Execution Version

WHITECAP RESOURCES INC.

Cdn. $195,000,000
3.90% Senior Secured Notes due December 20, 2026

NOTE PURCHASE AGREEMENT

Dated December 20, 2017

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WHITECAP RESOURCES INC.
3800, 525 – 8TH AVENUE S.W.
CALGARY, ALBERTA
T2P 1G1

Cdn.$195,000,000 3.90% Senior Secured Notes due December 20, 2026

December 20, 2017

TO EACH OF THE PURCHASERS LISTED IN
THE PURCHASER SCHEDULE HERETO:

Ladies and Gentlemen:

Whitecap Resources Inc., an Alberta corporation (the "**Company**"), agrees with each of the Purchasers as follows:

SECTION 1. AUTHORIZATION OF NOTES.

The Company will authorize the issue and sale of Cdn.$195,000,000 aggregate principal amount of its 3.90% Senior Secured Notes due December 20, 2026 (the "**Notes**", such term to include any such notes issued in substitution therefor pursuant to Section 14). The Notes shall be substantially in the form set out in Exhibit 1. Certain capitalized and other terms used in this Agreement are defined in Schedule B and, for purposes of this Agreement, the rules of construction set forth in Section 23.4 shall govern. References to a "**Schedule**" or an "**Exhibit**" are, unless otherwise specified, to a Schedule or an Exhibit attached to this Agreement.

SECTION 2. SALE AND PURCHASE OF NOTES.

Subject to the terms and conditions of this Agreement, the Company will issue and sell to each Purchaser and each Purchaser will purchase from the Company, at the Closing provided for in Section 3, Notes in the principal amount specified opposite such Purchaser's name in the Purchaser Schedule attached hereto as Schedule A at the purchase price of 100% of the principal amount thereof. The Purchasers' obligations hereunder are several and not joint obligations and no Purchaser shall have any liability to any Person for the performance or non-performance of any obligation by any other Purchaser hereunder.

SECTION 3. CLOSING.

The sale and purchase of the Notes to be purchased by each Purchaser shall occur at the offices of Norton Rose Fulbright Canada LLP, 3700, 400-3rd Avenue S.W. Calgary, Alberta at 8:00 A.M., Calgary time, at a closing (the "**Closing**") on December 20, 2017. At the Closing the Company will deliver to each Purchaser the Notes to be purchased by such Purchaser in the form of a single Note (or such greater number of Notes in denominations of at least Cdn. $100,000 as such Purchaser may request) dated the date of the Closing and registered in such Purchaser's name (or in the name of its nominee), against delivery by such Purchaser to the Company or its order of immediately available funds in the amount of the purchase price therefor by wire transfer of immediately available funds for the account of the Company to:

[Account information redacted]

If at the Closing the Company shall fail to tender such Notes to any Purchaser as provided above in this Section 3, or any of the conditions specified in Section 4 shall not have been fulfilled to such Purchaser's satisfaction, such Purchaser shall, at its election, be relieved of all further obligations under this Agreement, without thereby waiving any rights such Purchaser may have by reason of any of the conditions specified in Section 4 not having been fulfilled to such Purchaser's satisfaction or such failure by the Company to tender such Notes.

SECTION 4. CONDITIONS TO CLOSING.

Each Purchaser's obligation to purchase and pay for the Notes to be sold to such Purchaser at the Closing is subject to the fulfillment to such Purchaser's satisfaction, prior to or at the Closing, of the following conditions:

Section 4.1 Representations and Warranties.

The representations and warranties of the Company in the Note Documents shall be correct when made and at the time of the Closing (except to the extent of changes caused by the transactions herein contemplated).

Section 4.2 Performance; No Default.

The Company shall have performed and complied with all agreements and conditions contained in the Note Documents required to be performed or complied with by it prior to or at the Closing and after giving effect to the issue and sale of the Notes (and the application of the proceeds thereof as contemplated by Section 5.14) no Default, Event of Default or Borrowing Base Shortfall shall have occurred and be continuing. Neither the Company nor any Material Subsidiary shall have entered into any transaction since December 31, 2016 that would have been prohibited by Section 10 had such Section applied since such date.

Section 4.3 Compliance Certificates.

(a) *Officer's Certificate*. The Company shall have delivered to such Purchaser an Officer's Certificate, dated the date of the Closing, certifying that the conditions specified in Sections 4.1, 4.2 and 4.9 have been fulfilled.

(b) *Officer's Certificate*. The Company shall have delivered to such Purchaser an Officer's Certificate, dated the date of the Closing, certifying as to the resolutions attached thereto and other corporate proceedings relating to the authorization, execution and delivery of the Note Documents executed by it.

Section 4.4 Opinions of Counsel.

Such Purchaser shall have received opinions in form and substance satisfactory to such Purchaser, dated the date of the Closing (a) from Dorsey & Whitney LLP, special U.S. counsel for the Company, and Burnet, Duckworth & Palmer LLP, Canadian counsel for the

Company, substantially in the respective forms set forth in Exhibits 4.4(a)(i) and 4.4(a)(ii) and covering such other matters incident to the transactions contemplated hereby as such Purchaser or its counsel may reasonably request (and the Company hereby instructs its counsel to deliver such opinions to the Purchasers), (b) from Norton Rose Fulbright Canada LLP, the Purchasers' special Canadian counsel in connection with such transactions, substantially in the form set forth in Exhibit 4.4(b) and covering such other matters incident to such transactions as such Purchaser may reasonably request, (c) from Ferris, Vaughn, Wills and Murphy LLP, British Columbia counsel to the Collateral Agent and the Secured Parties, as to the validity and enforceability of the Security with respect to Collateral located in British Columbia, and the due registration thereof in that province, (d) from MLT Aikins LLP, Saskatchewan counsel to the Collateral Agent and the Secured Parties, as to the validity and enforceability of the Security with respect to Collateral located in Saskatchewan, and the due registration thereof in that province, and (e) from Torys LLP, Alberta counsel to the Agent, as to the due registration of the Security in Alberta, upon each of which opinions the Purchasers will rely in purchasing the Notes.

Section 4.5 Purchase Permitted By Applicable Law, Etc.

On the date of the Closing such Purchaser's purchase of Notes shall (a) be permitted by the laws and regulations of each jurisdiction to which such Purchaser is subject, without recourse to provisions (such as section 1405(a)(8) of the New York Insurance Law) permitting limited investments by insurance companies without restriction as to the character of the particular investment, (b) not violate any applicable law or regulation (including Regulation T, U or X of the Board of Governors of the United States Federal Reserve System) and (c) not subject such Purchaser to any tax, penalty or liability under or pursuant to any applicable law or regulation, which law or regulation was not in effect on the date hereof. If requested by such Purchaser, such Purchaser shall have received an Officer's Certificate certifying as to such matters of fact as such Purchaser may reasonably specify to enable such Purchaser to determine whether such purchase is so permitted.

Section 4.6 Sale of Other Notes.

Contemporaneously with the Closing, the Company shall sell to each other Purchaser and each other Purchaser shall purchase the Notes to be purchased by it at the Closing as specified in the Purchaser Schedule.

Section 4.7 Payment of Special Counsel Fees.

Without limiting Section 16.1, the Company shall have paid on or before the Closing the fees, charges and disbursements of the Purchasers' special counsel referred to in Section 4.4 to the extent reflected in a statement of such counsel rendered to the Company at least one Business Day prior to the Closing.

Section 4.8 Private Placement Number.

A Private Placement Number issued by Standard & Poor's CUSIP Service Bureau (in cooperation with the SVO) shall have been obtained for the Notes.

Section 4.9 Changes in Structure.

Other than as permitted by this Agreement, the Company shall not have changed its jurisdiction of incorporation or organization, as applicable, or been a party to any merger or consolidation or succeeded to all or any substantial part of the liabilities of any other entity, at any time following the date of the most recent annual or quarterly financial statements referred to in Section 5.5.

Section 4.10 Funding Instructions.

At least three Business Days prior to the date of the Closing, each Purchaser shall have received written instructions signed by a Responsible Officer on letterhead of the Company confirming the information specified in Section 3.1.

Section 4.11 Proceedings and Documents.

All corporate, partnership and other proceedings in connection with the transactions contemplated by this Agreement, the Credit Agreement, the Shelf Agreement, the 3.54% Note Agreement and all documents and instruments incident to such transactions shall be satisfactory to such Purchaser and its special counsel, and such Purchaser and its special counsel shall have received all such counterpart originals or certified or other copies of such documents as such Purchaser or such special counsel may reasonably request.

Section 4.12 Certain Documents.

Such Purchaser shall have received the following:

(a) the Note(s) to be purchased by such Purchaser at the Closing;

(b) a Subsidiary Guarantee from each Material Subsidiary;

(c) the Security referred to in Section 9.9;

(d) the Second Amended and Restated Intercreditor Agreement executed by the Lenders, the administrative agent for the Lenders, the Purchasers, the holders, the Shelf Noteholders, the 3.54% Noteholders, the Collateral Agent, the Company and each Material Subsidiary;

(e) such amendments or other modifications to the Security (as defined in the Credit Agreement) as are necessary so that the Security Interests created thereby ratably secures the obligations under the Notes and the other Note Documents (in addition to securing the obligations of the Lenders under the Credit Agreement, the Shelf Noteholders under the Shelf Agreement and the 3.54% Noteholders under the 3.54% Note Agreement);

(f) certified copies of the resolutions of the Board of Directors of the Company and each Material Subsidiary authorizing the execution and delivery of the Note Documents executed by it, and of all documents evidencing other necessary corporate action and governmental approvals, if any, with respect to the Note Documents executed by it;

(g) an Officer's Certificate of the Company and each Material Subsidiary certifying the names and true signatures of the officers of such party authorized to sign the Note Documents executed by it;

(h) certified copies of the constating documents of the Company and each Material Subsidiary; and

(i) a certificate of status for the Company and each Material Subsidiary that is a corporation from the government of its jurisdiction of incorporation dated of a recent date prior to the Closing, and such other evidence of the status of each non-corporate Material Subsidiary as such Purchaser may reasonably request.

Section 4.13 Registration of Security.

All actions necessary or desirable in each relevant jurisdiction to perfect the Security Interests created by the Security (including the filing of all appropriate financing statements, the registration of all Security where necessary, the recording of all appropriate documents with public officials and the payment of all fees and taxes in relation thereto) shall have been taken in accordance with the provisions of the Note Documents and applicable law.

Section 4.14 Delivery of Certificates of Insurance and Binders.

Such Purchaser shall have received a copy of a certificate of insurance from an insurance broker, dated as of or near the date of the Closing, identifying insurers, types of insurance, insurance limits, policy terms, names of insureds, additional insureds or loss payees (including the designation of the Collateral Agent as loss payee and additional insured with respect to all property and liability insurance).

Section 4.15 Environmental Reports.

Such Purchaser shall have received copies of all of the most recent environmental certificates and reports with respect to environmental audits provided to the Lenders by the Company or a Material Subsidiary under the Credit Agreement with respect to their respective real Properties now or formerly owned, leased or operated by any of them.

SECTION 5. REPRESENTATIONS AND WARRANTIES OF THE COMPANY.

The Company represents and warrants to each Purchaser that:

Section 5.1 Organization; Power and Authority.

The Company is a corporation duly organized, validly existing and, where legally applicable, in good standing under the laws of Alberta, and is duly qualified as a foreign corporation and, where legally applicable, is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The Company has the corporate power and authority to own

or hold under lease the Property it purports to own or hold under lease, to transact the business it transacts and proposes to transact, to execute and deliver this Agreement and the other Note Documents and to perform the provisions hereof and thereof.

Section 5.2 Authorization, Etc.

(a) The Note Documents executed by the Company have been duly authorized by all necessary corporate action on the part of the Company, and this Agreement constitutes, and upon execution and delivery thereof each other Note Document to which it is a party will constitute, a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as such enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(b) The Note Documents executed by any Subsidiary of the Company have been duly authorized by all necessary corporate action on the part of such Subsidiary executing the same, and each such Note Document constitutes a legal, valid and binding obligation of such Subsidiary enforceable against such Subsidiary in accordance with its terms, except as such enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

Section 5.3 Disclosure.

This Agreement and the documents, certificates or other writings (including the financial statements listed on Schedule 5.5 and the financial statements provided pursuant to the terms hereof) delivered to the Purchasers by or on behalf of the Company in connection with the transactions contemplated hereby (this Agreement and such documents, certificates or other writings and such financial statements delivered to each Purchaser prior to the applicable Closing being referred to, collectively, as the "**Disclosure Documents**"), taken as a whole, do not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading in light of the circumstances under which they were made. Except as disclosed in the Disclosure Documents, since the end of the most recent fiscal year for which audited financial statements have been furnished, there has been no change in the financial condition, operations, business, Property or prospects of the Company or any Subsidiary except changes that individually or in the aggregate could not reasonably be expected to have a Material Adverse Effect. There is no fact known to the Company that could reasonably be expected to have a Material Adverse Effect that has not been set forth herein or in the Disclosure Documents.

Section 5.4 Organization and Ownership of Shares of Subsidiaries; Affiliates.

(a) Schedule 5.4, as it may be amended from time to time pursuant to Section 2.2(d), contains (except as noted therein) complete and correct lists (i) of the Subsidiaries of the Company showing, as to each Subsidiary, the correct name thereof, any trade names, the

jurisdiction of its organization, the percentage of shares of each class of its capital stock or similar equity interests outstanding owned by the Company and each other Subsidiary, whether such Subsidiary is a Material Subsidiary, and the location of its Property, (ii) of the Company's Affiliates, other than Subsidiaries, and (iii) of the Company's directors and senior officers, in each case as of the date hereof.

(b) All of the outstanding shares of capital stock or similar equity interests of each Material Subsidiary shown in Schedule 5.4, as it may be amended from time to time pursuant to Section 2.2(d), as being owned by the Company and Material Subsidiary, as applicable, have been validly issued, are fully paid and nonassessable and are owned by the Company or Material Subsidiary free and clear of any Security Interest (except as otherwise disclosed in Schedule 5.4 and except for Security Interests permitted by Section 10.3).

(c) Each Subsidiary identified in Schedule 5.4 is a corporation or other legal entity duly organized, validly existing and, where legally applicable, in good standing under the laws of its jurisdiction of organization, and is duly qualified as a foreign corporation or other legal entity and, where legally applicable, is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Each such Subsidiary has the corporate or other power and authority to own or hold under lease the Property it purports to own or hold under lease and to transact the business it transacts and proposes to transact.

(d) No Material Subsidiary is a party to, or otherwise subject to any legal, regulatory, contractual or other restriction (other than this Agreement, the agreements listed on Schedule 5.4 and customary limitations imposed by corporate law or similar statutes) restricting the ability of such Material Subsidiary to pay dividends out of profits or make any other similar distributions of profits to the Company or any of its Material Subsidiaries that owns outstanding shares of capital stock or similar equity interests of such Material Subsidiary.

Section 5.5 Financial Statements; Material Liabilities.

The Company has delivered to each Purchaser copies of the following financial statements identified by a principal financial officer of the Company: (a) consolidated balance sheets of the Company and its Subsidiaries as at December 31 in each of the three fiscal years of the Company most recently completed prior to the date as of which this representation is made or repeated to such Purchaser (other than fiscal years completed within 90 days prior to such date for which audited financial statements have not been released) and consolidated statements of comprehensive income (loss), consolidated statements of changes in equity and consolidated statements of cash flows of the Company and its Subsidiaries for each such year, all reported on by PricewaterhouseCoopers LLP and (b) consolidated balance sheets of the Company and its Subsidiaries as at the end of the quarterly period (if any) most recently completed prior to such date and after the end of such fiscal year (other than quarterly periods completed within 60 days prior to such date for which financial statements have not been released) and the comparable quarterly period in the preceding fiscal year and consolidated statements of comprehensive income (loss), consolidated statements of changes in equity and consolidated statements of cash flows for the periods from the beginning of the fiscal years in which such quarterly periods are

included to the end of such quarterly periods, prepared by the Company. All of said financial statements (including in each case the related schedules and notes) fairly present in all material respects the consolidated financial position of the Company and its Subsidiaries as of the respective dates thereof and the consolidated results of their operations and cash flows for the respective periods indicated and have been prepared in accordance with GAAP consistently applied throughout the periods involved except as set forth in the notes thereto (subject, in the case of any interim financial statements, to normal year-end adjustments). The Company and its Subsidiaries do not have any Material liabilities that are not disclosed on such financial statements or otherwise disclosed in the Disclosure Documents.

Section 5.6 Compliance with Laws, Other Instruments, Etc.

The execution, delivery and performance by the Company and each Material Subsidiary of this Agreement and the other Note Documents will not (a) contravene, result in any breach of, or constitute a default under, or result in the creation of any Security Interest in respect of any Property of the Company or any Subsidiary under, any indenture, mortgage, deed of trust, loan, purchase or credit agreement, lease, corporate charter, memorandum and articles of association, regulations or by-laws, or any other agreement or instrument to which the Company or any Subsidiary is bound or by which the Company or any Subsidiary or any of their respective Properties may be bound or affected, (b) conflict with or result in a breach of any of the terms, conditions or provisions of any order, judgment, decree, or ruling of any court, arbitrator or Governmental/Judicial Body applicable to the Company or any Subsidiary, or (c) violate any provision of any statute or other rule or regulation of any Governmental/Judicial Body applicable to the Company or any Subsidiary.

Section 5.7 Governmental Authorizations, Etc.

No consent, approval or authorization of, or registration, filing or declaration with, any Governmental/Judicial Body is required in connection with the execution, delivery or performance by the Company or any Material Subsidiary of this Agreement or the other Note Documents. It is not necessary to ensure the legality, validity, enforceability or admissibility into evidence in Alberta of the Note Documents that any thereof or any other document be filed, recorded or enrolled with any Governmental/Judicial Body, or that any such agreement or document be stamped with any stamp, registration or similar transaction tax.

Section 5.8 Litigation; Observance of Agreements, Statutes and Orders.

(a) There are no actions, suits, investigations or proceedings pending or, to the knowledge of the Company, threatened against or affecting the Company or any Subsidiary or any Property of the Company or any Subsidiary in any court or before any arbitrator of any kind or before or by any Governmental/Judicial Body that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

(b) Neither the Company nor any Subsidiary is in default under any term of any agreement or instrument to which it is a party or by which it is bound, or any order, judgment, decree or ruling of any court, arbitrator or Governmental/Judicial Body or is in violation of any applicable law, ordinance, rule or regulation (including Environmental Laws, the

USA PATRIOT Act or any of the other laws and regulations referred to in Section 5.16) of any Governmental/Judicial Body, which default or violation, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

Section 5.9 Taxes.

(a) The Company and its Subsidiaries have filed all tax returns that are required to have been filed in any jurisdiction, and have paid all taxes shown to be due and payable on such returns and all other taxes and assessments levied upon them or their property, assets, income or franchises, to the extent such taxes and assessments have become due and payable and before they have become delinquent, except for any taxes and assessments (i) the amount of which, individually or in the aggregate, is not Material or (ii) the amount, applicability or validity of which is currently being contested in good faith by appropriate proceedings and with respect to which the Company or a Subsidiary, as the case may be, has established adequate reserves in accordance with GAAP. The Company knows of no basis for any other tax or assessment that could, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The charges, accruals and reserves on the books of the Company and its Subsidiaries in respect of federal, national, state, provincial or other taxes for all fiscal periods are adequate. The income tax liabilities of the Company and the Material Subsidiaries have been finally determined (whether by reason of completed audits or the statute of limitations having run) for all fiscal years up to and including the fiscal year ended December 31, 2011.

(b) No liability for any Tax, directly or indirectly, imposed, assessed, levied or collected by or for the account of any Governmental/Judicial Body of Canada or any political subdivision thereof will be incurred by the Company, any Subsidiary or any holder of a Note as a result of the execution or delivery of this Agreement or any other Note Document. The Company and each Material Subsidiary is permitted to make all payments of interest on, or in respect of, the principal amount of the Notes and interest on such interest, Make-Whole Amounts and interest thereon, and the principal amount of the Notes (in each case, a "**Payment**") to a holder free and clear of and without deduction for or on account of any Taxes imposed by Canada, Alberta or any other applicable Governmental/Judicial Body in any jurisdiction in which the Company or any Material Subsidiary carries on business or from which Payments are made, or by any taxing authority thereof (collectively, "**Imposed Taxes**"), and any such amounts as are owing or payable or which become owing or payable by and are paid to a holder will not presently be subject to any Imposed Taxes imposed, levied, assessed or collected by Canada, Alberta or any other such applicable Governmental/Judicial Body, provided in both cases that as of the time of such Payment:

(i) such holder does not use the Notes in, or hold the Notes in the course of, carrying on business in Canada, and is not deemed to use the Notes in connection with a business carried on in Canada for the purposes of the *Income Tax Act* (Canada), and if such holder carries on an insurance business in Canada and elsewhere, it establishes that the debt evidenced by the Note is neither "designated insurance property" (as defined in subsection 138(12) of the *Income Tax Act* (Canada) and Regulation 2401(1), as amended or substituted from time to time), nor effectively connected with the insurance business it carries on in Canada, and

(ii) the holder deals at arm's length with the Company and applicable Material Subsidiary for the purposes of the *Income Tax Act* (Canada).

Section 5.10 Title to Property; Leases.

The Company and its Material Subsidiaries have good and sufficient title to their respective Properties that individually or in the aggregate are Material, including all such Properties reflected in the most recent audited balance sheet referred to in Section 5.5 or purported to have been acquired by the Company or any Material Subsidiary after said date (except as sold or otherwise disposed of in the ordinary course of business, and except for minor defects in title which in the aggregate do not materially affect the rights of ownership therein taken as a whole amongst the Note Parties), in each case free and clear of Security Interests prohibited by this Agreement. All leases that individually or in the aggregate are Material are valid and subsisting and are in full force and effect in all material respects.

Section 5.11 Licenses, Permits, Etc.

(a) The Company and its Material Subsidiaries own or possess all licenses, permits, franchises, authorizations, patents, copyrights, proprietary software, service marks, trademarks and trade names, or rights thereto, that individually or in the aggregate are Material, without known conflict with the rights of others.

(b) To the best knowledge of the Company, no product of the Company or any Material Subsidiaries infringes in any material respect any license, permit, franchise, authorization, patent, copyright, proprietary software, service mark, trademark, trade name or other right owned by any other Person.

(c) To the best knowledge of the Company, there is no Material violation by any Person of any right of the Company or any Material Subsidiaries with respect to any license, permit, franchise, authorization, patent, copyright, proprietary software, service mark, trademark, trade name or other right owned or used by the Company or any Material Subsidiaries.

Section 5.12 Compliance with ERISA; Non-U.S. Plans.

(a) The Company and each ERISA Affiliate have operated and administered each Plan in compliance with all applicable laws except for such instances of noncompliance as have not resulted in and could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect. Neither the Company nor any ERISA Affiliate has incurred any liability pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans (as defined in section 3 of ERISA), and no event, transaction or condition has occurred or exists that could, individually or in the aggregate, reasonably be expected to result in the incurrence of any such liability by the Company or any ERISA Affiliate, or in the imposition of any Security Interest on any of the rights, properties or assets of the Company or any ERISA Affiliate, in either case pursuant to Title I or IV of ERISA or to section 430(k) of the Code or to any such penalty or excise tax provisions under the Code or federal law or section 4068 of ERISA or by the granting of a Security Interest in connection with the amendment of a Plan, other than such liabilities or Security Interests as would not be individually or in the aggregate Material.

(b) To the extent applicable, the present value of the aggregate benefit liabilities under each of the Plans (other than Multiemployer Plans), determined as of the end of such Plan's most recently ended plan year on the basis of the actuarial assumptions specified for funding purposes in such Plan's most recent actuarial valuation report, did not exceed the aggregate current value of the assets of such Plan allocable to such benefit liabilities. The present value of the accrued benefit liabilities (whether or not vested) under each Non-U.S. Plan that is funded, determined as of the end of the Company's most recently ended fiscal year on the basis of reasonable actuarial assumptions, did not exceed the current value of the assets of such Non-U.S. Plan allocable to such benefit liabilities. The term "**benefit liabilities**" has the meaning specified in section 4001 of ERISA and the terms "**current value**" and "**present value**" have the meaning specified in section 3 of ERISA.

(c) To the extent applicable, the Company and its ERISA Affiliates have not incurred (i) withdrawal liabilities (and are not subject to contingent withdrawal liabilities) under section 4201 or 4204 of ERISA in respect of Multiemployer Plans that individually or in the aggregate are Material or (ii) any obligation in connection with the termination of or withdrawal from any Non-U.S. Plan that individually or in the aggregate are Material.

(d) To the extent applicable, the expected postretirement benefit obligation (determined as of the last day of the Company's most recently ended fiscal year in accordance with Financial Accounting Standards Board Statement Accounting Standards Codification Topic 715-60, without regard to liabilities attributable to continuation coverage mandated by section 4980B of the Code) of the Company and its Subsidiaries is not Material.

(e) The execution and delivery of this Agreement and the issuance and sale of the Notes hereunder will not involve any transaction that is subject to the prohibitions of section 406 of ERISA or in connection with which a tax could be imposed pursuant to section 4975(c)(1)(A)-(D) of the Code. The representation by the Company to each Purchaser in the first sentence of this Section 5.12(e) is made in reliance upon and subject to the accuracy of such Purchaser's representation in Section 6.2 as to the sources of the funds used to pay the purchase price of the Notes to be purchased by such Purchaser.

(f) All Non-U.S. Plans have been established, operated, administered and maintained in compliance with all laws, regulations and orders applicable thereto, except where failure so to comply could not be reasonably expected to have a Material Adverse Effect. All premiums, contributions and any other amounts required by applicable Non-U.S. Plan documents or applicable laws to be paid or accrued by the Company and its Subsidiaries have been paid or accrued as required, except where failure so to pay or accrue could not be reasonably expected to have a Material Adverse Effect.

Section 5.13 Private Offering by the Company.

Neither the Company nor anyone acting on its behalf has offered the Notes or any similar securities for sale to, or solicited any offer to buy any of the same from, or otherwise approached or negotiated in respect thereof with, any person other than the Purchasers, each of which has been offered the Notes at a private sale for investment. Neither the Company nor anyone acting on its behalf has taken, or will take, any action that would subject the issuance or

sale of the Notes to the registration requirements of Section 5 of the Securities Act or to the registration requirements of any securities or blue sky laws of any applicable jurisdiction.

Section 5.14 Use of Proceeds; Margin Regulations.

The Company will apply the proceeds of the sale of the Notes to repay Debt under the Credit Agreement, including but not limited to repayment of any Debt incurred by the Company to fund a portion of the purchase price of the assets acquired by the Company from Cenovus Energy Inc. pursuant to an asset sale agreement dated November 13, 2017 between the Company and Cenovus Energy Inc. (but not, unless the Company otherwise determines, permanently reduce amounts available under the Credit Agreement) and for its general business purposes. No part of the proceeds from the sale of the Notes hereunder will be used, directly or indirectly, for the purpose of buying or carrying any margin stock within the meaning of Regulation U of the Board of Governors of the Federal Reserve System (12 CFR 221), or for the purpose of buying or carrying or trading in any Securities under such circumstances as to involve the Company in a violation of Regulation X of said Board (12 CFR 224) or to involve any broker or dealer in a violation of Regulation T of said Board (12 CFR 220). Margin stock does not constitute any of the value of the consolidated assets of the Company and its Subsidiaries and the Company does not have any present intention that margin stock will constitute any of the value of such assets. As used in this Section, the terms "**margin stock**" and "**purpose of buying or carrying**" shall have the meanings assigned to them in said Regulation U.

Section 5.15 Existing Debt; Future Security Interests.

(a) Neither the Company nor any of its Subsidiaries has outstanding any Debt except as permitted by Section 10.1 and 10.4. Neither the Company nor any Subsidiary is in default and no waiver of default is currently in effect, in the payment of any principal or interest on any Debt of the Company or such Subsidiary and no event or condition exists with respect to any Debt of the Company or any Subsidiary that would permit (or that with notice or the lapse of time, or both, would permit) one or more Persons to cause such Debt to become due and payable before its stated maturity or before its regularly scheduled dates of payment.

(b) Except as disclosed in Schedule 5.15, neither the Company nor any Material Subsidiary has agreed or consented to cause or permit in the future (upon the happening of a contingency or otherwise) any of its Property, whether now owned or hereafter acquired, to be subject to a Security Interest not permitted by Section 10.3.

(c) Neither the Company nor any Material Subsidiary is a party to, or otherwise subject to any provision contained in, any instrument evidencing Debt of the Company or such Material Subsidiary, any agreement relating thereto or any other agreement (including, but not limited to, its charter or other organizational document) which limits the amount of, or otherwise imposes restrictions on the incurring of, Debt of the Company or a Material Subsidiary, except as specifically indicated in Schedule 5.15.

(d) The Facilities Rental (as defined in the Rental Agreement) does not constitute Debt.

(e) Neither the Company nor any Material Subsidiary has outstanding any convertible subordinated debentures (whether or not qualifying as Permitted Subordinated Convertible Debentures).

Section 5.16 Foreign Assets Control Regulations, Etc.

(a) Neither the Company nor any Controlled Entity is (i) a Person whose name appears on the list of Specially Designated Nationals and Blocked Persons published by the Office of Foreign Assets Control, U.S. Department of Treasury ("**OFAC**") (an "**OFAC Listed Person**"), (ii) a Person, entity, organization, country or regime that is blocked or a target of sanctions that have been imposed by U.S. Economic Sanctions Laws or Canadian Economic Sanctions Laws, or (iii) a Person that is a department, agency or instrumentality of, or is owned 50% or more (directly or indirectly, individually or in the aggregate) by, or controlled by or acting on behalf of, directly or indirectly, any one or more Person(s), entity(ies), organization(s), country(ies) or regime(s) described in clause (i) or clause (ii) (each OFAC Listed Person described in clause (i), each other Person, entity, organization, country or regime described in clause (ii), and each department, agency or instrumentality described in clause (iii), a "**Blocked Person**"). Neither the Company nor any Controlled Entity (i) has been notified that its name appears or may in the future appear on a State Sanctions List or (iii) is a target of sanctions that have been imposed by the United Nations or the European Union.

(b) (i) To the Company's actual knowledge, neither the Company nor any Controlled Entity is under investigation by any Governmental/Judicial Body for (A) money laundering, drug trafficking, terrorist-related activities or other money laundering predicate crimes under any applicable law of any jurisdiction, including the U.S. Currency and Foreign Transactions Reporting Act of 1970 (otherwise known as the U.S. Bank Secrecy Act) and the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and the USA PATRIOT Act (collectively, "**Anti-Money Laundering Laws**"), (B) bribery or any other corrupt activity under any applicable law or regulation of any jurisdiction regarding, including the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act 2010 (collectively, "**Anti-Corruption Laws**"), or (C) breach of any U.S. Economic Sanctions Laws or Canadian Economic Sanctions Laws.

(ii) Neither the Company nor any Controlled Entity (A) has violated, been found in violation of, or been charged or convicted under, any Anti-Money Laundering Laws, Anti-Corruption Laws, U.S. Economic Sanctions Laws or Canadian Economic Sanctions Laws, (B) has been assessed civil penalties under any Anti-Money Laundering Laws, Anti-Corruption Laws, U.S. Economic Sanctions Laws or Canadian Economic Sanctions Laws, or (C) has had any of its funds seized or forfeited in an action under any Anti-Money Laundering Laws, Anti-Corruption Laws, U.S. Economic Sanctions Laws or Canadian Economic Sanctions Laws.

(iii) The Company has taken reasonable measures appropriate to the circumstances (in any event as required by applicable law) to ensure that the Company and each Controlled Entity is and will continue to be in compliance with all applicable Anti-Money Laundering Laws, Anti-Corruption Laws, U.S. Economic Sanctions Laws and Canadian Economic Sanctions Laws.

(c) No part of the proceeds from the sale of the Notes hereunder:

(i) constitutes or will constitute funds obtained on behalf of any Blocked Person or will otherwise be used by the Company or any Controlled Entity, directly or indirectly, (A) in connection with any investment in, or any transactions or dealings with, any Blocked Person, (B) for any purpose that would cause any Purchaser to be in violation of any U.S. Economic Sanctions Laws or Canadian Economic Sanctions Laws or (C) otherwise in violation of any U.S. Economic Sanctions Laws or Canadian Economic Sanctions Laws;

(ii) will be used, directly or indirectly, in violation of, or cause any Purchaser to be in violation of, any applicable Anti-Money Laundering Laws; or

(iii) will be used, directly or indirectly, for the purpose of making any improper payments, including bribes, to any Governmental Official or to any commercial counterparty in order to obtain, retain or direct business or obtain any improper advantage, in each case which would be in violation of, or cause any Purchaser to be in violation of, any applicable Anti-Corruption Laws.

Section 5.17 Status under Certain Statutes.

Neither the Company nor any Subsidiary is registered or required to be registered under the United States Investment Company Act of 1940, as amended, or subject to regulation under the United States Public Utility Holding Company Act of 2005, as amended, the United States ICC Termination Act of 1995, as amended, or the United States Federal Power Act, as amended.

Section 5.18 Environmental Matters.

(a) Neither the Company nor any Subsidiary has knowledge of any claim or has received any notice of any claim, and no proceeding has been instituted raising any claim against the Company or any of its Subsidiaries or any of their respective real Properties now or formerly owned, leased or operated by any of them or other assets, alleging any damage to the environment or violation of any Environmental Laws, except, in each case, such as could not reasonably be expected to result in a Material Adverse Effect.

(b) Neither the Company nor any Subsidiary has knowledge of any facts which would give rise to any claim, public or private, of violation of Environmental Laws or damage to the environment emanating from, occurring on or in any way related to real Properties now or formerly owned, leased or operated by any of them or to other assets or their use, except, in each case, such as could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

(c) Neither the Company nor any Subsidiary has stored any Hazardous Materials on real Properties now or formerly owned, leased or operated by any of them in a manner which is contrary to any Environmental Laws that could, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

(d) All buildings on all real Properties now owned, leased or operated by the Company or any Subsidiary are in compliance with Environmental Laws, except where failure to comply could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

Section 5.19 Ranking of Obligations.

The payment obligations of the Company and each Material Subsidiary under the Note Documents executed by it rank at least *pari passu*, without preference or priority, with all of its other senior secured and unsubordinated Debt (subject only to Permitted Encumbrances which under applicable law rank in priority thereto).

SECTION 6. REPRESENTATIONS OF THE PURCHASERS.

Section 6.1 Purchase for Investment.

(a) Each Purchaser severally represents that it is purchasing the Notes for its own account or for one or more separate accounts maintained by such Purchaser or for the account of one or more pension or trust funds and not with a view to the distribution thereof, provided that the disposition of such Purchaser's or their property shall at all times be within such Purchaser's or their control.

(b) Each Purchaser severally represents that:

(i) it is, and each pension fund, trust fund or other person on behalf of which it is purchasing Notes as fiduciary or agent is, an Institutional Accredited Investor; or

(ii) it is purchasing the Notes in an "offshore transaction" within the meaning of such term in Regulation S under the Securities Act and has concurrently executed and delivered herewith Appendix A hereto.

(c) Each Purchaser severally represents that it is, and each pension fund, trust fund or other person on behalf of which it is purchasing Notes as fiduciary or agent is, an "accredited investor" pursuant to the paragraph of the definition of "accredited investor" in National Instrument 45-106 of the Canadian Securities Administrators that is specified in its Purchaser Schedule, and that it is, and each pension fund, trust fund or other person on behalf of which it is purchasing Notes as fiduciary or agent is, neither an insider of the Company nor a registrant under applicable Canadian securities laws. Each Purchaser understands that the Notes have not been qualified for sale to the public under applicable Canadian securities laws, and that any resale of the Notes in Canada must be made in accordance with an exemption from the prospectus requirements of applicable Canadian securities laws, which vary depending on the province. Each Purchaser understands that the Notes have not been and will not be registered under the Securities Act or any state securities laws and may be reoffered, resold or otherwise transferred, directly or indirectly, only if registered pursuant to the Securities Act or if an exemption or exclusion from the registration requirements of the Securities Act and applicable state securities laws is available.

Except for any Purchaser making the representation set forth in Section 6.1(b)(ii), each Purchaser acknowledges that the Notes shall bear a legend substantially in the following form:

> THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**1933 ACT**"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION, AND MAY NOT BE SOLD OR TRANSFERRED, DIRECTLY OR INDIRECTLY, ABSENT REGISTRATION UNDER THE 1933 ACT OR PURSUANT TO AVAILABLE EXEMPTIONS THEREFROM.

Each Purchaser acknowledges that the Notes shall bear a legend substantially in the following form:

> UNLESS PERMITTED UNDER CANADIAN SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THIS SECURITY BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER December 20, 2017.

Section 6.2 Source of Funds.

Each Purchaser (other than a Purchaser that is an insurance company licensed under the laws of Canada, an entity which is an agency or wholly-owned entity of Canada or a jurisdiction of Canada or the federal or provincial government of Canada) severally represents that at least one of the following statements is an accurate representation as to each source of funds (a "**Source**") to be used by such Purchaser to pay the purchase price of the Notes to be purchased by such Purchaser hereunder:

(a) the Source is an "insurance company general account" (as the term is defined in the United States Department of Labor's Prohibited Transaction Exemption ("**PTE**") 95-60) in respect of which the reserves and liabilities (as defined by the annual statement for life insurance companies approved by the NAIC (the "**NAIC Annual Statement**")) for the general account contract(s) held by or on behalf of any employee benefit plan together with the amount of the reserves and liabilities for the general account contract(s) held by or on behalf of any other employee ben*efit* plans maintained by the same employer (or affiliate thereof as defined in PTE 95-60) or by the same employee organization in the general account do not exceed 10% of the total reserves and liabilities of the general account (exclusive of separate account liabilities) plus surplus as set forth in the NAIC Annual Statement filed with such Purchaser's state of domicile; or

(b) the Source is a separate account that is maintained solely in connection with such Purchaser's fixed contractual obligations under which the amounts payable, or credited, to any employee benefit plan (or its related trust) that has any interest in such separate account (or to any participant or beneficiary of such plan (including any annuitant)) are not affected in any manner by the investment performance of the separate account; or

(c) the Source is either (i) an insurance company pooled separate account, within the meaning of PTE 90-1 or (ii) a bank collective investment fund, within the meaning of the PTE 91-38 and, except as disclosed by such Purchaser to the Company in writing pursuant to this clause (c), no employee benefit plan or group of plans maintained by the same employer or employee organization beneficially owns more than 10% of all assets allocated to such pooled separate account or collective investment fund; or

(d) the Source constitutes assets of an "investment fund" (within the meaning of Part VI of PTE 84-14 (the "**QPAM Exemption**")) managed by a "qualified professional asset manager" or "QPAM" (within the meaning of Part VI of the QPAM Exemption), no employee benefit plan's assets that are managed by the QPAM in such investment fund, when combined with the assets of all other employee benefit plans established or maintained by the same employer or by an affiliate (within the meaning of Part VI(c)(1) of the QPAM Exemption) of such employer or by the same employee organization and managed by such QPAM, represent more than 20% of the total client assets managed by such QPAM, the conditions of Part I(c) and (g) of the QPAM Exemption are satisfied, neither the QPAM nor a person controlling or controlled by the QPAM maintains an ownership interest in the Company that would cause the QPAM and the Company to be "related" within the meaning of Part VI(h) of the QPAM Exemption and (i) the identity of such QPAM and (ii) the names of any employee benefit plans whose assets in the investment fund, when combined with the assets of all other employee benefit plans established or maintained by the same employer or by an affiliate (within the meaning of Part VI(c)(1) of the QPAM Exemption) of such employer or by the same employee organization, represent 10% or more of the assets of such investment fund, have been disclosed to the Company in writing pursuant to this clause (d); or

(e) the Source constitutes assets of a "plan(s)" (within the meaning of Part IV(h) of PTE 96-23 (the "**INHAM Exemption**")) managed by an "in-house asset manager" or "INHAM" (within the meaning of Part IV(a) of the INHAM Exemption), the conditions of Part I(a), (g) and (h) of the INHAM Exemption are satisfied, neither the INHAM nor a person controlling or controlled by the INHAM (applying the definition of "control" in Part IV(d)(3) of the INHAM Exemption) owns a 10% or more interest in the Company and (i) the identity of such INHAM and (ii) the name(s) of the employee benefit plan(s) whose assets constitute the Source have been disclosed to the Company in writing pursuant to this clause (e); or

(f) the Source is a governmental plan; or

(g) the Source is one or more employee benefit plans, or a separate account or trust fund comprised of one or more employee benefit plans, each of which has been identified to the Company in writing pursuant to this clause (g); or

(h) the Source does not include assets of any employee benefit plan, other than a plan exempt from the coverage of ERISA.

As used in this Section 6.2, the terms "**employee benefit plan,**" "**governmental plan,**" and "**separate account**" shall have the respective meanings assigned to such terms in section 3 of ERISA.

SECTION 7. INFORMATION AS TO THE COMPANY .

Section 7.1 Financial and Business Information.

The Company shall deliver to each holder of Notes that is an Institutional Investor (and for purposes of this Agreement the information required by this Section 7.1 shall be deemed delivered on the date of delivery of such information in the English language or the date of delivery of an English translation thereof):

(a) *Interim Statements* -- promptly after the same are available and in any event within 60 days (or, if earlier, the date on which such financial statements are delivered under the Credit Agreement) after the end of each quarterly fiscal period in each fiscal year of the Company (other than the last quarterly fiscal period of each such fiscal year), duplicate copies of

(i) consolidated balance sheet of the Company and its Subsidiaries as at the end of such period, and

(ii) a consolidated statement of comprehensive income (loss), a consolidated statement of changes in equity and a consolidated statement of cash flows of the Company and its Subsidiaries for such period and for the portion of the fiscal year ending with such quarter, setting forth in each case in comparative form the figures for the corresponding period in the previous fiscal year, all in reasonable detail, prepared in accordance with GAAP applicable to interim financial statements generally, and certified by a Senior Financial Officer as fairly presenting, in all material respects, the financial position of the entities being reported on and their results of operations and cash flows, subject to changes resulting from year-end adjustments;

(b) *Annual Statements* -- promptly after the same are available and in any event within 120 days (or, if earlier, the date on which such financial statements are delivered under the Credit Agreement) after the end of each fiscal year of the Company, duplicate copies of:

(i) a consolidated balance sheet of the Company and its Subsidiaries as at the end of such year, and

(ii) a consolidated statement of comprehensive income (loss), a consolidated statement of changes in equity and a consolidated statement of cash flows of the Company and its Subsidiaries for such year, setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail, prepared in accordance with GAAP, and accompanied by an opinion thereon of independent public accountants of recognized international standing, which opinion shall state that such financial statements present fairly, in all material respects, the financial position of the entities being reported upon and their results of operations and cash flows and have been prepared in conformity with GAAP, and that the examination of such accountants in connection with such financial statements has been made in accordance with generally accepted auditing standards, and that such audit provides a reasonable basis for such opinion in the circumstances;

(c) *Alberta Securities Commission and Other Reports* -- promptly upon their becoming available, one copy of (i) each financial statement, report, circular, notice, proxy statement or similar document sent by the Company (x) to its creditors under the Credit Agreement (excluding information sent to such creditors in the ordinary course of administration of a credit facility, such as information relating to pricing, extensions, and borrowing availability) or (y) to its public securities holders generally, and (ii) each regular or periodic report, each registration statement (without exhibits except as expressly requested by such holder), and each prospectus and all amendments thereto filed by the Company with any securities regulatory authority or securities exchange, including the Alberta Securities Commission or the United States Securities and Exchange Commission or any similar Governmental/Judicial Body or securities exchange and of all press releases and other statements made available generally by the Company to the public concerning developments that are Material;

(d) *Notice of Default, Event of Default or Borrowing Base Shortfall* -- promptly and in any event within five days after a Responsible Officer becoming aware of the existence of any Default, Event of Default or Borrowing Base Shortfall or that any Person has given any notice or taken any action with respect to a claimed default hereunder or that any Person has given any notice or taken any action with respect to a claimed default of the type referred to in Section 11(f), a written notice specifying the nature and period of existence thereof and what action the Company is taking or proposes to take with respect thereto;

(e) *Employee Benefits Matters* -- promptly and in any event within five days after a Responsible Officer becoming aware of any of the following, a written notice setting forth the nature thereof and the action, if any, that the Company or an ERISA Affiliate proposes to take with respect thereto:

(i) with respect to any Plan, any reportable event, as defined in section 4043(c) of ERISA and the regulations thereunder, for which notice thereof has not been waived pursuant to such regulations as in effect on the date hereof; or

(ii) the taking by the PBGC of steps to institute, or the threatening by the PBGC of the institution of, proceedings under section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan, or the receipt by the Company or any ERISA Affiliate of a notice from a Multiemployer Plan that such action has been taken by the PBGC with respect to such Multiemployer Plan; or

(iii) any event, transaction or condition that could result in the incurrence of any liability by the Company or any ERISA Affiliate pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans, or in the imposition of any Security Interest on any of the rights, properties or assets of the Company or any ERISA Affiliate pursuant to Title I or IV of ERISA or such penalty or excise tax provisions, if such liability or Security Interest, taken together with any other such liabilities or Security Interests then existing, could reasonably be expected to have a Material Adverse Effect; or

(iv) receipt of notice of the imposition of a Material financial penalty (which for this purpose shall mean any tax, penalty or other liability, whether by way of indemnity or otherwise) with respect to one or more Non-U.S. Plans;

(f) *Notices from Governmental/Judicial Body* -- promptly, and in any event within 30 days of receipt thereof, copies of any notice to any Note Party from any Governmental/Judicial Body relating to any order, ruling, statute or other law or regulation that could reasonably be expected to have a Material Adverse Effect;

(g) *Notice of Environmental Damage* -- in the event of a breach of a material nature of Environmental Laws including if a contaminant spill or emission occurs or is discovered with respect to any Note Party's property, operations, or those of any neighbouring property, immediate notification thereof; in addition, report forthwith any material Environmental Claim or fine that any Note Party may receive or be ordered to pay with respect to the Environmental Claims relating to its business or property;

(h) *Notice of Legal Proceedings* -- promptly upon becoming aware thereof, written notice of the commencement of any legal or administrative proceedings against the Company or any Subsidiary which, if adversely determined against it, could reasonably be expected to have a Material Adverse Effect;

(i) *Material Adverse Event* -- promptly upon becoming aware thereof, written notice of any event or circumstance that could reasonably be expected to have a Material Adverse Effect;

(j) *Subordinated Debt* -- promptly upon incurrence thereof, written notice of the incurrence of any Permitted Subordinated Convertible Debentures;

(k) *Production and Revenue Reports* -- within 60 calendar days of each fiscal quarter end, quarterly production and revenue reports of the Note Parties (either individually or combined);

(l) *Budget* -- within 90 calendar days of each fiscal year end, an annual cash flow budget of the Note Parties, which budget shall be prepared in good faith and based on reasonable assumptions;

(m) *Hedging Report* -- upon the request of the Required Holders (acting reasonably), a detailed report describing the terms and provisions of each Currency Hedge Agreement, Commodity Hedge Agreement and Interest Rate Hedge Agreement entered into by any Note Party with any counterparty, and as soon as reasonably practicable following the occurrence thereof, written notice of the termination of any Hedging Agreement to which any Note Party is a party;

(n) *Engineering Report* – on or before March 31 of each year, an Engineering Report (external report), and on or before September 30 or each year, an Engineering Report (internal report), and if any additional or supplemental engineering report is delivered to the Lenders in connection with any request by the Company for a redetermination of the Borrowing Base, a copy thereof contemporaneously with such delivery;

(o) *Borrowing Base Determination* -- forthwith upon any determination or redetermination of the Borrowing Base by the Lenders, written notice of the amount so determined or redetermined and the effective date thereof, and whether or not a Borrowing Base Shortfall exists as a result of such determination or redetermination;

(p) *Environmental Certificate* -- within 60 calendar days of each fiscal year end, a quarterly Environmental Certificate; and

(q) *Requested Information* -- with reasonable promptness, such other data and information relating to the business, operations, affairs, financial condition or Properties of the Note Parties or relating to their ability to perform their respective obligations under the Note Documents as from time to time may be reasonably requested by any such holder, including information readily available to the Company explaining the Company's financial statements if such information has been requested by the SVO in order to assign or maintain a designation of the Notes.

Section 7.2 Officer's Certificate.

Each set of financial statements delivered to a holder of Notes pursuant to Section 7.1(a) or Section 7.1(b) shall be accompanied by a certificate of a Senior Financial Officer:

(a) *Covenant Compliance* -- setting forth the information from such financial statements that is required in order to establish whether the Company was in compliance with the requirements of Section 9.8(b), Section 10.1, Section 10.3 (including clause (s) of the definition or "Permitted Encumbrances"), Section 10.6, Section 10.8 and Section 10.13 during the interim or annual period covered by the financial statements then being furnished (including with respect to each such provision that involves mathematical calculations, the information from such financial statements that is required to perform such calculations), and detailed calculations of the maximum or minimum amount, ratio or percentage, as the case may be, permissible under the terms of such Sections, and the calculation of the amount, ratio or percentage then in existence, and including a calculation of the Threshold Amount as at the end of the relevant period. In the event that the Company or any Subsidiary has made an election to measure any financial liability using fair value (which election is being disregarded for purposes of determining compliance with this Agreement pursuant to Section 23.2(c)) as to the period covered by any such financial statement, such Senior Financial Officer's certificate as to such period shall include a reconciliation from GAAP with respect to such election;

(b) *Event of Default* -- certifying that such Senior Financial Officer has reviewed the relevant terms hereof and has made, or caused to be made, under his or her supervision, a review of the transactions and conditions of the Company and its Subsidiaries from the beginning of the interim or annual period covered by the statements then being furnished to the date of the certificate and that such review shall not have disclosed the existence during such period of any condition or event that constitutes a Default, Event of Default or Borrowing Base Shortfall or, if any such condition or event existed or exists, specifying the nature and period of existence thereof and what action the Company shall have taken or proposes to take with respect thereto; and

(c) *Subsidiary Guarantors* -- setting forth a list of all Subsidiaries that are parties to a Subsidiary Guarantee and certifying that each Subsidiary that is required to be a Subsidiary Guarantor pursuant to Section 9.10 is a party to a Subsidiary Guarantee, in each case, as of the date of such certificate of Senior Financial Officer.

Section 7.3 Visitation.

The Company shall permit the representatives of each holder of Notes that is an Institutional Investor:

(a) *No Default* -- if no Default, Event of Default or Borrowing Base Shortfall then exists, at the expense of such holder and upon reasonable prior notice to the Company and subject to reasonable health and safety standards of the Company, to visit the principal executive office of Company, to discuss the affairs, finances and accounts of the Company and its Subsidiaries with the Company' officers, and (with the consent of the Company, which consent will not be unreasonably withheld) the independent public accountants for the Company, and (with the consent of the Company, which consent will not be unreasonably withheld) to visit the other offices and properties of the Company and each Subsidiary, all at such reasonable times and as often as may be reasonably requested in writing; and

(b) *Default* -- if a Default, Event of Default or Borrowing Base Shortfall then exists, at the expense of the Company to visit and inspect any of the offices or properties of the Company or any Subsidiary, to examine all their respective books of account, records, reports and other papers, to make copies and extracts therefrom, and to discuss their respective affairs, finances and accounts with their respective officers and independent public accountants (and by this provision the Company authorizes said accountants to discuss the affairs, finances and accounts of the Company and its Subsidiaries), all at such times and as often as may be requested.

Section 7.4 Electronic Delivery

Financial statements, opinions of independent certified public accountants, other information and Officer's Certificates that are required to be delivered by the Company pursuant to Sections 7.1(a), (b) or (c) and Section 7.2 shall be deemed to have been delivered if the Company satisfies any of the following requirements with respect thereto:

(a) such financial statements satisfying the requirements of Section 7.1(a) or (b) and related Officer's Certificate satisfying the requirements of Section 7.2 and any other information required under Section 7.1(c) are delivered to each holder of a Note by e-mail at the e-mail address set forth in such holder's Purchaser Schedule or as communicated from time to time in a separate writing delivered to the Company; or

(b) such financial statements satisfying the requirements of Section 7.1(a) or Section 7.1(b) and related Officer's Certificate(s) satisfying the requirements of Section 7.2 and any other information required under Section 7.1(c) are timely posted by or on behalf of the Company on IntraLinks, www.sedar.com or on any other similar website to which each holder of Notes has free access or are made available on its home page on the internet, which is located at www.wcap.ca as of the date of this Agreement;

provided however, that in no case shall access to such financial statements, other information and Officer's Certificates be conditioned upon any waiver or other agreement or consent (other than confidentiality provisions consistent with Section 21 of this Agreement); provided further, that in the case of clause (b), the Company shall have given each holder of a Note prior written notice, which may be by e-mail or in accordance with Section 19, of such posting or availability in connection with each delivery; provided further that any certification in connection with Section 7.1(a)(ii) is in accordance with National Instrument 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings as adopted by the Canadian Securities Administrators), and provided further, that upon request of any holder to receive paper copies of such forms, financial statements, other information and Officer's Certificates or to receive them by e-mail, the Company will promptly e-mail them or deliver such paper copies, as the case may be, to such holder.

Section 7.5 Limitation on Disclosure Obligation.

The Company shall not be required to disclose the following information pursuant to Section 7.1(c), 7.1(q) or 7.3:

(a) information that the Company determines after consultation with counsel qualified to advise on such matters that, notwithstanding the confidentiality requirements of Section 21, it would be prohibited from disclosing by applicable law or regulations without making public disclosure thereof; or

(b) information that, notwithstanding the confidentiality requirements of Section 21, the Company is prohibited from disclosing by the terms of an obligation of confidentiality contained in any agreement with any non-Affiliate binding upon the Company and not entered into in contemplation of this clause (b), provided that the Company shall use commercially reasonable efforts to obtain consent from the party in whose favor the obligation of confidentiality was made to permit the disclosure of the relevant information and provided further that the Company has received a written opinion of counsel confirming that disclosure of such information without consent from such other contractual party would constitute a breach of such agreement.

Promptly after determining that the Company is not permitted to disclose any information as a result of the limitations described in this Section 7.5, the Company will provide each of the holders with an Officer's Certificate describing generally the requested information that the Company is prohibited from disclosing pursuant to this Section 7.5 and the circumstances under which the Company is not permitted to disclose such information. Promptly after a request therefor from any holder of Notes that is an Institutional Investor, the Company will provide such holder with a written opinion of counsel (which may be addressed to the Company) relied upon as to any requested information that the Company is prohibited from disclosing to such holder under circumstances described in this Section 7.5.

SECTION 8. PAYMENT AND PREPAYMENT OF THE NOTES.

Section 8.1 Required Prepayments and Maturity.

As provided therein, the entire unpaid principal balance of each Note shall be due and payable on the Maturity Date thereof.

Section 8.2 Optional Prepayments with Make-Whole Amount.

The Company may, at its option, upon notice as provided below, prepay at any time all, or from time to time any part of, any Notes (in integral multiples of Cdn.$100,000 and in a minimum amount of Cdn.$1,000,000), at 100% of the principal amount so prepaid, and the Make-Whole Amount determined for the prepayment date with respect to such principal amount. The Company will give each holder of the Notes to be prepaid written notice of each optional prepayment under this Section 8.2 not less than 10 days and not more than 60 days prior to the date fixed for such prepayment unless the Company and the Required Holders agree to another time period pursuant to Section 18. Each such notice shall specify such date (which shall be a Business Day), the aggregate principal amount of the Notes to be prepaid on such date, the principal amount of each Note held by such holder to be prepaid (determined in accordance with Section 8.5), and the interest to be paid on the prepayment date with respect to such principal amount being prepaid, and shall be accompanied by a certificate of a Senior Financial Officer as to the estimated Make-Whole Amount due in connection with such prepayment (calculated as if the date of such notice were the date of the prepayment), setting forth the details of such computation. Two Business Days prior to such prepayment, the Company shall deliver to each holder of the Notes to be prepaid a certificate of a Senior Financial Officer specifying the calculation of such Make-Whole Amount as of the specified prepayment date.

Section 8.3 Prepayment for Tax Reasons Without Make-Whole.

If at any time as a result of a Change in Tax Law (as defined below) the Company is or becomes obligated to make any Additional Payments (as defined below) in respect of any payment of interest on account of any of the Notes in an aggregate amount for all affected Notes equal to five percent or more of the aggregate amount of such interest payment on account of all of the Notes, the Company may give the holders of all affected Notes irrevocable written notice (each, a "**Tax Prepayment Notice**") of the prepayment of such affected Notes on a specified prepayment date (which shall be a Business Day not less than 30 days nor more than 60 days after the date of such notice) and the circumstances giving rise to the obligation of the Company to make any Additional Payments and the amount thereof and stating that all of the affected Notes shall be prepaid on the date of such prepayment at 100% of the principal amount so prepaid together with interest accrued thereon to the date of such prepayment, except in the case of an affected Note if the holder of such Note shall, by written notice given to the Company no more than 20 days after receipt of the Tax Prepayment Notice, reject such prepayment of such Note (each, a "**Rejection Notice**"). The form of Rejection Notice shall also accompany the Tax Prepayment Notice and shall state with respect to each Note covered thereby that execution and delivery thereof by the holder of such Note shall operate as a permanent waiver of such holder's right to receive the Additional Payments arising as a result of the circumstances described in the Tax Prepayment Notice in respect of all future payments of interest on such Note (but not of such holder's right to receive any Additional Payments that arise out of circumstances not described in the Tax Prepayment Notice or which exceed the amount of the Additional Payment described in the Tax Prepayment Notice), which waiver shall be binding upon all subsequent transferees of such Note. The Tax Prepayment Notice having been given as aforesaid to each

holder of the affected Notes, the principal amount of such Notes together with interest accrued thereon to the date of such prepayment shall become due and payable on such prepayment date, except in the case of Notes the holders of which shall timely give a Rejection Notice as aforesaid.

No prepayment of the Notes pursuant to this Section 8.3 shall affect the obligation of the Company to pay Additional Payments in respect of any payment made on or prior to the date of such prepayment. For purposes of this Section 8.3, any holder of more than one affected Note may act separately with respect to each affected Note so held (with the effect that a holder of more than one affected Note may accept such offer with respect to one or more affected Notes so held and reject such offer with respect to one or more other affected Notes so held).

The Company may not offer to prepay or prepay Notes pursuant to this Section 8.3 (a) if a Default, Event of Default or Borrowing Base Shortfall then exists, (b) until the Company shall have taken commercially reasonable steps to mitigate the requirement to make the related Additional Payments or (c) if the obligation to make such Additional Payments directly results or resulted from actions taken by the Company or any Subsidiary (other than actions required to be taken under applicable law), and any Tax Prepayment Notice given pursuant to this Section 8.3 shall certify to the foregoing and describe such mitigation steps, if any.

For purposes of this Section 8.3: "**Additional Payments**" means additional amounts required to be paid to a holder of any Note pursuant to Section 13 by reason of a Change in Tax Law; and a "**Change in Tax Law**" means (individually or collectively with one or more prior changes) (i) an amendment to, or change in, any law, treaty, rule or regulation of Canada after the date of this Agreement, or an amendment to, or change in, an official interpretation or application of such law, treaty, rule or regulation after the date of this Agreement, which amendment or change is in force and continuing and meets the opinion and certification requirements described below or (ii) in the case of any other jurisdiction that becomes a Taxing Jurisdiction after the date of this Agreement, an amendment to, or change in, any law, treaty, rule or regulation of such jurisdiction, or an amendment to, or change in, an official interpretation or application of such law, treaty, rule or regulation, in any case after such jurisdiction shall have become a Taxing Jurisdiction, which amendment or change is in force and continuing and meets such opinion and certification requirements. No such amendment or change shall constitute a Change in Tax Law unless the same would in the opinion of the Company (which shall be evidenced by an Officer's Certificate of the Company and supported by a written opinion of counsel having recognized expertise in the field of taxation in the Taxing Jurisdiction, both of which shall be delivered to all holders of the Notes prior to or concurrently with the Tax Prepayment Notice in respect of such Change in Tax Law) affect the deduction or require the withholding of any Tax imposed by such Taxing Jurisdiction on any payment payable on the Notes.

Section 8.4 Prepayment in Connection with a Noteholder Sanctions Event Without Make-Whole.

(a) Upon the Company's receipt of notice from any Affected Noteholder that a Noteholder Sanctions Event has occurred (which notice shall refer specifically to this Section

8.4(a) and describe in reasonable detail such Noteholder Sanctions Event), the Company shall promptly, and in any event within 10 Business Days, make an offer (the "**Sanctions Prepayment Offer**") to prepay the entire unpaid principal amount of Notes held by such Affected Noteholder (the "**Affected Notes**"), together with interest thereon to the prepayment date selected by the Company with respect to each Affected Note but without payment of any Make-Whole Amount with respect thereto, which prepayment shall be on a Business Day not less than 30 days and not more than 60 days after the date of the Sanctions Prepayment Offer (the "**Sanctions Prepayment Date**"). Such Sanctions Prepayment Offer shall provide that such Affected Noteholder notify the Company in writing by a stated date (the "**Sanctions Prepayment Response Date**"), which date is not later than 10 Business Days prior to the stated Sanctions Prepayment Date, of its acceptance or rejection of such prepayment offer. If such Affected Noteholder does not notify the Company as provided above, then the holder shall be deemed to have accepted such offer.

(b) Subject to the provisions of subparagraphs (c) and (d) of this Section 8.4, the Company shall prepay on the Sanctions Prepayment Date the entire unpaid principal amount of the Affected Notes held by such Affected Noteholder who has accepted (or has been deemed to have accepted) such prepayment offer (in accordance with subparagraph (a)), together with interest thereon to the Sanctions Prepayment Date with respect to each such Affected Note, but without payment of any Make-Whole Amount with respect thereto.

(c) If a Noteholder Sanctions Event has occurred but the Company and/or its Controlled Entities have taken such action(s) in relation to their activities so as to remedy such Noteholder Sanctions Event (with the effect that a Noteholder Sanctions Event no longer exists, as reasonably determined by such Affected Noteholder) prior to the Sanctions Prepayment Date, then the Company shall no longer be obliged or permitted to prepay such Affected Notes in relation to such Noteholder Sanctions Event. If the Company and/or its Controlled Entities shall undertake any actions to remedy any such Noteholder Sanctions Event, the Company shall keep the holders reasonably and timely informed of such actions and the results thereof.

(d) If any Affected Noteholder that has given written notice to the Company of its acceptance of (or has been deemed to have accepted) the Company's prepayment offer in accordance with subparagraph (a) also gives notice to the Company prior to the relevant Sanctions Prepayment Date that it has determined (in its sole discretion) that it requires clearance from any Governmental Authority in order to receive a prepayment pursuant to this Section 8.4, the principal amount of each Note held by such Affected Noteholder, together with interest accrued thereon to the date of prepayment, shall become due and payable on the later to occur of (but in no event later than the stated maturity date of the relevant Note) (i) such Sanctions Prepayment Date and (ii) the date that is 10 Business Days after such Affected Noteholder gives notice to the Company that it is entitled to receive a prepayment pursuant to this Section 8.4 (which may include payment to an escrow account designated by such Affected Noteholder to be held in escrow for the benefit of such Affected Noteholder until such Affected Noteholder obtains such clearance from such Governmental Authority), and in any event, any such delay in accordance with the foregoing clause (ii) shall not be deemed to give rise to any Default or Event of Default.

(e) Promptly, and in any event within 5 Business Days, after the Company's receipt of notice from any Affected Noteholder that a Noteholder Sanctions Event shall have occurred with respect to such Affected Noteholder, the Company shall forward a copy of such notice to each other holder of Notes.

(f) The Company shall promptly, and in any event within 10 Business Days, give written notice to the holders after the Company or any Controlled Entity having been notified that (i) its name appears or may in the future appear on a State Sanctions List or (ii) it is in violation of, or is subject to the imposition of sanctions under, any U.S. Economic Sanctions Laws or Canadian Economic Sanctions Laws, in each case which notice shall describe the facts and circumstances thereof and set forth the action, if any, that the Company or a Controlled Entity proposes to take with respect thereto.

(g) The foregoing provisions of this Section 8.4 shall be in addition to any rights or remedies available to any holder of Notes that may arise under this Agreement as a result of the occurrence of a Noteholder Sanctions Event; provided, that, if the Notes shall have been declared due and payable pursuant to Section 12.1 as a result of the events, conditions or actions of the Company or its Controlled Entities that gave rise to a Noteholder Sanctions Event, the remedies set forth in Section 12 shall control.

Section 8.5 Allocation of Partial Prepayments.

In the case of any partial prepayment of the Notes pursuant to Section 8.2, the principal amount of the Notes to be prepaid shall be allocated among all of the Notes at the time outstanding in proportion, as nearly as practicable, to the respective unpaid principal amounts thereof not theretofore called for prepayment. In the case of each partial prepayment of the Notes pursuant to Section 8.9, the principal amount of the Notes to be prepaid shall be allocated among all of the Notes being prepaid at the such time outstanding in proportion, as nearly as practicable, to the respective unpaid principal amounts thereof not theretofore called for prepayment.

Section 8.6 Maturity; Surrender, Etc.

In the case of each prepayment of Notes pursuant to this Section 8, the principal amount of each Note to be prepaid shall mature and become due and payable on the date fixed for such prepayment, together with interest on such principal amount accrued to such date and the applicable Make-Whole Amount, if any. From and after such date, unless the Company shall fail to pay such principal amount when so due and payable, together with the interest and Make-Whole Amount, if any, as aforesaid, interest on such principal amount shall cease to accrue. Any Note paid or prepaid in full shall be surrendered to the Company and cancelled and shall not be reissued, and no Note shall be issued in lieu of any prepaid principal amount of any Note.

Section 8.7 Purchase of Notes.

The Company will not and will not permit any Affiliate to purchase, redeem, prepay or otherwise acquire, directly or indirectly, any of the outstanding Notes except upon the payment or prepayment of the Notes in accordance with this Agreement and the Notes. The Company will promptly cancel all Notes acquired by it or any Affiliate pursuant to any payment

or prepayment of Notes pursuant to this Agreement and no Notes may be issued in substitution or exchange for any such Notes.

Section 8.8 Make-Whole Amount.

The term "**Make-Whole Amount**" means an amount equal to the excess, if any, of the Discounted Value of the Remaining Scheduled Payments with respect to the Called Principal of such Note over the amount of such Called Principal, provided that the Make-Whole Amount may in no event be less than zero. For the purposes of determining the Make-Whole Amount with respect to any Note, the following terms have the following meanings:

"**Called Principal**" means, with respect to any such Note, the principal of such Note that is to be prepaid pursuant to Section 8.2 or Section 8.3 or has become or is declared to be immediately due and payable pursuant to Section 12.1, as the context requires.

"**Discounted Value**" means, with respect to the Called Principal of any such Note, the amount obtained by discounting all Remaining Scheduled Payments with respect to such Called Principal from their respective scheduled due dates to the Settlement Date with respect to such Called Principal, in accordance with accepted financial practice and at a discount factor (applied on the same periodic basis as that on which interest on such Notes is payable) equal to the Reinvestment Yield with respect to such Called Principal.

"**Reinvestment Yield**" shall mean, with respect to the Called Principal of any such Note, the yield to maturity implied by (i) the yields reported, as of 10:00 A.M. (New York time) on the second Business Day preceding the Settlement Date with respect to such Called Principal, on the display designated as "Page PXCA" (or such other display as may replace Page PXCA) on Bloomberg Financial Markets for actively traded benchmark Canadian Government bonds having a maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date, or if such yields are not reported as of such time or the yields reported shall not be ascertainable, (ii) the average of the yields for such securities as determined by Recognized Canadian Government Bond Market Makers. Such implied yield will be determined, if necessary, by (a) converting quotations to bond-equivalent yields in accordance with accepted financial practice and (b) interpolating linearly between (1) the actively traded benchmark Canadian Government bonds with the maturity closest to and greater than the Remaining Average Life of such Called Principal and (2) the actively traded benchmark Canadian Government bonds with the maturity closest to and less than the Remaining Average Life of such Called Principal. The Reinvestment Yield will be rounded to that number of decimals as appears in the coupon for the applicable Note.

"**Recognized Canadian Government Bond Market Makers**" shall mean two internationally recognized dealers of Canadian Government bonds reasonably selected by the Required Holders.

"**Remaining Average Life**" shall mean, with respect to the Called Principal of any such Note, the number of years, computed on the basis of a 360-day year comprised of twelve 30-day months and calculated to two decimal places, obtained by dividing (i) such Called Principal into (ii) the sum of the products obtained by multiplying (a) each Remaining Scheduled Payment of such Called Principal by (b) the number of years (calculated to the nearest one-twelfth year) which will elapse between the Settlement Date with respect to such Called Principal and the scheduled due date of such Remaining Scheduled Payment.

"**Remaining Scheduled Payments**" means, with respect to the Called Principal of any such Note, all payments of such Called Principal and interest thereon that would be due after the Settlement Date with respect to such Called Principal if no payment of such Called Principal were made prior to its scheduled due date, provided that if such Settlement Date is not a date on which interest payments are due to be made under the Notes, then the amount of the next succeeding scheduled interest payment will be reduced by the amount of interest accrued to such Settlement Date and required to be paid on such Settlement Date pursuant to Section 8.2, Section 8.3 or Section 12.1.

"**Settlement Date**" means, with respect to the Called Principal of any such Note, the date on which such Called Principal is to be prepaid pursuant to Section 8.2 or Section 8.3 or has become or is declared to be immediately due and payable pursuant to Section 12.1, as the context requires.

Section 8.9 Prepayment in Connection with Sales of Assets Without Make-Whole.

If the Company is required to make an offer to prepay the Notes pursuant to Section 10.6 as a result of a Debt Prepayment Application, the Company will give written notice thereof to the holders of all outstanding Notes, which notice shall (a) refer specifically to this Section 8.9 and describe in reasonable detail the Disposition giving rise to such offer to prepay the Notes, (b) specify the principal amount of each Note being offered to be prepaid, which amount shall be allocated as provided in Section 8.5, (c) specify a payment date not less than 30 days and not more than 60 days after the date of such notice (the "**Disposition Prepayment Date**") and specify the Disposition Response Date (as defined below), and (d) offer to prepay on the Disposition Prepayment Date the amount specified in (b) above with respect to each Note together with interest accrued thereon to the Disposition Prepayment Date determined for the prepayment date with respect to such principal amount. Each holder of a Note shall notify the Company of such holder's acceptance or rejection of such offer by giving written notice of such acceptance or rejection to the Company (provided that any holder who fails to so notify the Company shall be deemed to have rejected such offer) on a date at least 15 days prior to the Disposition Prepayment Date (such date 15 days prior to the Disposition Prepayment Date being the "**Disposition Response Date**"), and the Company shall prepay on the Disposition Prepayment Date the amount specified in (b) above plus interest accrued thereon to the Disposition Prepayment Date determined for the prepayment date with respect to such principal amount, with respect to each Note held by the holders who have accepted such offer in accordance with this Section 8.9. To the extent that any holder of a Note declines or is deemed

to have declined any such offer of prepayment, the Company may use the remaining amount of such prepayment so declined for general business purposes.

Section 8.10 Prepayment on Change of Control Without Make-Whole.

The Company shall, within five Business Days after any Responsible Officer has knowledge of a Change of Control, give all holders of Notes written notice thereof (each, a "**Change of Control Prepayment Notice**"), which notice shall (a) contain and constitute an offer to prepay all, but not less than all, of the Notes held by each holder on a specified prepayment date (which shall be a Business Day not less than 30 days nor more than 60 days after the date of such notice) (the "**Change of Control Prepayment Date**") at 100% of the principal amount so prepaid together with interest accrued thereon to the date of such prepayment, (b) specify the Change of Control Response Date (as defined below) and (c) specify, in reasonable detail, the nature and date of the Change of Control. Each holder of a Note shall notify the Company of such holder's acceptance or rejection of such offer by giving written notice of such acceptance or rejection to the Company (provided that any holder who fails to so notify the Company shall be deemed to have rejected such offer) on a date at least 15 days prior to the Change of Control Prepayment Date (such date 15 days prior to the Change of Control Prepayment Date being the "**Change of Control Response Date**"). The principal amount of the Notes held by the holders who have accepted such offer in accordance with this Section 8.10 together with interest accrued thereon to the date of such prepayment shall become due and payable on such prepayment date.

Section 8.11 Payments Due on Non Business Days

Anything in this Agreement or the Notes to the contrary notwithstanding, (x) except as set forth in clause (y), any payment of interest on any Note that is due on a date that is not a Business Day shall be made on the next succeeding Business Day without including the additional days elapsed in the computation of the interest payable on such next succeeding Business Day; and (y) any payment of principal of or Make-Whole Amount on any Note (including principal due on the maturity date of such Note) that is due on a date that is not a Business Day shall be made on the next succeeding Business Day and shall include the additional days elapsed in the computation of interest payable on such next succeeding Business Day.

SECTION 9. AFFIRMATIVE COVENANTS.

The Company covenants that so long as any of the Notes are outstanding:

Section 9.1 Compliance with Law.

Without limiting Section 10.12, the Company will, and will cause each of its Material Subsidiaries to, comply with all laws, ordinances or governmental rules or regulations to which each of them is subject (including ERISA, Environmental Laws, the USA PATRIOT Act and the other laws and regulations that are referred to in Section 5.16), and will obtain and maintain in effect all licenses, certificates, permits, franchises and other governmental authorizations necessary to the ownership of their respective Properties or to the conduct of their respective businesses, in each case to the extent necessary to ensure that non-compliance with

such laws, ordinances or governmental rules or regulations or failures to obtain or maintain in effect such licenses, certificates, permits, franchises and other governmental authorizations could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 9.2 Insurance.

The Company will, and will cause each Material Subsidiary to:

(a) keep its Property that is of an insurable nature and of a character usually insured by companies owning or operating the same or similar Property in such jurisdiction in which such Property is located, insured with financially sound and reputable insurers (satisfactory to the Required Holders) against loss or damage by fire and other causes customarily insured against by similar companies owning or operating the same or similar Property in each jurisdiction in which such Property is located and within customary limits of coverage and with customary deductibles, and ensure such policy names the Collateral Agent as first loss payee and an additional insured and that no such policy shall be materially altered or allowed to lapse without at least 30 days' prior written notice being provided to the Collateral Agent; and

(b) maintain, with reputable insurers (satisfactory to the Required Holders) third party public liability and Property damage insurance covering all of its operations with limits of coverage usually carried by companies owning or operating the same or a similar type and size of business in each jurisdiction in which such Property is operated, ensure that such policy names the Collateral Agent as first loss payee and an additional insured and that no such policy shall be materially altered or allowed to lapse without at least 30 days prior written notice being provided to the holders.

Section 9.3 Maintenance of Properties.

The Company will, and will cause each Material Subsidiary to:

(a) defend its Property against any Person claiming or attempting to claim the same, or asserting any interest adverse to its interest therein and keep at an appropriate office accurate and complete records of its Property;

(b) carry on business and operate its respective assets in a proper and efficient manner and in accordance with good practices consistent with accepted industry standards and, in all material respects, pursuant to applicable agreements, regulations, and laws;

(c) if the Required Holders, acting reasonably, determine any Note Party’s obligations or other liabilities in respect of matters dealing with the protection or contamination of the environment or the maintenance of health and safety standards, whether contingent or actual, would reasonably be expected to have a Material Adverse Effect then, at the request of the Required Holders, the Company will, cause each Material Subsidiary to, at its own cost, prepare and provide any information or document which the Required Holders may reasonably require with respect thereto, including any study or report prepared by a firm acceptable to the Required Holders, acting reasonably. In the event that such studies or reports reveal any breach of Environmental Laws, the Note Parties shall effect the necessary work to ensure that it is in

compliance with the Environmental Laws within a period acceptable to the Required Holders; and

(d) perform its obligations under the Note Documents and all other material agreements and contracts, including payment of rentals, royalties, Taxes or other charges in respect thereof which are necessary to maintain all such agreements in good standing in all respects, except to the extent failure to so perform would not reasonably be expected to have a Material Adverse Effect, provided that this covenant will not restrict the Note Parties' right to surrender leases or terminate agreements which are uneconomic to maintain.

Section 9.4 Payment of Taxes and Claims.

The Company will, and will cause each Material Subsidiary to, file all tax returns required to be filed in any jurisdiction and to pay and discharge all taxes shown to be due and payable on such returns and all other taxes, assessments, governmental charges or levies imposed on them or any of their properties, assets, income or franchises, to the extent the same have become due and payable and before they have become delinquent and all claims for which sums have become due and payable that have or might become a Security Interest (other than a Permitted Encumbrance) on Property of the Company or any Material Subsidiary, provided that neither the Company nor any Material Subsidiary need pay any such tax, assessment, charge, levy or claim if (i) the amount, applicability or validity thereof is contested by the Company or such Material Subsidiary on a timely basis in good faith and in appropriate proceedings, and the Company or Material Subsidiary has established adequate reserves therefor in accordance with GAAP on the books of the Company or such Material Subsidiary or (ii) the nonpayment of all such taxes, assessments, charges, levies and claims could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 9.5 Corporate Existence, Etc.

Subject to Section 10.5, the Company will at all times preserve and keep its corporate existence in full force and effect. Subject to Section 10.5, the Company will at all times preserve and keep in full force and effect the corporate existence of each of its Material Subsidiaries (unless merged into the Company or a Material Subsidiary) and all rights and franchises of the Company and its Material Subsidiaries unless, in the good faith judgment of the Company, the termination of or failure to preserve and keep in full force and effect such corporate existence, right or franchise could not, individually or in the aggregate, have a Material Adverse Effect.

Section 9.6 Books and Records.

The Company will, and will cause each of its Subsidiaries to, maintain proper books of record and account in conformity with GAAP and all applicable requirements of any Governmental/Judicial Body Authority having legal or regulatory jurisdiction over the Company or such Subsidiary, as the case may be. The Company will, and will cause each of its Subsidiaries to, keep books, records and accounts which, in reasonable detail, accurately reflect all transactions and dispositions of assets.

Section 9.7 Priority of Obligations.

The Company will ensure that its and its Material Subsidiary's payment obligations under the Note Documents will at all times rank at least *pari passu*, without preference or priority, with all other senior secured and unsubordinated Debt of the Company and its Material Subsidiaries, as applicable (subject only to Permitted Encumbrances which under applicable law rank in priority thereto).

Section 9.8 Material Subsidiaries.

(a) The Company from time to time shall be entitled to designate that a Subsidiary will be a Material Subsidiary by written notice to the holders; provided that any Subsidiary that owns Property that is included in a determination of the Borrowing Base will at all times be a Material Subsidiary.

(b) The Company will ensure at all times that (i) the Company and the Material Subsidiaries directly own not less than 95% of Consolidated Tangible Assets, (ii) the aggregate assets of all non-Material Subsidiaries together with the fair market value of the Excluded Property do not exceed five percent of Consolidated Tangible Assets, and (iii) each Material Subsidiary is a direct or indirect wholly-owned Subsidiary of the Company and to the extent any such Material Subsidiary is indirectly owned, all such ownership interests are held by another Note Party.

Section 9.9 Subsidiary Guarantees; Security; Release of Security.

(a) The Company shall execute and deliver to and in favour of the Collateral Agent, for and on behalf of the Secured Parties, each of the following in form and substance satisfactory to the Required Holders:

(i) a Subsidiary Guarantee from each Material Subsidiary;

(ii) a second amended and restated debenture in the amount of Cdn. $3,000,000,000 from each Note Party, providing for a first ranking charge over all of the Property of each such party, present or future (other than the Excluded Property), registered in all appropriate jurisdictions, and the Company covenants that upon request of the Required Holders, forthwith execute and deliver to and in favour of the Collateral Agent fixed security on the petroleum and natural gas reserves and related assets of each Note Party, as selected by the Required Holders in their sole discretion;

(iii) a second amended and restated debenture pledge agreement from each Note Party with respect to the debentures referred to in clause (a)(ii) above;

(iv) a Consent Agreement with respect to the Rental Agreement;

(v) all such other guarantees and all such other mortgages, debentures, pledge agreements, assignments and other security agreements as may be required by the Required Holders, acting reasonably (each in form and substance satisfactory to the Required Holders, acting reasonably) in order to, or to more effectively, charge or grant Security Interests in and against all of the Property, present or future, of the Note Parties; and

(vi) thereafter, the Company and each Material Subsidiary shall execute and deliver all such other guarantees and all such other mortgages, debentures, pledge agreements, assignments and other security agreements as may be required by the Required Holders, acting reasonably (each in form and substance satisfactory to the Required Holders, acting reasonably) in order to, or to more effectively, charge or grant Security Interests in and against all of the Property, present or future, of the Note Parties;

as continuing collateral security for the benefit of the Secured Parties for the payment and performance by the Company of all Secured Obligations.

(b) The Collateral Agent, at the expense of the Company, shall register, file or record, or cause to be filed, registered and recorded, the Security in all offices where such registration, filing or recording is necessary or of advantage to the creation, perfection and preserving of the Security applicable to it including any land registry offices. On the date hereof, the Security shall be registered in Alberta, Saskatchewan and British Columbia. The Collateral Agent, at the expense of the Company, shall amend and renew such registrations, filings and recordings from time to time as and when required to keep them in full force and effect or to preserve the priority established by any prior registration, filing or recording thereof.

(c) If the Required Holders, acting reasonably, determine that there has been a Material Adverse Effect or that a Borrowing Base Shortfall, Default or Event of Default has occurred and is continuing and the Required Holders consider it necessary for their adequate protection, the Company will, and will cause each Material Subsidiary to, forthwith grant or cause to be granted to the Collateral Agent, for the benefit of the Secured Parties, a fixed charge in all or any of the Note Parties' Property, present or future (other than the Excluded Property).

(d) The forms of Security required by the Required Holders shall be prepared based upon the laws of the Province of Alberta and the laws of the applicable jurisdictions where such Security is registered, in effect at the date thereof and hereof, as applicable. The Required Holders shall have the right to require that:

(i) any such Security be amended to reflect any changes in such laws, whether arising as a result of statutory amendments, court decisions or otherwise, in order to confer upon the Collateral Agent the Security Interests intended to be created thereby; and

(ii) the Note Parties execute and deliver to the Collateral Agent such other and further debentures, mortgages, trust deeds, assignments and security agreements as may be reasonably required to ensure the Collateral Agent and the Secured Parties have and hold, subject to Permitted Encumbrances, first priority Security Interests on and against all of the Note Parties' Property, present or future.

(e) Each item or part of the Security shall for all purposes be treated as separate and continuing collateral security and shall be deemed to have been given in addition to and not in place of any other item or part of the Security or any other security now held or hereafter acquired by the Secured Parties. No item or part of the Security shall be merged or be deemed to have been merged in or by this Agreement or any documents, instruments or acknowledgements delivered hereunder, or any simple contract debt or any judgment, and any

realization of or steps taken under or pursuant to any security, instrument or agreement shall be independent of and not create a merger with any other right available to Secured Parties under any security, instruments or agreements held by them or at law or in equity. All rights and benefits granted to the Collateral Agent under the Security shall also be for the benefit of each of the Secured Parties.

(f) The Required Holders may grant extensions of time or other indulgences, take and give up securities (including the Security or any part or parts thereof), accept compositions, grant releases, postponements and discharges and otherwise deal with the Note Parties and other parties and with securities (including the Security and each part thereof) as the Required Holders may see fit, and may apply all amounts received from the Company or others or from securities (including the Security or any part thereof) upon such part of the liabilities of the Note Parties hereunder or under any of the Security as the Required Holders think best, without prejudice to or in any way limiting the liability of any Note Party under the Note Documents.

(g) To give effect to the requirement to provide fixed security pursuant to this Agreement or any debenture, the Note Parties constitute and appoint the Collateral Agent the true and lawful attorney of each of them irrevocable with power of substitution to grant such fixed security from time to time, including attaching to the debentures of the Note Parties as Schedule "A", from time to time, a land schedule setting forth the petroleum and natural gas assets selected by the Required Holders in which event such assets shall without any further action be subject to the fixed charges and shall be subject to all of the terms and conditions thereof as if the same had been so included in Schedule "A" of the debentures at the time they were executed and delivered, and all such acts so taken by the Collateral Agent are ratified and confirmed by the Note Parties. This power of attorney is a power coupled with an interest and shall be irrevocable. The Collateral Agent shall advise the Company in writing, concurrently with the execution of applicable documents, of any assets which are subjected to fixed charges hereunder.

(h) The Security and the security created by any other document constituted or required to be created shall be effective, and the undertakings as to the Security herein or in any other Note Document shall be continuing, whether any Notes are then outstanding or any amounts thereby secured or any part thereof shall be owing before or after, or at the same time as, the creation of such Security Interests or before or after or upon the date of execution of any amendments to this Agreement.

(i) Subject to the release of Security by the Collateral Agent for Permitted Dispositions, the Security or any part thereof shall not be discharged, released or postponed except by a written release and discharge signed by the Collateral Agent with the prior written consent of all of the holders. If all of the Secured Obligations have been indefeasibly repaid, paid, satisfied and discharged, as the case may be, in full and the Credit Agreement, the Shelf Agreement, the 3.54% Note Agreement and this Agreement have been fully cancelled, then the holders shall provide a direction to the Collateral Agent that the Security be released and discharged by the Collateral Agent. The Collateral Agent, at the cost and expense of the Company, shall from time to time do, execute and deliver, or cause to be done, executed and delivered, all such agreements, instruments, certificates, financing statements, notices and other

documents and all acts, matters and things as may be reasonably requested by the Company to give effect to, establish, evidence or record the foregoing release and discharge.

(j) The Company will promptly give written notice to the holders of:

(i) any proposed change in its or any Material Subsidiary's name, at least 20 days prior to any action being taken to effect such name change, and thereafter within 10 days provide certified copies of the certificate and supporting documents effecting such name change; and

(ii) any proposed change in the location of its chief executive office from the province in which it is currently located, at least 20 days prior to any action being taken to effect such location change together with particulars of the new address.

(k) The Company will use reasonable efforts to provide the holders from time to time with such other documents, security, opinions, consents, acknowledgments and agreements as are requested by the Required Holders from time to time and are reasonably necessary to implement this Agreement and the Security.

(l) If:

(i) all Lenders under the Credit Agreement have agreed to concurrently release all of the Security;

(ii) all Secured Parties under the Intercreditor Agreement have agreed to concurrently terminate the Intercreditor Agreement;

(iii) no Event of Default, Default or Borrowing Base Shortfall exists; and

(iv) the Company has paid or extended to the holders, on a *pro rata* basis, the value of any monetary consideration, additional assurances or other value that it paid or extended to the Lenders under the Credit Agreement, the Shelf Noteholders under the Shelf Agreement or the 3.54% Noteholders under the 3.54% Note Agreement (including the benefit of any amendments to the agreements evidencing such Debt) in connection with such release;

the holders agree that forthwith following 15 days of receipt from the Company of an Officers' Certificate certifying the factual matters in the foregoing clauses (i) (ii), (iii) and (iv), the holders will concurrently release and discharge, or concurrently with such other lenders will instruct the Collateral Agent to release and discharge, the Security Interests created by the Security unless, within such 15 day period a Default, Event of Default or Borrowing Base Shortfall shall occur.

(m) Concurrently upon any release of the Security, the Company and the holders shall amend this Agreement to give effect thereto, to delete all references to the Security herein and in all covenants and obligations of the Company with respect thereto, and to amend provisions of this Agreement that are premised on the Notes and/or other Debt being Secured Obligations, or on any holder of Debt being a Secured Party, or otherwise pertaining to the existence of the Security or the Intercreditor Agreement, and related definitions including

Permitted Encumbrances, Secured Parties and Senior Debt. Nothing in this paragraph (m) shall require a release under, or the termination of, any Note Document which does not create a Security Interest, including any subordination agreement and guarantees, or to amend any requirements on the part of the Company or its Subsidiaries to create Security Interests in favour of the holders (such as, but without limitation, Section 9.10).

Section 9.10 Matching Subsidiary Guarantees and Security.

(a) Within 30 days of a Subsidiary becoming or being designated as a Material Subsidiary, or otherwise for any reason becoming a guarantor under the Credit Agreement, the Company will cause the following to be executed and delivered by such Subsidiary to the holders:

(i) a joinder agreement to the Subsidiary Guarantee;

(ii) security documents (substantially in the form of the Security described in Section 9.9(a) and otherwise meeting the requirements of Section 9.9) for the benefit of Secured Parties; and

(iii) such other documents, certificates and opinions as the Required Holders may reasonably request;

and the general provisions with respect to Security set out in Section 9.9 shall apply to Security granted pursuant to this Section 9.10 as well.

(b) If required by the Required Holders in the exercise of the rights of the holders under this Section 9.10, the Company will:

(i) provide the holders with such information as is reasonably required by the Required Holders to identify the Property charged or to be charged;

(ii) do all such things as are reasonably required by the Required Holders to confirm the granting to the Collateral Agent for the benefit of the Secured Parties of the Security Interests (subject only to Permitted Encumbrances which under applicable law rank in priority thereto) contemplated therein;

(iii) provide the holders with certified copies of all corporate resolutions and other actions of the applicable Material Subsidiary as the Required Holders may reasonably require authorizing the granting to the Collateral Agent of such Security Interests in respect of such Property;

(iv) provide the Collateral Agent with such agreements, security notices, caveats, notices of registration and such other instruments and documents which the Required Holders deem necessary;

(v) provide the Collateral Agent with legal opinions from the Company's counsel concerning the authorization, execution, delivery, enforceability, registration and compliance with applicable laws and such other matters as the Required Holders require,

acting reasonably, provided that the Required Holders may in their sole discretion, at the Company's expense, retain counsel of its choosing for the purposes of obtaining any such legal opinions;

(vi) assist the Collateral Agent in the registration or recording of such Security Interests with all appropriate Governmental Judicial/Bodies and in all appropriate jurisdictions; and

(vii) pay all reasonable out-of-pocket costs and expenses incurred by the Collateral Agent in connection with the preparation, execution and registration of all agreements, security notices, caveats, notices of registration and other instruments and documents, including any amendments to the Security.

Section 9.11 Matching Security Interests.

If at any time the Company or any Subsidiary provides any Security Interest, or any additional Security Interest, as applicable, to or for the benefit of the Lenders under the Credit Agreement, then the Company will, and will cause its Subsidiaries that have provided such Security Interests to, concurrently grant to or for the benefit of the holders of Notes a similar Security Interest ranking at least *pari passu* with the Security Interests provided to or for the benefit of the Lenders under the Credit Agreement, over the same Property of the Company and such Subsidiary as that encumbered in respect of the Credit Agreement, in form and substance satisfactory to the Required Holders, with such security to be the subject of the Intercreditor Agreement.

Section 9.12 Information Required by Rule 144A.

The Company will, for so long as the Notes are outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act and may not be resold pursuant to Rule 144(b)(1) under the Securities Act, if the Company is not exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, nor subject to and in compliance with Section 13 or 15(d) of the Exchange Act, furnish to holders of the Notes and to prospective purchasers of the Notes designated by such holders, upon request of such holders or prospective purchasers, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act (to the extent necessary to permit compliance with Rule 144A under the Securities Act in connection with resales of the Notes).

Section 9.13 Securities Filings.

The Company will, if required by applicable laws, within 10 days of each Closing file a report of the sale of its Notes to the respective Purchasers prepared on Form 45-106F1 under National Instrument 45-106 (such report to be executed in accordance with that Instrument) and any other forms required to be filed by the securities regulatory authorities of the provinces and territories of Canada in connection with the issuance of such Notes, together with payment of the prescribed fee in connection therewith.

Section 9.14 Environmental Indemnity.

The Company will, and will cause each Material Subsidiary to, indemnify, defend and hold harmless the holders and the Collateral Agent and each of them from and against any and all losses, costs, expenses, damages, claims, judgments, suits, awards, fines, sanctions and liabilities whatsoever (including any costs or expenses of preparing any necessary environmental assessment report or other similar reports) (collectively, "**Environmental Claims**") incurred by the holders or the Collateral Agent and any of them as a result of:

(a) any breach of Environmental Laws which relates to the Property or operations of the Company or any Material Subsidiary;

(b) any Release, presence, use, creation, transportation, storage or disposal of Hazardous Materials which relate to the Property or operations of the Company or any Material Subsidiary; or

(c) any claim or order for any clean-up, restoration, detoxification, reclamation, repair or other securing or remedial action which relates to the Property or operations of the Company or any Material Subsidiary;

provided that this indemnity shall not apply in respect of any such Environmental Claims which are caused by the gross negligence or willful misconduct of the holders or by reason of any act of, or any act or omission taken at the direction of, the holders or any of the officers, directors, employees, agents or assignees thereof. This indemnity shall extend to the officers, directors, employees, agents and assignees of the holders and the Collateral Agent, and each of them as well as to the holders and the Collateral Agent and each of them itself, and the holders and each of them will hold the benefit of this indemnity in trust for such other indemnified persons to the extent necessary to give effect thereto.

SECTION 10. NEGATIVE COVENANTS.

The Company covenants that so long as any of the Notes are outstanding:

Section 10.1 Financial Covenants.

The Company will not:

(a) permit the Debt/EBITDA Ratio to exceed 4.00:1.00 as measured as at the end of each fiscal quarter of the Company;

(b) permit the EBITDA/Interest Expense Ratio to be less than 3.50:1.00 as measured as at the end of each fiscal quarter of the Company; and

(c) permit the Borrowing Base to be less than Cdn. $750,000,000 at any time, provided that if the Lenders replace the Borrowing Base structure in the Credit Agreement in effect as of the date of this Agreement with a covenant based structure that does not make any reference to a Borrowing Base to establish a limit on the amount of credit available thereunder, the Company shall extend the benefit of such replacement covenant structure to the holders (in the manner contemplated by Section 10.14, with necessary changes). Upon execution by the Company of the applicable amendment to give effect hereto, and provided that (i) no Default or

Event of Default then exists, and (ii) the Company has paid or extended to the holders, on a *pro rata* basis, the value of any monetary consideration, additional assurances or other value that it paid or extended to its lenders in connection with such replacement, the negative covenant contained in this Section 10.1(c) shall cease to have effect. If the effect of any such replacement covenant structure (and/or any other related amendments to this Agreement that the Company may request and Required Holders may agree to in their sole discretion pursuant to Section 18.1) is to permit the Company or any Material Subsidiary to incur indebtedness for borrowed money pursuant to any agreement other than the Credit Agreement, Sections 7.1(a), 7.1(b), 7.1(c), 9.9(l), 9.10, 9.11, 10.14, and the definitions of "Additional Covenant" and "Additional Default", shall be amended to replace each reference therein to the Credit Agreement with a reference to a Material Credit Facility.

Section 10.2 Limitation on Distributions.

The Company will not, and will not permit any Material Subsidiary to, make any Distributions other than Permitted Distributions.

Section 10.3 Limitation on Encumbrances.

The Company will not, and will not permit any Material Subsidiary to, create, assume, suffer to exist or permit to be created or levied upon any Property of the Company or the Material Subsidiaries, any Security Interests except for Permitted Encumbrances.

Section 10.4 Limitation on Debt.

The Company will not, and will not permit any Material Subsidiary to, incur Debt other than Permitted Indebtedness.

Section 10.5 Mergers, Amalgamation and Consolidations.

The Company will not, and will not permit any Material Subsidiary to, merge, amalgamate, consolidate or enter into any transaction in the nature of a hostile takeover with any other Person or wind up or liquidate its assets other than (a) amalgamations of the Company with its Material Subsidiaries; (b) amalgamations of a Material Subsidiary with another Material Subsidiary; or (c) windups and dissolutions of Material Subsidiaries into the Company or into another Material Subsidiary.

Section 10.6 Asset Dispositions.

The Company will not, and will not permit any Material Subsidiary to, sell, lease, transfer or otherwise dispose of (collectively a "**Disposition**"), any Property, in one or a series of transactions, to any Person, other than:

(a) Permitted Dispositions; and

(b) Dispositions not otherwise permitted by Section 10.6(a), provided that (i) the aggregate net book value of all assets so disposed of in any fiscal year pursuant to this Section 10.6(b) does not exceed the Threshold Amount as of the last day of the most recently

ended fiscal year and (ii) no Default, Event of Default or Borrowing Base Shortfall shall exist before or after such Disposition.

Notwithstanding the foregoing, the Company and the Material Subsidiaries may make a Disposition and the assets subject to such Disposition shall not be subject to or included in the foregoing limitation and computation contained in Section 10.6(b)(i) if, within 180 days after the date of such Disposition, the Net Proceeds Amount with respect to such Disposition is:

(i) reinvested in the acquisition of oil and/or gas assets to be used in the business of the Company or a Material Subsidiary (including expenditures to develop oil and gas assets on acreage owned by the Company or a Material Subsidiary); or

(ii) to the extent not so reinvested, applied to a Debt Prepayment Application (A) solely in respect of the Notes, or (B) to the Notes and any other Secured Obligations on a *pro rata* basis in respect of the Secured Obligations (including the Notes) which are the subject of the Debt Prepayment Application, and Section 8.9 shall apply with respect to any offer of prepayment of the Notes under this clause (ii);

provided that pending any such reinvestment or application, the assets subject to such Disposition shall continue to be included in the limitation and computation contained in Section 10.6(b)(i).

Notwithstanding the foregoing, the Company will not, and will not permit any Material Subsidiary to, directly or indirectly, make any Disposition if such Disposition could reasonably be expected to have a Material Adverse Effect.

Section 10.7 Material Accounts Receivable.

The Company will not, and will not permit any Material Subsidiary to, sell or discount any material accounts receivable, other than in the ordinary course of business.

Section 10.8 Limitation on Hedging Agreements.

The Company will not, and will not permit any Material Subsidiary to, enter into, transact or have outstanding any Financial Instruments, other than those that are Permitted Hedging.

Section 10.9 Change in Business.

The Company will not, and will not permit any Material Subsidiary to, make a material change in the nature of the Company or a Material Subsidiary's business which would reasonably be expected to have a Material Adverse Effect.

Section 10.10 Transactions with Affiliates.

The Company will not, and will not permit any Material Subsidiary to, except as otherwise specifically permitted hereunder, enter into any transaction, including the purchase, sale or exchange of any property or the rendering of any services, with any of its shareholders or

with any of its Affiliates, or with any of its or their directors or officers except a transaction or agreement or arrangement which is in the ordinary course of business of the applicable Note Party and which is upon fair and reasonable terms not less favourable to the applicable Note Party than it would obtain in comparable arms-length transaction; provided that such restriction will not apply to any transaction between Note Parties.

Section 10.11 Material Investments and Financial Assistance.

The Company will not, and will not permit any Material Subsidiary to:

(a) provide direct or indirect financial assistance to any Person which is out of the ordinary course of business; or

(b) make any investments outside the Western Canadian Sedimentary Basin which are out of the ordinary course of business,

other than Permitted Investments.

Section 10.12 Economic Sanctions, Etc.

The Company will not, and will not permit any Controlled Entity to (a) become (including by virtue of being owned or controlled by a Blocked Person), own or control a Blocked Person or (b) directly or indirectly have any investment in or engage in any dealing or transaction (including any investment, dealing or transaction involving the proceeds of the Notes) with any Person if such investment, dealing or transaction would be in violation of, or could result in the imposition of sanctions under, any U.S. Economic Sanctions Laws or Canadian Economic Sanctions Laws applicable to the Company or such Controlled Entity, except, in the case of this clause (b), to the extent that such violation or sanctions, if imposed, could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 10.13 Sale/Lease-Back Transaction.

The Company will not, and will not permit any Material Subsidiary to, except as allowed under Permitted Encumbrances and subject to the limitations set out in Permitted Encumbrances, enter into any Sale/Lease-Back transactions unless the proceeds are equal to fair market value.

Section 10.14 Most Favored Lender Status.

From and after the date hereof, the Company will not, and will not permit any Material Subsidiary to, enter into, assume or otherwise become bound or obligated under the Credit Agreement or any amendment thereto containing one or more Additional Covenants or Additional Defaults unless prior written consent to such agreement shall have been obtained pursuant to Section 18.1; provided that if the Company shall enter into, assume or otherwise become bound by or obligated under any such agreement without the prior written consent of the Required Holders, the terms of this Agreement shall, without any further action on the part of the Company or any holders, be deemed to be amended automatically to include each Additional

Covenant and each Additional Default contained in such agreement. The Company further covenants to promptly execute and deliver at its expense (including the fees and expenses of counsel for the holders of the Notes) an amendment to this Agreement in form and substance satisfactory to the Required Holders evidencing the amendment of this Agreement to include such Additional Covenants and Additional Defaults, provided that the execution and delivery of such amendment shall not be a precondition to the effectiveness of such amendment as provided for in this Section 10.12, but shall merely be for the convenience of the parties hereto.

Section 10.15 Change in Organization, Name, Location or Fiscal Year.

The Company will not, and will not permit any Material Subsidiary to (i) amend, supplement, modify or restate in any material respect its articles or certificate of amalgamation, bylaws or other equivalent organizational documents, or amend or change its jurisdiction of incorporation, organization or formation, if in each case to do so would reasonably be expected to have a Material Adverse Effect, or (ii) amend or change its name, trade name or the jurisdiction of its chief executive office without giving the prior written notice of such change in accordance with Section 9.9(j). The Company will notify the holders of the creation of any Subsidiary and the ownership thereof or any change of the fiscal year end of any Note Party no later than 15 days prior to any such creation or change, as applicable.

Section 10.16 Permitted Subordinated Convertible Debentures.

The Company will not, and will not permit any Material Subsidiary to, make any payment in respect of any interest, fees, principal or other amounts payable under or in respect of Permitted Subordinated Convertible Debentures during the continuance of a Borrowing Base Shortfall, Default, Event of Default or acceleration of any Secured Obligations which has not been rescinded, or during the enforcement of the rights and remedies of the Collateral Agent or any Secured Parties hereunder or under the Intercreditor Agreement or any other Note Documents, or if a Default, Event of Default or Borrowing Base Shortfall would reasonably be expected to be caused by or result from any such payment.

Section 10.17 Rental Agreement

The Company will not modify, alter, amend, extend, renew, replace, knowingly waive strict and timely performance of any compliance with (including waiving any default under), terminate, cancel, suspend or assign the Rental Agreement or any term, agreement, provision, item, obligation or covenant contained in Rental Agreement that increases the amount of the Facilities Rental (as defined in the Rental Agreement), alters the priorities of the Security and the Rental Agreement Security as set out in the Consent Agreement (as defined in the Rental Agreement) or otherwise, if to do so would reasonably be expected to have a Material Adverse Effect, in the determination of the Required Holders acting reasonably.

Section 10.18 Rental Agreement Options

Neither the Company nor Whitecap Resources Partnership, as applicable, will (a) exercise the "Whitecap ROFR" or the "Whitecap Option", each as defined in the Rental Agreement, (b) purchase the Participating Interest of Stream Asset Financial Brunswick LP pursuant to Section 6.4 of the Rental Agreement, or (c) exercise the purchase option described in

Section 9.4 of the Rental Agreement, unless, in each case, no Default, Event of Default or Borrowing Base Shortfall exists or would result therefrom.

SECTION 11. EVENTS OF DEFAULT.

An "**Event of Default**" shall exist if any of the following conditions or events shall occur and be continuing:

(a) the Company defaults in the payment of any principal or Make-Whole Amount, if any, on any Note when the same becomes due and payable, whether at maturity or at a date fixed for prepayment or by declaration or otherwise; or

(b) the Company defaults in the payment of any interest on any Note or any amount payable pursuant to Section 13 for more than five Business Days after the same becomes due and payable; or

(c) the Company defaults in the performance of or compliance with any term contained in Sections 7.1(d), 9.8(b), 9.9, 9.10 or any provision of Section 10; or

(d) the Company defaults in the performance of or compliance with any term contained herein (other than those referred to in Sections 11(a), (b) and (c)) or the Company or any Material Subsidiary defaults in the performance of or compliance with any term contained in any other Note Document and in any case such default is not remedied within 30 days after the earlier of (i) a Responsible Officer obtaining actual knowledge of such default and (ii) the Company receiving written notice of such default from any holder of a Note (any such written notice to be identified as a "notice of default" and to refer specifically to this Section 11(d)); or

(e) any representation or warranty made in writing by or on behalf of the Company or any Subsidiary or by any officer of the Company or any Subsidiary in this Agreement or any other Note Document or in any writing furnished in connection with the transactions contemplated hereby proves to have been false or incorrect in any material respect on the date as of which made; or

(f) (i) the Company or any Material Subsidiary is in default (as principal or as guarantor or other surety) in the payment of any principal of or premium or make-whole amount or interest on any Debt that is outstanding in an aggregate principal amount of at least the Threshold Amount (or its equivalent in U.S. Dollars) beyond any period of grace provided with respect thereto, or (ii) the Company or any Material Subsidiary is in default in the performance of or compliance with any term of any evidence of any Debt, or of any term of the Rental Agreement, in an aggregate outstanding principal amount of at least the Threshold Amount (or its equivalent in U.S. Dollars) or of any mortgage, indenture or other agreement relating thereto or any other condition exists, and as a consequence of such default or condition such Debt has become, or has been declared (or one or more Persons are entitled to declare such Debt to be), due and payable before its stated maturity or before its regularly scheduled dates of payment, or (iii) as a consequence of the occurrence or continuation of any event or condition (other than the passage of time or the right of the holder of Debt to convert such Debt into equity interests), (x) the Company or any Material Subsidiary has become obligated to purchase or repay Debt before its regular maturity or before its regularly scheduled dates of payment in an aggregate

outstanding principal amount of at least the Threshold Amount (or its equivalent in U.S. Dollars), or (y) one or more Persons have the right to require the Company or any Material Subsidiary so to purchase or repay such Debt; or

(g) the Company or any Material Subsidiary shall:

(i) become insolvent, or suspend the conduct of its business, or declare any general moratorium on payment of its indebtedness or interest thereon, or propose a compromise or arrangement between it and any of its creditors;

(ii) generally not pay, or admit in writing its inability to pay, its debts as they become due,

(iii) make an assignment of its Property for the general benefit of its creditors whether or not under the *Bankruptcy and Insolvency Act* (Canada), or make a proposal (or file a notice of its intention to do so) whether or not under such Act;

(iv) institute any proceeding seeking to adjudicate it an insolvent, or seeking liquidation, dissolution, winding-up, reorganization (other than as permitted under Section 10.5), administration, compromise, arrangement, adjustment, protection, moratorium, relief, stay of proceedings of creditors generally (or any class of creditors), or composition of it or its debts under any other statute, rule or regulation relating to bankruptcy, winding-up, insolvency, reorganization, administration, plans of arrangement, relief or protection of debtors (including the *Bankruptcy and Insolvency Act* (Canada), *the Companies' Creditors Arrangement Act* (Canada), *the Winding-Up and Restructuring Act* (Canada) and any applicable *Business Corporations Act* or *Companies Act*);

(v) apply for the appointment of, or the taking of possession by, a receiver, interim receiver, administrative receiver, receiver/manager, custodian, administrator, trustee, liquidator or other similar official for it or any material part of its Property; or

(vi) take any overt action to approve, consent to or authorize any of the actions described in this Section 11(g) or in Section 11(h) below; or

(h) any petition shall be filed, application made or other proceeding instituted against or in respect of the Company or any Material Subsidiary:

(i) seeking to adjudicate it an insolvent, or a declaration that an act of bankruptcy has occurred;

(ii) seeking a receiving order against it including under the *Bankruptcy and Insolvency Act* (Canada);

(iii) seeking liquidation, dissolution, winding-up, reorganization (other than as permitted under Section 10.5), administration, compromise, arrangement, adjustment, protection, moratorium, relief, stay of proceedings of creditors generally (or any class of creditors), or composition of it or its debts under any statute, rule or regulation relating to bankruptcy, winding-up, insolvency, reorganization, administration, plans of arrangement, relief

or protection of debtors (including the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the *Winding-Up and Restructuring Act* (Canada) and any applicable *Business Corporations Act* or *Companies Act*); or

(iv) seeking the entry of an order for relief or the appointment of a receiver, interim receiver, administrative receiver, receiver/manager, custodian, administrator, trustee, liquidator or other similar official for it or any material part of its Property,

and such petition, application or proceeding shall continue undismissed, or unstayed and in effect, for a period of 10 Business Days after the institution thereof, provided that, if an order, decree or judgment which is not stayed has been granted (whether or not entered or subject to appeal) against the Company or such Material Subsidiary, as applicable, thereunder in the interim, such grace period shall cease to apply; or

(i) any receiver, receiver manager or similar officer is appointed over the Company or any Material Subsidiary, or over all or substantially all of the Property and assets of the Company or such Material Subsidiary and such receiver, receiver manager or similar official is not removed or discharged within 10 Business Days of such appointment; provided that such grace period shall cease to apply if the Company or such Material Subsidiary consents to such appointment, fails to diligently object and contest the appointment with appropriate proceedings, or if such receiver, receiver manager or similar official is not effectively stayed from realizing on the Property of the Company or such Material Subsidiary; or

(j) any event occurs with respect to the Company or any Material Subsidiary which under the laws of any jurisdiction is analogous to any of the events described in Section 11(g), (h) or (i), provided that the applicable grace period, if any, which shall apply shall be the one applicable to the relevant proceeding which most closely corresponds to the proceeding described in Section 11(g), (h) or (i); or

(k) in respect of assets or properties of the Company or a Material Subsidiary having a value in the aggregate exceeding the Threshold Amount, proceedings are taken to enforce any Security Interest or order by taking possession of, seizing or levying against such assets or properties of the Company or a Material Subsidiary, or such assets or property shall become subject to any charging order or equitable execution of a court, writ of enforcement, writ of execution or distress warrant, and such proceedings, charging order or equitable execution of a court, writ of enforcement, writ of execution or distress warrant continue undismissed or unstayed and in effect for a period of 10 Business Days; or

(l) a judgment or judgments are entered against the Company or a Material Subsidiary in an aggregate amount exceeding the Threshold Amount and such judgments continue undischarged or unstayed and in effect for a period of 10 Business Days; or

(m) excepting security registrations or other such actions which the Collateral Agent is in a position to effect without the consent or assistance of the Company or a Material Subsidiary, for a period of 10 days after notice thereof to the Company, any material portion of the Security or any material part of this Agreement or any other Note Document becomes or

continues to be invalid or unenforceable and is not cured to the satisfaction of the Required Holders, acting reasonably; or

(n) one or more Financial Instrument Demands for Payment in the aggregate amount exceeding the Threshold Amount has been delivered to the Company or a Material Subsidiary and the Company or such Material Subsidiary fails to make payment thereunder within the time required for payment thereunder; or

(o) the audited financial statements that are required to be delivered to the holders pursuant to Section 7.1(b) contain a qualification which, or which evidences or relates to an event, matter or circumstance which, would reasonably be expected to have a Material Adverse Effect and (i) such qualification, event, matter or circumstance is not rectified or otherwise dealt with to the satisfaction of the Required Holders within a period of 20 Business Days after delivery of such financial statements; or (ii) within such 20 Business Day period, the Company has not delivered a plan to the holders as to how it plans to rectify or otherwise deal with such qualification, event matter or circumstance (such plan to include the time frame within which the Company proposes to rectify or otherwise deal with such qualification, event, matter or circumstance) and such plan is not satisfactory to the Required Holders, acting reasonably, and following delivery and acceptance of such plan, the Company fails to diligently pursue the same and rectify or otherwise deal with such qualification, event, matter or circumstance in accordance with the plan and within the proposed time frame; or

(p) if Lenders holding more than 75% of the Commitments (as that term is defined in the Credit Agreement) refuse to fund an Advance (as that term is defined in the Credit Agreement) under the Credit Agreement that has been requested by the Company and not withdrawn or cancelled by it, and such refusal continues for more than two Business Days; or

(q) if (i) any Plan shall fail to satisfy the minimum funding standards of ERISA or the Code for any plan year or part thereof or a waiver of such standards or extension of any amortization period is sought or granted under section 412 of the Code, (ii) a notice of intent to terminate any Plan shall have been or is reasonably expected to be filed with the PBGC or the PBGC shall have instituted proceedings under ERISA section 4042 to terminate or appoint a trustee to administer any Plan or the PBGC shall have notified the Company or any ERISA Affiliate that a Plan may become a subject of any such proceedings, (iii) the sum of (x) the aggregate "amount of unfunded benefit liabilities" (within the meaning of section 4001(a)(18) of ERISA) under all Plans, determined in accordance with Title IV of ERISA, plus (y) the amount (if any) by which the aggregate present value of accrued benefit liabilities under all funded Non-U.S. Plans exceeds the aggregate current value of the assets of such Non-U.S. Plans allocable to such liabilities, shall exceed U.S.$3,000,000, (iv) the Company or any ERISA Affiliate shall have incurred or is reasonably expected to incur any liability pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans, (v) the Company or any ERISA Affiliate withdraws from any Multiemployer Plan, (vi) the Company or any Material Subsidiary establishes or amends any employee welfare benefit plan that provides post-employment welfare benefits in a manner that would increase the liability of the Company or any Material Subsidiary thereunder, (vii) the Company or any Material Subsidiary fails to administer or maintain a Non-U.S. Plan in compliance with the requirements of any and all applicable laws, statutes, rules, regulations or court orders or any Non-U.S. Plan is involuntarily

terminated or wound up or (viii) the Company or any Material Subsidiary becomes subject to the imposition of a financial penalty (which for this purpose shall mean any tax, penalty or other liability, whether by way of indemnity or otherwise) with respect to one or more Non-U.S. Plans; and any such event or events described in clauses (i) through (viii) above, either individually or together with any other such event or events, could reasonably be expected to have a Material Adverse Effect.

As used in Section 11(q), the terms "**employee benefit plan**" and "**employee welfare benefit plan**" shall have the respective meanings assigned to such terms in section 3 of ERISA.

SECTION 12. REMEDIES ON DEFAULT, ETC.

Section 12.1 Acceleration.

(a) If an Event of Default with respect to the Company or any Material Subsidiary described in Section 11(g), (h) or (i) (other than an Event of Default described in clause (ii) of Section 11(g) or described in clause (vi) of Section 11(g) by virtue of the fact that such clause encompasses clause (ii) of Section 11(g)) has occurred, all the Notes then outstanding shall automatically become immediately due and payable.

(b) If any other Event of Default has occurred and is continuing, the Required Holders may at any time at its or their option, by notice or notices to the Company, declare all the Notes then outstanding to be immediately due and payable.

(c) If any Event of Default described in Section 11(a) or (b) has occurred and is continuing, any holder or holders of Notes at the time outstanding affected by such Event of Default may at any time, at its or their option, by notice or notices to the Company, declare all the Notes held by it or them to be immediately due and payable.

Upon any Notes becoming due and payable under this Section 12.1, whether automatically or by declaration, such Notes will forthwith mature and the entire unpaid principal amount of such Notes, plus (x) all accrued and unpaid interest thereon (including, but not limited to, interest accrued thereon at the rate payable in the applicable Notes during the continuance of an Event of Default) and (y) the Make-Whole Amount determined in respect of such principal amount shall all be immediately due and payable, in each and every case without presentment, demand, protest or further notice, all of which are hereby waived.

The Company acknowledges, and the parties hereto agree, that each holder of a Note has the right to maintain its investment in the Notes free from repayment by the Company (except as herein specifically provided for) and that the provision for payment of a Make-Whole Amount by the Company in the event that the Notes are prepaid or are accelerated as a result of an Event of Default, is intended to provide compensation for the deprivation of such right under such circumstances.

Section 12.2 Other Remedies.

If any Default or Event of Default has occurred and is continuing, and irrespective of whether any Notes have become or have been declared immediately due and payable under

Section 12.1, the holder of any Note at the time outstanding may proceed to protect and enforce the rights of such holder by an action at law, suit in equity or other appropriate proceeding, whether for the specific performance of any agreement contained herein or in any Note or Subsidiary Guarantee, or for an injunction against a violation of any of the terms hereof or thereof, or in aid of the exercise of any power granted hereby or thereby or by law or otherwise.

Section 12.3 Rescission.

At any time after any Notes have been declared due and payable pursuant to Section 12.1(b) or (c), the Required Holders, by written notice to the Company, may rescind and annul any such declaration and its consequences if (a) the Company has paid all overdue interest on the Notes, all principal of and Make-Whole Amount, if any, on any Notes that are due and payable and are unpaid other than by reason of such declaration, and all interest on such overdue principal and Make-Whole Amount, if any, and (to the extent permitted by applicable law) any overdue interest in respect of the Notes, at the rate payable in the applicable Notes during the continuance of an Event of Default, (b) neither the Company nor any other Person shall have paid any amounts which have become due solely by reason of such declaration, (c) all Events of Default and Defaults, other than non-payment of amounts that have become due solely by reason of such declaration, have been cured or have been waived pursuant to Section 18, and (d) no judgment or decree has been entered for the payment of any monies due pursuant hereto or to the Notes. No rescission and annulment under this Section 12.3 will extend to or affect any subsequent Event of Default or Default or impair any right consequent thereon.

Section 12.4 No Waivers or Election of Remedies, Expenses, Etc.

No course of dealing and no delay on the part of any holder of any Note in exercising any right, power or remedy shall operate as a waiver thereof or otherwise prejudice such holder's rights, powers or remedies. No right, power or remedy conferred by this Agreement or by any other Note Document upon any holder thereof shall be exclusive of any other right, power or remedy referred to herein or therein or now or hereafter available at law, in equity, by statute or otherwise. Without limiting the obligations of the Company under Section 16, the Company will pay to the holder of each Note on demand such further amount as shall be sufficient to cover all costs and expenses of such holder incurred in any enforcement or collection under this Section 12, including reasonable attorneys' fees, expenses and disbursements.

SECTION 13. TAX INDEMNIFICATION.

(a) All payments whatsoever under the Note Documents will be made by the Note Parties free and clear of, and without liability for withholding or deduction for or on account of, any present or future Taxes of whatever nature imposed or levied by or on behalf of any jurisdiction (or any political subdivision or taxing authority of or in such jurisdiction) (hereinafter a "**Taxing Jurisdiction**"), unless the withholding or deduction of such Tax is compelled by law.

(b) If any deduction or withholding for any Tax of a Taxing Jurisdiction shall at any time be required in respect of any amounts to be paid by a Note Party under the Note

Documents, the Company will, or will cause the applicable Material Subsidiary to, pay to the relevant Taxing Jurisdiction the full amount required to be withheld, deducted or otherwise paid before penalties attach thereto or interest accrues thereon and pay to each holder of a Note such additional amounts as may be necessary in order that the net amounts paid to such holder pursuant to the terms of the Note Documents after such deduction, withholding or payment (including any required deduction or withholding of Tax on or with respect to such additional amount), shall be not less than the amounts then due and payable to such holder under the terms of the Note Documents before the assessment of such Tax, provided that no payment of any additional amounts shall be required to be made for or on account of:

(i) any Tax that would not have been imposed but for the existence of any present or former connection between such holder (or a fiduciary, settlor, beneficiary, member of, shareholder of, or possessor of a power over, such holder, if such holder is an estate, trust, partnership or corporation or any Person other than the holder to whom the Notes or any amount payable thereon is attributable for the purposes of such Tax) and the Taxing Jurisdiction, other than the mere holding of the relevant Note or the receipt of payments thereunder or in respect thereof or the exercise of remedies in respect thereof, including such holder (or such other Person described in the above parenthetical) being or having been a citizen or resident thereof, or being or having been present or engaged in trade or business therein or having or having had an establishment, office, fixed base or branch therein, provided that this exclusion shall not apply with respect to a Tax that would not have been imposed but for the Note Party, after the date of the Closing, opening an office in, moving an office to, reincorporating in, or changing the Taxing Jurisdiction from or through which payments on account of the Note Documents are made to, the Taxing Jurisdiction imposing the relevant Tax;

(ii) any Tax that would not have been imposed but for the delay or failure by such holder (following a written request by the Company) in the filing with the relevant Taxing Jurisdiction of Forms (as defined below) that are required to be filed by such holder to avoid or reduce such Taxes (including for such purpose any refilings or renewals of filings that may from time to time be required by the relevant Taxing Jurisdiction), provided that the filing of such Forms would not (in such holder's reasonable judgment) impose any unreasonable burden (in time, resources or otherwise) on such holder or result in any confidential or proprietary income tax return information being revealed, either directly or indirectly, to any Person and such delay or failure could have been lawfully avoided by such holder, and provided further that such holder shall be deemed to have satisfied the requirements of this clause (b) upon the good faith completion and submission of such Forms (including refilings or renewals of filings) as may be specified in a written request of the Company no later than 60 days after receipt by such holder of such written request (accompanied by copies of such Forms and related instructions, if any, all in the English language or with an English translation thereof);

(iii) any Tax that would not have been imposed but for the holder not dealing at arm's length with the Note Party for the purposes of the *Income Tax Act* (Canada); or

(iv) any combination of clauses (i), (ii) or (iii) above.

(c) If as a result of any payment by a Note Party under the Note Documents, whether in respect of principal, Make-Whole Amounts, interest, interest on overdue interest, fees

or other payment obligations, any holder of a Note is required to pay tax under Part XIII of the *Income Tax Act* (Canada), then the Company will, and will cause the applicable Material Subsidiary to, upon demand by such holder of any Note, indemnify the holder for the payment of any such amount, together with any interest, penalties and expenses in connection therewith, and for any Taxes on such indemnity payment provided that no indemnification payment shall be required to be made in respect of a Tax described in clauses (a), (b), (c) or (d) of the previous paragraph. All amounts payable under this paragraph shall be payable by the Note Party on demand, shall, if paid in respect of interest, be a payment of additional interest, and shall bear interest at the Default Rate, calculated from the date demanded by such holder to the date paid by the Note Party.

(d) By acceptance of any Note, the holder of such Note agrees, subject to the limitations of clause (b)(ii) above, that it will from time to time with reasonable promptness (x) duly complete and deliver to or as reasonably directed by the Company all such forms, certificates, documents and returns provided to such holder by the Company (collectively, together with instructions for completing the same, "**Forms**") required to be filed by or on behalf of such holder in order to avoid or reduce any such Tax pursuant to the provisions of an applicable statute, regulation or administrative practice of the relevant Taxing Jurisdiction or of an applicable tax treaty, and (y) provide the Company with such information with respect to such holder as the Company may reasonably request in order to complete any such Forms, provided that nothing in this Section 13 shall require any holder to provide information with respect to any such Form or otherwise if in the opinion of such holder such Form or disclosure of information would involve the disclosure of tax return or other information that is confidential or proprietary to such holder, and provided further that each such holder shall be deemed to have complied with its obligation under this paragraph with respect to any Form if such Form shall have been duly completed and delivered by such holder to the Company or mailed to the appropriate taxing authority, whichever is applicable, within 60 days following a written request of the Company (which request shall be accompanied by copies of such Form and English translations of any such Form not in the English language) and, in the case of a transfer of any Note, at least 90 days prior to the relevant interest payment date.

(e) If any payment is made by a Note Party to or for the account of the holder of any Note after deduction for or on account of any Taxes, and increased payments are made by a Note Party pursuant to this Section 13, then, if such holder at its sole discretion determines that it has received or been granted a refund of such Taxes, such holder shall, to the extent that it can do so without prejudice to the retention of the amount of such refund, reimburse to the applicable Note Party such amount as such holder shall, in its sole discretion, determine to be attributable to the relevant Taxes or deduction or withholding. Nothing herein contained shall interfere with the right of the holder of any Note to arrange its tax affairs in whatever manner it thinks fit and, in particular, no holder of any Note shall be under any obligation to claim relief from its corporate profits or similar tax liability in respect of such Tax in priority to any other claims, reliefs, credits or deductions available to it or (other than as set forth in Section 13(b)(ii) above) oblige any holder of any Note to disclose any information relating to its tax affairs or any computations in respect thereof.

(f) The Company will furnish the holders of Notes, promptly and in any event within 60 days after the date of any payment by the Company of any Tax in respect of any

amounts paid under any Note Document, the original tax receipt issued by the relevant taxation or other authorities involved for all amounts paid as aforesaid (or if such original tax receipt is not available or must legally be kept in the possession of the applicable Note Party, a duly certified copy of the original tax receipt or any other reasonably satisfactory evidence of payment), together with such other documentary evidence with respect to such payments as may be reasonably requested from time to time by any holder of a Note.

(g) If a Note Party is required by any applicable law, as modified by the practice of the taxation or other authority of any relevant Taxing Jurisdiction, to make any deduction or withholding of any Tax in respect of which it would be required to pay any additional amount under this Section 13, but for any reason does not make such deduction or withholding with the result that a liability in respect of such Tax is assessed directly against the holder of any Note, and such holder pays such liability, then the Company will, and will cause any applicable Material Subsidiary to, promptly reimburse such holder for such payment (including any related interest or penalties to the extent such interest or penalties arise by virtue of a default or delay by the applicable Note Party) upon demand by such holder accompanied by an official receipt (or a duly certified copy thereof) issued by the taxation or other authority of the relevant Taxing Jurisdiction.

(h) If a Note Party makes payment to or for the account of any holder of a Note and such holder is entitled to a refund of the Tax to which such payment is attributable upon the making of a filing (other than a Form described above), then such holder shall, as soon as practicable after receiving a written request from the Company (which shall specify in reasonable detail and supply the refund forms to be filed) use reasonable efforts to complete and deliver such refund forms to or as directed by the Company, subject, however, to the same limitations with respect to Forms as are set forth above.

(i) The obligations of the Company under this Section 13 shall survive the payment or transfer of any Note and the provisions of this Section 13 shall also apply to successive transferees of the Notes.

SECTION 14. REGISTRATION; EXCHANGE; SUBSTITUTION OF NOTES.

Section 14.1 Registration of Notes.

The Company shall keep at its principal executive office a register for the registration and registration of transfers of Notes. The name and address of each holder of one or more Notes, each transfer thereof and the name and address of each transferee of one or more Notes shall be registered in such register. If any holder of one or more Notes is a nominee, then (a) the name and address of the beneficial owner of such Note or Notes shall also be registered in such register as an owner and holder thereof and (b) at any such beneficial owner's option, either such beneficial owner or its nominee may execute any amendment, waiver or consent pursuant to this Agreement. Prior to due presentment for registration of transfer, the Person in whose name any Note shall be registered shall be deemed and treated as the owner and holder thereof for all purposes hereof, and the Company shall not be affected by any notice or knowledge to the contrary. The Company shall give to any holder of a Note that is an Institutional Investor

promptly upon request therefor, a complete and correct copy of the names and addresses of all registered holders of Notes.

Section 14.2 Transfer and Exchange of Notes.

Upon surrender of any Note to the Company at the address and to the attention of the designated officer (all as specified in Section 19) for registration of transfer or exchange (and in the case of a surrender for registration of transfer accompanied by a written instrument of transfer duly executed by the registered holder of such Note or such holder's attorney duly authorized in writing and accompanied by the relevant name, address and other information for notices of each transferee of such Note or part thereof), within 10 Business Days thereafter, the Company shall execute and deliver, at the Company's expense (except as provided below), one or more new Notes (as requested by the holder thereof) in exchange therefor, in an aggregate principal amount equal to the unpaid principal amount of the surrendered Note. Each such new Note shall be payable to such Person as such holder may request and shall be substantially in the form of Exhibit 1. Each such new Note shall be dated and bear interest from the date to which interest shall have been paid on the surrendered Note or dated the date of the surrendered Note if no interest shall have been paid thereon. The Company may require payment of a sum sufficient to cover any stamp tax or governmental charge imposed in respect of any such transfer of Notes. Notes shall not be transferred in denominations of less than Cdn.$100,000, provided that if necessary to enable the registration of transfer by a holder of its entire holding of Notes, one Note may be in a denomination of less than Cdn.$100,000. Any transferee, by its acceptance of a Note registered in its name (or the name of its nominee), shall be deemed to have made the representation set forth in Section 6.2. Notwithstanding the foregoing, no transfer or exchange of the Notes shall be registered by the Company unless the Company is satisfied that such transfer or exchange is permitted under applicable securities laws

Section 14.3 Replacement of Notes.

Upon receipt by the Company at the address and to the attention of the designated officer (all as specified in Section 19(iii)) of evidence reasonably satisfactory to it of the ownership of and the loss, theft, destruction or mutilation of any Note (which evidence shall be, in the case of an Institutional Investor, notice from such Institutional Investor of such ownership and such loss, theft, destruction or mutilation), and

(a) in the case of loss, theft or destruction, of indemnity reasonably satisfactory to it (provided that if the holder of such Note is, or is a nominee for, an original Purchaser or another holder of a Note with a minimum net worth of at least U.S.$100,000,000 or a Qualified Institutional Buyer, such Person's own unsecured agreement of indemnity shall be deemed to be satisfactory), or

(b) in the case of mutilation, upon surrender and cancellation thereof,

within 10 Business Days thereafter, the Company at its own expense shall execute and deliver, in lieu thereof, a new Note, dated and bearing interest from the date to which interest shall have been paid on such lost, stolen, destroyed or mutilated Note or dated the date of such lost, stolen, destroyed or mutilated Note if no interest shall have been paid thereon.

SECTION 15. PAYMENTS ON NOTES.

Section 15.1 Place of Payment.

Subject to Section 15.2, payments of principal, Make-Whole Amount, if any, and interest becoming due and payable on the Notes shall be made in Calgary, Alberta at the principal office of the Company in such jurisdiction. The Company may at any time, by notice to each holder of a Note, change the place of payment of the Notes so long as such place of payment shall be either the principal office of the Company in such jurisdiction or the principal office of a bank or trust company in such jurisdiction.

Section 15.2 Payment by Wire Transfer.

So long as any Purchaser or its nominee shall be the holder of any Note, and notwithstanding anything contained in Section 15.1 or in such Note to the contrary, the Company will pay all sums becoming due on such Note for principal, Make-Whole Amount, if any, interest and all other amounts becoming due hereunder by the method and at the address specified for such purpose below such Purchaser's name in Schedule A or by such other method or at such other address as such Purchaser shall have from time to time specified to the Company in writing for such purpose, without the presentation or surrender of such Note or the making of any notation thereon, except that upon written request of the Company made concurrently with or reasonably promptly after payment or prepayment in full of any Note, such Purchaser shall surrender such Note for cancellation, reasonably promptly after any such request, to the Company at its principal executive office or at the place of payment most recently designated by the Company pursuant to Section 15.1. Prior to any sale or other disposition of any Note held by a Purchaser or its nominee, such Purchaser will, at its election, either endorse thereon the amount of principal paid thereon and the last date to which interest has been paid thereon or surrender such Note to the Company in exchange for a new Note or Notes pursuant to Section 14.2. The Company will afford the benefits of this Section 15.2 to any Institutional Investor that is the direct or indirect transferee of any Note purchased by a Purchaser under this Agreement and that has made the same agreement relating to such Note as the Purchasers have made in this Section 15.2.

SECTION 16. EXPENSES, ETC.

Section 16.1 Transaction Expenses.

Whether or not the transactions contemplated hereby are consummated, the Company will pay all costs and expenses (including reasonable attorneys' fees of a special counsel and, if reasonably required by the Required Holders, local or other counsel, on a full indemnity basis) incurred by the Purchasers and each other holder of a Note in connection with such transactions and in connection with any amendments, waivers or consents under or in respect of this Agreement or the other Note Documents (whether or not such amendment, waiver or consent becomes effective), including: (a) the costs and expenses incurred in enforcing or defending (or determining whether or how to enforce or defend) any rights under any Note Documents or in responding to any subpoena or other legal process or informal investigative demand issued in connection with any Note Documents, or by reason of being a holder of any

Note, (b) the costs and expenses, including financial advisors' fees, incurred in connection with the insolvency or bankruptcy of the Company or any Subsidiary or in connection with any work-out or restructuring of the transactions contemplated by this Agreement or the other Note Documents and (c) the costs and expenses incurred in connection with the initial filing of any Note Documents and all related documents and financial information with the SVO. If required by the NAIC, the Company shall obtain and maintain at its own cost and expense a Legal Entity Identifier (LEI). The Company will pay, and will save each Purchaser and each other holder of a Note harmless from, all claims in respect of any fees, costs or expenses, if any, of brokers and finders (other than those, if any, retained by a Purchaser or other holder in connection with its purchase of the Notes).

The Company will pay, and will save each Purchaser and each other holder of a Note harmless from, (i) all claims in respect of any fees, costs or expenses, if any, of brokers and finders (other than those, if any, retained by a Purchaser or other holder in connection with its purchase of the Notes), (ii) any and all wire transfer fees that any bank deducts from any payment under such Note to such holder or otherwise charges to a holder of a Note with respect to a payment under such Note and (iii) any judgment, liability, claim, order, decree, fine, penalty, cost, fee, expense (including reasonable attorneys' fees and expenses) or obligation resulting from the consummation of the transactions contemplated hereby, including the use of the proceeds of the Notes by the Company, except, in the case of this clause (iii), to the extent any such judgment, liability, claim, order, decree, fine, penalty, cost, fee, expense or obligation results from the gross negligence or willful misconduct of any Purchaser or holder of a Note, as finally determined by a court of competent jurisdiction.

Section 16.2 Certain Taxes.

The Company agrees to pay all stamp, documentary or similar taxes or fees which may be payable in respect of the execution and delivery or the enforcement of any Note Documents or the execution and delivery (but not the transfer) or the enforcement of any of the Notes in the United States or Canada or of any amendment of, or waiver or consent under or with respect to, any Note Documents, and to pay any value added tax due and payable in respect of reimbursement of costs and expenses by the Company pursuant to this Section 16, and will save each holder of a Note to the extent permitted by applicable law harmless against any loss or liability resulting from nonpayment or delay in payment of any such tax or fee required to be paid by the Company hereunder.

Section 16.3 Survival.

The obligations of the Company under this Section 16 will survive the payment or transfer of any Note, the enforcement, amendment or waiver of any provision of this Agreement or the Notes, and the termination of this Agreement.

SECTION 17. SURVIVAL OF REPRESENTATIONS AND WARRANTIES; ENTIRE AGREEMENT.

All representations and warranties contained herein shall survive the execution and delivery of the Note Documents, the purchase or transfer by any Purchaser of any Note or

portion thereof or interest therein and the payment of any Note, and may be relied upon by any subsequent holder of a Note, regardless of any investigation made at any time by or on behalf of such Purchaser or any other holder of a Note. All statements contained in any certificate or other instrument delivered by or on behalf of the Company pursuant to this Agreement shall be deemed representations and warranties of the Company under this Agreement. Subject to the preceding sentence, the Note Documents embody the entire agreement and understanding between each Purchaser and the Company and supersede all prior agreements and understandings relating to the subject matter hereof.

SECTION 18. AMENDMENT AND WAIVER.

Section 18.1 Requirements.

The Note Documents may be amended, and the observance of any term thereof may be waived (either retroactively or prospectively), with (and only with) the written consent of the Company and the Required Holders, except that

(a) no amendment or waiver of any of the provisions of Sections 1, 2.1, 3, 4, 5, 6 or 22 hereof, or any defined term (as it is used therein), will be effective as to any Purchaser unless consented to by such Purchaser in writing, and

(b) no amendment or waiver may, without the written consent of each Purchaser and the holder of each Note at the time outstanding, (i) subject to Section 12 relating to acceleration or rescission, change the amount or time of any prepayment or payment of principal of, or reduce the rate or change the time of payment or method of computation of (x) interest on the Notes, or (y) the Make-Whole Amount, (ii) change the percentage of the principal amount of the Notes the holders of which are required to consent to any such amendment or waiver, or (iii) amend any of Sections (except as set forth in the second sentence of Section 8.2), 11(a), 11(b), 12, 13, 18, 21 or 23.8.

Section 18.2 Solicitation of Holders of Notes.

(a) *Solicitation*. The Company will provide each holder of a Note with sufficient information, sufficiently far in advance of the date a decision is required, to enable such holder to make an informed and considered decision with respect to any proposed amendment, waiver or consent in respect of any of the provisions hereof or of the Notes or any other Note Documents. The Company will deliver executed or true and correct copies of each amendment, waiver or consent effected pursuant to the provisions of this Section 18 to each holder of outstanding Notes promptly following the date on which it is executed and delivered by, or receives the consent or approval of, the requisite holders of Notes.

(b) *Payment*. The Company will not directly or indirectly pay or cause to be paid any remuneration, whether by way of supplemental or additional interest, fee or otherwise, or grant any security or provide other credit support, to any holder of Notes as consideration for or as an inducement to the entering into by any holder of Notes of any waiver or amendment of any of the terms and provisions hereof or of any other Note Document unless such remuneration is concurrently paid, or security is concurrently granted or other credit support concurrently

provided, on the same terms, ratably to each holder of Notes then outstanding even if such holder did not consent to such waiver or amendment.

(c) *Consent in Contemplation of Transfer*. Any consent given pursuant to this Section 18 or any other Note Document by a holder of a Note that has transferred or has agreed to transfer its Note to (i) the Company or (ii) any Subsidiary or any other Affiliate, in either case in connection with such consent, shall be void and of no force or effect except solely as to such holder, and any amendments effected or waivers granted or to be effected or granted that would not have been or would not be so effected or granted but for such consent (and the consents of all other holders of Notes that were acquired under the same or similar conditions) shall be void and of no force or effect except solely as to such holder.

Section 18.3 Binding Effect, Etc.

Any amendment or waiver consented to as provided in this Section 18 or in any other Note Document applies equally to all holders of Notes and is binding upon them and upon each future holder of any Note and upon the Company without regard to whether such Note has been marked to indicate such amendment or waiver. No such amendment or waiver will extend to or affect any obligation, covenant, agreement, Default or Event of Default not expressly amended or waived or impair any right consequent thereon. No course of dealing between the Company and the holder of any Note nor any delay in exercising any rights hereunder or under any other Note Document shall operate as a waiver of any rights of any holder of such Note.

Section 18.4 Notes Held by Company, Etc.

Solely for the purpose of determining whether the holders of the requisite percentage of the aggregate principal amount of Notes then outstanding approved or consented to any amendment, waiver or consent to be given under this Agreement or any other Note Document, or have directed the taking of any action provided herein or in any other Note Document to be taken upon the direction of the holders of a specified percentage of the aggregate principal amount of Notes then outstanding, Notes directly or indirectly owned by the Company or any of its Affiliates shall be deemed not to be outstanding.

SECTION 19. NOTICES; ENGLISH LANGUAGE.

(a) Except to the extent otherwise provided in Section 7.4, all notices and communications provided for hereunder shall be in writing and sent (a) by telecopy if the sender on the same day sends a confirming copy of such notice by a recognized international commercial delivery service (charges prepaid), or (b) by a recognized international commercial delivery service (with charges prepaid). Any such notice must be sent:

(i) if to any Purchaser or its nominee, to such Purchaser or nominee at the address specified for such communications in Schedule A, or at such other address as such Purchaser or nominee shall have specified to the Company in writing,

(ii) if to any other holder of any Note, to such holder at such address as such other holder shall have specified to the Company in writing, or

(iii) if to the Company, to the Company at its address set forth at the beginning hereof to the attention of the Chief Financial Officer, or at such other address as the Company shall have specified to the holder of each Note in writing.

Notices under this Section 19 will be deemed given only when actually received.

(b) Each document, instrument, financial statement, report, notice or other communication delivered in connection with this Agreement shall be in English or accompanied by an English translation thereof.

(c) The Note Documents have been prepared and signed in English and the parties hereto agree that the English version hereof and thereof (to the maximum extent permitted by applicable law) shall be the only version valid for the purpose of the interpretation and construction hereof and thereof notwithstanding the preparation of any translation into another language hereof or thereof, whether official or otherwise or whether prepared in relation to any proceedings which may be brought in Canada or any other jurisdiction in respect hereof or thereof.

(d) Notwithstanding anything to the contrary in this Section 19, any communication pursuant to Section 2.2 shall be made by the method specified for such communication in Section 2.2, and shall be effective to create any rights or obligations under this Agreement only if, in the case of a telephone communication, an Authorized Officer of the party conveying the information and of the party receiving the information are parties to the telephone call, and in the case of a telecopier communication, the communication is signed by an Authorized Officer of the party conveying the information, addressed to the attention of an Authorized Officer of the party receiving the information, and in fact received at the telecopier terminal the number of which is listed for the party receiving the communication in the Schedule A or at such other telecopier terminal as the party receiving the information shall have specified in writing to the party sending such information.

SECTION 20. REPRODUCTION OF DOCUMENTS.

This Agreement and all documents relating thereto, including (a) consents, waivers and modifications that may hereafter be executed, (b) documents received by any Purchaser at the Closing (except the Notes themselves), and (c) financial statements, certificates and other information previously or hereafter furnished to any Purchaser, may be reproduced by such Purchaser by any photographic, photostatic, electronic, digital, or other similar process and such Purchaser may destroy any original document so reproduced. The Company agrees and stipulates that, to the extent permitted by applicable law, any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made by such Purchaser in the regular course of business) and any enlargement, facsimile or further reproduction of such reproduction shall likewise be admissible in evidence. This Section 20 shall not prohibit the Company or any other holder of Notes from contesting any such reproduction to the same extent that it could contest the original, or from introducing evidence to demonstrate the inaccuracy of any such reproduction.

SECTION 21. CONFIDENTIAL INFORMATION.

For the purposes of this Section 21, "**Confidential Information**" means information delivered to any Purchaser by or on behalf of the Company or any Subsidiary in connection with the transactions contemplated by or otherwise pursuant to this Agreement that is proprietary in nature and that was clearly marked or labeled or otherwise adequately identified when received by such Purchaser as being confidential information of the Company or such Subsidiary, provided that such term does not include information that (a) was publicly known or otherwise known to such Purchaser prior to the time of such disclosure, (b) subsequently becomes publicly known through no act or omission by such Purchaser or any Person acting on such Purchaser's behalf, (c) otherwise becomes known to such Purchaser other than through disclosure by the Company or any Subsidiary or (d) constitutes financial statements delivered to such Purchaser under Section 7.1 that are otherwise publicly available. Each Purchaser will maintain the confidentiality of such Confidential Information in accordance with procedures adopted by such Purchaser in good faith to protect confidential information of third parties delivered to such Purchaser, provided that such Purchaser may deliver or disclose Confidential Information to (i) its directors, officers, employees, agents, attorneys, trustees and affiliates (to the extent such disclosure reasonably relates to the administration of the investment represented by its Notes), (ii) its auditors, financial advisors and other professional advisors who agree to hold confidential the Confidential Information substantially in accordance with this Section 21, (iii) any other holder of any Note, (iv) any Institutional Investor to which it sells or offers to sell such Note or any part thereof or any participation therein (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by this Section 21), (v) any Person from which it offers to purchase any security of the Company (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by this Section 21), (vi) any federal or state regulatory authority having jurisdiction over such Purchaser, (vii) the NAIC or the SVO or, in each case, any similar organization, or any nationally recognized rating agency that requires access to information about such Purchaser's investment portfolio, or (viii) any other Person to which such delivery or disclosure may be necessary or appropriate (w) to effect compliance with any law, rule, regulation or order applicable to such Purchaser, (x) in response to any subpoena or other legal process, (y) in connection with any litigation to which such Purchaser is a party or (z) if an Event of Default has occurred and is continuing, to the extent such Purchaser may reasonably determine such delivery and disclosure to be necessary or appropriate in the enforcement or for the protection of the rights and remedies under such Purchaser's Notes and this Agreement or any other Note Document. Each holder of a Note, by its acceptance of a Note, will be deemed to have agreed to be bound by and to be entitled to the benefits of this Section 21 as though it were a party to this Agreement. On reasonable request by the Company in connection with the delivery to any holder of a Note of information required to be delivered to such holder under this Agreement or requested by such holder (other than a holder that is a party to this Agreement or its nominee), such holder will enter into an agreement with the Company embodying this Section 21.

In the event that as a condition to receiving access to information relating to the Company or its Subsidiaries in connection with the transactions contemplated by or otherwise pursuant to this Agreement, any Purchaser or holder of a Note is required to agree to a confidentiality undertaking (whether through IntraLinks, another secure website, a secure virtual workspace or otherwise) which is different from this Section 21, this Section 21 shall not be

amended thereby and, as between such Purchaser or such holder and the Company, this Section 21 shall supersede any such other confidentiality undertaking.

SECTION 22. SUBSTITUTION OF PURCHASER.

Each Purchaser shall have the right to substitute any one of its Affiliates or another Purchaser or any one of such other Purchaser's Affiliates (a "**Substitute Purchaser**") as the purchaser of the Notes that it has agreed to purchase hereunder, by written notice to the Company, which notice shall be signed by both such Purchaser and such Substitute Purchaser, shall contain such Substitute Purchaser's agreement to be bound by this Agreement and shall contain a confirmation by such Substitute Purchaser of the accuracy with respect to it of the representations set forth in Section 6. Upon receipt of such notice, any reference to such Purchaser in this Agreement (other than in this Section 22), shall be deemed to refer to such Substitute Purchaser in lieu of such original Purchaser. In the event that such Substitute Purchaser is so substituted as a Purchaser hereunder and such Substitute Purchaser thereafter transfers to such original Purchaser all of the Notes then held by such Substitute Purchaser, upon receipt by the Company of notice of such transfer, any reference to such Substitute Purchaser as a "Purchaser" in this Agreement (other than in this Section 22), shall no longer be deemed to refer to such Substitute Purchaser, but shall refer to such original Purchaser, and such original Purchaser shall again have all the rights of an original holder of the Notes under this Agreement.

SECTION 23. MISCELLANEOUS.

Section 23.1 Successors and Assigns.

All covenants and other agreements contained in this Agreement by or on behalf of any of the parties hereto bind and inure to the benefit of their respective successors and assigns (including any subsequent holder of a Note) whether so expressed or not, except that, subject to Section 10.5, the Company may not assign or otherwise transfer any of its rights or obligations hereunder or under the Notes without the prior written consent of each holder. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto and their respective successors and assigns permitted hereby) any legal or equitable right, remedy or claim under or by reason of this Agreement.

Section 23.2 Accounting Terms.

(a) Wherever in this Agreement reference is made to generally accepted accounting principles or GAAP, such reference shall be deemed to be to the recommendations at the relevant time of CPA Canada, or any successor institute, applicable on a consolidated basis (unless otherwise specifically provided or contemplated herein to be applicable on an unconsolidated basis) as at the date on which such calculation is made or required to be made in accordance with generally accepted accounting principles, and including where applicable, IFRS. Where the character or amount of any asset or liability or item of revenue or expense or amount of equity is required to be determined, or any consolidation or other accounting computation is required to be made for the purpose of this Agreement or any other Note Document, such determination or calculation shall, to the extent applicable and except as otherwise specified

herein or as otherwise agreed in writing by the parties, be made in accordance with generally accepted accounting principles applied on a consistent basis.

(b) If there occurs a material change in GAAP required by the promulgation of any rule, regulation, pronouncement or opinion by CPA Canada, and such change would require disclosure under GAAP in the financial statements and would cause an amount required to be determined hereunder ("**Relevant Amount**") to be materially different than the amount that would be determined without giving effect to such change, the Company shall notify the holders of such change ("**Accounting Change**"). Such notice ("**Accounting Change Notice**") shall describe the nature of the Accounting Change, its effect on the current and immediately prior fiscal quarter's and fiscal year's financial statements in accordance with GAAP and state whether the Company desires to revise the method of calculating the Relevant Amount (including the revision of any of the defined terms used in the determination of such Relevant Amount) in order that amounts determined after giving effect to such Accounting Change and the revised method of calculating such Relevant Amount will approximate the amount that would be determined without giving effect to such Accounting Change and without giving effect to the revised method of calculating such Relevant Amount. The Accounting Change Notice shall be delivered to the holders within 45 days after the end of the fiscal quarter in which the Accounting Change is implemented or, if such Accounting Change is implemented in respect of an entire fiscal year, within 90 days after the end of such period.

If, pursuant to the Accounting Change Notice, the Company does not indicate that it desires to revise the method of calculating the Relevant Amount, the Required Holders may, within 30 days after their receipt of the Accounting Change Notice or the receipt of any financial statement or report pursuant to Section 7.1(a) or 7.1(b), notify the Company that they wish to revise the method of calculating the Relevant Amount in the manner described above.

If either the Company or the Required Holders so indicate that they wish to revise the method of calculating the Relevant Amount, the Company and the Required Holders shall in good faith attempt to agree on a revised method of calculating the Relevant Amount, with the intent of having the respective positions of the holders and the Company after such Accounting Change conform as nearly as possible to their respective positions immediately prior to such Accounting Change; provided that, until any such revised method has been agreed upon, the Relevant Amount shall be calculated as if no such Accounting Change had occurred. For greater certainty, if no notice of a desire to revise the method of calculating the Relevant Amount in respect of an Accounting Change is given by either the Company or the Required Holders within the applicable time period described above, the method of calculating the Relevant Amount shall not be revised in response to such Accounting Change and all amounts to be determined pursuant to the Relevant Amount shall be determined after giving effect to such Accounting Change.

If a Compliance Certificate is delivered in respect of a fiscal quarter or fiscal year in which an Accounting Change is implemented without giving effect to any revised method of calculating any Relevant Amount, and subsequently, as provided above, the method of calculating any Relevant Amount is revised in response to such Accounting Change, or such Relevant Amount is to be determined without giving effect to such Accounting Change, the Company shall deliver a revised Compliance Certificate.

(c) All accounting terms used herein which are not expressly defined in this Agreement have the meanings respectively given to them in accordance with GAAP. Except as otherwise specifically provided herein, (i) all computations made pursuant to this Agreement shall be made in accordance with GAAP, and (ii) all financial statements shall be prepared in accordance with GAAP. For purposes of determining compliance with this Agreement (including Section 9, Section 10 and the definition of "Debt"), any election by the Company to measure any financial liability using fair value (as permitted by Financial Accounting Standards Board Accounting Standards Codification Topic No. 825-10-25 – *Fair Value Option*, International Accounting Standard 39 – *Financial Instruments: Recognition and Measurement* or any similar accounting standard) shall be disregarded and such determination shall be made as if such election had not been made.

Section 23.3 Severability.

Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall (to the full extent permitted by law) not invalidate or render unenforceable such provision in any other jurisdiction.

Section 23.4 Construction, Etc.

Each covenant contained herein shall be construed (absent express provision to the contrary) as being independent of each other covenant contained herein, so that compliance with any one covenant shall not (absent such an express contrary provision) be deemed to excuse compliance with any other covenant. Where any provision herein refers to action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person.

Defined terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein) and, for purposes of the Notes, shall also include any such notes issued in substitution therefor pursuant to Section 14, (b) subject to Section 23.1, any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein," "hereof" and "hereunder," and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Sections and Schedules shall be construed to refer to Sections of, and Schedules to, this Agreement, and (e) any reference to any law or regulation herein shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time.

Section 23.5 Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which together shall constitute one instrument. Each counterpart may consist of a number of copies hereof, each signed by less than all, but together signed by all, of the parties hereto.

Section 23.6 Governing Law.

This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the Province of Alberta excluding choice-of-law principles of the law of such Province that would permit the application of the laws of a jurisdiction other than such Province.

Section 23.7 Jurisdiction and Process; Waiver of Jury Trial.

(a) The Company irrevocably submits to the non-exclusive jurisdiction of the courts of the Province of Alberta over any suit, action or proceeding arising out of or relating to the Note Documents. To the fullest extent permitted by applicable law, the Company irrevocably waives and agrees not to assert, by way of motion, as a defense or otherwise, any claim that it is not subject to the jurisdiction of any such court, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

(b) The Company agrees, to the fullest extent permitted by applicable laws, that a final judgment in any suit, action or proceeding of the nature referred to in Section 23.7(a) brought in any such court shall be conclusive and binding upon it subject to rights of appeal, as the case may be, and may be enforced in the courts of the Province of Alberta (or any other courts to the jurisdiction of which it or any of its assets is or may be subject) by a suit upon such judgment.

(c) Nothing in this Section 23.7 shall affect the right of any holder of a Note to serve process in any manner permitted by law, or limit any right that the holders of any of the Notes may have to bring proceedings against the Company in the courts of any appropriate jurisdiction or to enforce in any lawful manner a judgment obtained in one jurisdiction in any other jurisdiction.

(d) TO THE EXTENT PERMITTED BY APPLICABLE LAW, THE PARTIES HERETO HEREBY WAIVE TRIAL BY JURY IN ANY ACTION BROUGHT ON OR WITH RESPECT TO THIS AGREEMENT, THE NOTES OR ANY OTHER DOCUMENT EXECUTED IN CONNECTION HEREWITH OR THEREWITH.

Section 23.8 Obligation to Make Payment in Canadian Dollars.

(a) *Payment Currency* - Principal, interest and Make-Whole Amounts on the Notes shall be payable in Canadian Dollars. Unless otherwise specified herein or in the invoice

relating thereto, all other amounts payable under this Agreement shall be payable in Canadian Dollars.

(b) *Canadian Dollars* - Any payment on account of an amount that is payable under the Note Documents in Canadian Dollars which is made to or for the account of any holder in any other currency, whether as a result of any judgment or order or the enforcement thereof or the realization of any security or the liquidation of the Company, shall constitute a discharge of the obligation of the Company under the Note Documents only to the extent of the amount of Canadian Dollars which such holder could purchase in the foreign exchange markets in Toronto, Ontario, with the amount of such other currency in accordance with normal banking procedures at the rate of exchange prevailing on the Business Day following receipt of the payment first referred to above. If the amount of Canadian Dollars that could be so purchased is less than the amount of Canadian Dollars originally due to such holder, the Company agrees to the fullest extent permitted by law, to indemnify and save harmless such holder from and against all loss or damage arising out of or as a result of such deficiency. This indemnity shall, to the fullest extent permitted by law, constitute an obligation separate and independent from the other obligations contained in the Note Documents, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by such holder from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due under the Note Documents or under any judgment or order.

Section 23.9 Transaction References.

The Company agrees that any Purchaser, at its expense, may (i) refer to its role in participating in the credit facility established under this Agreement, as well as the identity of the Company and the maximum aggregate principal amount of the Notes and the date on which this facility was established, on its internet site or in marketing materials, press releases, published "tombstone" announcements or any other print or electronic medium and (ii) display the Company's corporate logo in conjunction with any such reference.

Section 23.10 Permitted Encumbrances.

Nothing in the definition of "Permitted Encumbrance" or this Agreement shall cause the Secured Obligations to be subordinated in priority of payment to any such Permitted Encumbrance or cause any Security Interests in favour of the Secured Parties to rank subordinate to any such Permitted Encumbrance.

Section 23.11 Interest.

(a) In respect of any overdue amounts hereunder or under the Notes where no provision is made herein or therein for payment of interest thereon, the Company shall pay interest on such overdue amounts on demand, calculated from the date such unpaid amount is due until such unpaid amount is paid in full, at the Default Rate.

(b) In no event shall any interest or fee to be paid hereunder or under a Note exceed the maximum rate permitted by applicable laws. In the event any such interest rate or fee exceeds such maximum rate, such rate shall be adjusted downward to the highest rate (expressed as a percentage per annum) or fee that the parties could validly have agreed to by contract on the

date hereof under applicable laws. It is further agreed that any excess actually received by a holder of a Note shall be credited against the principal of the Notes (or, if the principal shall have been or would thereby be paid in full, the remaining amount shall be credited or paid to the Company).

(c) All interest (including interest on overdue interest) payable by the Company hereunder and under the Notes shall accrue from day to day, computed as provided herein, and shall be payable after as well as before maturity, demand, default and judgment.

(d) Interest on the Notes shall be computed on the basis of a 360-day year of twelve 30-day months. Solely for purposes of the *Interest Act* (Canada), the yearly rate of interest to which interest calculated for a period of less than one year on the basis of a year of 360 days consisting of twelve 30-day periods is equivalent is such rate of interest multiplied by a fraction of which (i) the numerator is the product of (A) the actual number of days in the year commencing on the first day of such period, multiplied by (B) the sum of (y) the product of 30 multiplied by the number of complete months elapsed in such period and (z) the actual number of days elapsed in any incomplete month in such period; and (ii) the denominator is the product of (a) 360 multiplied by (b) the actual number of days in such period.

(e) The theory of "deemed reinvestment" shall not apply to the computation of interest and no allowance, reduction or deduction shall be made for the deemed reinvestment of interest in respect of any payments. Calculation of interest shall be made using the nominal rate method, and not the effective rate method, of calculation.

(f) To the extent permitted by law, Section 6 of the *Judgment Interest Act* (Alberta) is hereby waived and shall not apply to this Agreement or the Notes.

(g) Any interest payment due on the day prior to the maturity date of each Note shall include one additional days' interest, calculated as if such interest due date was such final maturity date.

* * *

If you are in agreement with the foregoing, please sign the form of agreement on a counterpart of this Agreement and return it to the Company, whereupon this Agreement shall become a binding agreement between you and the Company.

Very truly yours,

WHITECAP RESOURCES INC.

By: *("Signed")*
Name: Thanh Kang
Title: Chief Financial Officer

This Agreement is hereby accepted and agreed to as of the date thereof.

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA

By: *("Signed")*
Vice President

This Agreement is hereby accepted and agreed to as of the date thereof.

THE MANUFACTURERS LIFE INSURANCE COMPANY

By: *("Signed")*
Name:
Title:

This Agreement is hereby accepted and agreed to as of the date thereof.

HER MAJESTY THE QUEEN IN RIGHT OF ALBERTA by its Agent, **ALBERTA INVESTMENT MANAGEMENT CORPORATION**

By: *("Signed")*
Name:
Title:

By: *("Signed")*
Name:
Title:

SCHEDULE A TO NOTE PURCHASE AGREEMENT

PURCHASER SCHEDULES

	Aggregate Principal Amount of Notes <u>to be Purchased</u> (CAD)	**Note <u>Denomination(s)</u> (CAD)**
THE PRUDENTIAL INSURANCE COMPANY OF AMERICA	**[Amount has been redacted]**	**[Amount has been redacted]**

(1) All payments on account of Notes held by such purchaser shall be made by wire transfer of immediately available funds for credit to:

[Account information has been redacted]

(2) Address for all communications and notices:

[Notice information has been redacted]

<u>and for all notices relating solely to scheduled principal and interest payments to</u>:

[Notice information has been redacted]

(3) Address for Delivery of Notes:

(a) Send physical security by nationwide overnight delivery service to:

[Address information has been redacted]

(b) Send copy by email to:

[Email information has been redacted]

(4) Tax Identification No.: **[Information has been redacted]**

Alberta Investment Management Corporation
INFORMATION RELATING TO PURCHASERS

NAME AND ADDRESS OF PURCHASER		**PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED**
NAME:	Her Majesty the Queen in right of Alberta	**[Amount has been redacted]**
ADDRESS:	**[Address information has been redacted]**	

(1) **All payments by wire transfer of immediately available funds to:**

[Account information has been redacted]

(2) **All notices of payments and written confirmations of such wire transfers:**

[Notice information has been redacted]

(3) **E-mail address for Electronic Delivery and all other communications**

[Email information has been redacted]

(4) **All other communications:**

[Notice information has been redacted]

PURCHASER SCHEDULE

NAME AND ADDRESS OF PURCHASER	PRINCIPAL AMOUNT AND SERIES D OF NOTES TO BE PURCHASED
Investor Name	**[Amount has been redacted]**
THE MANUFACTURERS LIFE INSURANCE COMPANY **[Address information has been redacted]**	

Payments

[Account information has been redacted]

Physical Delivery, Notices, and all Covenants Reporting and Financial Statements are to be Addressed to:

[Notice information has been redacted]

All notices of payments on or in respect of the Notes and written confirmation of each such payment to be addressed to:

[Notice information has been redacted]

Taxpayer I.D. Number: _____

SCHEDULE B TO NOTE PURCHASE AGREEMENT

DEFINED TERMS

As used herein, the following terms have the respective meanings set forth below or set forth in the Section hereof following such term:

"**3.54% Note Agreement**" means the Note Purchase Agreement dated May 31, 2017 between the Company and the purchasers listed in Schedule "A" thereto, as amended by Amendment No. 1 to Note Purchase Agreement dated December 20, 2017, and as further amended or restated from time to time.

"**3.54% Noteholders**" means the holders from time to time of the 3.54% Notes.

"**3.54% Notes**" means the senior secured notes issued by the Company pursuant to the 3.54% Note Agreement.

"**Accounting Change**" is defined in Section 23.2.

"**Accounting Change Notice**" is defined in Section 23.2.

"**Additional Covenant**" shall mean any covenant or similar restriction contained in the Credit Agreement (regardless of whether such provision is labeled or otherwise characterized as a covenant) the subject matter of which either (a) is similar to that of any covenant in Sections 9 or 10 of this Agreement, or related definitions in this Agreement, but contains one or more percentages, amounts or formulas that is more restrictive than those set forth herein or more beneficial to the lenders under the Credit Agreement by the document in which such covenant or similar restriction is contained (and such covenant or similar restriction shall be deemed an Additional Covenant only to the extent that it is more restrictive or more beneficial) or (b) is different from the subject matter of any covenant in Section 9 or 10 of this Agreement, or related definitions in this Agreement.

"**Additional Default**" shall mean any provision contained in the Credit Agreement which permits the lenders thereunder to accelerate (with the passage of time or giving of notice or both) the maturity thereof or otherwise requires the Company or any Material Subsidiary to purchase such Debt prior to the stated maturity thereof and which either (a) is similar to any Default or Event of Default contained in Section 11 of this Agreement, or related definitions in this Agreement, but contains one or more percentages, amounts or formulas that is more restrictive or has a shorter grace period than those set forth herein or is more beneficial to the holders of such other Debt (and such provision shall be deemed an Additional Default only to the extent that it is more restrictive, has a shorter grace period or is more beneficial) or (b) is different from the subject matter of any Default or Event of Default contained in Section 11 of this Agreement, or related definitions in this Agreement.

"**Additional Payments**" is defined in Section 8.3.

"**Affected Noteholder**" is defined within the definition of "Noteholder Sanctions Event."

"**Affected Notes**" is defined in Section 8.4(a).

"**Affiliate**" means, at any time,

(a) with respect to any Person, any other Person that at such time directly or indirectly through one or more intermediaries Controls, or is Controlled by, or is under common Control with, such first Person, and

(b) with respect to the Company, shall include (i) any Person beneficially owning or holding, directly or indirectly, 10% or more of any class of voting or equity interests of the Company, (ii) for the purposes of Section 10.10 and the definition of "Distribution" herein, any Subsidiary or any Person of which the Company and its Subsidiaries beneficially own or hold, in the aggregate, directly or indirectly, 20% or more of any class of voting or equity interests, and (ii) for all other purposes, any Subsidiary or any Person of which the Company and its Subsidiaries beneficially own or hold, in the aggregate, directly or indirectly, 10% or more of any class of voting or equity interests.

Unless the context otherwise clearly requires, any reference to an "**Affiliate**" is a reference to an Affiliate of the Company.

"**Agreement**" means this Note Purchase Agreement among the Company and the Purchasers dated December 20, 2017, including all Schedules and Exhibits attached to this Agreement.

"**Anti-Corruption Laws**" is defined in Section 5.16(b).

"**Anti-Money Laundering Laws**" is defined in Section 5.16(b).

"**Average Daily Production**" means the average daily petroleum and natural gas production (net of royalties) of the Company and Material Subsidiaries for the then most recent fiscal quarter immediately preceding the entering into of a Commodity Agreement by the Company or a Material Subsidiary for which a Compliance Certificate has been delivered pursuant hereto, subject to adjustments, as agreed to by the Required Holders acting reasonably, for acquisitions and dispositions of petroleum and natural gas reserves by the Company and the Material Subsidiaries in the fiscal quarter in which the Commodity Agreement is entered into and during such immediately preceding fiscal quarter.

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

"**Blocked Person**" is defined in Section 5.16(a).

"**Borrowing Base**" means, as at any time, the amount determined by the Lenders under the Credit Agreement as the borrowing base against which such Lenders will make credit available to the Company under the Credit Agreement, currently determined no less frequently than semi-annually based upon Engineering Reports required to be delivered by the Company to the Lenders prior to March 31 and September 30 of each year, and based upon, *inter alia*, the

review by the Lenders thereunder of the material hydrocarbon reserves and royalty interests of the Company and the Material Subsidiaries.

"**Borrowing Base Properties**" means the P&NG Rights and other assets of the Note Parties which are given lending value by the Lenders in their determination of the Borrowing Base.

"**Borrowing Base Shortfall**" means, as at any time, the existence of a situation in which the aggregate of the principal amount of the loans and advances outstanding under the Credit Agreement together with the face amount of bankers' acceptances and equivalents outstanding thereunder and the undrawn amount of letters of credit issued and outstanding thereunder exceeds the Borrowing Base.

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

"**Business Day**" means (a) for the purposes of Section 8.8 only, any day other than a Saturday, a Sunday or a day on which commercial banks in New York City and Toronto, Ontario are required or authorized to be closed, and (b) for the purposes of any other provision of this Agreement, any day other than a Saturday, a Sunday or a day on which commercial banks in New York City, Toronto, Ontario and Calgary, Alberta are required or authorized to be closed.

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

"**Canadian Economic Sanctions Laws**" means the *Special Economic Measures Act* (Canada), the *United Nations Act* (Canada), the *Export and Import Permits Act* (Canada), the *Foreign Extraterritorial Measures Act* (Canada), the *Criminal Code* (Canada) or any other economic sanctions law or regulations administered and enforced by Canada or any political subdivision thereof, or any enabling legislation or rules and regulations relating to any of the foregoing.

"**Capital Lease**" means, with respect to any Person, any lease or other arrangement relating to real or personal property which should, in accordance with GAAP as at December 31, 2010, be accounted for as a capital lease on a balance sheet of such Person.

"**Change in Tax Law**" is defined in Section 8.3.

"**Change of Control**" means the occurrence of any of the following events:

(i) any Person or Persons acting jointly or in concert (within the meaning of the *Securities Act* (Alberta)), shall beneficially, directly or indirectly, hold or exercise control or direction over and/or has the right to acquire or control or direction over (whether such right is exercisable immediately or only after the passage of time) more than 30% of the issued and outstanding Voting Shares of the Company; or

(ii) during any period of two consecutive years, individuals who at the beginning of such period constitute the board of directors of the Company cease, for any reason, to constitute at least a majority of the board of directors of the Company, unless the election or nomination for election of each new director was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of the period ("**Incumbent Directors**") and in particular, any new director who assumes office in connection with or as a result of an actual or threatened proxy or other election contest of the board of directors of the Company shall never be an Incumbent Director.

"**Closing**" is defined in Section 3.1.

"**Code**" means the U.S. Internal Revenue Code of 1986, as amended from time to time, and the rules and regulations promulgated thereunder from time to time.

"**Collateral**" means the Property that is the subject of the Security Interests created by the Security.

"**Collateral Agent**" means, initially, TSX Trust Company, in its capacity as collateral agent and security trustee for the benefit and on behalf of the Secured Parties pursuant to its appointment in Section 2 of the Intercreditor Agreement and the other terms of that Agreement, and its successors and assigns in such capacity appointed from time to time pursuant to the Intercreditor Agreement.

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

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

"**Compliance Certificate**" means the certificate required to be completed and delivered by the Company from time to time pursuant to Section 7.2.

"**Confidential Information**" is defined in Section 21.

"**Consent Agreement**" means a consent and acknowledgement as contemplated in Section 9.6 of the Rental Agreement extended to and for the benefit of the Collateral Agent, the holders and the Lenders.

"**Consolidated Tangible Assets**" means, as at any date of determination, all consolidated assets of the Company as shown in the most recent consolidated balance sheet of the Company, less goodwill, deferred assets, trademarks, copyrights and other similar intangible assets.

"**Control**" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise; and the terms "**Controlled**" and "**Controlling**" shall have meaning correlative to the foregoing.

"**Controlled Entity**" means (i) any of the Subsidiaries of the Company and any of their or the Company's respective Controlled Affiliates and (ii) if the Company has a parent company, such parent company and its Controlled Affiliates.

"**Credit Agreement**" means the Amended and Restated Credit Agreement dated May 1, 2014 among the Company, the lenders party thereto and National Bank of Canada as administrative agent, as amended by a consent and first amending agreement dated as of August 22, 2014, a consent and second amending agreement dated as of October 9, 2014, a third amending agreement dated as of November 28, 2014, a fourth amending agreement dated as of March 11, 2015, a consent and fifth amending agreement dated as of February 12, 2016, an Extension Agreement dated as of April 28, 2016, a sixth amending agreement dated as of May 13, 2016, a seventh amending agreement dated January 5, 2017, an eighth amending agreement dated April 28, 2017 and a ninth amending agreement dated May 11, 2017 and a tenth amending agreement dated December 14, 2017, including any renewals, extensions, amendments, supplements, restatements, replacements or refinancing thereof.

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

"**Debt**" means, as at any date of determination, all obligations, liabilities and indebtedness of the Company which would, in accordance with GAAP, be classified upon a consolidated balance sheet of the Company for such date as indebtedness for borrowed money and, whether or not so classified, shall include (without duplication):

(a) indebtedness of the Company and Subsidiaries for borrowed money;

(b) obligations of the Company and Subsidiaries arising pursuant to bankers' acceptances (including payment and reimbursement obligations in respect thereof);

(c) obligations of the Company and Subsidiaries arising pursuant to letters of credit to the extent they support obligations which would otherwise constitute Debt within the meaning of this definition or indemnities issued in connection therewith;

(d) obligations of the Company and Subsidiaries under guarantees, indemnities, assurances, legally binding comfort letters or other contingent obligations relating to the indebtedness for borrowed money of any other Person or the obligations of any other Person which would otherwise constitute Debt within the meaning of this definition and all other obligations incurred for the purpose of or having the effect of providing financial assistance to another Person in respect of indebtedness or such other obligations;

(e) in respect of any Capital Lease entered into by the Company or a Subsidiary as lessee, the present value (discounted at the rate of interest implicit in such transaction, determined in accordance with GAAP) of the lease payments of the lessee, including all rent and payments to be made by the lessee in connection with the return of the leased property, during the remaining term of the lease (including any period for which such lease has been extended or may, at the option of the lessor, be extended); provided that Debt shall not include the obligations of the Company or a Subsidiary in respect of any lease characterized as an operating lease under GAAP as at December 31, 2010 (excluding Financing Leases, to the extent that they are included in the calculation of the then current Borrowing Base) or which is a premises lease, and which in each case is entered into in the ordinary course of business on prevailing commercial terms or in respect of P&NG Leases;

(f) all obligations of the Company and Subsidiaries representing the deferred purchase price of any property, and all obligations of the Company and Subsidiaries created or arising under any conditional sales agreement or other title retention agreement, other than Capital Leases and operating leases;

(g) deferred revenues of the Company and Subsidiaries relating to third party obligations;

(h) the redemption amounts of any equity of the Company and Subsidiaries (each a "**Redeeming Party**") where the holder of such equity is not a Note Party and has the option to require the redemption of such equity for cash or property, other than equity of any of the Redeeming Parties, and payment of the redemption amounts;

(i) all losses actually incurred under any Financial Instruments that are due and owing, but for certainty, Debt shall not include the impact of any mark to market unrealized losses in respect of Financial Instruments recorded in accordance with GAAP; and

(j) without duplication of any of the matters referenced above, obligations of the Company and Subsidiaries under Sale/Lease-Backs.

"**Debt/EBITDA Ratio**" means, as at the end of a fiscal quarter, the ratio of Debt (but excluding any Permitted Subordinated Convertible Debentures) as at the end of such fiscal quarter to EBITDA for the 12 months ending at the end of such fiscal quarter.

"**Debt Prepayment Application**" means, with respect to any Disposition, the application by the Company of cash in an amount equal to all or a portion of the Net Proceeds Amount (or portion thereof) with respect to such Disposition to pay Senior Debt (other than Senior Debt in respect of any revolving credit or similar credit facility providing the Company with the right to obtain loans or other extensions of credit from time to time, except to the extent that in connection with such payment of Senior Debt the availability of credit under such credit facility is permanently reduced by an amount not less than the amount of such proceeds applied to the payment of such Senior Debt).

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

"**Default Rate**" means that rate of interest that is the greater of (a) **[fee has been redacted]**% per annum above the rate of interest stated in clause (a) of the first paragraph of Notes, and (b) **[fee has been redacted]**% over the rate of interest publicly announced by National Bank of Canada as its prime rate for determining the interest rate it will charge for Canadian Dollar loans made by it in Canada.

"**Disposition**" is defined in Section 10.6.

"**Disposition Prepayment Date**" is defined in Section 8.9.

"**Disposition Response Date**" is defined in Section 8.9.

"**Distribution**" means:

(a) the declaration, payment or setting aside for payment of any dividend or other distribution on or in respect of any equity of the Company or a Material Subsidiary;

(b) the redemption, retraction, purchase, retirement or other acquisition, in whole or in part, of any equity of the Company or a Material Subsidiary or any securities, instruments or contractual rights capable of being converted into, exchanged or exercised for equity of the Company or a Material Subsidiary, including options, warrants, conversion or exchange privileges and similar rights;

(c) the making of any loan or advance or any provision of credit to: (i) any equityholder of the Company; or (ii) a Material Subsidiary;

(d) the payment of any principal, interest, fees or other amounts on or in respect of:

(i) any loans, advances or other debt; or

(ii) any securities issued by the Company or a Material Subsidiary which is in accordance with GAAP, are classified as part of equity but the terms of which entitle the holder thereof to receive payments of money,

owing at any time by the Company or a Material Subsidiary to any equityholder of the Company or a Material Subsidiary, to Affiliates of the Company or a Material Subsidiary or to equityholders of Affiliates of the Company or a Material Subsidiary.

"**Disclosure Documents**" is defined in Section 5.3.

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

(a) all Net Income for such period; plus

(b) Interest Expense to the extent deducted in determining such Net Income; plus

(c) all amounts deducted in the calculation of such Net Income in respect of the provision for income taxes; plus

(d) all amounts deducted in the calculation of such Net Income in respect of non-cash items, including depreciation, depletion, amortization (including amortization of goodwill and other intangibles), accretion, deferred income taxes, foreign currency obligations, non-cash losses resulting from marking-to-market the outstanding hedging and financial instrument obligations, non-cash compensation expenses, provisions for impairment of oil and gas assets and any other non-cash expenses for such period; plus

(e) one-time transaction costs and fees relating to acquisitions, dispositions, arrangements, equity offerings and other similar transactions which are deducted in the calculation of such Net Income and which, prior to the Company's adoption of IFRS as of January 1, 2011, would have been capitalized, including investment banking fees, legal fees, termination costs and other similar expenses; plus

(f) to the extent deducted in the calculation of such Net Income, losses from asset sales;

(g) losses attributable to extraordinary and non-recurring losses, in each case to the extent deducted in the calculation of such Net Income;

less (on a consolidated basis), without duplication:

(h) earnings attributable to extraordinary and non-recurring earnings and gains, in each case to the extent included in the calculation of such Net Income;

(i) to the extent included in the calculation of such Net Income, gains from asset sales;

(j) the net income of any Subsidiary of the Company which is not a Material Subsidiary, to the extent that the distribution by that Subsidiary of amounts of such Net Income to the Company or to a Material Subsidiary is restricted by a contract, operation of law or otherwise;

(k) all cash payments during such period relating to non-cash charges which were added back in determining EBITDA in any prior period; and

(l) to the extent included in such Net Income, any other non-cash items increasing such Net Income for such period, including non-cash gains resulting from marking-to-market the outstanding hedging and financial instrument obligations for such period;

provided that for the purposes of this definition if a Note Party makes a Material Acquisition (whether by amalgamation, asset or share acquisition or otherwise) at any time during the relevant period of calculation, such Material Acquisition shall be deemed to have been made on and as of the first day of such calculation period; and if a Note Party makes a Material Disposition (whether by asset or share disposition or otherwise) at any time during the relevant period of calculation, or the assets cease to be owned by a Note Party, such Material Disposition shall be deemed to have been made on and as of the first day of such calculation period, provided further that prior to making any adjustment to EBITDA for such acquisitions or dispositions, the Company must have first delivered to the holders all such relevant information in such detail as reasonably required by the Required Holders (including supporting financial statements) relating to the acquisition or disposition certified by the president, chief executive officer, chief operating officer, chief financial officer or vice president-finance of the Company, and the Required Holders, acting reasonably, must have approved same and shall provide notice of this approval or non-approval within 15 days of receiving all of the requisite information.

"**EBITDA/Interest Expense Ratio**" means, as at the end of a fiscal quarter, the ratio of EBITDA to Interest Expense for the 12 months ending at the end of such fiscal quarter.

"**Engineering Report**" means a report on the reserves of Petroleum Substances attributable to the Property of the Company the Material Subsidiaries (in form and substance satisfactory to the Required Holders, acting reasonably) prepared either by the internal petroleum engineers of the Company ("**internal report**") or, if required by the Required Holders, an Independent Engineer ("**external report**"), and such external report shall, as of the date of such report, include the following and such internal report shall, as of the date of such report, include, if and to the extent requested by the Required Holders, acting reasonably, some or all of the following: anticipated rates of production, shrinkage and reinjection of Petroleum Substances; Crown, freehold and overriding royalties and freehold mineral taxes with respect to Petroleum Substances produced from or attributable to such Property; production, revenue, value-added, wellhead or severance taxes, imposts or levies with respect to Petroleum Substances produced from or attributable to such Property; operating costs; gathering, transporting, processing, marketing and storage fees payable with respect to Petroleum Substances produced from or attributable to such Property; capital expenditures expected to be necessary to achieve anticipated rates of production; and net cash flow with respect to such Property; but not, for greater certainty, any overhead recoveries or operators' fees or charges from third parties.

"**Environmental Certificate**" means a certificate of the Company signed on its behalf by the president, chief executive officer, chief operating officer or chief financial officer, substantially in the form prescribed by the Credit Agreement for delivery by the Company to the Lenders.

"**Environmental Claims**" means any and all administrative, regulatory or judicial actions, suits, demands, claims, liens, notices of non-compliance or violation, investigations, inspections, inquiries or proceedings relating in any way to any Environmental Laws or to any permit issued under any such Environmental Laws including:

(a) any claim by a Governmental/Judicial Body for enforcement, clean-up, removal, response, remedial or other actions or damages pursuant to any Environmental Laws; and

(b) any claim by a Person seeking damages, contribution, indemnification, cost recovery, compensation or injunctive or other relief resulting from or relating to Hazardous Materials, including any Release thereof, or arising from alleged injury or threat of injury to human health or safety (arising from environmental matters) or the environment.

"**Environmental Laws**" means all applicable federal, provincial, regional, municipal or local laws, including those at common law or in equity, with respect to the environment or environmental or occupational health and safety matters contained in statutes, regulations, rules, ordinances, orders judgments, approvals, notices, permits or policies, guidelines or directives having the force of law.

"**ERISA**" means the U.S. Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

"**ERISA Affiliate**" means any trade or business (whether or not incorporated) that is treated as a single employer together with the Company under section 414 of the Code.

"**Event of Default**" is defined in Section 11.

"**Exchange Act**" means the U.S. Securities and Exchange Act of 1934, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

"**Excluded Property**" means the 10% limited partnership interest by Whitecap Energy Inc. in Trident Limited Partnership**.**

"**Facilities Disposition**" is defined in the definition of Rental Agreement in this Schedule B.

"**Financial Instrument**" means any Interest Hedging Agreement, Currency Hedging Agreement or Commodity Agreement.

"**Financial Instrument Demand for Payment**" means a demand or notice made pursuant to a Financial Instrument demanding payment of Financial Instrument Obligations and shall include any notice under any agreement evidencing a Financial Instrument which, when delivered, would require an early termination thereof and a payment by the Company or a Material Subsidiary in settlement of obligations thereunder as a result of such early termination.

"**Financial Instrument Obligations**" means all indebtedness, liabilities and obligations (including contingent obligations and liabilities) of the Company or a Material Subsidiary arising under any Financial Instrument entered into by the Company or a Material Subsidiary.

"**Financing Leases**" means leases of the Company or any Material Subsidiaries which are, in the opinion of the Required Holders, acting reasonably, in the nature of financing transactions.

"**GAAP**" means generally accepted accounting principles which are in effect from time to time in Canada, which as of the date hereof is IFRS.

"**Governmental/Judicial Body**" means:

(a) any government, parliament or legislature, any regulatory or administrative authority, agency, commission or board and any other statute, rule or regulation making entity having jurisdiction in the relevant circumstances,

(b) any Person acting under the authority of any of the foregoing or under a statute, rule, policy or regulation thereof, and

(c) any judicial, administrative or arbitral court, authority, tribunal or commission having jurisdiction in the relevant circumstances.

"**Governmental Official**" means any governmental official or employee, employee of any government-owned or government-controlled entity, political party, any official of a political party, candidate for political office, official of any public international organization or anyone else acting in an official governmental capacity.

"**Hazardous Materials**" means any substance or mixture of substances which, if Released, would likely cause, immediately or at some future time, harm or degradation to the environment or to human health or safety and includes any substance determined to be a pollutant, contaminant, waste, hazardous waste, hazardous chemical, hazardous substance, toxic substance or dangerous good under any Environmental Laws.

"**Hedging Obligations**" means the Financial Instrument Obligations to a Lender or its Hedging Affiliate (as that term is defined in the Credit Agreement) pursuant to (i) one or more Financial Instruments but only to the extent such Financial Instruments constituted on the date on which they were entered, Permitted Hedging.

"**holder**" means, with respect to any Note, the Person in whose name such Note is registered in the register maintained by the Company pursuant to Section 14.1, provided, however, that if such Person is a nominee, then for the purposes of Sections 7, 12, 18.2 and 19 and any related definitions in this Schedule A, "holder" shall mean the beneficial owner of such Note whose name and address appears in such register.

"**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 but only to the extent the same are adopted by CPA Canada as GAAP in Canada and then subject to such modifications thereto as are agreed by CPA Canada.

"**Imposed Taxes**" is defined in Section 5.9.

"***Income Tax Act* (Canada)**" means the *Income Tax Act*, R.S.C. 1985 (5th Supp.), c. 1, including the regulations made and, from time to time, in force under that Act.

"**Indemnified Parties**" has the meaning attributed to it in Section 9.13.

"**Institutional Accredited Investor**" means an institutional "accredited investor" (as such term is defined in Rule 501 (a)(1), (2), (3) or (7) of Regulation D promulgated under the Securities Act, or any successor law, rule or regulation).

"**Institutional Investor**" means (a) any Purchaser of a Note, (b) any holder of a Note holding (together with one or more of its Affiliates) more than five percent of the aggregate principal amount of the Notes then outstanding, (c) any bank, trust company, savings and loan association or other financial institution, any pension plan, any investment company, any insurance company, any broker or dealer, or any other similar financial institution or entity, regardless of legal form, and (d) any Related Fund of any holder of any Note.

"**Intercorporate Indebtedness**" means indebtedness as between: (i) the Company and a Material Subsidiary; or (ii) a Material Subsidiary and another Material Subsidiary, provided that in each case the Company and Material Subsidiary has executed and delivered Security to the Collateral Agent for the benefit of the Secured Parties over all of the Property of the Company or the Material Subsidiary, as applicable, that ranks as a first charge (subject to Permitted Encumbrances) for the benefit of the Secured Parties.

"**Intercreditor Agreement**" means the Amended and Restated Collateral Agency and Intercreditor Agreement dated as of the date hereof, to which, among others, the Purchasers, the holders, the Collateral Agent and the Lenders (or their duly authorized agent) are parties.

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

(a) all interest accrued or payable in respect of such period, including capitalized interest and imputed interest with respect to lease obligations included as Debt;

(b) all fees (including standby and commitment fees, acceptance fees in respect of bankers' acceptances and fees payable in respect of letters of credit, letters of guarantee and similar instruments) accrued or payable in respect of such period, prorated (as required) over such period;

(c) any difference between the face amount and the discount proceeds of any bankers' acceptances, commercial paper and other obligations issued at a discount, prorated (as required) over such period;

(d) the aggregate of all purchase discounts relating to the sale of accounts receivable in connection with any asset securitization program; and

(e) all net amounts charged or credited to interest expense under any Interest Hedging Agreement in respect of such period.

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

"**Lenders**" means the financial institutions that are parties to the Credit Agreement as "Lenders" and who are identified as a "Lender" in Annex II attached to the Intercreditor Agreement, and their "Hedging Affiliates" as that term is defined in the Credit Agreement, and who are on the date hereof bound by the Intercreditor Agreement or who hereafter become bound by the Intercreditor Agreement as provided in Section 21 thereof (Assignees), with their respective successors and assigns.

"**Make-Whole Amount**" is defined in Section 8.8.

"**Material**" means material in relation to the business, operations, affairs, financial condition, Properties or prospects of the Company and its Material Subsidiaries taken as a whole.

"**Material Acquisition**" means an acquisition by a Note Party of (a) shares or other ownership interests in a Person who becomes a Subsidiary of the Company or (b) any other assets which increases the Consolidated Tangible Assets of the Company, as shown on the then most current consolidated financial statements of the Company, by more than five percent.

"**Material Adverse Effect**" means any matter, event or circumstance which individually or in the aggregate has a material adverse effect on:

(a) the business, financial condition, operations or assets of the Company and Material Subsidiaries on a consolidated basis and taken as a whole;

(b) the ability of the Company to pay or perform its obligations under the Notes or the ability of the Company or any Material Subsidiary to pay or perform any of its obligations or contingent obligations under any Note Document;

(c) the validity or enforceability of this Agreement or any other Note Document; or

(d) the priority ranking of any Security Interests granted by the Note Documents or the rights or remedies intended or purported to be granted to the holders and the Collateral Agent under or pursuant to the Note Documents.

"**Material Credit Facility**" means, as to the Company and its Subsidiaries,

(a) the Credit Agreement; and

(b) any other agreement(s) creating or evidencing indebtedness for borrowed money entered into on or after the date of Closing by the Company or any Subsidiary, or in respect of which the Company or any Subsidiary is an obligor or otherwise provides a guarantee or other credit support ("**Loan Facility**"), in a principal amount outstanding or available for borrowing equal to or greater than U.S. $50,000,000 (or the equivalent of such amount in the relevant currency of payment, determined as of the date of the closing of such facility based on the exchange rate of such other currency); and if no Loan Facility or Loan Facilities equal or exceed such amounts, then the largest Loan Facility shall be deemed to be a Material Credit Facility.

"**Material Disposition**" means a sale, transfer or other disposition by a Note Party of (a) shares or other ownership interests in a Subsidiary of the Company or (b) any other assets which, in each case, decreases the Consolidated Tangible Assets of the Company, as shown on the then most current consolidated financial statements of the Company, by more than five percent.

"**Material Subsidiary**" means each direct or indirect wholly-owned Subsidiary of the Company (a) that executes and delivers Security to the Collateral Agent for the benefit of the Secured Parties, (b) the total assets of which (determined in accordance with GAAP) exceeds five percent of the Company's Consolidated Tangible Assets, (c) the total revenue of which, on a consolidated basis, exceeds five percent of the total revenue of the Company on a consolidated basis, or (d) whose Property has been included in the determination of the Borrowing Base; and the Person referred to subclauses (b) to (d) above has executed and delivered Security to the Collateral Agent for the benefit of the Secured Parties pursuant to Section 9 over all of its Property that ranks as a first charge (subject to Permitted Encumbrances) over such Property for the benefit of the Secured Parties.

"**Maturity Date**" is defined in the first paragraph of each Note.

"**Multiemployer Plan**" means any Plan that is a "multiemployer plan" (as such term is defined in section 4001(a)(3) of ERISA).

"**NAIC**" means the National Association of Insurance Commissioners or any successor thereto.

"**Net Income**" means, for any fiscal period, the net income of the Company determined on a consolidated basis in accordance with GAAP, as set forth in such consolidated financial statements of the Company for such period.

"**Net Proceeds Amount**" means, with respect to any Disposition, an amount equal to the difference of:

(a) the aggregate amount of consideration (valued at the fair market value thereof by the Company in good faith) received by the Company or a Material Subsidiary in respect of such Disposition, minus

(b) all ordinary and reasonable out-of-pocket costs and expenses actually incurred by the Company or Material Subsidiary in connection with such Disposition.

"**Non-U.S. Plan**" means any plan, fund or other similar program that (a) is established or maintained in Canada or any other jurisdiction outside the United States of America by the Company or any Subsidiary primarily for the benefit of employees of the Company or one or more Subsidiaries residing outside the United States of America, which plan, fund or other similar program provides, or results in, retirement income, a deferral of income in contemplation of retirement or payments to be made upon termination of employment, and (b) is not subject to ERISA or the Code.

"**Note Documents**" means this Agreement, the Notes, the Subsidiary Guarantees, the Security, the Intercreditor Agreement and any other instruments or agreements entered into by the parties to the Agreement relating to the Notes or delivered by the Company or any Subsidiary pursuant to the terms of this Agreement.

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

"**Noteholder Sanctions Event**" means, with respect to any holder of a Note (an "**Affected Noteholder**"), such holder or any of its affiliates being in violation of or subject to sanctions (a) under any U.S. Economic Sanctions Laws or Canadian Economic Sanctions Laws as a result of the Company or any Controlled Entity becoming a Blocked Person or, directly or indirectly, having any investment in or engaging in any dealing or transaction (including any investment, dealing or transaction involving the proceeds of the Notes) with any Blocked Person or (b) under any similar laws, regulations or orders adopted by any State within the United States as a result of the name of the Company or any Controlled Entity appearing on a State Sanctions List.

"**Notes**" is defined in Section 1.

"**OFAC**" is defined in Section 5.16(a).

"**OFAC Listed Person**" is defined in Section 5.16(a).

"**OFAC Sanctions Program**" means any economic or trade sanction that OFAC is responsible for administering and enforcing. A list of OFAC Sanctions Programs may be found at http://www.ustreas.gov/offices/enforcement/ofac/programs/.

"**Officer's Certificate**" means a certificate of a Senior Financial Officer or of any other officer of the Company whose responsibilities extend to the subject matter of such certificate.

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

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

(a) rights to explore for, drill for and produce, take, save or market Petroleum Substances;

(b) rights to a share of the production of Petroleum Substances;

(c) rights to a share of the proceeds of, or to receive payments calculated by reference to the quantity or value of, the production of Petroleum Substances;

(d) rights to acquire any of the rights described in paragraphs (a) through (c) of this definition;

(e) interests in any rights described in paragraphs (a) through (d) of this definition; and

(f) all extensions, renewals, replacements or amendments of or to the foregoing items described in paragraphs (a) through (e) of this definition;

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

"**Payment**" is defined in Section 5.9.

"**PBGC**" means the U.S. Pension Benefit Guaranty Corporation referred to and defined in ERISA or any successor thereto.

"**Permitted Contest**" means action taken by the Company or a Material Subsidiary in good faith by appropriate proceedings diligently pursued to contest a Tax, claim or Security Interest, provided that:

(a) such Person has established reasonable reserves therefor in accordance with GAAP;

(b) proceeding with such contest does not have, and would not reasonably be expected to have, a Material Adverse Effect; and

(c) proceeding with such contest will not create a material risk of sale, forfeiture or loss of, or interference with the use or operation of, a material part of the Property of the Company or the Material Subsidiaries.

"**Permitted Disposition**" means, in respect of the Company or a Material Subsidiary any of the following:

(a) a sale or disposition by such Person of P&NG Rights (and related tangibles) resulting from any pooling, unit or farmout agreement entered into in the ordinary course of business and in accordance with sound industry practice when, in the reasonable judgment of such Person, it is necessary to do so in order to facilitate the orderly exploration, development or operation of such P&NG Rights provided that if such pooling, unitization or farmout is in respect of the Borrowing Base Properties, the economic interest of Company or Material Subsidiary resulting from such pooling, unitization or farmout does not materially reduce the Borrowing Base;

(b) a sale or disposition by such Person in the ordinary course of business and in accordance with sound industry practice of tangible personal property that is obsolete, no longer useful for its intended purpose or being replaced in the ordinary course of business;

(c) a sale or disposition by such Person of current production from P&NG Rights made in the ordinary course of business;

(d) a sale or disposition, as between: (i) the Company and a Material Subsidiary; or (ii) a Material Subsidiary and another Material Subsidiary; and

(e) abandonment or surrender of uneconomic Borrowing Base Properties in accordance with sound industry practice;

provided that: (i) any such sales or dispositions are (except in the case of (d) above) arms-length and at fair market value; (ii) no Borrowing Base Shortfall, Default or Event of Default has occurred and is continuing; (iii) any such sales or dispositions would not result in a Borrowing Base Shortfall, a Default or Event of Default.

"**Permitted Distributions**" means (a) Distributions to any of the Company and the Material Subsidiaries; (b) Distributions payable in common shares of the Company; and (c) each of (A) dividends to the common shareholders of the Company in the ordinary course of business ("**Dividends**") and (B) normal course issuer bids in accordance with applicable

securities laws with respect to less than, in the aggregate, 5% of the then outstanding common shares of the Company in any 12 month period ("**Normal Course Issuer Bids**"), where, in the case of Normal Course Issuer Bids, on each purchase date in respect thereof and, in the case of Dividends, both at the date of declaration and of payment of any such Dividend: (i) there is no Borrowing Base Shortfall; (ii) no Default or Event of Default has occurred which has not been cured or waived in accordance with this Agreement; and (iii) no Default or Event of Default would reasonably be expected to be caused by or result from such purchase, declaration or payment

"**Permitted Encumbrance**" means as at any particular time any of the following encumbrances on the property or any part of the property of the Company or any Material Subsidiary:

(a) Security Interests for taxes, assessments or governmental charges not at the time due or delinquent or, if due or delinquent, the validity of which is being contested at the time by a Permitted Contest;

(b) Security Interests arising in connection with worker's compensation, unemployment insurance, pension and employment laws not at the time due or delinquent or, if due or delinquent, the validity of which is being contested at the time by a Permitted Contest;

(c) public and statutory liens and similar liens arising by operation of law not at the time due or delinquent or, if due or delinquent, the validity of which is being contested at the time by a Permitted Contest,

(d) Security Interests under or pursuant to any judgment rendered, or claim filed, against the Company or Material Subsidiary, which the Company or Material Subsidiary shall be contesting at the time by a Permitted Contest;

(e) undetermined or inchoate liens and charges incidental to construction or current operations which have not at such time been filed pursuant to law against the Company or Material Subsidiary or which relate to obligations not due or delinquent or, if due or delinquent, the validity of which is being contested at the time by a Permitted Contest;

(f) easements, rights-of-way, servitudes or other similar rights in land (including, without in any way limiting the generality of the foregoing, rights-of-way and servitudes for railways, sewers, drains, gas and oil and other pipelines, gas and water mains, electric light and power and telecommunication, telephone or telegraph or cable television conduits, poles, wires and cables) granted to or reserved or taken by other Persons or other minor defects, encumbrances and restrictions which individually or in the aggregate do not materially detract from the value of the land concerned or materially impair its use in the operation of the business of the Company or a Material Subsidiary;

(g) Security Interests given by the Company or a Material Subsidiary to a public utility or any municipality or governmental or other public authority when required by such utility or municipality or other authority in connection with the operations of the Company or a Material Subsidiary, all in the ordinary course of its business which individually or in the

aggregate do not materially detract from the value of the asset concerned or materially impair its use in the operation of the business of the Company;

(h) the reservation in any original grants from the Crown of any land or interests therein and statutory exceptions to title;

(i) Security Interests in favour of the holders or in favour of the Collateral Agent on behalf of the Secured Parties;

(j) Security Interests in favour of the Lenders securing Hedging Obligations;

(k) the Security;

(l) Security Interests incurred or created in the ordinary course of business and in accordance with sound industry practice in respect of the exploration, development or operation of P&NG Rights, related production or processing facilities in which such Person has an interest or the transmission of Petroleum Substances as security in favour of any other Person conducting the exploration, development, operation or transmission of the property to which such liens relate, for the Company's or any Material Subsidiary's portion of the costs and expenses of such exploration, development, operation or transmission, provided that such costs or expenses are not due or delinquent or, if due or delinquent, the validity of which is being contested at the time by a Permitted Contest;

(m) Security Interests for penalties arising under non-participation or independent operations provisions of operating or similar agreements in respect of the Company's or any Material Subsidiary's P&NG Rights, provided that such liens do not materially detract from the value of any material part of the property of the Company or any such Material Subsidiary;

(n) any right of first refusal in favour of any Person granted in the ordinary course of business with respect to all of any of the P&NG Rights of the Company or any Material Subsidiary;

(o) any Security Interest or agreement entered into in the ordinary course of business relating to pooling or a plan of unitization affecting the property of the Company or a Material Subsidiary, or any part thereof, that is a Permitted Disposition;

(p) the right reserved or vested in any municipality or governmental or other public authority by the terms of any P&NG Leases in which the Company or a Material Subsidiary has any interest or by any statutory provision to terminate any P&NG Leases in which the Company or a Material Subsidiary has any interest, or to require annual or other periodic payments as a condition of the continuance thereof;

(q) obligations of the Company or a Material Subsidiary to deliver Petroleum Substances, chemicals, minerals or other products to buyers thereof in the ordinary course of business;

(r) royalties, net profits and other interests and obligations arising in accordance with standard industry practice and in the ordinary course of business, under P&NG Leases in which the Company or a Material Subsidiary have any interest;

(s) any Sale/Lease-Back or any Security Interests created, incurred or assumed to secure any Purchase Money Obligations or Capital Leases; provided that the Security Interests for the Purchase Money Obligations and Capital Leases are limited to the property or assets purchased or acquired and such assets and property do not comprise part of the assets used in determining the Borrowing Base, and the lease and any Security Interests in relation to the Sale/Lease-Back are limited to the property or assets sold and leased and such assets and property do not comprise part of the assets used in determining the Borrowing Base, and further provided that, the aggregate at any time of the obligations under all Sale/Lease-Backs, Purchase Money Obligations and Capital Leases shall not exceed the Threshold Amount;

(t) inchoate liens or any rights of distress reserved in or exercisable under any real property lease or sublease to which any Note Party is a lessee which secure the payment of rent or compliance with the terms of such lease or sublease, provided that such rent is not then overdue and such Note Party is then in compliance in all material respects with such terms;

(u) Security Interests granted by a Note Party to another Note Party if the same have been subordinated to the Security Interests of the Secured Parties;

(v) Security Interests on cash or marketable securities of any Note Party granted in connection with Financial Instruments which are Permitted Hedging (other than with Lenders for which the only security (including letters of credit) is the Security), provided:

(i) in respect of Commodity Agreements, such Security Interests only secure the obligations of any Note Party to deliver Petroleum Substances at a future date pursuant to such Commodity Agreement and the oil and gas properties of the Note Parties can reasonably be expected to produce sufficient Petroleum Substances in the ordinary course of business to fulfil such obligation;

(ii) the obligations secured by such Security Interests are not due or delinquent; and

(iii) the aggregate amount of cash or marketable securities so pledged or subjected to Security Interests does not exceed at any time an amount equal to the Threshold Amount;

(w) all such other claims and encumbrances as are specifically disclosed by notice in writing from the Company to the holders to the extent that the Required Holders, by specific notice in writing to the Company, consent to such claims and encumbrances as Permitted Encumbrances;

(x) the Rental Security Agreement; and

(y) the lease of the Rental Facilities (being in excess of one year) pursuant to the Rental Agreement.

"**Permitted Hedging**" means with respect to the Company and the Material Subsidiaries:

(a) each Interest Hedging Agreement (i) which has a term not exceeding 60 months, and (ii) where the amount hedged thereunder, determined at the time such Interest Hedging Agreement is entered into, does not, when taken together with the amounts hedged under all other Interest Hedging Agreements then in place, exceed 75% of the then existing Borrowing Base;

(b) each Currency Hedging Agreement (i) which has a term not exceeding 60 months, (ii) where the amount hedged thereunder, determined at the time such Currency Hedging Agreement is entered into, does not, when taken together with the amounts hedged under all other Currency Hedging Agreements then in place, exceed (A) for the first three years of such contract, 75% of the U.S. Dollar equivalent (calculated in accordance with the applicable provisions of the Credit Agreement) of the aggregate revenue received by the Note Parties during the then immediately preceding fiscal quarter for which a Compliance Certificate has been delivered hereunder, and (B) for the fourth and fifth year of such contract, 50% of the U.S. Dollar equivalent (calculated in accordance with the applicable provisions of the Credit Agreement) of the aggregate revenue received by the Note Parties during the then immediately preceding fiscal quarter for which a Compliance Certificate has been delivered hereunder; and

(c) each Commodity Agreement (i) which has a term not exceeding 60 months, and (ii) where the aggregate amounts of the commodities affected under all outstanding Commodity Agreements (excluding cash paid puts), including the Commodity Agreement being entered into, determined at the time such Commodity Agreement is entered into, do not exceed (A) 75% of the Average Daily Production for the first three years of such contract, and (B) 50% of the Average Daily Production for the fourth and fifth year of such contract,

provided that any such Financial Instrument was not entered into for speculative purposes.

"**Permitted Indebtedness**" means, with respect to the Company and the Material Subsidiaries:

(a) the indebtedness of the Company and Material Subsidiaries under the Credit Agreement, the Documents (as that term is defined in the Credit Agreement as at the date hereof), the Notes and the other Note Documents;

(b) the indebtedness of the Company and Material Subsidiaries under the Shelf Agreement, the Note Documents (as that term is defined in the Shelf Agreement as at the date hereof), the Shelf Notes, the Note Documents (as that term is defined in the 3.54% Note Agreement as at the date hereof), the 3.54% Notes and the other Note Documents;

(c) Financial Instrument Obligations so long as they are in respect of Permitted Hedging;

(d) Intercorporate Indebtedness;

(e) the indebtedness secured by Permitted Encumbrances subject, if applicable, to any maximum amounts set out in the definition of "Permitted Encumbrances";

(f) unsecured indebtedness of the Company under Permitted Subordinated Convertible Debentures, provided that such indebtedness has first been subordinated to the Secured Obligations on terms and conditions satisfactory to the Required Holders; and

(g) all other unsecured indebtedness (other than indebtedness for borrowed money which for the purposes hereof shall include Financing Leases) incurred by the Company and Material Subsidiaries in the ordinary course of business, without breach of this Agreement and without creating a Default, Event of Default or Borrowing Base Shortfall, and provided the same is not past due and payable unless the Company or a Material Subsidiary is in good faith contesting the same without otherwise creating a Default, Event of Default or Borrowing Base Shortfall.

"**Permitted Investments**" means any one or more of the following investments, provided that such investments at the time of purchase have a remaining term to maturity of 90 days or less:

(a) direct obligations issued or unconditionally guaranteed by the Government of Canada or issued by any agency or instrumentality thereof and backed by the full faith and credit of the Government of Canada;

(b) demand deposits at, or certificates of deposit, time deposits or bankers' acceptances issued by, any chartered bank or any other domestic or foreign financial institution with a combined capital surplus of at least Cdn. $1,000,000,000 and whose long term unsecured and unguaranteed debt is rated at least A+ by Standard & Poor's or at least Al by Moody's Investors Service;

(c) direct obligations of any province of Canada, of any agency or instrumentality of any province of Canada whose long term credit rating is at least A by Standard & Poor's or at least A2 by Moody's Investors Service;

(d) commercial paper rated at the time of the purchase thereof is at least A-1+ by Standard & Poor's or at least P-1 or the equivalent by Moody's Investors Service; and

(e) other investment grade instruments consented to by the Required Holders.

"**Permitted Subordinated Convertible Debentures**" means any unsecured convertible subordinated debentures or notes created, issued or assumed by the Company which have all of the following characteristics:

(a) an initial final maturity or due date in respect of repayment of principal extending beyond the latest maturity date of any Note outstanding at the time such debentures or notes are created, issued or assumed;

(b) no scheduled or mandatory payment or repurchase of principal thereunder (other than acceleration following an event of default in regard thereto or payment which can be

satisfied by the delivery of common shares of the Company as contemplated in paragraph (e) of this definition and other than on a change of control of the Company where a Change of Control also occurs by reason of the definition thereof in this Agreement) prior to the latest maturity date of any Note outstanding at the time such debentures or notes are created, issued or assumed;

(c) upon and during the continuance of a Default, an Event of Default or acceleration of any Secured Obligations which has not been rescinded, or the enforcement of the rights and remedies of the holders hereunder or under any other Note Documents, (i) all amounts payable in respect of principal, premium (if any) or interest under such debentures or notes are subordinate and junior in right of payment to all Secured Obligations, and (ii) no enforcement steps or enforcement proceedings may be commenced in respect of such debentures or notes;

(d) upon distribution of the assets of any Note Party on any dissolution, winding up, liquidation or reorganization of a Note Party (whether in bankruptcy, insolvency or receivership proceedings or upon an assignment for the benefit of creditors or any other marshalling of the assets and liabilities of such Note Party, or otherwise), all Secured Obligations shall first be paid in full, or provisions, acceptable to the Required Holders, be made for such payment, before any payment is made on account of principal, premium (if any) or interest payable in regard to such debentures or notes;

(e) so long as no default has occurred in respect of such debentures or notes and provided the Company is in compliance with all applicable securities laws and such common shares are qualified for distribution as required and listed on the Toronto Stock Exchange or another national securities exchange, then any and all payments of interest and principal due and payable under such debentures or notes from time to time can be satisfied, at the option of the Company, by delivering common shares of the Company in accordance with the indenture or agreement governing such debentures or notes (whether such common shares are received by the holders of such debentures or notes as payment or are sold by a trustee or representative under such indenture or agreement to provide cash for payment to holders of such debentures or notes), or both; and

(f) the occurrence of a Default or Event of Default hereunder, the acceleration of any Secured Obligations, or the enforcement of the rights and remedies of the holders hereunder or under any other Note Document shall not in and of themselves: (A) cause a default or event of default (with the passage of time or otherwise) under such debentures or notes or any indenture governing same; or (B) cause or permit the obligations under such debentures or notes to be due and payable prior to the stated maturity thereof (provided that such debentures or notes may provide for a cross-acceleration where such cross-acceleration is by reference to a minimum principal amount of indebtedness).

"**Person**" means and includes an individual, a partnership, a corporation, a joint stock company, a trust, an unincorporated association, a joint venture or other entity or a government or any agency or political subdivision thereof.

"**Petroleum Substances**" means crude oil, crude bitumen, synthetic crude oil, petroleum, natural gas, natural gas liquids, related hydrocarbons and any and all other

substances, whether liquid, solid or gaseous, whether hydrocarbons or not, produced or producible in association with any of the foregoing, including hydrogen sulphide and sulphur.

"**Plan**" means an "employee benefit plan" (as defined in section 3(3) of ERISA) subject to Title I or Title IV of ERISA that is or, within the preceding five years, has been established or maintained, or to which contributions are or, within the preceding five years, have been made or required to be made, by the Company or any ERISA Affiliate or with respect to which the Company or any ERISA Affiliate may have any liability.

"**Property**" means, in respect of any Person, its property, assets and undertaking for the time being, both real and personal, tangible and intangible.

"**PTE**" is defined in Section 6.2.

"**Purchase Money Obligation**" means any monetary obligation created or assumed as part of the purchase price of real or tangible personal property, whether or not secured, any extensions, renewals or refundings of any such obligation, provided that the principal amount of such obligation outstanding on the date of such extension, renewal or refunding is not increased and further provided that any security given in respect of such obligation shall not extend to any property other than the property acquired in connection with which such obligation was created or assumed, fixed improvements, if any, erected or constructed thereon, and any proceeds of the foregoing and such assets and property do not comprise part of the assets used in determining the Borrowing Base.

"**Purchaser**" is defined in the addressee line to this Agreement, provided, however, that any Purchaser of a Note that ceases to be the registered holder or a beneficial owner (through a nominee) of such Note as the result of a transfer thereof pursuant to Section 14.2 shall cease to be included within the meaning of "Purchaser" of such Note for the purposes of this Agreement upon such transfer.

"**Qualified Institutional Buyer**" means any Person who is a "qualified institutional buyer" within the meaning of such term as set forth in Rule 144A(a)(1) under the Securities Act.

"**Rejection Notice**" is defined in Section 8.3.

"**Related Fund**" means, with respect to any holder of any Note, any fund or entity that (a) invests in Securities or bank loans, and (b) is advised or managed by such holder, the same investment advisor as such holder or by an affiliate of such holder or such investment advisor.

"**Release**" means any release, spill, emission, leak, pumping, injection, deposit, disposal, discharge, dispersal, leaching or migration into the environment of Hazardous Materials including the movement of Hazardous Materials through ambient air, soil, surface water, ground water, wetlands, land or sub-surface strata.

"**Relevant Amount**" is defined in Section 23.2.

"**Rental Agreement**" means the rental agreement between the Company, Whitecap Resources Partnership and Stream Asset Financial Brunswick LP dated February 11, 2014 pursuant to which each of the Company and Whitecap Resources Partnership, as applicable, have, among other things, assigned, transferred and conveyed to Stream Asset Financial Brunswick LP (the "**Facilities Disposition**") their beneficial right, title and interest in and to the Facilities (as defined in the Rental Agreement) and all present and future contractual rights related thereto, including, subject to Section 7.4 of the Rental Agreement, any third party agreements to process and transport petroleum, natural gas and natural gas liquids, and related hydrocarbons produced in association with any of the foregoing through such facilities (collectively, the "**Rental Facilities**").

"**Rental Agreement Security**" means the security granted by the Company and Whitecap Resources Partnership in favour of Stream Asset Financial Brunswick LP, as security for their obligations under the Rental Agreement, in the Petroleum Substances that are processed or transported through the Rental Facilities and the proceeds from the sales thereof up to the amount owing by the Company and Whitecap Resources Partnership, as applicable, plus interest at the rate provided in the Rental Agreement (together with all amendments, modifications, supplements or replacements, if any, from time to time made thereto, and any other security documents granted to Stream Asset Financial Brunswick LP from time to time pursuant to Section 7.3 of the Rental Agreement.

"**Rental Facilities**" is defined in the definition of Rental Agreement in this Schedule B.

"**Required Holders**" means, at any time, the holders of a majority of the principal amount of the Notes at the time outstanding (exclusive of Notes then owned by the Company or any of its Affiliates).

"**Responsible Officer**" means any Senior Financial Officer and any other officer of the Company with responsibility for the administration of the relevant portion of this Agreement.

"**Sale/Lease-Back**" means any arrangement with any Person providing for the leasing of property by a Note Party which property has been or is to be sold or transferred to such Person by a Note Party, provided that the Stream Transaction shall be deemed not to be a Sale/Lease-Back transaction for the purposes of this Agreement.

"**Sanctions Prepayment Date**" is defined in Section 8.4(a).

"**Sanctions Prepayment Offer**" is defined in Section 8.4(a).

"**Sanctions Prepayment Response Date**" is defined in Section 8.4(a).

"**SEC**" means the Securities and Exchange Commission of the United States, or any successor thereto.

"**Security**" means collectively, all security and documents granted or required pursuant to Section 9, including the Security listed in Section 9.9, any additional Security

required from Material Subsidiaries from time to time pursuant to Section 9.10 and any matching Security required by the Company and Material Subsidiaries pursuant to Section 9.11, and all amendments, extensions, renewals and replacements thereof from time to time.

"**Security Interest**" means mortgages, charges, pledges, liens, hypothecs, assignments by way of security, conditional sales or other title retentions, security created under the *Bank Act* (Canada), liens, encumbrances, security interests or other interests in property, howsoever created or arising, whether fixed or floating, perfected or not, which secure payment or performance of an obligation and, including, in any event, (a) rights of set-off created for the purpose of securing (directly or indirectly) any indebtedness, (b) the rights of lessors under Capital Leases and any other lease financing, and (c) absolute assignments of accounts receivable, but excluding the rights of lessors under operating leases (as determined under GAAP as in effect at December 31, 2010).

"**Securities**" or "**Security**" shall have the meaning specified in Section 2(1) of the Securities Act.

"**Secured Obligations**" is defined in the Intercreditor Agreement.

"**Secured Parties**" means the holders, the Lenders, the Shelf Noteholders, the 3.54% Noteholders and the Collateral Agent who are parties from time to time to, or are bound by, the Intercreditor Agreement.

"**Securities Act**" means the U.S. Securities Act of 1933, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

"**Senior Financial Officer**" means the chief financial officer, principal accounting officer, vice president finance, treasurer or comptroller of the Company.

"**Senior Debt**" means the principal amount of the Secured Obligations.

"**Shelf Agreement**" means the Note Purchase and Private Shelf Agreement dated January 5, 2017 between the Company, PGIM, Inc., the purchasers of the Company's Series A Notes thereunder, and each other affiliate of PGIM, Inc. which at any time after January 5, 2017 becomes bound thereto as therein provided, as amended by Amendment No. 1 to Note Purchase and Private Shelf Agreement dated May 31, 2017 and Amendment No. 2 to Note Purchase and Private Shelf Agreement dated December 20, 2017 and as further amended or restated from time to time.

"**Shelf Noteholders**" means the holders from time to time of the Shelf Notes.

"**Shelf Notes**" means the Series A Notes issued by the Company pursuant to the Shelf Agreement and any other notes of any series authorized and issued by the Company under the Shelf Agreement from time to time as provided in the Shelf Agreement.

"**State Sanctions List**" means a list that is adopted by any state Governmental Judicial Body within the United States of America pertaining to Persons that engage in

investment or other commercial activities in Iran or any other country that is a target of economic sanctions imposed under U.S. Economic Sanctions Laws.

"**Stream Transaction**" means the disposition and rental transaction effected pursuant to the Facilities Disposition and the Rental Agreement.

"**Subsidiary**" means:

(a) any corporation of which at least a majority of the outstanding shares having by the terms thereof ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether at the time shares of any other class or classes of such corporation might have voting power by reason of the happening of any contingency, unless the contingency has occurred and then only for as long as it continues) is at the time directly, indirectly or beneficially owned or controlled by the Company, or one or more of its Subsidiaries, or any combination thereof;

(b) any partnership of which, at the time, the Company or one or more of its Subsidiaries, or any combination thereof:

(i) directly, indirectly or beneficially own or control at least 50% of the income, capital, beneficial or ownership interest (however designated) thereof; and

(ii) is a general partner or is a partner who has authority to bind the partnership; or

(c) any other Person of which at least a majority of the income, capital, beneficial or ownership interests (however designated) are at the time directly, indirectly or beneficially owned or controlled by the Company or one or more of its Subsidiaries, or any combination thereof.

"**Subsidiary Guarantee**" means a guarantee substantially in the form of Exhibit 9.10 provided or to be provided by Material Subsidiaries of the Company from time to time as required by this Agreement.

"**SVO**" means the Securities Valuation Office of the NAIC or any successor to such Office.

"**Taxes**" means all taxes, levies, imposts, value added taxes, goods and services taxes, stamp taxes, duties, deductions, withholdings and similar impositions payable, levied, collected, withheld or assessed as of the date of this Agreement or at any time in the future under applicable laws and all interest and penalties thereon, and "**Tax**" shall have a corresponding meaning.

"**Tax Prepayment Notice**" is defined in Section 8.3.

"**Taxing Jurisdiction**" is defined in Section 13.

"**Threshold Amount**" means an amount in Canadian Dollars equal to the lesser of:

(a) for so long as the Lenders make reference to a Borrowing Base to establish a limit on the amount of credit available under the Credit Agreement, five percent of the most recently determined or redetermined Borrowing Base under the Credit Agreement, and

(b) **[Threshold amount redacted]**; provided that if, in connection with the elimination of a Borrowing Base as a limit on the amount of credit available under the Credit Agreement, the Company and the lenders under the Credit Agreement agree to a lower amount(s) than **[Threshold amount redacted]** for the purposes of the corresponding threshold amount(s) in any particular case where the phrase "Threshold Amount" is used in this Agreement, the Company and the holders agree to amend this Agreement (in the manner contemplated in Section 10.14) to conform such dollar amount(s) to the corresponding lower dollar amount(s) in the Credit Agreement.

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

"**U.S. Economic Sanctions Laws**" means those laws, executive orders, enabling legislation or regulations administered and enforced by the United States pursuant to which economic sanctions have been imposed on any Person, entity, organization, country or regime, including the U.S. Trading with the Enemy Act, the U.S. International Emergency Economic Powers Act, the U.S. Iran Sanctions Act, the U.S. Sudan Accountability and Divestment Act and any other OFAC Sanctions Program.

"**USA PATRIOT Act**" means United States Public Law 107-56, Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

"**Voting Shares**" means:

(a) in respect of a corporation or limited liability company, shares of any class or equity ownership interests of such entity:

(i) carrying voting rights in all circumstances; or

(ii) which carry the right to vote conditional on the happening of an event if such event shall have occurred and be continuing;

provided that subparagraph (ii) above shall not include voting rights created solely by statute, such as those rights created pursuant to section 183(4) of the *Business Corporations Act* (Alberta) as in effect on the date hereof;

(b) in respect to a trust, trust units of the trust:

(i) carrying voting rights in all circumstances; or

(ii) which carry the right to vote conditional on the happening of an event if such event shall have occurred and be continuing;

(c) in respect to a partnership, the partnership interests or partnership units:

(i) carrying voting rights in all circumstances; or

(ii) which carry the right to vote conditional on the happening of an event if such event shall have occurred and be continuing.

SCHEDULE 5.3 TO NOTE PURCHASE AGREEMENT

DISCLOSURE MATERIALS

Consolidated financial statements for the Company for fiscal years ending 2012, 2013, 2014, 2015 and 2016.

Annual Reports for fiscal years 2012, 2013, 2014, 2015 and 2016.

Interim Reports for Q1 2017, Q2 2017 and Q3 2017.

SCHEDULE 5.4 TO NOTE PURCHASE AGREEMENT

SUBSIDIARIES OF THE COMPANY AND OWNERSHIP OF SUBSIDIARY STOCK

Name and Trade Names (if applicable)	**Jurisdiction of Formation**	**Material Subsidiary**	**Ownership**	**Location of Assets**
Whitecap Energy Inc.	Alberta	Yes	100% by the Company	N/A – No producing assets
Whitecap Resources Partnership	Alberta	Yes	1% by the Company; 99% by Whitecap Energy Inc., with the Company as its Managing Partner	Alberta British Columbia Saskatchewan

Affiliates of the Company (Section 5.4(a)(ii)):

For the purposes of Section 10.10 and the definition of "Distribution" herein, None

For all other purposes, Trident Limited Partnership

Directors and Senior Officers of the Company (Section 5.4(a)(iii)):

Directors:

Grant B. Fagerheim
Gregory S. Fletcher
Daryl H. Gilbert
Glenn A. McNamara
Stephen C. Nikiforuk
Kenneth S. Stickland
Grant A. Zawalsky
Heather Culbert

Senior Officers:

Grant B. Fagerheim – President & Chief Executive Officer
Joel M. Armstrong – VP Production & Operations
Daniel J. Christensen - VP Exploration
Darin R. Dunlop - VP Engineering
Thanh C. Kang - Chief Financial Officer

P. Gary Lebsack - VP Land
David M. Mombourquette - VP Business Development
Jeffery B. Zdunich - VP Finance & Controller

Agreements Restricting the Payment of Dividends or Distributions (Section 5.4(e)):

None.

SCHEDULE 5.5 TO NOTE PURCHASE AGREEMENT

FINANCIAL STATEMENTS

Consolidated financial statements for the Company for fiscal years ending 2012, 2013, 2014, 2015 and 2016.

Consolidated financial statements for the Company for the first, second and third fiscal quarters of 2014, 2015, 2016 and 2017.

SCHEDULE 5.15 TO NOTE PURCHASE AGREEMENT

EXISTING DEBT

Obligor	**Obligee**	**Principal Amount**	**Collateral**	**Guarantors**
The Company	The Lenders	**[Amount has been redacted]**	All Property	Whitecap Energy Inc. White Resources Partnership
The Company	The Shelf Noteholders	Cdn. $200,000,000	All Property	Whitecap Energy Inc. White Resources Partnership
The Company	The 3.54% Noteholders	Cdn.$200,000,000	All Property	Whitecap Energy Inc. White Resources Partnership

B. Agreements to Provide Security Interests (Section 5.15(b))

None

C. Agreements Restricting the Incurrence of Debt (Section 5.15(c))

The Credit Agreement

The Shelf Agreement

The 3.54% Note Agreement

EXHIBIT 1 TO NOTE PURCHASE AGREEMENT

[FORM OF NOTE]

THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**1933 ACT**"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION, AND MAY NOT BE SOLD OR TRANSFERRED, DIRECTLY OR INDIRECTLY, ABSENT REGISTRATION UNDER THE 1933 ACT OR PURSUANT TO AVAILABLE EXEMPTIONS THEREFROM.

UNLESS PERMITTED UNDER CANADIAN SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THIS SECURITY BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER December 20, 2017.

WHITECAP RESOURCES INC.

3.90% Senior Secured Note Due December 20, 2026

No. **[_____]**

[Date**]**

Cdn.$[_____] PPN **[PPN redacted]**

FOR VALUE RECEIVED, the undersigned, WHITECAP RESOURCES INC., a corporation organized and existing under the laws of Alberta (the "**Company**"), hereby promises to pay to [_____], or registered assigns, the principal sum of [_____] CANADIAN DOLLARS (or so much thereof as shall not have been prepaid) on December 20, 2026 (the "**Maturity Date**"), with interest (computed on the basis of a 360-day year of twelve 30-day months) (a) on the unpaid balance hereof at the rate of 3.90% per annum from the date hereof, payable semiannually, on the 20th day of June and the 20th day of December in each year, commencing with June 20, 2018, and on the Maturity Date, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law, on any overdue payment of interest and, during the continuance of an Event of Default, on such unpaid balance and on any overdue payment of any Make-Whole Amount, at a rate per annum from time to time equal to the greater of (i)**[Amount of fee has been redacted]**% or (ii) **[Amount of fee has been redacted]**% over the rate of interest publicly announced by National Bank of Canada as its prime rate for determining the interest rate it will charge for Canadian Dollar loans made by it in Canada, payable semiannually as aforesaid (or, at the option of the registered holder hereof, on demand).

Interest on this Note shall be computed on the basis of a 360-day year of twelve 30-day months. Solely for purpose of the *Interest Act* (Canada), the yearly rate of interest to which interest calculated for a period of less than one year on the basis of a year of 360 days

consisting of twelve 30-day periods is equivalent is such rate of interest multiplied by a fraction of which (i) the numerator is the product of (A) the actual number of days in the year commencing on the first day of such period, multiplied by (B) the sum of (y) the product of 30 multiplied by the number of complete months elapsed in such period and (z) the actual number of days elapsed in any incomplete month in such period; and (ii) the denominator is the product of (a) 360 multiplied by (b) the actual number of days in such period. All interest payable by the Company hereunder shall accrue from day to day, computed as described herein and shall be payable after as well as before maturity, demand, default and judgment. The theory of "deemed reinvestment" shall not apply to the computation of interest hereunder and no allowance, reduction or deduction shall be made for the deemed reinvestment of interest in respect of any payments hereunder. Calculation of interest hereunder shall be made using the nominal rate method, and not the effective rate method, of calculation.

Payments of principal of, interest on and any Make-Whole Amount with respect to this Note are to be made in lawful money of Canada at the principal office of the Company in Calgary, Alberta or at such other place as the Company shall have designated by written notice to the holder of this Note as provided in the Agreement referred to below.

This Note is one of a series of Senior Secured Notes (the "**Notes**") issued pursuant to the Note Purchase Agreement, dated as of December 20, 2017 (as from time to time amended, the "**Agreement**"), between, among others, the Company and the respective Purchasers named therein and is entitled to the benefits thereof. Each holder of this Note will be deemed, by its acceptance hereof, to have (i) agreed to the confidentiality provisions set forth in Section 21 of the Agreement and (ii) made the representation set forth in Section 6.2 of the Agreement. Unless otherwise indicated, capitalized terms used in this Note shall have the respective meanings ascribed to such terms in the Agreement.

This Note is a registered Note and, as provided in the Agreement, upon surrender of this Note for registration of transfer, accompanied by a written instrument of transfer duly executed by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the Person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

This Note is subject to optional prepayment, in whole or from time to time in part, at the times and on the terms specified in the Agreement, but not otherwise.

If an Event of Default occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including any applicable Make-Whole Amount) and with the effect provided in the Agreement.

This Note shall be construed and enforced in accordance with, and the rights of the Company and the holder of this Note shall be governed by, the law of the Province of Alberta excluding choice-of-law principles of the law of such Province that would permit the application of the laws of a jurisdiction other than such Province.

WHITECAP RESOURCES INC.

By: _____

Name:

Title:

EXHIBIT 4.4(A)(I) TO NOTE PURCHASE AGREEMENT

FORM OF OPINION OF SPECIAL U.S. COUNSEL TO THE COMPANY

[Form of opinion has been redacted]

EXHIBIT 4.4(A)(II) TO NOTE PURCHASE AGREEMENT

FORM OF OPINION OF SPECIAL ALBERTA COUNSEL TO THE COMPANY

[Form of opinion has been redacted]

EXHIBIT 4.4(B) TO NOTE PURCHASE AGREEMENT

FORM OF OPINION OF SPECIAL ALBERTA COUNSEL TO THE PURCHASERS

[Form of opinion has been redacted]

Exhibit 4.4(B)-2

Schedule A
to Opinion of Norton Rose Canada LLP

Secured Party	Registration Date	Registration Numbers	Collateral	Expiry Date
TSX Trust Company, as Collateral Agent	January 4, 2017	17010410518	All present and after-acquired personal property of the debtors.	January 4, 2027
TSX Trust Company, as Collateral Agent	January 4, 2017	17010410545	Land Charge	Infinity

EXHIBIT 9.9 TO NOTE PURCHASE AGREEMENT

FORM OF SUBSIDIARY GUARANTEE

GUARANTEE AGREEMENT

Dated as of [__]

of

[●]

Exhibit 9.9-2

GUARANTEE AGREEMENT

THIS GUARANTEE AGREEMENT, dated as of [__] (this "**Guarantee Agreement**"), is made by each of the undersigned (each a "**Guarantor**" and, together with each of the other signatories hereto and any other entities from time to time parties hereto pursuant to Section 13.1 hereof, the "**Guarantors**") in favor of the Purchasers (as defined below) and the other holders from time to time of the Notes (as defined below). The Purchasers and such other holders are herein collectively called the "**holders**" and individually a "**holder**."

PRELIMINARY STATEMENTS:

I. Whitecap Resources Inc., an Alberta corporation (the "**Company**"), has entered into a Note Purchase Agreement dated as of December 20, 2017 (as amended, modified, supplemented or restated from time to time, the "**Note Agreement**") with the Persons listed on the signature pages thereto (the "**Purchasers**"). *Capitalized terms used herein have the meanings specified in the Note Agreement unless otherwise defined herein.*

II. The Company has authorized the issuance, pursuant to the Note Agreement, of Cdn.$195,000,000 aggregate principal amount of senior promissory notes. Pursuant to such authorization, the Company has issued and sold Cdn. $195,000,000 aggregate principal amount of its 3.90% Senior Secured Notes due December 20, 2026 (including any notes issued in substitution therefor, collectively, the "**Notes**" and individually a "**Note**").

III. Pursuant to the Note Agreement, the Company is required to cause each Guarantor to deliver this Guarantee Agreement to the holders.

IV. Each Guarantor will receive direct and indirect benefits from the financing arrangements contemplated by the Note Agreement. The Board of Directors or other equivalent governing body of each Guarantor has determined that the incurrence of such obligations is in the best interests of such Guarantor.

NOW THEREFORE, in compliance with the Note Agreement, and in consideration of the execution and delivery of the Note Agreement and the purchase of the Notes by each of the Purchasers, each Guarantor hereby covenants and agrees with, and represents and warrants to, each of the holders as follows:

SECTION 1. GUARANTEE.

Each Guarantor hereby irrevocably, unconditionally and jointly and severally with the other Guarantors guarantees to each holder, the due and punctual payment in full of (a) the principal of, Make-Whole Amount, if any, and interest on (including, without limitation, interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding), and any other amounts due under, the Notes when and as the same shall become due and payable (whether at stated maturity or by required or optional prepayment or by acceleration or otherwise), and (b) any other sums which may become due under the terms and provisions of the Notes, the Note Agreement or any other Note Document

(all such obligations described in clauses (a) and (b) above, both present and future, are herein called the "**Guaranteed Obligations**"). The guarantee in the preceding sentence is an absolute, present and continuing guarantee of payment and not of collectibility and is in no way conditional or contingent upon any attempt to collect from the Company or any other guarantor of the Notes (including, without limitation, any other Guarantor hereunder) or upon any other action, occurrence or circumstance whatsoever. In the event that the Company shall fail so to pay any of such Guaranteed Obligations, each Guarantor agrees to pay the same when due to the holders entitled thereto, without demand, presentment, protest or notice of any kind, in lawful money of Canada, pursuant to the requirements for payment specified in the Notes, the Note Agreement and the other Note Documents. Each default in payment of any of the Guaranteed Obligations shall give rise to a separate cause of action hereunder and separate suits may be brought hereunder as each cause of action arises. Each Guarantor agrees that the Notes issued in connection with the Note Agreement may (but need not) make reference to this Guarantee Agreement.

Each Guarantor agrees to pay and to indemnify and save each holder harmless from and against any damage, loss, cost or expense (including attorneys' fees) which such holder may incur or be subject to as a consequence, direct or indirect, of (x) any breach by such Guarantor, by any other Guarantor or by the Company of any warranty, covenant, term or condition in, or the occurrence of any default under, this Guarantee Agreement, the Notes, the Note Agreement or any other Note Document, together with all expenses resulting from the compromise or defense of any claims or liabilities arising as a result of any such breach or default, (y) any legal action commenced to challenge the validity or enforceability of this Guarantee Agreement, the Notes, the Note Agreement or any other Note Document and (z) enforcing or defending (or determining whether or how to enforce or defend) the provisions of this Guarantee Agreement.

Each Guarantor hereby acknowledges and agrees that such Guarantor's liability hereunder is joint and several with the other Guarantors and any other Person(s) who may guarantee the obligations and Debt under and in respect of the Notes, the Note Agreement and the other Note Documents.

SECTION 2. OBLIGATIONS ABSOLUTE.

The obligations of each Guarantor hereunder shall be primary, absolute, irrevocable and unconditional, irrespective of the validity or enforceability of the Notes, the Note Agreement or any other Note Document, shall not be subject to any counterclaim, setoff, deduction or defense based upon any claim such Guarantor may have against the Company or any holder or otherwise, and shall remain in full force and effect without regard to, and shall not be released, discharged or in any way affected by, any circumstance or condition whatsoever (whether or not such Guarantor shall have any knowledge or notice thereof), including, without limitation: (a) any amendment to, modification of, supplement to or restatement of the Notes, the Note Agreement or any other Note Document (it being agreed that the obligations of each Guarantor hereunder shall apply to the Notes, the Note Agreement or any such other Note Document as so amended, modified, supplemented or restated) or any assignment or transfer of any thereof or of any interest therein, or any furnishing, acceptance or release of any security for the Notes or the addition, substitution or release of any other Guarantor or any other entity or other Person primarily or secondarily liable in respect of the Guaranteed Obligations; (b) any waiver, consent,

extension, indulgence or other action or inaction under or in respect of the Notes, the Note Agreement or any other Note Document; (c) any bankruptcy, insolvency, arrangement, reorganization, readjustment, composition, liquidation or similar proceeding with respect to the Company or its property; (d) any merger, amalgamation or consolidation of any Guarantor or of the Company into or with any other Person or any sale, lease or transfer of any or all of the assets of any Guarantor or of the Company to any Person; (e) any failure on the part of the Company for any reason to comply with or perform any of the terms of any other agreement with any Guarantor; (f) any failure on the part of any holder to obtain, maintain, register or otherwise perfect any security; or (g) any other event or circumstance which might otherwise constitute a legal or equitable discharge or defense of a guarantor (whether or not similar to the foregoing), and in any event however material or prejudicial it may be to any Guarantor or to any subrogation, contribution or reimbursement rights any Guarantor may otherwise have. Each Guarantor covenants that its obligations hereunder will not be discharged except by indefeasible payment in full in cash of all of the Guaranteed Obligations and all other obligations hereunder.

SECTION 3. WAIVER.

Each Guarantor unconditionally waives to the fullest extent permitted by law, (a) notice of acceptance hereof, of any action taken or omitted in reliance hereon and of any default by the Company in the payment of any amounts due under the Notes, the Note Agreement or any other Note Document, and of any of the matters referred to in Section 2 hereof, (b) all notices which may be required by statute, rule of law or otherwise to preserve any of the rights of any holder against such Guarantor, including, without limitation, presentment to or demand for payment from the Company or any Guarantor with respect to any Note, notice to the Company or to any Guarantor of default or protest for nonpayment or dishonor and the filing of claims with a court in the event of the bankruptcy of the Company, (c) any right to require any holder to enforce, assert or exercise any right, power or remedy including, without limitation, any right, power or remedy conferred in the Note Agreement, the Notes or any other Note Document, (d) any requirement for diligence on the part of any holder and (e) any other act or omission or thing or delay in doing any other act or thing which might in any manner or to any extent vary the risk of such Guarantor or otherwise operate as a discharge of such Guarantor or in any manner lessen the obligations of such Guarantor hereunder.

SECTION 4. OBLIGATIONS UNIMPAIRED.

Each Guarantor authorizes the holders, without notice or demand to such Guarantor or any other Guarantor and without affecting its obligations hereunder, from time to time: (a) to renew, compromise, extend, accelerate or otherwise change the time for payment of, all or any part of the Notes, the Note Agreement or any other Note Document; (b) to change any of the representations, covenants, events of default or any other terms or conditions of or pertaining to the Notes, the Note Agreement or any other Note Document, including, without limitation, decreases or increases in amounts of principal, rates of interest, the Make-Whole Amount or any other obligation; (c) to take and hold security for the payment of the Notes, the Note Agreement or any other Note Document, for the performance of this Guarantee Agreement or otherwise for the Debt guaranteed hereby and to exchange, enforce, waive, subordinate and release any such security; (d) to apply any such security and to direct the order or manner of sale thereof as the holders in their sole discretion may determine; (e) to obtain additional or substitute endorsers or

guarantors or release any other Guarantor or any other Person or entity primarily or secondarily liable in respect of the Guaranteed Obligations; (f) to exercise or refrain from exercising any rights against the Company, any Guarantor or any other Person; and (g) to apply any sums, by whomsoever paid or however realized, to the payment of the Guaranteed Obligations and all other obligations owed hereunder. The holders shall have no obligation to proceed against any additional or substitute endorsers or guarantors or to pursue or exhaust any security provided by the Company, such Guarantor or any other Guarantor or any other Person or to pursue any other remedy available to the holders.

If an event permitting the acceleration of the maturity of the principal amount of any Notes shall exist and such acceleration shall at such time be prevented or the right of any holder to receive any payment on account of the Guaranteed Obligations shall at such time be delayed or otherwise affected by reason of the pendency against the Company, any Guarantor or any other guarantors of a case or proceeding under a bankruptcy or insolvency law, such Guarantor agrees that, for purposes of this Guarantee Agreement and its obligations hereunder, the maturity of such principal amount shall be deemed to have been accelerated with the same effect as if the holder thereof had accelerated the same in accordance with the terms of the Note Agreement, and such Guarantor shall forthwith pay such accelerated Guaranteed Obligations.

SECTION 5. SUBROGATION AND SUBORDINATION.

(a) Each Guarantor will not exercise any rights which it may have acquired by way of subrogation under this Guarantee Agreement, by any payment made hereunder or otherwise, or accept any payment on account of such subrogation rights, or any rights of reimbursement, contribution or indemnity or any rights or recourse to any security for the Notes or this Guarantee Agreement unless and until all of the Guaranteed Obligations shall have been indefeasibly paid in full in cash.

(b) Each Guarantor hereby subordinates the payment of all Debt and other obligations of the Company or any other guarantor of the Guaranteed Obligations owing to such Guarantor, whether now existing or hereafter arising, including, without limitation, all rights and claims described in clause (a) of this Section 5, to the indefeasible payment in full in cash of all of the Guaranteed Obligations. If the Required Holders so request, any such Debt or other obligations shall be enforced and performance received by such Guarantor as trustee for the holders and the proceeds thereof shall be paid over to the holders promptly, in the form received (together with any necessary endorsements) to be applied to the Guaranteed Obligations, whether matured or unmatured, as may be directed by the Required Holders, but without reducing or affecting in any manner the liability of any Guarantor under this Guarantee Agreement.

(c) If any amount or other payment is made to or accepted by any Guarantor in violation of any of the preceding clauses (a) and (b) of this Section 5, such amount shall be deemed to have been paid to such Guarantor for the benefit of, and held in trust for the benefit of, the holders and shall be paid over to the holders promptly, in the form received (together with any necessary endorsements) to be applied to the Guaranteed Obligations, whether matured or unmatured, as may be directed by the Required Holders, but without reducing or affecting in any manner the liability of such Guarantor under this Guarantee Agreement.

(d) Each Guarantor acknowledges that it will receive direct and indirect benefits from the financing arrangements contemplated by the Note Agreement and that its agreements set forth in this Guarantee Agreement (including this Section 5) are knowingly made in contemplation of such benefits.

(e) Each Guarantor hereby agrees that, to the extent that a Guarantor shall have paid an amount hereunder to any holder that is greater than the net value of the benefits received, directly or indirectly, by such paying Guarantor as a result of the issuance and sale of the Notes (such net value, its "**Proportionate Share**"), such paying Guarantor shall, subject to Section 5(a) and 5(b), be entitled to contribution from any Guarantor that has not paid its Proportionate Share of the Guaranteed Obligations. Any amount payable as a contribution under this Section 5(e) shall be determined as of the date on which the related payment is made by such Guarantor seeking contribution and each Guarantor acknowledges that the right to contribution hereunder shall constitute an asset of such Guarantor to which such contribution is owed. Notwithstanding the foregoing, the provisions of this Section 5(e) shall in no respect limit the obligations and liabilities of any Guarantor to the holders of the Notes hereunder or under the Notes, the Note Agreement or any other document, instrument or agreement executed in connection therewith, and each Guarantor shall remain jointly and severally liable for the full payment and performance of the Guaranteed Obligations.

SECTION 6. REINSTATEMENT OF GUARANTEE.

This Guarantee Agreement shall continue to be effective, or be reinstated, as the case may be, if and to the extent at any time payment, in whole or in part, of any of the sums due to any holder on account of the Guaranteed Obligations is rescinded or must otherwise be restored or returned by a holder upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Company or any other guarantors, or upon or as a result of the appointment of a custodian, receiver, trustee or other officer with similar powers with respect to the Company or any other guarantors or any part of its or their property, or otherwise, all as though such payments had not been made.

SECTION 7. RANK OF GUARANTEE.

Each Guarantor will ensure that its payment obligations under this Guarantee Agreement will at all times rank at least *pari passu*, without preference or priority, with all other unsecured and unsubordinated Debt of such Guarantor now or hereafter existing.

SECTION 8. TAX INDEMNIFICATION; POWER OF ATTORNEY.

Each Guarantor acknowledges and agrees to the obligations with respect to tax indemnification contained in Section 13 of the Note Agreement. Each Guarantor shall ensure that the same obligations are fully complied with by each Guarantor in connection with this Guarantee Agreement and the other Note Documents to the same extent as if such Section 13 were set out herein *mutatis mutandis*.

Each Guarantor acknowledges and agrees to appointment of the Collateral Agent as its attorney pursuant to Section 9.8(g) of the Note Agreement to the same extent as if such Section

9.8(g) were set out herein *mutatis mutandis*.

SECTION 9. TERM OF GUARANTEE AGREEMENT.

This Guarantee Agreement and all guarantees, covenants and agreements of the Guarantors contained herein shall continue in full force and effect and shall not be discharged until such time as all of the Guaranteed Obligations and all other obligations hereunder shall be indefeasibly paid in full in cash and no additional Notes may be issued or sold under the Note Agreement, and shall be subject to reinstatement pursuant to Section 6.

SECTION 10. ENTIRE AGREEMENT.

This Guarantee Agreement and the other Note Documents embody the entire agreement and understanding between each holder and the Guarantors and supersede all prior agreements and understandings relating to the subject matter hereof.

SECTION 11. AMENDMENT AND WAIVER.

Section 11.1 REQUIREMENTS.

This Guarantee Agreement may be amended, and the observance of any term hereof may be waived (either retroactively or prospectively), with (and only with) the written consent of each Guarantor and the Required Holders, except that no amendment or waiver (a) of any of the provisions of Section 1, 2, 3, 4, 5, 6, 7, 8, 9 or 13.7 hereof, or any defined term (as it is used therein), or (b) which results in the limitation of the liability of any Guarantor hereunder will be effective as to any holder unless consented to by such holder in writing.

Section 11.2 SOLICITATION OF HOLDERS OF NOTES.

(a) *Solicitation.* Each Guarantor will provide each holder of the Notes (irrespective of the amount of Notes then owned by it) with sufficient information, sufficiently far in advance of the date a decision is required, to enable such holder to make an informed and considered decision with respect to any proposed amendment, waiver or consent in respect of any of the provisions hereof. Each Guarantor will deliver executed or true and correct copies of each amendment, waiver or consent effected pursuant to the provisions of this Section 11.2 to each holder promptly following the date on which it is executed and delivered by, or receives the consent or approval of, the requisite holders of Notes.

(b) *Payment.* The Guarantors will not directly or indirectly pay or cause to be paid any remuneration, whether by way of supplemental or additional interest, fee or otherwise, or grant any security or provide other credit support, to any holder as consideration for or as an inducement to the entering into by any holder of any waiver or amendment of any of the terms and provisions hereof unless such remuneration is concurrently paid, or security is concurrently granted or other credit support concurrently provided, on the same terms, ratably to each holder even if such holder did not consent to such waiver or amendment.

Section 11.3 BINDING EFFECT.

Any amendment or waiver consented to as provided in this Section 11 applies equally to all holders and is binding upon them and upon each future holder and upon each Guarantor without regard to whether any Note has been marked to indicate such amendment or waiver. No such amendment or waiver will extend to or affect any obligation, covenant or agreement not expressly amended or waived or impair any right consequent thereon. No course of dealing between a Guarantor and the holder nor any delay in exercising any rights hereunder or under any Note shall operate as a waiver of any rights of any holder. As used herein, the term "**this Guarantee Agreement**" and references thereto shall mean this Guarantee Agreement as it may be amended, modified, supplemented or restated from time to time.

Section 11.4 NOTES HELD BY THE COMPANY, ETC.

Solely for the purpose of determining whether the holders of the requisite percentage of the aggregate principal amount of Notes then outstanding approved or consented to any amendment, waiver or consent to be given under this Guarantee Agreement, or have directed the taking of any action provided herein to be taken upon the direction of the holders of a specified percentage of the aggregate principal amount of Notes then outstanding, Notes directly or indirectly owned by any Guarantor, the Company or any of their respective Affiliates shall be deemed not to be outstanding.

SECTION 12. NOTICES.

All notices and communications provided for hereunder shall be in writing and sent (a) by telecopy if the sender on the same day sends a confirming copy of such notice by a recognized overnight delivery service (charges prepaid), or (b) by registered or certified mail with return receipt requested (postage prepaid), or (c) by a recognized overnight delivery service (with charges prepaid). Any such notice must be sent:

(a) if to any Guarantor, to Whitecap Resources Inc., Suite 3800, 525 – 8th Avenue S.W., Calgary, Alberta T2P 1G1 or such other address as such Guarantor shall have specified to the holders in writing, or

(b) if to any holder, to such holder at the addresses specified for such communications set forth in Schedule A to the Note Agreement, or such other address as such holder shall have specified to the Company in writing.

SECTION 13. MISCELLANEOUS.

Section 13.1 SUCCESSORS AND ASSIGNS; JOINDER.

All covenants and other agreements contained in this Guarantee Agreement by or on behalf of any of the parties hereto bind and enure to the benefit of their respective successors and assigns whether so expressed or not. It is agreed and understood that any Person may become a Guarantor hereunder by executing a Guarantor Supplement substantially in the form of Exhibit A attached hereto and delivering the same to the holders. Any such Person shall thereafter be a "Guarantor" for all purposes under this Guarantee Agreement.

Section 13.2 SEVERABILITY.

Any provision of this Guarantee Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall (to the full extent permitted by law), not invalidate or render unenforceable such provision in any other jurisdiction.

Section 13.3 CONSTRUCTION.

Each covenant contained herein shall be construed (absent express provision to the contrary) as being independent of each other covenant contained herein, so that compliance with any one covenant shall not (absent such express contrary provision) be deemed to excuse compliance with any other covenant. Whether any provision herein refers to action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person.

The section and subsection headings in this Guarantee Agreement are for convenience of reference only and shall neither be deemed to be a part of this Guarantee Agreement nor modify, define, expand or limit any of the terms or provisions hereof. All references herein to numbered sections, unless otherwise indicated, are to sections of this Guarantee Agreement. Words and definitions in the singular shall be read and construed as though in the plural and *vice versa*, and words in the masculine, neuter or feminine gender shall be read and construed as though in either of the other genders where the context so requires.

Section 13.4 FURTHER ASSURANCES.

Each Guarantor agrees to execute and deliver all such instruments and take all such action as the Required Holders may from time to time reasonably request in order to effectuate fully the purposes of this Guarantee Agreement.

Section 13.5 GOVERNING LAW.

This Guarantee Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the Province of Alberta excluding choice-of-law principles of the law of such Province that would permit the application of the laws of a jurisdiction other than such Province.

Section 13.6 JURISDICTION AND PROCESS; WAIVER OF JURY TRIAL.

Each Guarantor irrevocably submits to the non-exclusive jurisdiction of the courts of the Province of Alberta over any suit, action or proceeding arising out of or relating to this Guarantee Agreement. To the fullest extent permitted by applicable law, each Guarantor irrevocably waives and agrees not to assert, by way of motion, as a defense or otherwise, any claim that it is not subject to the jurisdiction of any such court, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in any

such court and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

The Guarantors agree, to the fullest extent permitted by applicable law, that a final judgment in any suit, action or proceeding of the nature referred to in Section 13.6(a) brought in any such court shall be conclusive and binding upon it subject to rights of appeal, as the case may be, and may be enforced in the courts of the Province of Alberta (or any other courts to the jurisdiction of which it or any of its assets is or may be subject) by a suit upon such judgment.

Nothing in this Section 13.6 shall affect the right of any holder of a Note to serve process in any manner permitted by law, or limit any right that the holders may have to bring proceedings against a Guarantor in the courts of any appropriate jurisdiction or to enforce in any lawful manner a judgment obtained in one jurisdiction in any other jurisdiction.

THE GUARANTORS AND THE HOLDERS HEREBY WAIVE TRIAL BY JURY IN ANY ACTION BROUGHT ON OR WITH RESPECT TO THIS GUARANTEE AGREEMENT, THE NOTES OR ANY OTHER DOCUMENT EXECUTED IN CONNECTION HEREWITH OR THEREWITH.

Section 13.7 OBLIGATION TO MAKE PAYMENT IN CANADIAN DOLLARS.

Any payment on account of an amount that is payable under this Guarantee Agreement in Canadian Dollars which is made to or for the account of any holder of Notes in any other currency, whether as a result of any judgment or order or the enforcement thereof or the realization of any security or the liquidation of a Guarantor, shall constitute a discharge of the obligation of the Guarantor under this Guarantee Agreement only to the extent of the amount of Canadian Dollars which such holder purchases or could purchase in the foreign exchange markets in Toronto, Ontario, with the amount of such other currency in accordance with normal banking procedures at the rate of exchange prevailing on the Business Day following receipt of the payment first referred to above. If the amount of Canadian Dollars so purchased or that could be purchased is less than the amount of Canadian Dollars originally due to such holder, the Guarantor agrees to the fullest extent permitted by law, to indemnify and save harmless such holder from and against all loss or damage arising out of or as a result of such deficiency. This indemnity shall, to the fullest extent permitted by law, constitute an obligation separate and independent from the other obligations contained in the Note Documents, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by such holder from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due under the Note Documents or under any judgment or order.

Section 13.8 REPRODUCTION OF DOCUMENTS; EXECUTION.

This Guarantee Agreement may be reproduced by any holder by any photographic, photostatic, electronic, digital, or other similar process and such holder may destroy any original document so reproduced. Each Guarantor agrees and stipulates that, to the extent permitted by applicable law, any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not the original is in existence and whether or

not such reproduction was made by such holder in the regular course of business) and any enlargement, facsimile or further reproduction of such reproduction shall likewise be admissible in evidence. This Section 13.8 shall not prohibit any Guarantor or any other holder of Notes from contesting any such reproduction to the same extent that it could contest the original, or from introducing evidence to demonstrate the inaccuracy of any such reproduction. A facsimile or electronic transmission of the signature page of a Guarantor shall be as effective as delivery of a manually executed counterpart hereof and shall be admissible into evidence for all purposes.

IN WITNESS WHEREOF, each Guarantor has caused this Guarantee Agreement to be duly executed and delivered as of the date and year first above written.

[Name of Guarantor(s)]

By: _____
Name:
Title:

EXHIBIT A

GUARANTOR SUPPLEMENT

THIS GUARANTOR SUPPLEMENT (this "**Guarantor Supplement**"), dated as of [_____, 20__] is made by [_____], a [_____] (the "**Additional Guarantor**"), in favor of the holders from time to time of the Notes issued pursuant to the Note Agreement described below.

PRELIMINARY STATEMENTS:

I. Pursuant to the Note Purchase Agreement dated as of December 20, 2017 (as amended, modified, supplemented or restated from time to time, the "**Note Agreement**"), among Whitecap Resources Inc., an Alberta corporation (the "**Company**"), and the Persons listed on the signature pages thereto (the "**Purchasers**"), the Company has issued and sold Cdn. $195,000,000 aggregate principal amount of its 3.90% Senior Secured Notes due December 20, 2026 (including any notes issued in substitution therefor, collectively, the "**Notes**" and individually a "**Note**").

II. The Company is required pursuant to the Note Agreement to cause the Additional Guarantor to deliver this Guarantor Supplement in order to cause the Additional Guarantor to become a Guarantor under the Guarantee Agreement dated as of December 20, 2017 executed by Whitecap Energy Inc. and Whitecap Resources Partnership, by its Managing Partner, Whitecap Resources Inc. (together with each entity that from time to time becomes a party thereto by executing a Guarantor Supplement pursuant to Section 13.1 thereof, collectively, the "**Guarantors**") in favor of each holder from time to time of any of the Notes (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "**Guarantee Agreement**").

III. The Additional Guarantor has received and will receive substantial direct and indirect benefits from the Company's compliance with the terms and conditions of the Note Agreement and the Notes issued thereunder.

IV. Capitalized terms used and not otherwise defined herein have the definitions set forth in the Note Agreement.

NOW THEREFORE, in consideration of the funds advanced to the Company by the Purchasers under the Note Agreement and to enable the Company to comply with the terms of the Note Agreement, the Additional Guarantor hereby covenants, represents and warrants to the holders as follows:

The Additional Guarantor hereby becomes a Guarantor (as defined in the Guarantee Agreement) for all purposes of the Guarantee Agreement. Without limiting the foregoing, the Additional Guarantor hereby (a) jointly and severally with the other Guarantors under the Guarantee Agreement, guarantees to the holders from time to time of the Notes the prompt payment in full when due (whether at stated maturity, by acceleration or otherwise) and the full and prompt

performance and observance of all Guaranteed Obligations (as defined in Section 1 of the Guarantee Agreement) in the same manner and to the same extent as is provided in the Guarantee Agreement, (b) accepts and agrees to perform and observe all of the covenants set forth therein, (c) waives the rights set forth in Section 3 of the Guarantee Agreement and (d) waives the rights, submits to jurisdiction, and waives service of process as described in Section 13.6 of the Guarantee Agreement.

Notice of acceptance of this Guarantor Supplement and of the Guarantee Agreement, as supplemented hereby, is hereby waived by the Additional Guarantor.

The address for notices and other communications to be delivered to the Additional Guarantor pursuant to Section 12 of the Guarantee Agreement is set forth below.

IN WITNESS WHEREOF, the Additional Guarantor has caused this Guarantor Supplement to be duly executed and delivered as of the date and year first above written.

[NAME OF ADDITIONAL GUARANTOR]

By: _____
Name:
Title:

Notice Address for such Guarantor:

c/o Whitecap Resources Inc.
[3800, 525 – 8th Avenue S.W.
Calgary, Alberta
T2P 1G1]

APPENDIX A

FORM OF REPRESENTATION LETTER FROM PURCHASER

Pursuant to Section 6.1(b)(ii) of the Note Purchase Agreement, dated December 20, 2017 (the "**Agreement**"), to which this Appendix A is attached, the undersigned Purchaser, in connection with the its proposed purchase of Notes, hereby represents, warrants, confirms and agrees as follows:

- Capitalized terms used but not defined in this Appendix A have the meanings given to them in the Agreement;
- The undersigned Purchaser did not receive an offer to acquire the Notes within the United States of America, its territories and possessions, any state of the United States or the District of Columbia (collectively, the "United States");
- The undersigned Purchaser is not in the United States; and
- The undersigned Purchaser did not execute the Agreement or otherwise place its order to purchase the Notes from within the United States.

We understand and acknowledge that the representations and warranties and agreements contained herein are made by us with the intent that they may be relied upon by the Corporation and its counsel in determining our eligibility to purchase the Notes. The Corporation is irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby.

EXECUTED this _____ day of _____, 2017.

_____
Name of Purchaser

By: _____
Name:
Title: