBERTO DE SOUZA SILVA	Relimpp	2nd part	0001757-23.2016.5.05.0222	R$ 55,000
RICARDO MARCELO NUNES FERNANDEZ	Faxe	10th part	0001413-45.2016.5.05.0221	R$ 100,000
CARLOS ABERTO FERNANDEZ	Faxe	10th part	0001378-82.2016.5.05.0222	R$ 100,000
HOSMAR DOS SANTOS DA SILVA	Faxe	2nd part	0001094-77.2016.5.05.0221	R$ 40,000
				R$ 1,051,543

Claimant	**Other parties**	**Process number**	**Claim (in accordance with the complaint)**
Federal Public Prosecutor's Office	Trayectoria Oil & Gas, S.A.; Ouro Preto Oleo e Gas S.A.; Gdf Suez Energy Latin America Participacoes Ltda.; Cowan Petroleo e Gás S.A.; National Petroleum, Natural Gas and Biofuels Agency – ANP; Petróleo Brasileiro S.A. – Petrobras	0030652-38.2014.4.01.3300	R$ 100,000

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SCHEDULE 5.1(ii)(iv)
COLLECTIVE BARGAINING AGREEMENTS

Not applicable.

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SCHEDULE 6.2(i)(iv)
PERMITTED INVESTMENTS

Not applicable. All Investments are Permitted Investments.

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SCHEDULE 6.2(r)(v)
RESTRICTIVE AGREEMENTS

Agreement	Type of Restriction
All concession contracts held by Alvopetro S.A.	Standard restrictions on assignments as imposed by the ANP
Letter agreement dated November 20, 2015 among Alvopetro Energy Ltd. and Royal Bank of Canada (as amended from time to time)	Covenant to provide the Royal Bank of Canada with 20 days' notice prior to granting security interest (clause waived).
Bonding products declaration and indemnity dated March 17, 2014 among Alvopetro Energy Ltd., Alvopetro Oil and Gas Investments Inc. and Export Development Canada (as amended from time to time)	Covenant to provide Export Development Canada with any security that is provided to any other person if the tangible net worth of Alvopetro Energy Ltd. is below $25,000,000 (security to be subordinated).

EXHIBIT 3.2(1)
FORM OF BORROWING NOTICE

[Date]

[Administrative Agent]

Attention: ●

Dear Sirs:

The undersigned, Alvopetro Energy Ltd. and Alvopetro S.A. Extração de Petróleoe Gás Natural (collectively, the "**Borrowers**"), refer to the credit agreement dated September ●, 2019 (as amended, supplemented or restated from time to time, the "**Credit Agreement**", the terms defined therein being used herein as therein defined) among the Borrowers, the Guarantors, the Administrative Agent, the Collateral Agent and the Lenders, and gives you notice pursuant to Section 3.2(1) of the Credit Agreement that the Borrower requests a Borrowing under the Credit Agreement, and, in that connection, sets forth below the information relating to the Borrowing (the "**Proposed Borrowing**") as required by Section 3.2(1) of the Credit Agreement:

1. The date of the Proposed Borrowing, being a Business Day, is ●.

2. The aggregate amount of the Proposed Borrowing is ●, divided as follows:

    (a) from Cordiant Emerging Loan Fund IV: ●

    (b) from Allianz EM Loans S.C.S.: ●

The Borrowers hereby confirm that:

(a) no Default or Event of Default has occurred or is continuing or would arise immediately after giving effect to or as a result of the Proposed Borrowing; and

(b) the representations and warranties contained in Article 5 of the Credit Agreement and in any other Credit Document are true and correct on the date hereof as if they were made on this date and will be true and correct on the date of the Proposed Borrowing except, in each case, for those changes to the representations and warranties which have been disclosed to and accepted by the Majority Lenders pursuant to Section 12.1 of the Credit Agreement and any representation and warranty which is stated to be made only as of a certain date (and then as of such date).

[*Remainder of page left intentionally blank*]

Yours truly,

ALVOPETRO ENERGY LTD., as Borrower

By: ______________________________
Name:
Title:

By: ______________________________
Name:
Title:

ALVOPETRO S.A. EXTRAÇÃO DE PETRÓLEO E GÁS NATURAL, as Borrower

By: ______________________________
Name:
Title:

By: ______________________________
Name:
Title:

EXHIBIT 6.1(a)(iv)
FORM OF COMPLIANCE CERTIFICATE

TO: **[Administrative Agent]**

AND TO: The Lenders

The undersigned refers to the credit agreement dated September ●, 2019 (as amended, supplemented or restated from time to time, the "**Credit Agreement**", the terms defined therein being used herein as therein defined) among the Borrowers, the Guarantors the Administrative Agent, the Collateral Agent and the Lenders.

I, the undersigned **[Chief Financial Officer]** of the Parent, certify, without personal liability, to the Administrative Agent and the Lenders, that:

1. I have read the provisions of the Credit Agreement which are relevant to this certificate and have made such examinations or investigations as are necessary to enable me to express an informed opinion on the matters contained in this certificate.

2. As at **[date]** (the "**Determination Date**"), the following calculations were true and correct:

(a)	Debt Service Ratio (Section 6.3(a)) (refer to Schedule I for details)	______________________
(b)	Leverage Ratio (Section 6.3(b)) (refer to Schedule II for details)	______________________
		______________________

3. As at this date:

(a) Except as disclosed below (or as disclosed on a prior Compliance Certificate), on and as of this date:

(i) No Credit Party (i) owns any real property, (ii) is bound by any agreement to own or lease any real property other than the Leased Property pursuant to the Lease, or (iii) has leased any of its Owned Properties, other than as described in Schedule 5.1(i) to the Credit Agreement [**as supplemented by Schedule III)]**; and

(ii) All Material Agreements are set out in Schedule 5.1(v) to the Credit Agreement and such agreements remain unamended [**as supplemented by Schedule III)]**;

[Make any relevant disclosure with respect to real property, additional Material Agreements or amendments to existing Material Agreements]

(b) No Default or Event of Default has occurred and is continuing except ___________________ **[specify nature and period of existence of any Default or**

Event of Default and any action which the Borrower has taken or proposes to take with respect thereto];

(c) The representations and warranties contained in Article 5 of the Credit Agreement are true and correct as though made on this date, in each case, except for those changes to the representations and warranties which have been disclosed to and accepted by the Majority Lenders pursuant to Section 12.1 of the Credit Agreement and any representation and warranty which is stated to be made only as of a certain date (and then as of such date), except ____________________;

(d) The financial statements delivered pursuant to Section 6.1(a) of the Credit Agreement have been prepared in accordance with GAAP in effect on the date of such financial statements and each presents fairly and consistently:

(i) the assets, liabilities, (whether accrued, absolute, contingent or otherwise) and financial position of the Borrower as at the date of such financial statements; and

(ii) the sales and earnings of the Parent during the periods covered by such financial statements.

DATED the ● day of●, 20●.

____

[Chief Financial Officer]

SCHEDULE "I"
Details of Debt Service Ratio as per Section 6.3(a)

Consolidated Net Income	$		(1)
Consolidated Interest Charges	$		(2)
Taxes accrued	$		(3)
Consolidated Depreciation Expense	$		(4)
Unusual or non-recurring losses	$		(5)
Other non-cash items reducing Consolidated Net Income (other than accruals, reserves and amortizations)	$		(6)
Unusual or non-recurring gains	$		(7)
Non-cash items increasing Consolidated Net Income (other than reversals of accruals or reserves)	$		(8)
Consolidated EBITDA			
[(1) + (2) + (3) + (4) + (5) + (6) – (7) – (8)]	$		(9)
Income taxes accrued	$		(10)
Capital Expenditures	$		(11)
Net change to non-cash operating working capital	$		(12)
Adjusted Consolidated EBITDA			
[(9) - (10) - (11) +/- (12)]	$		(13)
Consolidated Interest Charges	$		(14)
Scheduled principal and other payments on Consolidated Indebtedness	$		(15)
Consolidated Debt Service			
[(14) + (15)]	$		(16)
Debt Service Ratio			
[(13)]:[(16)]	$		

SCHEDULE "II"
Details of Leverage Ratio as per Section 6.3(b)

Indebtedness for borrowed money	$	________	(1)
Indebtedness for deferred purchase price of Assets and services	$	________	(2)
Indebtedness under conditional sale or other title retention agreements	$	________	(3)
Obligations evidenced by a note or similar instrument	$	________	(4)
Capital leases and synthetic leases	$	________	(5)
Amount attributable to shares which mature, are redeemable at the sole option of the holder, or provide for scheduled payments in cash on or prior to the Relevant Repayment Date	$	________	(6)
Net amount of mark-to-market obligations under Derivatives Agreements	$	________	(7)
Contingent liabilities	$	________	(8)
Debt resulting from ownership interest in or relationship with another entity	$	________	(9)
Consolidated Indebtedness **[(1) + (2) + (3) + (4) + (5) + (6) + (7) + (8) + (9)]**	$	________	(10)
Debt owed to Enerflex in connection with the Gas Treatment Agreement	$	________	(11)
Unrestricted cash	$	________	(12)
Adjusted Consolidated Indebtedness **[(10) - (11) – (12)]**	$	________	(13)
Consolidated EBITDA (See Schedule I)	$	________	(14)
Leverage Ratio (13):(14)	$	________	

EXHIBIT 11.6(2)(e)
ASSIGNMENT AND ASSUMPTION

ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (the "**Assignment and Assumption**") is dated as of the Effective Date set forth below and is entered into by and between **[Insert name of Assignor]** (the "**Assignor**") and **[Insert name of Assignee]** (the "**Assignee**"). Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, supplemented or restated from time to time, the "**Credit Agreement**"), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of the Assignor's rights and obligations in its capacity as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below (including without limitation any letters of credit, guarantees, and swingline loans included in such facilities) and (ii) to the extent permitted to be assigned under Applicable Law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as, the "**Assigned Interest**"). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

4.	Assignor:	______________________________
5.	Assignee:	______________________________
6.	Borrowers:	______________________________ ______________________________
7.	Administrative Agent:	______________________________, as the administrative agent under the Credit Agreement
8.	Credit Agreement:	**The $15,000,000 Credit Agreement dated as of September ●, 2019 among Alvopetro Energy Ltd., Alvopetro S.A. Extração de Petróleoe Gás Natural, the Guarantors parties thereto, the Lenders parties thereto, and Cordiant Luxembourg S.A., as Administrative Agent and Collateral Agent**
9.	Assigned Interest:	

Aggregate Amount of Commitment for all Lenders[1]	Amount of Commitment Assigned	Percentage Assigned of Commitment[2]
$	$	%

10. **[Trade Date: ________________]3**

Effective Date: ___________, 20 ___ **[To be inserted by Administrative Agent and which shall be the effective date of recordation of transfer in the Register therefor.]**

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR

[NAME OF ASSIGNOR]

By: ______________________________

Title: ●

ASSIGNEE

[NAME OF ASSIGNEE]

By: ______________________________

Title: ●

[Consented to and]4 Accepted:

[ADMINISTRATIVE AGENT], as Administrative Agent

By: ______________________________

Title: ●

[1] Amount to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.

[2] Set forth, to at least 9 decimals, as a percentage of the Commitment/Accommodations of all Lenders thereunder.

[3] To be completed if the Assignor and the Assignee intend that the minimum assignment amount is to be determined as of the Trade Date.

[4] To be added only if the consent of the Administrative Agent is required by the terms of the Credit Agreement.

ANNEX “1”to Assignment and Assumption

STANDARD TERMS AND CONDITIONS FOR ASSIGNMENT AND ASSUMPTION

Representations and Warranties.

11. **Assignor.** 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 Assumption 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 Credit Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Documents or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Credit Document or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Credit Document.

12. **Assignee.** 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 Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets all requirements of an Eligible Assignee under the Credit Agreement (subject to receipt of such consents as may be required under the Credit Agreement), (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it has as received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 6.1(a) thereof, as applicable, 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 Assumption and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent or any other Lender, and (v) if it is a Foreign Lender, attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee; and (b) agrees that (i) it will, independently and without reliance on the Administrative 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 Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

13. **Payments.** From and after the Effective Date, the Administrative 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 Administrative Agent for periods prior to the Effective Date or with respect to the making of this assignment directly between themselves.

14. **General Provisions.** This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and permitted assigns. This

Assignment and Assumption 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 and Assumption by telecopy or by sending a scanned copy by electronic mail shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law governing the Credit Agreement.