

WHITECAP RESOURCES INC.

as Borrower

- and -

**THE PERSONS PARTY HERETO FROM TIME TO TIME
IN THEIR CAPACITIES AS LENDERS**

- and -

**THE PERSONS PARTY HERETO
FROM TIME TO TIME IN THEIR CAPACITIES AS LENDERS**

- and -

NATIONAL BANK OF CANADA

as Administrative Agent

- and with -

**NATIONAL BANK FINANCIAL MARKETS, TD SECURITIES, CANADIAN
IMPERIAL BANK OF COMMERCE, BANK OF MONTREAL, ROYAL BANK OF
CANADA and THE BANK OF NOVA SCOTIA,**

as Co-Lead Arrangers

- and with -

CHINA CONSTRUCTION BANK TORONTO BRANCH,

as Syndication Agent

- and with -

NATIONAL BANK FINANCIAL MARKETS and TD SECURITIES

as Joint Bookrunners

TERM LOAN CREDIT AGREEMENT

Dated August 31, 2022

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TERM LOAN CREDIT AGREEMENT

THIS AGREEMENT is dated as of August 31, 2022,

BETWEEN:

WHITECAP RESOURCES INC.

as Borrower

- and -

**THE PERSONS PARTY HERETO FROM TIME TO TIME
IN THEIR CAPACITIES AS LENDERS**

- and -

**THE PERSONS PARTY HERETO
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NATIONAL BANK OF CANADA

as Administrative Agent

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**NATIONAL BANK FINANCIAL MARKETS, TD SECURITIES, CANADIAN
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as Co-Lead Arrangers

- and with -

CHINA CONSTRUCTION BANK TORONTO BRANCH

as Syndication Agent

- and with -

NATIONAL BANK FINANCIAL MARKETS and TD SECURITIES

as Joint Bookrunners

PREAMBLE:

The Borrower has requested and the Lenders have agreed to provide the credit facility described herein on terms and conditions and for the purposes set out in this Agreement and the Agent has

agreed to act as administrative agent on behalf of the Lenders in accordance with the terms hereof and the other Documents.

AGREEMENT:

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

**ARTICLE 1
INTERPRETATION**

1.1 Definitions

Capitalized words and phrases used in the Documents, the Schedules hereto and in all notices and communications expressed to be made pursuant to this Agreement and the other Documents will have the meanings set out in Schedule A, unless, in case of any Document other than this Agreement, otherwise defined therein.

1.2 Headings

Headings, subheadings and the table of contents contained in the Documents are inserted for convenience of reference only, and will not affect the construction or interpretation of the Documents.

1.3 Subdivisions

Unless otherwise stated, reference herein to a Schedule or to an Article, Section, paragraph or other subdivision is a reference to such Schedule to this Agreement or such Article, Section, paragraph or other subdivision of this Agreement. Unless specified otherwise, reference in Schedule A to a Schedule or to an Article, Section, paragraph or other subdivision is a reference to such Schedule or Article, Section, paragraph or other subdivision of this Agreement.

1.4 Number

Wherever the context in the Documents so requires, a term used herein importing the singular will also include the plural and vice versa.

1.5 Statutes, Regulations and Rules

Any reference in the Documents to all or any section or paragraph or any other subdivision of any Law will, unless otherwise expressly stated, be a reference to that Law or the relevant section or paragraph or other subdivision thereof, as such Law may be amended, substituted, replaced or re-enacted from time to time.

1.6 Permitted Encumbrances

Any reference in any of the Documents to a Permitted Encumbrance is not intended to and will not be interpreted as subordinating or postponing, or as any agreement to subordinate or postpone, any obligation of any Loan Party to the Lenders under any of the Documents to any Permitted Encumbrance.

1.7 Monetary References

Whenever an amount of money is referred to in the Documents, such amount will, unless otherwise expressly stated, be in Canadian Dollars.

1.8 Time

Time will be of the essence of the Documents.

1.9 Governing Law

This Agreement and the other Documents will be governed by and construed in accordance with the Laws in force in the Province of Alberta from time to time, unless, in case of any Document other than this Agreement, as otherwise provided therein.

1.10 Enurement

The Documents will be binding upon and will enure to the benefit of the Parties and their respective successors and permitted assigns.

1.11 Amendments

No Document may be amended orally and, subject to Sections 1.12(a), 14.17 and 15.1(e), any amendment may only be made by way of an instrument in writing signed by the Parties.

1.12 No Waiver

- (a) Subject to Sections 1.12(c) and 14.17(a), no waiver by a Party of any provision or of the breach of any provision of the Documents (including a Default or an Event of Default) will be effective unless it is contained in a written instrument duly executed by an authorized officer or representative of such Party or, in the case of a Default or an Event of Default, by the Agent on behalf of the Majority Lenders, or all of the Lenders, as applicable. Such written waiver will affect only the matter specifically identified in the instrument granting the waiver and will not extend to any other matter, provision or breach.
- (b) The failure of a Party to take any steps in exercising any right in respect of the breach or non-fulfilment of any provision of the Documents will not operate as a waiver of that right, breach or provision, nor will any single or partial exercise of any right preclude any other or future exercise of that right or the exercise of any other right, whether in Law or otherwise.

- (c) Acceptance of payment by a Party after a breach or non-fulfilment of any provision of the Documents requiring a payment to such Party will constitute a waiver of such provision if cured by such payment, but will not constitute a waiver or cure of any other provision of the Documents.

1.13 Severability

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

1.14 Inconsistency

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

1.15 Accounting Terms and Principles

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

1.16 Changes in GAAP or Accounting Policies

- (a) If:
 - (i) there occurs a material change in GAAP; or
 - (ii) the Borrower or any Subsidiary, as permitted by GAAP, adopts a material change in an accounting policy in order to more appropriately present events or transactions in its financial statements,

and any such change would require disclosure under GAAP in the consolidated financial statements of the Borrower and would cause an amount required to be determined for the purposes of any financial covenant, financial ratio or any other financial calculation hereunder (each a “**Financial Calculation**”) to be materially different than the amount that would be determined without giving effect to such change, the Borrower shall notify the Agent of such change (an “**Accounting Change**”). Such notice (an “**Accounting Change Notice**”) shall describe the nature of the Accounting Change, its effect on the current and immediately prior year’s

financial statements and state whether the Borrower wishes to revise the method of calculating the Financial Calculation in order that amounts determined after giving effect to such Accounting Change and the revised method of calculating the Financial Calculation 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 the Financial Calculation. The Accounting Change Notice shall be delivered to the Agent within 90 days after the end of the fiscal quarter in which the Accounting Change is implemented or, if such Accounting Change is implemented in the fourth fiscal quarter of any fiscal year or in respect of an entire fiscal year, within 120 days after the end of such period.

- (b) If, pursuant to the Accounting Change Notice, the Borrower does not indicate that it desires to revise the method of calculating the Financial Calculation, the Agent or the Majority Lenders may within 30 days after receipt of the Accounting Change Notice, notify the Borrower that they wish to revise the method of calculating the Financial Calculation in the manner described above.
- (c) If the Borrower, the Agent or the Majority Lenders so indicate that they wish to revise the method of calculating the Financial Calculation, the Borrower and the Lenders shall in good faith attempt to agree on a revised method of calculating the Financial Calculation. If, however, within 30 days after receipt of the foregoing notice by the Borrower, the Agent or the Majority Lenders, as applicable, of their desire to revise the method of calculating the Financial Calculation, the Borrower and the Majority Lenders have not reached agreement in writing on such revised method of calculation, such method of calculation shall not be revised and all amounts to be determined thereunder shall be determined without giving effect to the Accounting Change. For greater certainty, if no notice of a desire to revise the method of calculating the Financial Calculation in respect of an Accounting Change is given by the Borrower, the Agent or the Majority Lenders within the applicable time period described above, then the method of calculating the Financial Calculation shall not be revised in response to such Accounting Change and all amounts to be determined pursuant to the Financial Calculation shall continue to be determined without giving effect to such Accounting Change.
- (d) 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 the Financial Calculation, and subsequently, as provided above, the method of calculating the Financial Calculation is revised in response to such Accounting Change, or the amount to be determined pursuant to the Financial Calculation is to be determined without giving effect to such Accounting Change, the Borrower shall deliver a revised Compliance Certificate. Any Event of Default which arises as a result of the Accounting Change and which is cured by this Section 1.16 shall be deemed never to have occurred.
- (e) For the purposes of this Agreement, including clause (m) of the definition of Permitted Encumbrances and the definition of Debt as well as all Financial Calculations required to be made hereunder, any lease which would have been

accounted for as an operating lease under GAAP as in effect on December 31, 2018 shall, notwithstanding any subsequent change in GAAP, not constitute a capital lease (or financing lease) hereunder (whether such lease is entered into or assumed before or after December 31, 2018).

1.17 Schedules

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

Schedule A:	Definitions
Schedule B:	Commitment Amounts
Schedule C:	Form of Environmental Certificate
Schedule D:	Form of Notice of Borrowing
Schedule E:	Form of Notice of Rollover or Notice of Conversion or Notice of Repayment
Schedule F:	Loan Party Information
Schedule G:	Form of Compliance Certificate
Schedule H:	Form of Assignment and Assumption Agreement
Schedule I:	Form of Abandonment and Reclamation Report
Schedule J:	Hedging Policy

1.18 Changes in Liability Management Rating System

If:

- (a) as a result of any change in any applicable law, rule, policy, regulation, order or directive (or in the interpretation of any thereof):
 - (i) any applicable Energy Regulator ceases to use a Liability Management Rating as a means of determining whether a Person is in compliance with such Energy Regulator's abandonment and reclamation rules, policies, regulations, orders or directives in any Material Jurisdiction,
 - (ii) a material change occurs in the methodology used in calculating the Liability Management Rating in any Material Jurisdiction (including any changes in the factors used to calculate such rating which would have a material effect upon the calculation of such rating),
 - (iii) a material change is made to the minimum Liability Management Rating thresholds in any Material Jurisdiction which are used to determine whether any licenses for wells, facilities, pipelines and other physical assets relevant to the determination of the Liability Management Rating can be transferred

or whether any security deposits will be required to be provided to the applicable Energy Regulator (the “**Minimum Statutory LMR**”), or

- (iv) for the purposes of adjusting Section 11.1(r) only, either (A) there is a material increase or decrease in the assumed netback values (or equivalent) used by the applicable Energy Regulator in any Material Jurisdiction in determining “deemed assets” (or the equivalent) for the purposes of calculating the Liability Management Rating or (B) there is a material increase or decrease in the assumed reclamation and abandonment costs (or the equivalent) used by the applicable Energy Regulator in any Material Jurisdiction in determining “deemed liabilities” (or the equivalent) for the purposes of calculating the Liability Management Rating in such Material Jurisdiction; or
- (b) except for the purposes of adjusting Section 11.1(r), any “force majeure” event or similar circumstance occurs which materially reduces the cash flow derived from oil and gas production of the Loan Parties for an extended period of time, and as a consequence thereof, the “deemed assets” component of the Liability Management Rating for such Person in any Material Jurisdiction is materially reduced;

then, in any such case, at the written request of the Agent on behalf of the Majority Lenders to the Borrower, or of the Borrower to the Agent and the Lenders, the Borrower and the Agent shall enter into good faith discussions with a view to determining a comparable rating system, calculation or threshold, as applicable, to amend or replace the concept or usage of Liability Management Rating as set forth herein (or, in the case of clause (b) above, to adjust for such force majeure event or circumstance for so long as it is continuing), with the objective of having the respective positions of the Lenders and the Borrower after such change(s) conform as nearly as possible to their respective positions immediately prior to such change(s) (subject to ensuring that the threshold in Section 11.1(r) at least equals the Minimum Statutory LMR and, to the extent practicable, exceeds the Minimum Statutory LMR by an equitable amount); provided that, until any such agreement is reached, the Liability Management Rating and all related calculations and thresholds hereunder shall continue to be calculated by the Borrower as if no such change had occurred.

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

ARTICLE 2 DELIVERIES ON CLOSING DATE

2.1 Conditions Precedent to Effectiveness

This Agreement, and the obligation of the Lenders to make available the initial Accommodation hereunder, will become effective upon the following conditions being met (unless waived in writing by all of the Lenders):

- (a) the receipt by the Agent, for and on behalf of the Lenders, of the following documents each fully executed (as applicable) and in full force and effect, and in form and substance satisfactory to the Lenders, acting reasonably:
 - (i) this Agreement and each other Document;
 - (ii) a Closing Certificate from each Loan Party, together with all attachments thereto, which Closing Certificate, in respect of the Borrower, shall include certifications in respect of each of the conditions set forth in Sections 2.1(b)(vii), 2.1(c), 2.1(d), 2.1(e), 2.1(f), 2.1(g) and 2.1(h);
 - (iii) each Closing Opinion;
 - (iv) an opinion from Torys LLP, as counsel to the Lenders; and
 - (v) an amendment to the *Pari Passu* Intercreditor Agreement pursuant to which the Agent shall become a party thereto;
- (b) receipt by the Agent and the Lenders of the following (each of which shall be in form and substance satisfactory to the Lenders):
 - (i) evidence of the registration, filing and recording of the Security in all applicable offices or places of registration, including, without limitation, the Province of Alberta;
 - (ii) certificates of status or similar evidence as to the creation and existence of each Loan Party under the Laws of its jurisdiction of formation;
 - (iii) a certificate of the Loan Parties' insurance broker showing the Collateral Agent as first loss payee and additional insured;
 - (iv) the Compliance Certificate of the Borrower as of the Closing Date and after giving effect to the XTO Acquisition Transaction, confirming that the *pro forma* Total Debt to EBITDA Ratio is not greater than 2.50 to 1.00;
 - (v) a *pro forma* balance sheet of the Borrower after giving effect to the XTO Acquisition Transaction;

- (vi) the most recent, as at the Closing Date, annual audited (if available) and quarterly unaudited financial statements of the Loan Parties and the Target;
 - (vii) a certified true and complete copy of the XTO Acquisition Documents (including, for certainty, the executed XTO Acquisition Agreement);
 - (viii) all documentation and other information requested by the Agent or any Lender, in each case acting reasonably, in connection with AML Legislation and “know your customer requirements” will have been provided at least 5 Banking Days prior to the Closing Date, in each case to the extent requested at least ten Banking Days prior to the Closing Date;
- (c) confirmation that the XTO Acquisition Assets are not subject to any Preferential Rights (as defined in the XTO Acquisition Agreement), or, if any such assets are subject to Preferential Rights that are triggered by the XTO Acquisition Transaction, the Additional Interests Transaction or the Pre-Closing Reorganization (as such terms are defined in the XTO Acquisition Agreement) and exercised, the Commitments Amount shall be reduced on a dollar for dollar basis for each dollar by which the net purchase price under the XTO Acquisition Agreement falls below the aggregate of (i) the Commitment Amount and (ii) the amount by which the *Pari Passu* Revolving Credit Facilities have increased on the Closing Date;
- (d) evidence satisfactory to the Agent that the XTO Acquisition Transaction has consummated, or will upon payment of the purchase price therefor consummate, in accordance with the terms of the XTO Acquisition Agreement substantially concurrently with the initial borrowing under the Term Loan Facility and a borrowing under the *Pari Passu* Revolving Credit Agreement without giving effect to any amendment or waiver that is materially adverse to the interests of the Lenders without the express written consent of the Lenders, and provided that any modification, amendment, consent or waiver by the Borrower (a) with respect to the definition of Material Adverse Effect (as defined in the XTO Acquisition Agreement on the date hereof), (b) in respect of the Outside Date (as defined in the XTO Acquisition Agreement on the date hereof) or any provision which extends such date, (c) that results in a material increase in the amounts being paid by the Borrower in connection with the XTO Acquisition Transaction or (d) that permits such consummation to occur prior to the receipt of the Competition Act Approval (as defined in the XTO Acquisition Agreement), in each case, be deemed to be materially adverse to the interests of the Lenders;
- (e) no Material Adverse Effect (as defined in the XTO Acquisition Agreement) shall have occurred;
- (f) there shall be a minimum of Cdn. [redacted] availability under the Borrower’s *Pari Passu* Revolving Credit Facilities after giving effect to the XTO Acquisition Transaction;

- (g) each of the Specified Representations and Warranties are true and correct in all material respects (or, in the case of any Specified Representations and Warranties already qualified by materiality, are true and correct in all respects);
- (h) each of the XTO Acquisition Agreement Representations are true and correct in all material respects; and
- (i) the payment of all fees and expenses (including agency fees) which are payable by the Borrower to the Agent and the Lenders, as the case may be, in connection with the Term Loan Facility.

ARTICLE 3 TERM LOAN FACILITY

3.1 Term Loan Facility

Subject to the terms and conditions hereof and effective on the Closing Date, the Lenders hereby establish the Term Loan Facility in favour of the Borrower as a non-amortizing, non-revolving term credit facility. Any amounts not advanced under the Term Loan Facility on the Closing Date shall be automatically cancelled. Any repayment of the Drawdown under the Term Loan Facility shall result in a permanent reduction of the Term Loan Facility to the extent of such repayment and a corresponding reduction of the Commitment Amount and each Lender's Individual Commitment Amount on a *pro rata* basis; and, for certainty, the Borrower shall not be entitled to make any further Drawdown in respect of and to the extent of any such repayment.

3.2 Repayment

- (a) Termination Date. With respect to each Lender under the Term Loan Facility, the remaining Aggregate Principal Amount owing to such Lender under the Term Loan Facility on the Termination Date will be repayable by the Borrower in one balloon principal repayment on the Termination Date, together with all accrued and unpaid interest and fees thereon and all other Obligations owing to such Lender under the Term Loan Facility, as applicable.
- (b) Payments to Agent. All payments of the Obligations of the Borrower to the Lenders under the Term Loan Facility will be made by the Borrower to the Agent for the account of the Lenders, and, except to the extent otherwise provided herein, in accordance with each such Lender's Rateable Portions thereof, if any.

3.3 Maturity Date of Advances

Each Advance made by a Lender by way of a Banker's Acceptance will, subject to the other terms and conditions of this Agreement, including Section 11.2, have a Maturity Date which expires on or prior to the Termination Date.

3.4 Prepayment and Cancellation

Subject to Section 7.5 and with the same notice required when the Advance to be prepaid was made, the Borrower may at any time prepay (in minimum amounts of Cdn. \$5,000,000 and in multiples of Cdn. \$1,000,000 for any amount in excess thereof) without premium, bonus or penalty, any or all of the Aggregate Principal Amount, except that a Bankers' Acceptance will not be paid prior to its Maturity Date (but provided that the Borrower may provide Escrow Funds in respect thereof to the Agent on behalf of such Lender in accordance with Section 7.5). At any time, the Borrower may also, upon the Borrower giving the Agent not less than two (2) Banking Days prior notice, cancel (in minimum amounts of Cdn. \$1,000,000 and in multiples of Cdn. \$250,000 for any amount in excess thereof) any undrawn portion of the Commitment Amount, including any undrawn portion resulting from a prepayment. Any prepayment or cancellation in respect of the Term Loan Facility will be made, except to the extent otherwise provided herein, *pro rata* to all Lenders under the Term Loan Facility on the basis of each Lender's Rateable Portion.

3.5 Use of Proceeds

The Borrower will be entitled to use the proceeds of the Term Loan Facility to assist with financing the purchase price of the XTO Acquisition Transaction and the costs and expenses associated with the XTO Acquisition Transaction.

3.6 Types of Accommodation

Drawdowns under the Term Loan Facility will be available in a single advance on the Closing Date by way of:

- (a) Canadian Prime Rate Loans, which must be in principal amounts of not less than Cdn. \$2,000,000 and in multiples of Cdn. \$100,000 for any amounts in excess thereof; or
- (b) Bankers Acceptances or BA Equivalent Loans, as applicable, subject to Section 7.1;

(each, "**Accommodations**").

3.7 Interest and Fees

- (a) Interest and Fees. Interest and fees payable by the Borrower under the Term Loan Facility will be payable in the following manner:
 - (i) each Canadian Prime Rate Loan drawn under the Term Loan Facility will bear interest at a variable rate of interest per annum equal to the Canadian Prime Rate plus the applicable margin indicated in the Pricing Table;
 - (ii) for each Bankers' Acceptance drawn under the Term Loan Facility, the stamping fee (the "**BA Stamping Fee**") payable by the Borrower on the acceptance thereof by the applicable Lenders will be calculated based upon the applicable BA Stamping Fee indicated in the Pricing Table; and

(iii) The following table is referred to in this Agreement as the “Pricing Table”:

Pricing Table			
Level	Senior Leverage Ratio	Prime Rate	BA Stamping Fee
I	< 0.50:1	[redacted]	[redacted]
II	≥ 0.50:1 < 1.00:1	[redacted]	[redacted]
III	≥ 1.00:1 < 1.75:1	[redacted]	[redacted]
IV	≥ 1.75:1 < 2.25:1	[redacted]	[redacted]
V	≥ 2.25:1 < 3.00:1	[redacted]	[redacted]
VI	≥ 3.00:1	[redacted]	[redacted]

- (b) Initial Rate. From the Closing Date until the date on which the next Compliance Certificate is delivered hereunder, the Level applicable to the Borrower in the Pricing Table will be determined in accordance with the Compliance Certificate delivered to the Lenders on the Closing Date under Section 2.1(b)(iv).
- (c) Changes in Rates due to Change in Ratio. For purposes hereof, the effective date on which any change in interest rates or BA Stamping Fees occurs will be the date that the Borrower delivers a Compliance Certificate as required hereunder which evidences a change in the Senior Leverage Ratio that would result in a change in the level set out in the Pricing Table; provided that if such Compliance Certificate is not so delivered when required, then the applicable interest rates and fees shall be those set forth in Level VI of the Pricing Table effective as of the date such Compliance Certificate was otherwise due, such pricing to be effective until the first day following the date that such overdue Compliance Certificate is delivered (and notwithstanding any Default or Event of Default arising from such failure). Any increase or decrease in the BA Stamping Fees on Bankers’ Acceptances outstanding on the effective date of such change in the aforesaid rates and fees will apply on any Rollover of an existing Bankers’ Acceptance but otherwise the BA Stamping Fees on any Bankers’ Acceptance existing at such effective date will not change until the Maturity Date thereof.
- (d) Restatement of Ratio. If the Borrower has delivered a Compliance Certificate that is subsequently found to be inaccurate in any way as a result of the Borrower’s financial results having to be restated or if the Borrower’s financial results were inaccurately reflected in the original financial results on which such Compliance Certificate was based or for any other reason and the result thereof is that the Senior Leverage Ratio that was originally reported was lower (and the corresponding Level in the Pricing Table was lower) than it otherwise would have been in the absence of such inaccuracy or prior to such restatement, then the Borrower will, immediately upon the correction of such inaccuracy or upon such restatement, pay to the Agent for the benefit of the applicable Lenders an amount equal to the interest

and BA Stamping Fees that the Lenders should have received, but did not receive, over the applicable period had the Senior Leverage Ratio, and the underlying components thereof, been reported correctly in the first instance.

- (e) Event of Default. Effective immediately following an Event of Default (the “**Pricing Change Effective Date**”), the interest rates then applicable to Canadian Prime Rate Loans and the BA Stamping Fees will each increase by 200 Basis Points and such increase will remain in effect for as long as an Event of Default subsists. An increase in interest rates and BA Stamping Fees as aforesaid arising from an Event of Default applies to all outstanding Advances under the Term Loan Facility and will on the Pricing Change Effective Date apply proportionately to each Bankers’ Acceptance outstanding at such time on the basis of the number of days remaining in the term to maturity of each such Advance. The Borrower will pay to the Lenders any resulting increase in BA Stamping Fees on or prior to the third Banking Day following the Pricing Change Effective Date. In the event that the Event of Default no longer subsists and the Borrower has paid in advance the increased BA Stamping Fee for the term to maturity of a Bankers’ Acceptance, the Lenders will repay such amounts to the Borrower promptly after such Event of Default no longer exists.
- (f) Agency Fee. The Borrower will pay to the Agent, on an annual basis, the agency fee agreed upon between the Borrower and the Agent pursuant to the Agency Fee Letter, the amount thereof to be kept confidential by the Borrower.

ARTICLE 4 SECURITY

4.1 Security

The Borrower shall execute and deliver (or cause to be executed and delivered) to and in favour of the Collateral Agent, for and on behalf of the Secured Parties (on a *pari passu* basis and in accordance with the *Pari Passu* Intercreditor Agreement), each of the following in form and substance satisfactory to the Agent, acting reasonably:

- (a) one or more demand debentures from the Borrower and each Material Subsidiary, and if deemed necessary by the Agent or the Collateral Agent, a debenture pledge in respect thereof, providing for a first ranking charge over all of the assets and property of each Loan Party, to be registered in all appropriate jurisdictions, and the Borrower covenants that upon request of the Collateral Agent or the Agent, it will 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 the Loan Parties, in accordance with the terms hereof and of the *Pari Passu* Intercreditor Agreement;
- (b) a full recourse guarantee from each Loan Party in favour of the Agent on behalf of the Lender Secured Parties;

- (c) in the event that any of the Permitted Junior Debt is secured by a second lien over the Loan Parties' assets, property and undertaking, concurrently with the issuance of any such Permitted Junior Debt, the Junior Debt Intercreditor Agreement; and
- (d) such further guarantee, security agreements, deeds or other instruments of conveyance, assignment, transfer, mortgage, pledge or charge as the Lenders may reasonably request to effectively secure the undertaking, property and assets of the Loan Parties in the manner contemplated in paragraphs (a) through (c) (inclusive) above.

4.2 Sharing of Security

The Borrower and the Lenders agree and acknowledge that, subject to Section 11.4, the Security is being shared equally among, *inter alios*, the Secured Parties to secure, *inter alia*, the Secured Obligations on a rateable basis; and that the Collateral Agent will hold the Security for the benefit of the Secured Parties in accordance with the *Pari Passu* Intercreditor Agreement.

4.3 Exclusivity of Remedies

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

4.4 Form of Security

The Security will be in such form or forms as will be required by the Agent or the Collateral Agent, acting reasonably, and will be registered in such offices in Canada or any province thereof as the Agent or the Collateral Agent, acting reasonably, may from time to time require to protect the Liens created thereby, provided that the Agent will not register any Liens (or financing statements, caveats or other filings or registrations in respect thereof) against title to the P&NG Rights, except pursuant to Section 4.6. Should the Agent or the Collateral Agent determine at any time and from time to time, acting reasonably, that the form and nature of the then existing Security is deficient in any way or does not fully provide the Agent or the Lenders with the Liens and priority to which each is entitled hereunder, the Borrower will forthwith execute and deliver or cause to be executed and delivered to the Agent, at the Borrower's expense, such amendments to the Security or provide such new security as the Agent may reasonably request. Without limiting the generality of the foregoing, the Borrower acknowledges that the Security has been prepared based on applicable Laws and the Borrower agrees that the Agent or the Collateral Agent will have the right, acting reasonably, to require that the Security be amended or supplemented: (a) to reflect any changes in applicable Laws, whether arising as a result of statutory amendments, court decisions or otherwise; (b) to facilitate the creation and registration of appropriate security in all appropriate jurisdictions including, if required, pursuant to Section 4.6, a fixed charge registration in respect thereof; or (c) if a Loan Party amalgamates with any other Person or enters into any reorganization, in each case in order to confer upon the Secured Parties the security intended to be created hereby or thereby.

If any Lender determines, acting reasonably, that any applicable Law has made it unlawful, or that any Administrative Body has asserted that it is unlawful, for such Lender to hold or benefit from a Lien over real property pursuant to any Law of the United States or any State thereof, such Lender may notify the Agent and disclaim any benefit of such security interest to the extent of such illegality; provided, that such determination or disclaimer shall not invalidate or render unenforceable such Lien for the benefit of any other Lender.

4.5 After-Acquired Property

All property acquired by or on behalf of the Borrower or any other Loan Party who has provided a debenture to the Collateral Agent pursuant to Section 4.1 or otherwise after the date of execution of the Security which forms part of the property of the Borrower or any such Loan Party (hereafter collectively referred to as “**After-Acquired Property**”), will be subject to the Security without any further conveyance, mortgage, pledge, charge, assignment or other act on the part of the Parties. Without limiting the effect of the preceding sentence, the Borrower will, or will cause the applicable Loan Party to, from time to time execute and deliver and the Agent will, or will cause the Collateral Agent to, register, all at the Borrower’s expense, such instruments supplemental to the Security, in form and substance satisfactory to the Agent, acting reasonably, as may be necessary or desirable to ensure that the Security as amended and supplemented constitutes in favour of the Secured Parties an effective Lien to the extent created by the Security over such After-Acquired Property as required hereunder, subject only to Permitted Encumbrances which under applicable Law rank in priority thereto.

4.6 Undertaking to Grant Fixed Charge Security

If: (a) the Majority Lenders, acting reasonably, determine that there has been a Material Adverse Effect, or a Default or an Event of Default has occurred and is continuing, and the Majority Lenders consider it necessary for their adequate protection; (b) the Agent has received an opinion of its counsel of a change in applicable Law or a change in accepted prudent registration practice in the applicable jurisdiction; (c) it is a requirement of the *Pari Passu* Intercreditor Agreement or the Junior Debt Intercreditor Agreement; or (d) the Agent or the Majority Lenders have made a change in their registration practices generally applicable to secured loans of the size and nature of the Term Loan Facility; the Borrower will forthwith grant or cause to be granted to the Collateral Agent, for its benefit and for the benefit of the Secured Parties, a fixed charge in all or any of the Borrower’s and each Loan Party’s property (including any After-Acquired Property). Until such time, registrations in respect of the Security against individual oil and gas properties will not be required to be made by the Borrower.

4.7 Further Assurances.

The Borrower will and will cause each Loan Party, in connection with the provision of any amended, new or replacement Security referred to in Section 4.5 or Section 4.6 to:

- (a) do, make, execute and deliver, or cause to be done, made, executed and delivered, all such further documents, financing statements, assignments, acts, matters and things which may be reasonably required by the Agent or the Collateral Agent to give effect to any provision of the amended, new or replacement Security;

- (b) provide the Agent or the Collateral Agent with such information as is reasonably required by the Agent to identify the property to be charged;
- (c) do all such things as are reasonably required to grant the Liens to be granted pursuant to the amended, new or replacement Security;
- (d) provide the Agent and the Collateral Agent with all corporate, partnership or other organizational resolutions and other action required for the Borrower to grant the amended, new or replacement Security;
- (e) provide the Agent and the Collateral Agent with an opinion of the Borrower's Counsel confirming the due authorization, execution and delivery by the applicable Loan Party of all such agreements and instruments comprising the amended, new or replacement Security in form and content satisfactory to the Agent and the Collateral Agent, acting reasonably;
- (f) assist the Agent and the Collateral Agent in the registration or recording of such agreements and instruments in such public registry offices in all such jurisdictions as the Agent, acting reasonably, deems necessary to give full force and effect to the amended, new or replacement Security; and
- (g) pay all reasonable costs and expenses incurred by the Agent and the Collateral Agent in connection with the preparation, execution and registration of all agreements, documents and instruments, including any amendments to the Security, made in connection with this Section 4.7.

4.8 Release and Discharge of Security

Subject to the release of Security by the Collateral Agent for Permitted Dispositions (in the manner contemplated by the *Pari Passu* Intercreditor Agreement), 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 pursuant to the terms of the *Pari Passu* Intercreditor Agreement. If all of the Secured Obligations to the Secured Parties have been indefeasibly repaid, paid, satisfied and discharged, as the case may be, in full and the Term Loan Facility has been fully cancelled, then the Security shall be released and discharged by the Collateral Agent, on behalf of the Secured Parties. The Agent shall direct the Collateral Agent, at the cost and expense of the Borrower, to 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 Borrower to give effect to, establish, evidence or record the foregoing release and discharge. Notwithstanding the foregoing, this Section 4.8 shall be subject to the *Pari Passu* Intercreditor Agreement and if applicable, the Junior Debt Intercreditor Agreement.

4.9 Effectiveness

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 Document shall be continuing, whether any Lender Secured Obligations 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 Liens or before or after or upon the date of execution of any amendments to this Agreement.

ARTICLE 5 FUNDING AND OTHER MECHANICS

5.1 Funding of Accommodations

Subject to Section 5.2 and Article 7, all Advances requested by the Borrower will be made available by deposit of the applicable funds (which in the case of Bankers' Acceptances will be the Net Proceeds) into the Borrower's Account for value on the Banking Day on which the Advance is to take place.

5.2 Notice Provisions

The Borrower will be entitled to effect a Rollover or Conversion where permitted hereunder, in each case on the requested Banking Day, provided a Notice of Rollover or Notice of Conversion, as applicable, is received by the Agent from the Borrower as follows:

- (a) with respect to a Rollover or Conversion of or into a Canadian Prime Rate Loan, at least 1 Banking Day prior to such Advance, provided notice is received by the Agent no later than 12:00 noon (Toronto time) on the Banking Day immediately preceding the date of Rollover or Conversion, as soon as applicable; and
- (b) with respect to a Rollover or Conversion of or into a Bankers' Acceptance, at least 2 Banking Days prior to such Advance, provided notice is received by the Agent no later than 12:00 noon (Toronto time) on the second Banking Day immediately preceding the date of Rollover or Conversion, as applicable.

5.3 Irrevocability

Each of the Notice of Borrowing delivered in connection with the Closing Date, each Notice of Rollover and each Notice of Conversion, when given by the Borrower, will be irrevocable and will oblige the Borrower, the Agent and the Lenders to take the action contemplated herein and therein on the date specified therein, provided that, any such notice will not be binding on a Lender who makes a determination under Section 8.2.

5.4 Rollover or Conversion of Accommodations

- (a) Subject to Section 5.2 and Article 7, the Borrower will be entitled to effect a Rollover of one type of Accommodation into the same type of Accommodation under the Term Loan Facility or to effect a Conversion of one type of Accommodation into another type of Accommodation under the Term Loan Facility on the terms herein provided.
- (b) If the Borrower fails to give the Agent a duly completed Notice of Rollover or Notice of Conversion if and as required by Section 5.2, or if in giving such notice

the Borrower fails to provide for the Rollover or Conversion of all of the Advances then maturing, the Borrower will be deemed to have irrevocably elected to convert such maturing Advances, or that part of such maturing Advances which the Borrower has failed to provide for in such notice, as the case may be, into a Canadian Prime Rate Loan.

- (c) No Conversion of a Bankers' Acceptance will be made prior to its Maturity Date.

5.5 Agent's Obligations

Upon receipt of the Notice of Borrowing or a Notice of Rollover or Notice of Conversion with respect to a proposed Advance under the Term Loan Facility, the Agent will forthwith notify the Lenders of the proposed date on which such Advance is to take place, of each Lender's Rateable Portion of such Advance.

5.6 Lenders' Obligations

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

5.7 Debit Authorization

Subject to the provisions of this Agreement, the Borrower does hereby expressly and irrevocably authorize the Agent and the Lenders to effect all the necessary debits, deposits and credits in the Borrower's Accounts in order to accommodate the Lenders in making Advances, in order to accommodate the Borrower in making payments to the Lenders as required hereunder and to pay all amounts due and payable under the Documents.

ARTICLE 6 CALCULATION OF INTEREST AND FEES

6.1 Records

The Agent will maintain records, in written or electronic form, evidencing all Advances under the Term Loan Facility and all other Obligations owing by the Borrower to the Agent and each Lender under this Agreement. The Agent will enter in such records details of all amounts from time to time owing, paid or prepaid by the Borrower to it hereunder. In addition, each Lender will maintain records, in written or electronic form, evidencing all Advances and other Obligations owing by the Borrower to such Lender. The information entered in such records will constitute *prima facie* evidence of the Obligations of the Borrower to the Agent and each Lender. In the event of a conflict between the records of the Agent and a Lender maintained pursuant to this Section 6.1, the records of the Agent shall prevail, absent manifest error. The Agent shall make available copies of all such records to the Borrower upon written request.

6.2 Payment and Calculation of Interest and Fees

- (a) Interest. Except as expressly stated otherwise herein, all Canadian Prime Rate Loans from time to time outstanding will bear interest, as well after as before maturity, default and judgment, with interest on overdue interest, at the applicable rates as prescribed under Section 3.7 or Section 15.11. Interest payable at a variable rate will be adjusted automatically without notice to the Borrower whenever there is a variation in such rate.
- (b) Calculation of Interest and Fees. Interest on Canadian Prime Rate Loans will accrue and be calculated but not compounded daily and be payable monthly in arrears on the first Banking Day of each month for the immediately preceding month, or, after notice to the Borrower, on such other Banking Day as is customary for the Agent having regard to its then existing practice. Interest on Canadian Prime Rate Loans and BA Stamping Fees on Bankers' Acceptances will be calculated on the basis of a 365-day year.
- (c) Interest Act (Canada). For the purposes of the *Interest Act (Canada)* and any other applicable Laws which may hereafter regulate the calculation or computation of interest on borrowed funds, the annual rates of interest and fees applicable to Canadian Prime Rate Loans and Bankers' Acceptances, respectively, are the rates as determined hereunder multiplied by the actual number of days in a period of one year commencing on the first day of the period for which such interest or stamping fee is payable and divided by 365.
- (d) Waiver. The Borrower confirms that it fully understands and is able to calculate the rate of interest applicable to the Term Loan Facility based on the methodology for calculating per annum rates provided for in this Agreement, including this Article 6. The Borrower hereby irrevocably agrees not to plead or assert, whether by way of defence or otherwise, in any proceeding relating to the Documents, that the interest payable under the Documents and the calculation thereof has not been adequately disclosed to the Borrower, whether pursuant to Section 4 of the *Interest Act (Canada)* or any other applicable Law or legal principle.

6.3 Payment of BA Stamping Fee

The Borrower will pay to the Agent for the account of the Lenders the applicable BA Stamping Fee under Section 3.7(a) with respect to Bankers' Acceptances on the date of acceptance thereof by the Lenders. Payment of the BA Stamping Fee may be made by way of set-off as provided in Section 7.4.

6.4 Maximum Rate of Return

Notwithstanding any provision herein to the contrary, in no event will the aggregate "interest" (as defined in section 347 of the *Criminal Code (Canada)*) payable under this Agreement exceed the maximum effective annual rate of interest on the "credit advanced" (as defined in that section 347) permitted under that section and, if any payment, collection or demand pursuant to this Agreement in respect of "interest" (as defined in that section 347) is determined to be contrary to the

provisions of that section 347, such payment, collection or demand will be deemed to have been made by mutual mistake of the Borrower and the applicable Lenders and the amount of such payment or collection will be refunded to the Borrower. If any provision is determined to be contrary to the provisions of section 347 of the of the *Criminal Code* (Canada), then notwithstanding such provision, such amount or rate shall be deemed to have been adjusted *nunc pro tunc* to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by Law or so result in a receipt by a Lender of interest at a criminal rate. For purposes of this Agreement, the effective annual rate of interest will be determined in accordance with generally accepted actuarial practices and principles over the term of the Term Loan Facility on the basis of annual compounding of the lawfully permitted rate of interest and, in the event of dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by the Agent will be *prima facie* evidence, for the purposes of such determination.

6.5 Waiver of Judgment Interest Act (Alberta)

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

6.6 Deemed Reinvestment Not Applicable

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

6.7 Payments to Agent

All payments of the Obligations of the Borrower to the Lenders under the Term Loan Facility will be made by the Borrower to the Agent for the account of the Lenders under the Term Loan Facility, and, except to the extent otherwise provided herein, in accordance with each such Lender's Rateable Portions thereof.

ARTICLE 7 BANKERS' ACCEPTANCES

7.1 General

Each bankers' acceptance draft tendered by the Borrower for acceptance by a Lender will be a form acceptable to the accepting Lenders, acting reasonably, and the Advance in respect thereof under the Term Loan Facility will be in a principal amount of not less than Cdn. \$2,000,000 and in multiples of Cdn. \$100,000 for any amounts in excess thereof and will have terms of approximately 1, 2 or 3 months, subject to market availability, unless otherwise agreed to by all of the accepting Lenders.

7.2 Terms of Acceptance by the Lenders

- (a) Payment. The Borrower will provide for payment to the Agent for the benefit of the Lenders of each Bankers' Acceptance at its maturity, either by payment of the face amount thereof or through the utilization of an Accommodation in accordance

with this Agreement, or through a combination thereof. The Borrower waives presentment for payment of Bankers' Acceptances by the Lenders and will not claim from the applicable Lenders any days of grace for the payment at maturity of Bankers' Acceptances. Any amount owing by the Borrower in respect of any Bankers' Acceptance which is not paid at maturity in accordance with this Agreement, will, as and from its maturity date, be deemed to be outstanding as a Canadian Prime Rate Loan.

- (b) Power of Attorney. To facilitate the procedures contemplated in this Agreement, the Borrower appoints each Lender from time to time as the attorney-in-fact of the Borrower to execute, endorse and deliver on behalf of the Borrower drafts or depository bills in the form or forms prescribed by such Lender for bankers acceptances denominated in Canadian Dollars. Each bankers' acceptance executed and delivered by a Lender on behalf of the Borrower as provided for in this Section 7.2(b) will be as binding upon the Borrower as if it had been executed and delivered by a duly authorized officer of the Borrower. The foregoing appointment will cease to be effective immediately upon a Lender ceasing to be a Lender hereunder or three Banking Days following receipt by the Lender in question of a notice from the Borrower revoking such appointment provided that any such revocation will not affect Bankers' Acceptances previously executed and delivered by a Lender pursuant to such appointment.
- (c) Marketing of BAs. The Borrower will have the option to make its own arrangements with respect to the sale of Bankers' Acceptances in the market place and if such option is exercised by notice to the Agent, the Agent and the Borrower shall establish such reasonable procedures as may be appropriate to govern such marketing arrangements. If the Borrower does not expressly exercise such option, it shall be deemed to have requested the applicable Lenders to purchase the Bankers' Acceptance accepted by them at the BA Discount Rate.
- (d) Depository Bills. It is the intention of the Parties that pursuant to the *Depository Bills and Notes Act* (Canada) ("DBNA"), all Bankers' Acceptances accepted by the Lenders under this Agreement will be issued in the form of a "depository bill" (as defined in the DBNA), deposited with a "clearing house" (as defined in the DBNA), including The Canadian Depository for Securities Limited or its nominee CDS Clearing and Depository Services Inc. or its nominee CDS & Co. ("CDS"). In order to give effect to the foregoing, the Agent will, subject to the approval of the Borrower and the Lenders, establish and notify the Borrower and the Lenders of any additional procedures, consistent with the terms of this Agreement, as are reasonably necessary to accomplish such intention, including:
 - (i) any instrument held by the Agent for purposes of Bankers' Acceptances will have marked prominently and legibly on its face and within its text, at or before the time of issue, the words "This is a depository bill subject to the *Depository Bills and Notes Act* (Canada)";

- (ii) any reference to the authentication of the Bankers' Acceptance will be removed; and
- (iii) any reference to the "bearer" will be removed and such Bankers' Acceptances will not be marked with any words prohibiting negotiation, transfer or assignment of it or of an interest in it.

7.3 BA Equivalent Loans

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

7.4 General Mechanics

- (a) Notice. If the Borrower elects to market Bankers' Acceptance on its own, pursuant to the terms of Section 7.2(c), the Borrower may in the Notice of Borrowing or a Notice of Rollover or Notice of Conversion requesting an Accommodation by way of Bankers' Acceptances or by subsequent notice to the Agent, provide the Agent with information as to the discount proceeds payable by the purchasers of the Bankers' Acceptances and the party to whom delivery of the Bankers' Acceptances is to be made against delivery of such discount proceeds to the Agent for the credit of the Borrower subject to Section 7.4(d), in writing by 11:00 a.m. (Toronto time) on the Closing Date or the date of the Rollover or Conversion, as applicable, and provide such information to the Agent. Each Lender shall advance its Rateable Portion of each Advance by way of Bankers' Acceptances and BA Equivalent Loans in accordance with the provisions set forth herein. The Agent, promptly following receipt of the Notice of Borrowing from the Borrower pursuant to Section 5.2 requesting an Advance by way of Bankers' Acceptances, shall (i) advise each Lender of the face amount of the Bankers' Acceptances to be accepted by it, and (ii) advise each Non-BA Lender of the face amount of its BA Equivalent Loan. The aggregate face amounts of Bankers' Acceptances to be accepted by Lender and the amount of the BA Equivalent Loans for each Non-BA Lender shall be determined by the Agent by reference to the respective Individual Commitment Amounts of the Lenders, provided that, if the face amount of a Bankers' Acceptance or the amount of a BA Equivalent Loan would not be Cdn.

\$100,000 or a whole multiple thereof, such face amount or loan amount shall be increased or reduced by the Agent in its sole discretion, to the nearest whole multiple of Cdn. \$100,000.

- (b) Bankers' Acceptances. Unless such Lender makes a BA Equivalent Loan pursuant to the terms of Section 7.3 or the Borrower elects to market Bankers' Acceptances pursuant to the terms of Section 7.2(c), upon acceptance of a Bankers' Acceptance by a Lender, such Lender will purchase, or arrange for the purchase of, each Bankers' Acceptance from the Borrower at the BA Discount Rate applicable for such Lender for such Bankers' Acceptance accepted by it and provide to the Agent the Net Proceeds for the account of the Borrower.
- (c) Rollovers. In the case of a Rollover of maturing Bankers' Acceptances, each Lender, in order to satisfy the continuing liability of the Borrower to the Lender for the face amount of the maturing Bankers' Acceptances, will retain for its own account the Net Proceeds (or discount proceeds to be received by a purchaser of Bankers' Acceptance in the case of Bankers' Acceptances purchased by a non-Lender in accordance with Section 7.2(c)) of each new Bankers' Acceptance issued by it in connection with such Rollover and the Borrower will, on the Maturity Date of the maturing Bankers' Acceptances, pay to the Agent for the benefit of the Lenders an amount equal to the difference between the face amount of the maturing Bankers' Acceptances and the aggregate Net Proceeds of the new Bankers' Acceptances.
- (d) Conversion to BA's. In the case of a Conversion from a Canadian Prime Rate Loan into an Accommodation by way of Bankers' Acceptances, each Lender, in order to satisfy the continuing liability of the Borrower to each Lender for the amount of the Canadian Prime Rate Loan being converted, will retain for its own account the Net Proceeds (or discount proceeds to be received by a purchaser of Bankers' Acceptance in the case of Bankers' Acceptances purchased by a non-Lender in accordance with Section 7.2(c)) of each new Bankers' Acceptance issued by it in connection with such Conversion and the Borrower will, on the date of issuance of the Bankers' Acceptances pay to the Agent for the benefit of the Lenders an amount equal to the difference between the amount of the Canadian Prime Rate Loan being converted, including any accrued interest thereon, owing to the Lenders and the Net Proceeds of such Bankers' Acceptances.
- (e) Conversion from BA's. In the case of a Conversion of an Accommodation by way of Bankers' Acceptances into a Canadian Prime Rate Loan, each Lender, in order to satisfy the liability of the Borrower to each Lender for the face amount of the maturing Bankers' Acceptances, will record the obligation of the Borrower to it as a Canadian Prime Rate Loan, unless the Borrower provides for payment to the Agent for the benefit of the Lenders of the face amount of the maturing Bankers' Acceptance in some other manner acceptable to the Lenders.
- (f) Rounding. In the case of an issue of Bankers' Acceptances, the Agent will round allocations amongst the Lenders to ensure that each Bankers' Acceptance issued

has a face amount which is a whole number multiple of Cdn. \$100,000 (and such rounded allocations shall constitute the Lenders' respective Rateable Portions for the purposes of this Agreement).

7.5 Escrowed Funds

Upon the request of the Agent after the occurrence and during the continuance of an Event of Default or if required in connection with outstanding Banker's Acceptances accepted by a Lender whose Individual Commitment Amount is being terminated or repaid in accordance with the terms hereof, the Borrower will forthwith pay to the Agent for deposit into an escrow account maintained by and in the name of the Agent for the benefit of the applicable Lenders, an amount equal to the applicable Lenders' maximum potential liability under then outstanding Bankers' Acceptances (the "**Escrow Funds**"). The Escrow Funds will be held by the Agent for set-off against future Obligations owing by the Borrower to the applicable Lenders in respect of such Bankers' Acceptances and pending such application will bear interest for the Borrower's Account at the rate payable by the Agent in respect of deposits of similar amounts and for similar periods of time. If such Event of Default is either waived or cured in compliance with the terms of this Agreement, then the remaining Escrow Funds if any, together with any accrued interest to the date of release, will be released to the Borrower. The deposit of the Escrow Funds by the Borrower with the Agent as herein provided will not operate as a repayment of the Aggregate Principal Amount until such time as the Escrow Funds are actually paid to the applicable Lenders as a Principal Repayment.

7.6 Market Disruption

If:

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

then:

- (c) the right of the Borrower to request Bankers' Acceptances or BA Equivalent Loans from any Lender shall be suspended until the Agent determines that the circumstances causing such suspension no longer exist, and so notifies the Borrower and the Lenders;
- (d) any outstanding Notice of Conversion requesting a Conversion of an Advance by way of Bankers' Acceptances or BA Equivalent Loans shall be deemed to be a

Notice of Conversion requesting a Conversion of such Advances into an Advance by way of Canadian Prime Rate Loans; and

- (e) any outstanding Notice of Rollover requesting a Rollover of an Advance by way of Bankers' Acceptances or BA Equivalent Loans, shall be deemed to be a Notice of Conversion requesting a Conversion of such Advances into an Advance by way of Canadian Prime Rate Loans.

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

ARTICLE 8 INCREASED COSTS

8.1 Changes in Law

- (a) If, after the date hereof, due to either:
 - (i) the introduction of, or any change in, or in the interpretation of any Law, whether having the force of law or not, resulting in the imposition or increase of reserves, deposits or similar requirements by any central bank or Administrative Body charged with the administration thereof;
 - (ii) the imposition on any Lender or requirement on any Lender to maintain any additional capital adequacy or capital requirements in respect of any Advances or commitments hereunder, or any other condition with respect to this Agreement; or
 - (iii) the compliance with any guideline or request from any central bank or other Administrative Body which a Lender, acting reasonably, determines that it is required to comply with,

there will be any increase in the cost to such Lender of agreeing to make or making, funding or maintaining an Accommodation, or there will be any reduction in the effective return to such Lender thereunder, then, subject to Section 8.1(b), the Borrower will, within 15 Banking Days after being notified by such Lender of such event, pay to such Lender, that amount (the "**Additional Compensation**") which such Lender, acting reasonably, determines will compensate it, after taking into account all applicable Taxes (other than Taxes on income) and all interest and other

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

- (b) If Additional Compensation is payable pursuant to Section 8.1(a), the Borrower will have the option to convert the Accommodation to another type of Accommodation, in accordance with the terms of this Agreement, in respect of which no further such Additional Compensation will be payable or prepay any amount of the Term Loan Facility owed to the Lender entitled to receive the Additional Compensation without obligation to make a corresponding prepayment to any other Lender. If the Additional Compensation relates to outstanding Bankers' Acceptances under the Term Loan Facility, such Lender may require the Borrower to deposit in an interest bearing cash collateral account with such Lender such amount as may be necessary to fully satisfy the contingent obligations of such Lender for all outstanding Bankers' Acceptances in accordance with the arrangements similar to those set out in Section 7.5.
- (c) Notwithstanding anything contained in this Section 8.1, the *Dodd-Frank Wall Street Reform and Consumer Protection Act* and all requests, rules, regulations, guidelines and directives thereunder or issued in connection therewith and all requests, rules, regulations, guidelines and directives concerning capital adequacy promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority or any United States, Canadian or foreign regulatory authority) (collectively, the "**New Rules**") shall, in each case, be deemed a "change in Law" under Section 8.1(a)(i) regardless of the date enacted, adopted or issued but only to the extent (i) applicable to a Lender claiming Additional Compensation, (ii) materially different from that in effect on the date hereof, and (iii) such New Rules have general application to substantially all banks and their affiliates within the jurisdiction in which such Lender operates.

8.2 Changes in Circumstances

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

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

then in any such case, the Borrower will forthwith repay to such Lender all principal amounts affected thereby, together with all unpaid interest accrued thereon to the date of repayment and all other expenses incurred in connection with the termination of any such Accommodation, without any obligation to make a corresponding prepayment to any other Lender. The Borrower may utilize

other forms of Accommodations not so affected in order to make any required repayment and after any such repayment, the Borrower may elect to re-borrow the amount repaid by way of some other Accommodation upon complying with applicable requirements thereof.

8.3 Application of Sections 8.1 and 8.2

If a Lender exercises its discretion under either Section 8.1 or 8.2, then concurrently with a notice from such Lender to the Lenders and the Borrower requiring compliance with the applicable Section, such Lender will provide the Borrower (with a copy to the Agent and the other Lenders) with a certificate in reasonable detail outlining the particulars giving rise to such notice, confirming that its actions are consistent with actions concurrently taken by such Lender with respect to similar type provisions affecting other borrowers of such Lender in comparable circumstances and certifying (with reasonable supporting detail) the increased costs, if any, payable by the Borrower thereunder, which will be *prima facie* evidence thereof and binding on the Parties.

8.4 Limitations on Additional Compensation

Sections 8.1 and 8.2 will not apply to a Lender with respect to any event, circumstance or change of the nature and kind of which such Lender had actual knowledge on the Closing Date. A Lender will not be entitled to Additional Compensation to the extent such increase in costs or reduction in return is reflected in or recovered by an increase in the interest or other amounts payable hereunder (other than pursuant to Section 8.1) or relates to any period which is more than 90 days prior to such Lender becoming aware such Additional Compensation was owing.

8.5 Taxes

- (a) All payments to be made by the Borrower and the other Loan Parties pursuant to the Documents are to be made without set-off, deduction, compensation or counterclaim and free and clear of and without deduction for or on account of any Taxes (which for greater certainty does not include Taxes on the overall income or capital of a Lender), except for the deduction of such Taxes as required by applicable Laws. If any such Taxes are deducted or withheld from any payments under the Documents, other than for withholding Taxes resulting from the residency of a Lender outside Canada or the United States of America, the Borrower and the other Loan Parties shall promptly remit to the Agent for the Lenders' benefit in the currency in which such payment was made, the equivalent of the amount of Taxes so deducted or withheld together with the relevant receipt addressed to the Agent. If the Borrower or any other Loan Party is prevented by operation of Law or otherwise from paying, causing to be paid or remitting such Taxes, the interest or other amount payable under the Documents will be increased to such rates as are necessary to yield and remit to the Lenders the principal sum advanced or made available together with interest at the rates specified in the Documents after provision for payment of such Taxes.
- (b) Each Lender shall, at such times as are reasonably requested by the Borrower or the Agent, provide the Borrower and the Agent with any properly completed and executed documentation prescribed by Law, or reasonably requested by the

Borrower or the Agent, certifying as to any entitlement of such Lender to an exemption from, or reduction in, any withholding Tax with respect to any payments to be made to such Lender under the Documents (including any documentation necessary to establish an exemption from, or reduction of, any Taxes that may be imposed under FATCA). Each such Lender shall, whenever a lapse in time or change in circumstances renders such documentation expired, obsolete or inaccurate in any respect, deliver promptly to the Borrower and the Agent updated or other appropriate documentation (including any new documentation reasonably requested by the applicable withholding agent) or promptly notify the Borrower and the Agent of its inability to do so. In addition, any Lender, if reasonably requested by the Borrower or the Agent, shall deliver such other documentation prescribed by applicable Law or reasonably requested by the Borrower or the Agent as will enable the Borrower or the Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in paragraph (c) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

- (c) If a payment made to a Lender under any Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Internal Revenue Code, as applicable), such Lender shall deliver to Borrower and the Agent at the time or times prescribed by law and at such time or times reasonably requested by Borrower or the Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Internal Revenue Code) and such additional documentation reasonably requested by Borrower or the Agent as may be necessary for Borrower and the Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause, "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

ARTICLE 9 REPRESENTATIONS AND WARRANTIES OF THE BORROWER

9.1 Representations and Warranties

The Borrower hereby represents and warrants to the Lenders that:

- (a) Formation, Organization and Power. Each Loan Party has been duly incorporated, amalgamated or formed, as applicable, and is validly existing under the Law of its jurisdiction of incorporation, amalgamation or formation, as applicable, and is duly registered to carry on business in each jurisdiction in which the nature of any

business carried on by it or the character of any property owned or leased by it makes such registration necessary except where the failure to do so would not reasonably be expected to have a Material Adverse Effect, and each Loan Party has full corporate or partnership power and capacity, as applicable, to enter into and perform its obligations under the XTO Acquisition Documents and the Documents to which it is a party, and to carry on its business as currently conducted.

- (b) Authorization and Status of Agreements. Each Document to which any Loan Party is a party delivered pursuant hereto has been duly authorized, executed and delivered by it and the execution and delivery thereof, and the performance of obligations thereunder does not conflict with or contravene or constitute a default or create a Lien under:
- (i) its constating documents, by-laws, any resolution of the Directors of any Loan Party or any shareholders' or partnership agreement in respect of any Loan Party;
 - (ii) the Permitted *Pari Passu* Debt Documents;
 - (iii) any permit, license, agreement or document to which it is a party or by which any of its property is bound; or
 - (iv) any applicable Law,
- (other than, in the case of clauses (i), (iii) and (iv) above, a conflict, contravention, default or Lien which would not reasonably be expected to have a Material Adverse Effect or a Lien which is a Permitted Encumbrance).
- (c) Enforceability. Each of the Documents constitutes a legal, valid and binding obligation of each Loan Party that is a party thereto, and is enforceable against such Loan Party in accordance with the terms thereof, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency, reorganization, or similar statutes affecting the enforcement of creditors' rights generally and by general principles of equity.
- (d) Litigation. There are no actions, suits or proceedings at Law or before or by any Administrative Body existing or pending, or to the best of the Borrower's knowledge threatened, to which any Loan Party is, or to the Borrower's knowledge is threatened to be made, a party in respect of which there is a reasonable possibility of an adverse determination and the result of which would, if adversely determined, reasonably be expected to have a Material Adverse Effect.
- (e) Environmental Law. Each Loan Party (i) has obtained all permits, licenses and other authorizations which are required under Environmental Law; and (ii) is in compliance with Environmental Law and with the terms and conditions of all such permits, licenses and authorizations, except, in all cases, to the extent failure to do so would not reasonably be expected to have a Material Adverse Effect.

- (f) Environmental Condition of Property. The property or any part thereof owned, operated or controlled or any Loan Party, either directly or indirectly:
- (i) is not, to the best of the knowledge of the Borrower, the subject of any outstanding claim, charge or order from an Administrative Body alleging a violation of Environmental Law which would reasonably be expected to have a Material Adverse Effect or, if subject to any such claim, charge or order, the applicable Loan Party is taking all such remedial, corrective or other action required under the claim, charge or order or is diligently and in good faith contesting the validity thereof; and
 - (ii) complies in all respects with respect to each of its use and operation, with Environmental Law and with the terms and conditions of all permits, licenses and other authorizations which are required to be obtained under applicable Environmental Law except to the extent failure to so comply would reasonably be expected to have a Material Adverse Effect.
- (g) Title to Properties. Each Loan Party has good and valid title to its Oil and Gas Properties subject only to Permitted Encumbrances and to minor defects of title which in the aggregate do not affect its rights of ownership therein or the value thereof in any way which would reasonably be expected to have a Material Adverse Effect or to which the Lenders have consented to in writing. Each Loan Party is entitled to charge its interests in such Oil and Gas Properties, in favour of the Agent and the Lenders as provided in this Agreement and the Security without the need to obtain any consent of or release from any other Person which has not been obtained and such Oil and Gas Properties are not held in trust by any Loan Party for any Person other than a Loan Party.
- (h) Operation of Properties. To the best of the Borrower's knowledge, information and belief, after due enquiry, all of the oil, gas and other wells of each Loan Party, as applicable, have been drilled, completed, shut-in and abandoned (and they have abandoned such wells if they were required by Law to have been abandoned) in accordance with applicable Law, the oil and gas properties of the Loan Parties have been operated and, if applicable, abandoned (and they have abandoned such properties to the extent required by applicable Law to be abandoned) in accordance with applicable Law and the facilities, plants and equipment in respect of all of the Loan Parties' properties have been and will continue to be operated and maintained, as the case may be, in a good and workmanlike manner in accordance with sound industry practice and in accordance with all applicable Law, except, in each case, to the extent that the failure to do any of the foregoing would not be reasonably expected to have a Material Adverse Effect.
- (i) Financial Condition. The most recent financial statements of the Borrower delivered to the Agent and the Lenders hereunder or in connection herewith were prepared in accordance with GAAP and such financial statements present fairly, in all material respects, the Borrower's consolidated financial position as at the date

thereof and since the date thereof there has been no Material Adverse Effect, which has not been disclosed in writing to the Agent.

- (j) Information. All factual information heretofore or contemporaneously furnished by or on behalf of any Loan Party to the Agent or the Lenders in connection with the Loan Parties, the Term Loan Facility, the XTO Acquisition Transaction and any Permitted Indebtedness, was true and accurate in all material respects at the time given and the Borrower is not aware of any omission of any material fact which renders such factual information incomplete or misleading in any material way at the time given.
- (k) No Breach of Orders, Licences or Laws. No Loan Party is in breach of:
 - (i) any order, approval or mandatory requirement or directive of any Administrative Body;
 - (ii) any governmental licence or permit; or
 - (iii) any applicable Law,the breach of which would reasonably be expected to have a Material Adverse Effect.
- (l) Pension. Each Loan Party has in all respects complied with the contractual provisions and applicable Laws relating to each Pension Plan to which it is a party or is otherwise bound, if any, except to the extent failure to comply would not reasonably be expected to have a Material Adverse Effect, all amounts due and owing under any such Pension Plan have been paid in full, and, to the best of the knowledge of the Borrower, no deficiency exists (whether or not waived) under any such Pension Plan that would reasonably be expected to have a Material Adverse Effect. None of the Loan Parties are party to a Pension Plan that is a defined benefit pension plan or which contains a defined benefit pension provision contributed to or required to be contributed to by the Borrower or any one or more of its Subsidiaries and that is or is required to be registered under the EPPA, or any similar legislation in any other jurisdiction.
- (m) No Default. No Default or Event of Default has occurred and is continuing.
- (n) Insurance. Each Loan Party has in full force and effect such policies of insurance in such amounts issued by such insurers of recognized standing covering the property of the Loan Parties as required by Section 10.1(h).
- (o) Approvals. All regulatory approvals, consents, permits and licenses necessary for each Loan Party to carry on its business, as currently carried on, and all approvals and consents necessary for the each Loan Party to enter into the Documents to which it is a party and perform its obligations thereunder have, in each case, been obtained and are in good standing except to the extent that failure to so obtain would not reasonably be expected to have a Material Adverse Effect.

- (p) Payment of Taxes. Each Loan Party has filed all tax returns which are required to be filed and has paid all Taxes (including interest and penalties) which are due and payable, unless such payment is in good faith disputed, and has made all appropriate provision in respect thereof in accordance with GAAP, except, in either case, to the extent that a failure to file such returns or pay such Taxes would not reasonably be expected to have a Material Adverse Effect.
- (q) Remittances. All of the remittances required to be made by each Loan Party to the applicable federal, provincial or municipal governments have been made, are currently up to date and there are no outstanding arrears, except to the extent that a failure to do so would not reasonably be expected to have a Material Adverse Effect.
- (r) Subsidiaries. As at the date hereof, the Borrower has no Material Subsidiaries or Subsidiaries other than as set out in Schedule F and the jurisdictions of formation, the location of the respective businesses and assets of each Loan Party and, the trade names of each, if any, used in such locations is as set forth in Schedule F. As at the date hereof, the legal and beneficial owners of all of the issued and outstanding Voting Securities of each Subsidiary of the Borrower is as set out in Schedule F.
- (s) Debt and Liens. No Loan Party has any Debt, other than Permitted Indebtedness, or Liens on its property, other than Permitted Encumbrances.
- (t) Liens. The Loan Parties have the right and power to pledge, charge, mortgage, or lien its assets in accordance with the Security contemplated by this Agreement.
- (u) Solvency. As of the Closing Date and immediately following the making of each Advance and after giving effect to the application of the proceeds of each Advance, (i) the fair value of the assets of the Loan Parties, on a consolidated basis, will exceed their indebtedness and liabilities, subordinated, contingent or otherwise; (ii) the present fair saleable value of the property of the Loan Parties, on a consolidated basis, will be greater than the amount that will be required to pay the probable liability of their indebtedness and other liabilities, subordinated, contingent or otherwise, as such indebtedness and other liabilities become absolute and matured; (iii) the Loan Parties, on a consolidated basis, will be able to pay their indebtedness and liabilities, subordinated, contingent or otherwise, as such indebtedness and liabilities become absolute and matured; and (iv) no Loan Party is an insolvent person under applicable bankruptcy and insolvency laws.
- (v) Judgments; Etc. No Loan Party is subject to any judgment, order, writ, injunction, decree or award, or to any restriction, rule or regulation (other than customary or ordinary course restrictions, rules and regulations consistent or similar with those imposed on other Persons engaged in similar businesses) which has not been stayed, or of which enforcement has not been suspended, in each case which would reasonably be expected to have a Material Adverse Effect.

- (w) Hedging Agreements and Permitted *Pari Passu* Documents and Permitted Junior Debt Documents. No Loan Party is in default under, and no event of default has occurred pursuant to, any Hedging Agreement or any Permitted *Pari Passu* Debt Documents on Permitted Junior Debt Documents.
- (x) Fiscal Year. The fiscal year end of each Loan Party is December 31.
- (y) Security. The Security constitutes a valid first ranking security interest and first ranking floating charge on the assets of the Loan Parties, subject only to Permitted Encumbrances which under applicable Law rank in priority thereto.
- (z) Anti-Corruption Laws and Sanctions.
 - (i) The Borrower has implemented and maintains in effect policies or codes of conduct intended to ensure compliance in all material respects by its directors, officers and employees with, in each case, Anti-Corruption Laws and Sanctions applicable to such Persons.
 - (ii) None of the Loan Parties, or, to the knowledge of the Borrower, any of their respective directors, officers and employees is a Sanctioned Person.
 - (iii) No part of the proceeds of the Advances will be used intentionally by any Loan Party (A) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation in any material respect of any Anti-Corruption Laws, (B) for the purpose of funding (including payments made to) or financing any activities, investments, business or transaction of or with any Person known to any Loan Party to be a Sanctioned Person, or in any country known to any Loan Party to be a Sanctioned Country where such Sanctions relate to the business activities of the Lenders, or (C) in any manner that would result in the violation of any Sanctions applicable to the Lenders.
- (aa) *Pari Passu* Ranking. The Lender Secured Obligations rank at least *pari passu* in right of payment with all of their other senior secured indebtedness, including the Permitted *Pari Passu* Debt.
- (bb) Hedging Policy. Attached hereto is Schedule J is a true and complete copy of the Borrower's current hedging policy as approved by its Directors in effect of the Closing Date.

9.2 Acknowledgement

The Borrower acknowledges that the Agent and the Lenders are relying upon the representations and warranties in this Article 9 in making the Term Loan Facility available to the Borrower and that the representations and warranties contained in Section 9.1 will be deemed to be restated in every respect effective on the date each and every Advance is made except for Advances which

are Rollovers or Conversions in which case only Section 9.1(m) will be deemed to be restated as of the date of such Advance.

9.3 Survival and Inclusion

The representations and warranties in this Article 9 shall survive until this Agreement has been terminated. All statements, representations and warranties contained in any Compliance Certificate, Environmental Certificate, Closing Certificate, the other Documents or in any instruments delivered by or on behalf of any Loan Party pursuant to this Agreement or the other Documents shall constitute statements, representations and warranties made by the Borrower to the Agent and the Lenders under this Agreement.

ARTICLE 10 COVENANTS OF THE BORROWER

10.1 Affirmative Covenants

While any Obligations under the Term Loan Facility are outstanding or any Accommodation under the Term Loan Facility remains available:

- (a) Punctual Payment. The Borrower will pay or cause to be paid all Obligations and other amounts payable under the Documents punctually when due.
- (b) Legal Existence. Except as permitted by Article 11, the Borrower will do or will cause to be done all things necessary to preserve and keep in full force and effect its and each other Loan Party's existence in good standing under the Law of its jurisdiction of formation.
- (c) Material Adverse Claims. The Borrower will, and will cause each other Loan Party to, except for Permitted Encumbrances, do all things necessary to defend, protect and maintain its property and the Security (and the priority thereof), from all material adverse claims where the failure to do so in the opinion of the Lenders, acting reasonably, threatens the intended priority or validity of the Security as herein provided, or would reasonably be expected to have a Material Adverse Effect.
- (d) Notices.
 - (i) Material Adverse Effect, Default or Event of Default. The Borrower will notify the Agent of the occurrence of any Material Adverse Effect, Default or Event of Default forthwith upon the Borrower becoming aware thereof and specify in such notice the nature of the event and the steps taken or proposed to be taken to remedy the same.
 - (ii) Legal Proceedings. The Borrower will, forthwith upon the Borrower becoming aware thereof, notify the Agent of the commencement of any legal or administrative proceedings against any Loan Party which, if

adversely determined against such Loan Party, would reasonably be expected to have a Material Adverse Effect.

- (iii) Change of Control. The Borrower will, forthwith upon becoming aware thereof, notify the Agent of any Change of Control.
- (iv) Environmental Damage. The Borrower will, forthwith upon acquiring knowledge thereof, notify the Agent of the discovery of any Contaminant or of any Release of a Contaminant into the Environment from or upon the land or property owned (either individually or jointly), operated or controlled by any Loan Party which would reasonably be expected to have a Material Adverse Effect.
- (v) Notices under Permitted Debt. The Borrower will, and will cause each other Loan Party to, on a timely basis, furnish to the Agent copies of all material notices received under any Permitted *Pari Passu* Debt Documents or Permitted Junior Debt Documents.
- (vi) New Permitted Incremental *Pari Passu* Debt or Permitted Junior Debt. The Borrower will provide the Agent with no less than 10 Banking Days' prior written notice of the proposed issuance of any new Permitted Incremental *Pari Passu* Debt or Permitted Junior Debt and the Borrower will provide, in a timely manner, a written copy of any material alteration, amendment, modification or supplement to, or restatement of, any Permitted *Pari Passu* Debt Document or Permitted Junior Debt Document (or any material waiver or consent to like effect).
- (vii) Pension Deficiencies. The Borrower will, and will cause each other Loan Party to, on a timely basis, furnish to the Agent copies of all notices of any material deficiencies in respect of any Pension Plans or any Loan Party or any defaults or breaches thereunder.
- (viii) Securities Filings. The Borrower shall provide to the Agent on a timely basis all reports, notices and proxies which it sends to its shareholders concurrently with furnishing the same to such shareholders and shall furnish to the Agent all material change reports, annual information forms or other material filings that the Borrower files with any securities commissions having jurisdiction over the Borrower, provided, however, that such reports shall not include any filed on a confidential basis and may be provided by posting same on www.sedar.com.
- (ix) Subsidiary/Fiscal Year. The Borrower will promptly notify the Agent of the creation of any Subsidiary and the ownership thereof or any change its fiscal year end from that set forth in Section 9.1(x).

(e) Reporting Requirements.

- (i) Financial Statements. The Borrower will furnish to the Agent a copy of (A) the Borrower's quarterly unaudited consolidated financial statements no later than 60 days after the end of each of the first three fiscal quarters of each fiscal year of the Borrower and (B) the Borrower's annual audited consolidated financial statements in respect of a fiscal year of the Borrower no later than 90 days after the following the end of such fiscal year of the Borrower; provided that the Borrower shall be deemed to have complied with the delivery of the foregoing financial statements if such financial statements are posted on www.sedar.com within the time period described.
- (ii) Quarterly Compliance Certificate. Within (A) the time period set forth in Section 10.1(e)(i)(A) for each of the first three fiscal quarters of each fiscal year of the Borrower and (B) the time period set forth in Section 10.1(e)(i)(B) for each such fiscal year, the Borrower will furnish to the Agent a Compliance Certificate.
- (iii) Environmental Certificate. Prior to 90 days after the end of each fiscal year of the Borrower, the Borrower will deliver to the Agent an Environmental Certificate.
- (iv) Annual Cash Flow Budget and Reserve Reports. Prior to March 31 of each year, the Borrower will furnish to the Agent (in sufficient copies for each of the Lenders) (a) a cash flow budget that was prepared in good faith and based on reasonable assumptions, approved by the Directors of the Borrower for the then current fiscal year of the Borrower, including any revisions thereto; and (b) an independent economic and reserve evaluation report in respect of the oil and gas properties of the Loan Parties in form satisfactory to the Lenders, acting reasonably, and prepared by a recognized petroleum engineering firm, with an effective date no earlier than December 31 of the immediately preceding year.
- (v) Hedging Policy. The Borrower shall promptly notify the Agent with any material updates or modifications to the hedging policy of the Borrower that was provided to the Agent in accordance with Section 9.1(bb).
- (vi) Additional Environmental Information. The Borrower will upon the request of the Agent make available for discussion with the Agent or its nominee at all reasonable times the employees of the Borrower who were involved in the preparation of any Environmental Certificate.
- (vii) Other Information. The Borrower will provide to the Agent such other documentation and information concerning the Loan Parties or their properties as may be requested by the Lenders, acting reasonably.

(viii) ARO Reporting.

- (A) The Borrower shall deliver to the Agent, within 90 days after the end of each of its fiscal years, an annual Abandonment and Reclamation Report, together with a summary of all letters of credit and other forms of security provided to each applicable Energy Regulator related to abandonment and reclamation obligations and liabilities of any one or more of the Loan Parties (excluding any security which is mandatorily required to be provided by producers without regard to any Liability Management Rating deficiency or similar abandonment and reclamation obligation deficiency construct).
 - (B) The Borrower shall deliver to the Agent, promptly following receipt thereof by it or any other Loan Party, copies of any Abandonment/Reclamation Orders (and any amendments, supplements or other modifications thereto) or other material notices or communications related to any directives, rules, regulations or other orders issued by any applicable Energy Regulator in respect of any Material Jurisdiction to any one or more of Loan Parties or otherwise affecting any of the assets of any of them relating to any non-compliance by any Loan Party with any applicable Environmental Laws in respect of any Material Jurisdiction, including liability assessments, potential or designated problem site notices, requirement to post security deposits and operator insolvency notices; provided that the aggregate estimated cost of compliance with all such orders, notices or communications would reasonably be expected to exceed the Threshold Amount.
 - (C) The Borrower shall deliver to the Agent, promptly following delivery of such letters of credit or security, notice to the Agent if any letters of credit or other forms of security are issued on its or any Material Subsidiary's behalf to any applicable Energy Regulator in respect of any Material Jurisdiction if the Liability Management Rating of any Loan Party is less than 2.0 in any Material Jurisdiction (or if such Liability Management Rating would have been below any such threshold absent such letter of credit or security having been delivered to the applicable Energy Regulator).
- (f) Operation of Properties. The Borrower will, and will cause each other Loan Party to, operate its respective property, or, if it is not the operator, use reasonable efforts to ensure that such property is operated, in accordance with sound industry practice and in accordance in all respects with applicable Law, except to the extent failure to do so would not reasonably be expected to have a Material Adverse Effect.
- (g) Performance of Agreements. The Borrower will, and will cause each other Loan Party to, perform its obligations under the Documents, the XTO Acquisition

Documents, and all other material agreements relating to the Oil and Gas Properties, 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 their right to surrender leases or terminate agreements which are uneconomic to maintain.

- (h) Insurance. The Borrower will, and will cause each other Loan Party to, maintain adequate insurance issued by insurers of recognized standing in respect of its material property, including all wellhead equipment and other plant and equipment, as is customary in the case of businesses of established reputation engaged in the same or similar businesses, and will provide the Agent with copies of all insurance policies relating thereto if so requested. All such insurance policies will contain a loss payable clause in favour of the Collateral Agent and name the Collateral Agent as additional insured.
- (i) Environmental Review. If the Agent, acting reasonably, determines that any Loan 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 Agent, the Borrower will, and will cause the other Loan Parties to, assist the Agent in conducting an environmental review (which may take the form of an audit) of the property which is the subject matter of such contingent or actual obligations or liabilities, by an independent consultant selected by the Agent. The reasonable costs of such review will be for the account of the Borrower, provided that the Agent will carry out such review in consultation with the Borrower to expedite its completion in a cost effective manner. Should the result of such review indicate that any Loan Party is in breach, or with the passage of time will be in breach, of any Environmental Law and such breach or potential breach has or would reasonably be expected to have, in the opinion of the Lenders, acting reasonably, a Material Adverse Effect, and without in any way prejudicing or suspending any of the rights and remedies of the Agent and the Lenders under the Documents, the Borrower will forthwith commence and diligently proceed to rectify or cause to be rectified such breach or potential breach, as the case may be, and will keep the Lenders fully advised of the actions it intends to take and has taken to rectify such breach or potential breach and the progress it is making in rectifying same.
- (j) Payment of Taxes. The Borrower will, and will cause each other Loan Party to, duly file on a timely basis all Tax returns required to be filed by them, and duly and punctually pay all Taxes and other governmental charges levied or assessed against them or their property, except, in either case, to the extent that failure to do so would not reasonably be expected to have a Material Adverse Effect.
- (k) Remittances. The Borrower will, and will cause each other Loan Party to, make all of the remittances required to be made by each Loan Party to the applicable federal,

provincial or municipal governments and keep such remittances up to date, except to the extent that a failure to do so would not reasonably be expected to have a Material Adverse Effect.

- (l) Pensions. The Borrower shall, and shall cause each Material Subsidiary to, make all required payments in respect of funding each pension plan applicable to such Person and otherwise fully comply with all applicable Laws governing or affecting such plans if the failure to make such payments or so comply individually or in the aggregate would have a Material Adverse Effect, or could result in the imposition of any Lien on any of their respective assets.
- (m) Inspection of Property; Books and Records; Discussions. The Borrower will, and will cause each other Loan Party to, (i) maintain books and records of account in accordance with GAAP and all applicable Laws, and (ii) permit representatives of the Agent to (A) visit and inspect any property of any Loan Party and to examine and make abstracts from any books and records of any Loan Party at any reasonable time during normal business hours and upon reasonable request and notice, and subject to the Borrower's health and safety requirements, and at the Borrower's expense during any Default or Event of Default, and (B) discuss the business, property, condition (financial or otherwise) and prospects of any Loan Party with their senior officers and (in the presence of such representatives, if any, as it may designate) with its independent chartered accountants.
- (n) Comply with Law and Maintain Permits. The Borrower will, and will cause each other Loan Party to, comply with applicable Laws and obtain and maintain all permits, licenses, consents and approvals necessary to the ownership of its property and to the conduct of its business in each jurisdiction where it carries on business or owns property, including those issued or granted by Administrative Bodies, except to the extent failure to do so would not reasonably be expected to have a Material Adverse Effect.
- (o) Material Subsidiary Designation/Security. The Borrower will cause each Material Subsidiary to provide the Agent or the Collateral Agent, as applicable, with a guarantee and the other Security listed in Section 4.1, in form and substance satisfactory to the Agent, acting reasonably, on the earlier of (i) prior to or concurrently with the provision of any guarantee or security documents by such Material Subsidiary with respect to any Permitted *Pari Passu* Debt or Permitted Junior Debt and (ii) within 10 Banking Days of any such Subsidiary becoming a Material Subsidiary, together with such supporting documentation and legal opinions as the Agent may reasonably require. The Borrower from time to time shall be entitled to designate that a Subsidiary will be a Material Subsidiary by written notice to the Agent; provided that any Subsidiary which provides a guarantee or other security documents under or in connection with any Permitted *Pari Passu* Debt or Permitted Junior Debt, will in each case at all times be deemed to be a Material Subsidiary. The Borrower will ensure at all times that each Material Subsidiary is a direct or indirect wholly-owned subsidiary of the Borrower.

- (p) Ring Fence. The Borrower will ensure at all times that (i) the Borrower and the Material Subsidiaries directly own not less than 90% of the Consolidated Tangible Assets of the Borrower and (ii) not less than 90% of the Consolidated EBITDA of the Borrower is directly generated by the Borrower and the Material Subsidiaries.
- (q) Permitted Debt Document. Prior to, or concurrently with, the issuance of any (i) Permitted Junior Debt, the Borrower shall have delivered to the Agent and the Lenders an officer's certificate attaching a true, correct and complete copy of any Permitted Junior Debt Documents, a fully executed copy of the Junior Debt Intercreditor Agreement (if applicable) and the other documents referenced in subparagraph (b) of the definition of Permitted Junior Debt, or (ii) Permitted Incremental *Pari Passu* Debt, the Borrower shall have delivered to the Agent and the Lenders an officer's certificate attaching a true, correct and complete copy of any Permitted *Pari Passu* Debt Document (including any joinders or notices in respect of the *Pari Passu* Intercreditor Agreement).
- (r) Sanctions. The Borrower shall maintain in effect and enforce policies or codes of conduct intended to ensure compliance in all material respects by the Loan Parties and their respective directors, officers and employees with Anti-Corruption Laws, AML Legislation and Sanctions applicable to such Persons.
- (s) *Pari Passu* Ranking. The Borrower will ensure that the Lender Secured Obligations rank at least *pari passu* with all other senior, secured Debt of the Loan Parties (including all obligations related to the Permitted *Pari Passu* Debt and any guarantees issued by the Loan Parties in respect thereof), other than Debt secured by Permitted Encumbrances which, under applicable Laws, rank in priority thereto.
- (t) **Bank Accounts**. The Borrower shall, and shall cause each other Loan Party to, maintain and keep all cash and cash equivalents (including, for certainty, any operating accounts, deposit accounts or other bank accounts or any securities accounts, each, an "Account") held by or on behalf of the Loan Parties in Accounts held with a Lender (provided a Lender offers such accounts and other products or services on commercially competitive terms, failing which such accounts shall be maintained with another financial institution acceptable to the Agent, acting reasonably) except for an account with a trustee or administrator of, or with respect to, any employee benefit plans.

10.2 Negative Covenants

While any Obligations under the Term Loan Facility are outstanding or any Accommodation under the Term Loan Facility remains available:

- (a) Limitation on Borrowings, Liens and Distributions. The Borrower will not, and will not permit the other Loan Parties to:
 - (i) incur Debt, except for Permitted Indebtedness;

- (ii) provide or permit a Lien over any of its property, except for Permitted Encumbrances; or
 - (iii) make any Distribution, other than:
 - (A) any Distribution by a Loan Party to another Loan Party who owns the shares, or holds Debt, thereof; and
 - (B) any other Distribution so long as no Default or Event of Default exists or would exist or would reasonably be expected to exist upon making such Distribution (other than one monthly Distribution by the Borrower if publicly announced by the Borrower prior to the Default and at the time of such Distribution no Event of Default has occurred and is continuing).
- (b) Limitation on Hedging Agreements. The Borrower will not, and will not permit the other Loan Parties to enter into, transact or have outstanding any Hedging Agreements unless such Hedging Agreements are entered into in accordance with the then applicable hedging policies approved by the board of directors of the Borrower; provided that, notwithstanding the foregoing, the Borrower and the other Loan Parties will not enter into or maintain Hedging Agreements for speculative purposes, and provided further that at no time shall the Borrower or any other Loan Party enter into Hedging Agreements, if at the time of entering into such Hedging Agreement, the aggregate amount of all commodities hedged under such Hedging Agreements exceeds, for any fiscal quarter, 100% of Loan Parties' current forecasted average daily production volume for crude oil, natural gas and natural gas liquids, after royalties, in such fiscal quarter.
- (c) Mergers, Amalgamation and Consolidations. The Borrower will not, and will not permit any other Loan Party to, merge, amalgamate or consolidate with another Person (other than another Loan Party), except that the Borrower may, and may permit any other Loan Party, to amalgamate with another Person if:
- (i) no Default or Event of Default will be continuing at the time of such amalgamation and no Default or Event of Default will result therefrom;
 - (ii) the total consolidated assets of such other Person are less than 10% of Consolidated Tangible Assets of the Borrower immediately prior to such amalgamation;
 - (iii) no Material Adverse Effect would reasonably be expected to occur as a result of such amalgamation;
 - (iv) the Person continuing or surviving after, or resulting from, such amalgamation (the "**Amalgamation Successor**") (A) is formed under the laws of Canada or any province thereof, (B) will have assumed, including by operation of Law, all the covenants and obligations of the amalgamating Loan Party under the Documents, (C) remains bound by the terms of each

Document to which the amalgamating Loan Party was a party (including, for certainty, any Security granted thereby) and (D) the Amalgamation Successor is the Borrower or a direct or indirect wholly-owned subsidiary of the Borrower;

- (v) the Liens created by the Security will continue to be a Lien against the property of the Amalgamation Successor in substantially the same manner and to the same extent and priority as existed immediately prior to such amalgamation;
 - (vi) the rights and benefits afforded or intended to be afforded the Lenders and the Agent under the Documents are not impaired by such amalgamation;
 - (vii) the Borrower shall provide the Agent with an acknowledgement agreement confirming that the matters in this Section 10.2(c) are true and attaching the constating documents of the Amalgamation Successor; and
 - (viii) to the extent requested by the Agent or any Lender, the Agent shall have received an opinion from Borrower's Counsel in form and substance satisfactory to the Agent, acting reasonably.
- (d) Change in Business, Name, Location or Fiscal Year. The Borrower will not, and will not permit any other Loan Party to, (i) change in any material respect the nature of their business or operations from the direct or indirect exploration for, and development, production, processing, transportation and marketing of, petroleum, natural gas and related products, and businesses and operations incidental thereto, or (ii) if it has provided Security described in Section 4.1(a), change its name, trade name or locations of business from those set forth in Schedule F without giving the Agent 15 days' prior notice thereof.
- (e) Asset Dispositions. Other than for Permitted Dispositions, the Borrower will not, and will not permit any other Loan Party to, directly or indirectly, make any sale, exchange, lease, transfer or other disposition of any of its assets, property or undertaking. Notwithstanding the foregoing, during the continuance of a Default or Event of Default, the Loan Parties will not make any Permitted Dispositions except for those described in paragraphs (b), (c) and (e) of the definition thereof set forth in Schedule A.
- (f) Financial Assistance or Capital Contributions. Except as set forth in the provisos set forth below, the Borrower will not, and will not permit any other Loan Party to:
- (i) provide any guarantee of the obligations of any Person or loans or other financial assistance to any Person, in each case other than where that Person is another Loan Party; or
 - (ii) without limiting Section 10.2(g), make any contributions of capital or any other forms of equity investment in any Person that is not a Loan Party (provided that if the same is permitted pursuant to the proviso below such

capital contributions and investments may only be made in entities engaged in similar businesses as the Loan Parties as at the Closing Date);

provided that the foregoing will be permitted if: (x) such financial assistance or capital contributions are funded solely from the proceeds of equity issued by the Borrower; or (y) no Default or Event of Default has occurred and is continuing at such time and the amount of all such guarantees, loans, financial assistance and capital contributions and investments (with the amount of any such capital contribution or investment being determined at the lower of cost and fair market value) does not at any time exceed, in aggregate, the Threshold Amount.

- (g) Material Investments. The Borrower will not, and will not permit any other Loan Party to, make material investments or enter into ventures of a material nature which are outside the scope of their normal course of business.
- (h) Transactions with Affiliates. The Borrower will not, and will not permit any other Loan Party to, except as otherwise specifically permitted hereunder, enter into any transaction, including the purchase, sale or exchange of any property or the rendering of any services, with any of its shareholders or with any of its Affiliates, or with any of its or their Directors or officers, or enter into, assume or suffer to exist any employment, consulting or analogous agreement or arrangement with any such shareholder or Affiliate or with any of its directors or officers, except a transaction or agreement or arrangement which is in the ordinary course of business of the applicable Loan Party and which is upon fair and reasonable terms not less favourable to the applicable Loan Party than it would obtain in comparable arms-length transaction; provided that such restriction will not apply to any transaction between the Loan Parties.
- (i) Constating Documents. The Borrower will not, and will not permit any other Loan Party to, amend or otherwise modify its constating documents in any manner that would reasonably be expected to have a Material Adverse Effect.
- (j) Permitted Junior Debt. The Borrower will not, and will not permit any other Loan Party to:
 - (i) make any principal payments, repurchases, redemptions or other retirement of principal under any Permitted Junior Debt prior to its maturity, except if: (A) no Default or Event of Default shall have occurred and be continuing or would occur as a consequence thereof; and (B) the aggregate amount of such payments, repurchases, redemptions or retirements, after the Closing Date does not exceed \$50,000,000 or the Canadian Dollar Exchange Equivalent in any other currency;
 - (ii) pay any interest on any Permitted Junior Debt during the continuance of a Default or Event of Default; or
 - (iii) make any amendments to any Permitted Junior Debt Document or the terms and condition thereof that would reasonably be expected to have a material

adverse impact on the interests of the Lenders or that would amend the provisions of such Permitted Junior Debt Document prescribed by clauses (d), (e), (f) or (k) of the definition of Permitted Junior Debt;

provided that, the Borrower shall be permitted to repay, at any time, all or a portion of Permitted Junior Debt with the proceeds from (x) new Permitted Junior Debt or (y) the issuance of equity interests in the Borrower.

- (k) Anti-Cash Hoarding. The Borrower will not, and will not permit any other Loan Party to, use the proceeds of any Advance to accumulate or maintain cash or cash equivalents in one or more depository or investment accounts maintained by or on behalf of the Borrower or its Subsidiaries (or otherwise to accumulate or maintain the same in some other manner) if, after giving effect to such Advance, the aggregate amount of such cash and cash equivalents would be greater than the 1.5% of Consolidated Tangible Assets and for certainty, the Lenders may refuse to make any requested Drawdown which the Lenders, acting reasonably, determine would result in a contravention of this Section 10.2(k).
- (l) Use of Proceeds. The Borrower will not use, and shall procure that its Subsidiaries shall not, directly or indirectly, use any part of the proceeds of any Advance to intentionally fund any operations in, finance any investments or activities in, or make any payments to, any Sanctioned Person in any manner that would result in any violation of any Sanctions, AML Legislation or Anti-Corruption Laws.
- (m) Maturity of Existing *Pari Passu* Notes. The Borrower shall not amend the maturity date of the Existing *Pari Passu* Notes to a date that is the same as, or earlier than, the Termination Date.
- (n) Prepayment of Permitted *Pari Passu* Debt. The Borrower will not, and will not permit any other Loan Party to make any principal payments, repurchases, redemptions or other retirement of principal under any Permitted *Pari Passu* Debt (other than payments under the *Pari Passu* Revolving Credit Facilities that do not result in a permanent reduction of the commitments of the lenders thereunder) prior to the maturity thereof, except if: (i) no Default or Event of Default shall have occurred and be continuing or would occur as a consequence thereof; and (ii) the aggregate amount of such payments, repurchases, redemptions or retirements, after the Closing Date, does not exceed \$400,000,000 or the Canadian Dollar Exchange Equivalent in any other currency (the “***Pari Passu* Repayment Cap**”), except to the extent that such payments, repurchases, redemptions or retirements are funded with either the proceeds from (A) the public issuance of common equity by the Borrower (an “**Equity Raise**”), (B) Permitted *Pari Passu* Debt, or (C) Permitted Junior Debt, provided that, any payments, repurchases, redemptions or retirements of principal under any Permitted *Pari Passu* Debt (other than any funded with an Equity Raise or Permitted Junior Debt, or Permitted Incremental *Pari Passu* Debt which is refinanced as described in the definition thereof) that exceed the *Pari Passu* Repayment Cap may only be made if, concurrently therewith, the Borrower also pays to the Agent on behalf of the Lenders a *pro rata* amount of such excess

payment to apply against the Aggregate Principal Amount and to permanently cancel the Commitment Amount by such *pro rata* amount (where such *pro rata* determination is based on the Canadian Dollar Exchange Equivalent of the outstanding principal amount of the Permitted *Pari Passu* Debt after the reduction thereof resulting from said payments, repurchases, redemptions, or retirements up to the *Pari Passu* Repayment Cap) relative to the Commitment Amount at such time.

10.3 Financial Covenants

While any Obligations under the Term Loan Facility are outstanding or any Accommodation under the Term Loan Facility remains available:

- (a) Total Debt to EBITDA Ratio. The Borrower will not permit Total Debt to EBITDA Ratio to exceed 4.00 to 1.00 as at the end of any fiscal quarter of the Borrower.
- (b) Consolidated EBITDA to Consolidated Interest Expense Ratio. The Borrower will not permit the Consolidated EBITDA to Consolidated Interest Expense Ratio to be less than 3.50 to 1.00 as at the end of any fiscal quarter of the Borrower.
- (c) Senior Leverage Ratio. While any Permitted Junior Debt is outstanding, the Borrower will not permit the Senior Leverage Ratio to exceed 3.50 to 1.00 as at the end of any fiscal quarter of the Borrower.

10.4 Most Favored Lender

- (a) Most Favored Lender.
 - (i) If the Borrower (i) enters into a Permitted *Pari Passu* Debt Document, or (ii) if a Note Purchase Agreement shall be amended, modified or supplemented after the Closing Date, whether directly or indirectly (a “**Existing Note Amendment**”), and the effect of such Existing Note Amendment shall be to impose on any Loan Party (A) any one or more covenants similar to, or new covenants generally consistent with, any of the covenants in Article 10 (other than Section 10.1(d) and this Section 10.4) or (B) additional events of default different from the subject matter of any Default or Event of Default contained in Section 11.1 (other than those referred to in Section 10.4(b)), that are more favorable to the *Pari Passu* Debtholders than those which exist in the Note Purchase Agreements as of the Closing Date (or events of default that are more burdensome on the Borrower than those that exist in the Note Purchase Agreements as of the Closing Date) (any such covenant or event of default being referred to herein as, a “**More Favorable Provision**”), then, subject to Section 10.4(b), such More Favorable Provision shall be automatically incorporated in this Agreement as if set forth fully therein, *mutatis mutandis*, and shall be effective as of the date such More Favorable Provision becomes effective in the applicable Note Purchase Agreement (the “**Amendment Effective Date**”), as the case may be. Thereafter, such More Favorable Provision may

only be amended in accordance with the provisions of this Agreement. The Borrower will provide the Agent with copies of the applicable Note Purchase Agreement prior to or forthwith after the effective date thereof and all amendments thereto prior to or forthwith after the effective date thereof.

If the Agent, on behalf of the Majority Lenders, gives written notice to the Borrower within 30 days after receipt of the copies of the applicable Note Purchase Agreement or amendment thereto, as the case may be, from the Borrower, objecting to the inclusion of such More Favorable Provision in this Agreement, such More Favorable Provision shall not be incorporated in this Agreement, with retroactive effect to the Amendment Effective Date.

Upon the written request of the Agent, the Borrower or the Material Subsidiaries, as applicable, and the Agent shall enter into an amendment of this Agreement to reflect the inclusion of the More Favorable Provision. All costs of the Agent and the Lenders incurred in connection with any such amendment (including, without limitation, the reasonable fees and expenses of a single counsel to the Agent and Lenders) shall be paid by the Borrower promptly after its receipt of a statement in respect thereof.

(b) Equivalent Consideration.

If any Note Purchase Agreement shall be amended, modified or supplemented after the Closing Date, whether directly or indirectly, and the effect of such amendment shall be to increase the interest rate applicable to any Existing *Pari Passu* Notes, then the applicable margin payable in accordance with Section 3.7(a) shall be equal to such applicable margin otherwise in effect therefor plus a number of basis points equal to the interest rate increase (expressed in basis points) applicable from time to time to any outstanding Existing *Pari Passu* Notes as a result of such amendment but only for so long as such increased interest rate applicable to such notes remains in effect.

If any fee shall be paid to any *Pari Passu* Debtholder under any Note Purchase Agreement in excess of, or in addition to, any fee payable to such *Pari Passu* Debtholder under the applicable Note Purchase Agreement as in effect on the Closing Date, then a fee shall be paid to each Lender in an amount which bears the same relationship to the Individual Commitment Amount held by such Lender as the amount of such excess or such addition bears to the principal amount of the notes to which such excess or addition relates.

If any other consideration shall be paid to any *Pari Passu* Debtholder under any Permitted *Pari Passu* Debt Document, other than as specified above, then the equivalent of such consideration shall be paid to each Lender.

Notwithstanding the foregoing and for certainty, the Lenders shall not be entitled to be paid any such fee as a result of a fee being paid to one or more of the *Pari Passu* Debtholders related to: (i) an increase to such *Pari Passu* Debtholder's

commitment, or a new commitment of a new *Pari Passu* Debtholder, under the applicable Note Purchase Agreement, or (ii) an extension of the expiry date of such *Pari Passu* Debtholder's commitment to fund under the applicable Note Purchase Agreement; provided that, in either case, the foregoing acknowledgement is not to be interpreted as a consent to the issuance of new indebtedness which is not otherwise permitted hereunder.

ARTICLE 11 EVENTS OF DEFAULT

11.1 Event of Default

Each of the following events will constitute an “**Event of Default**”:

- (a) Failure to Pay. If (i) the Borrower defaults in the due and punctual payment of any principal amount owing under the Documents, as and when the same becomes due and payable, whether at maturity or otherwise; or (ii) if the Borrower makes default in the due and punctual payment of interest or fees owing under the Documents, as and when the same become due and payable, whether at maturity or otherwise and such default continues for a period of 3 Banking Days.
- (b) Incorrect Representations. If any representation or warranty made or deemed to be made by any Loan Party in any Document proves to have been incorrect in any material respect, or in all respects for these representations and warranties already subject to a materiality threshold, when so made or deemed to have been repeated as herein provided and, if the underlying facts resulting in such representation are capable of being cured, such Loan Party has not rectified the circumstances which gave rise to such incorrect representation or warranty within 20 Banking Days after the earlier of (i) notice thereof is given to the Borrower by the Agent and (ii) any Loan Party's actual knowledge thereof.
- (c) Financial and Certain Negative Covenants. If a Loan Party defaults in performance or observance, or is otherwise in breach of, its covenants and obligations under Sections 10.2(a)(i), 10.2(a)(iii), 10.2(b), 10.2(e) and 10.3.
- (d) Breach of Other Covenants. Except for an Event of Default set out elsewhere in this Section 11.1, if a Loan Party defaults in the performance or observance of any covenant, obligation or condition to be observed or performed by it pursuant to any of the Documents, and if such covenant, obligation or condition is capable of being cured, such default continues for a period of 20 Banking Days after the earlier of (i) notice thereof is given to the Borrower by the Agent and (ii) any Loan Party's actual knowledge thereof.
- (e) Insolvency. If a judgment, decree or order of a court of competent jurisdiction is entered against any Loan Party (i) adjudging any Loan Party bankrupt or insolvent, or approving a petition seeking its reorganization or winding-up under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or any other bankruptcy, insolvency or analogous Law, or

- (ii) appointing a receiver, trustee, liquidator, or other Person with like powers, over all, or substantially all, of the property of any Loan Party, or (iii) ordering the involuntary winding up or liquidation of the affairs of any Loan Party, or (iv) appointing any receiver or other Person with like powers over all, or substantially all, of the property of any Loan Party, unless, in any such case, such judgment, petition, order or appointment is stayed and of no effect against the rights of the Lenders within 20 Banking Days of its entry.
- (f) Winding-Up. If, (i) except as permitted by Section 11.1, an order or a resolution is passed for the dissolution, winding-up, reorganization or liquidation of any Loan Party, pursuant to applicable Law, including the *Canada Business Corporations Act* or the *Business Corporations Act* (Alberta), or (ii) if any Loan Party institutes proceedings to be adjudicated bankrupt or insolvent, or consents to the institution of bankruptcy or insolvency proceedings against it under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or any other bankruptcy, insolvency or analogous Law, or (iii) any Loan Party consents to the filing of any petition under any such Law or to the appointment of a receiver, or other Person with like powers, over all, or substantially all, of any Loan Party's property, or (iv) any Loan Party makes a general assignment for the benefit of creditors, or becomes unable to pay its debts generally as they become due, or (v) any Loan Party takes or consents to any action in furtherance of any of the aforesaid purposes.
- (g) Certain Cross Defaults. Any Loan Party fails to make any payment of principal, interest or other amount in regard to any (i) Permitted *Pari Passu* Debt, (ii) Permitted Junior Debt, (iii) Debt under any Hedging Agreement that is not a Swap Document (as defined in the *Pari Passu* Revolving Credit Agreement) or (iv) other Debt whatsoever owed by it to any Person, other than the Agent or any Lender under the Documents, where the aggregate outstanding principal amount of such Debt under paragraphs (iii) and (iv) above is more than the Threshold Amount at the applicable time; in each case, after the expiry of any applicable grace period in respect thereof.
- (h) Certain Other Cross Defaults. Any demand is made, or any event of default or other termination event occurs, under any Swap Document (as defined in the *Pari Passu* Revolving Credit Agreement), after the expiry of any applicable grace period in respect thereof.
- (i) Other Defaults. Any Loan Party defaults in the observance or performance of any non-monetary obligation, covenant or condition to be observed or performed by it pursuant to any agreement with respect to Debt to which it is a party or by which any of its property is bound, where such default allows the acceleration of such Debt and has a Material Adverse Effect and such default continues for a period of 20 Banking Days after notice thereof is given to the Borrower by the Agent.
- (j) Adverse Proceedings. The occurrence of any action, suit or proceeding against or affecting any Loan Party before any court or before any Administrative Body

which, if successful, would reasonably be expected to have a Material Adverse Effect, unless the action, suit, or proceedings is contested diligently and in good faith and, in circumstances where a lower court or tribunal has rendered a decision adverse to it, any Loan Party is appealing such decision, and has provided a reserve in respect thereof in accordance with GAAP.

- (k) Material Lien. The property of any Loan Party having a fair market value in excess of the Threshold Amount, in the aggregate, shall be seized (including by way of execution, attachment, garnishment or distraint) or any Lien thereon shall be enforced, or such property shall become subject to any charging order or equitable execution of a court, or any writ of enforcement, writ of execution or distress warrant with respect to obligations in excess of the Threshold Amount, in the aggregate, shall exist in respect of any one or more of the Loan Parties, or such property, or any sheriff, civil enforcement agent or other Person shall become lawfully entitled to seize or distraint upon such property under the *Civil Enforcement Act* (Alberta), the *Workers' Compensation Act* (Alberta), the *Personal Property Security Act* (Alberta) or any other applicable Laws whereunder similar remedies are provided, and in any case such seizure, execution, attachment, garnishment, distraint, charging order or equitable execution, or other seizure or right, shall continue in effect and not released or discharged for more than 20 Banking Days.
- (l) Judgment. A judgment is obtained against any of the Loan Parties for an amount in excess of the Threshold Amount at the applicable time, in the aggregate, which remains unsatisfied and undischarged for a period of 20 Banking Days during which such judgment shall not be on appeal or execution thereof shall not be effectively stayed.
- (m) Cessation of Business. Except as permitted by Section 10.2(c), any Loan Party ceases or proposes to cease carrying on business, or a substantial part thereof, or makes or threatens to make a bulk sale of its property.
- (n) Enforceability of Documents. If (i) any material provision of any Document shall at any time cease to be in full force and effect, be declared to be void or voidable or shall be repudiated, or the validity or enforceability thereof shall at any time be contested by any Loan Party or (ii) any Lien constituted pursuant to the Security ceases to have the priority contemplated in the Documents and the same is not cured within 10 days of the Borrower being notified, or otherwise becoming aware, of such fact.
- (o) Qualified Auditor Report. If the audited financial statements that are required to be delivered to the Agent pursuant to Section 10.1(e) contain a going concern note or a material qualification that is not acceptable to the Majority Lenders, acting reasonably, and, if unacceptable, such qualification is not rectified or otherwise dealt with to the satisfaction of the Majority Lenders within a period of 20 Banking Days after the delivery of such financial statements.

- (p) Change of Control. If a Change of Control occurs or any Material Subsidiary ceases to be a direct or indirect wholly-owned Subsidiary of the Borrower (other than in connection with a Permitted Disposition).
- (q) Intercreditor Agreement. A default notice is issued by a creditor or group of creditors pursuant to the terms of the *Pari Passu* Intercreditor Agreement or the Junior Debt Intercreditor Agreement.
- (r) Minimum Liability Management Rating: If the Liability Management Rating of any Loan Party which owns or operates any LMR Assets in any Material Jurisdiction becomes less than 1.25 in such Material Jurisdiction and remains below such threshold for a period of 90 days after written notice thereof is given by the Agent to the Borrower.
- (s) Abandonment and Reclamation Orders: If (i) any one or more of the Loan Parties becomes subject to any Abandonment/Reclamation Orders issued by any Energy Regulator, (ii) the aggregate estimated cost of compliance with all such orders would reasonably be expected to exceed the Threshold Amount (provided that, for the purpose of determining any such estimated cost, the Borrower shall provide the Agent with a reasonable and factually supportable estimate of such costs within 10 Banking Days of its receipt of the applicable order and shall deliver to each Lender all such other relevant information related to such estimate as may be reasonably required by any such Lender) and (iii) such orders are not withdrawn or satisfied (as such order(s) may be amended, supplemented or otherwise modified by the issuing Energy Regulator) within the relevant timelines set out in such orders and any applicable appeal periods in respect thereof have expired.

11.2 Remedies

Upon the occurrence of an Event of Default which has not been waived, the Agent (on the direction of the Majority Lenders or, in the case of an Event of Default under Sections 11.1(e) and 11.1(f), automatically) shall forthwith terminate any further obligation to make Advances and declare all Obligations owing under the Term Loan Facility together with unpaid accrued interest thereon and any other amounts owing under the Documents, contingent or otherwise, to be immediately due and payable, whereupon the Borrower will be obligated without any further grace period to forthwith pay such amounts and the Agent and the Lenders may exercise any and all rights, remedies, powers and privileges afforded by applicable Law or under any and all other instruments, documents and agreements made to assure payment and performance of the obligations of the Loan Parties under the Documents.

11.3 Attorney in Fact

The Borrower hereby irrevocably constitutes and appoints the Agent and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of the Borrower and in the name of the Borrower or in its own name, from time to time in the Agent's discretion, for the purpose of carrying out the terms of the Documents, to take any and all appropriate action and to execute any and all documents and

instruments which may be necessary or desirable to accomplish the purposes of the Documents and which the Borrower being required to take or execute has failed to take or execute; provided that this power of attorney will not be effective until the occurrence and during the continuance of any Event of Default under any Document. The Borrower hereby ratifies all that said attorneys will lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest and will be irrevocable until all of the Obligations under the Documents have been unconditionally and irrevocably paid and performed in full. The Borrower also authorizes the Agent, at any time and from time to time, to execute any endorsements, assignments or other instruments of conveyance or transfer pursuant to the Security. If requested by the Agent, the Borrower will cause each other Loan Party to constitute and appoint the Agent and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact in accordance with the foregoing provisions of this Section 11.3.

11.4 Set-Off

If an Event of Default has occurred and is continuing, each of the Lender Secured Parties is hereby authorized at any time and from time to time to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender Secured Party to or for the credit or the account of any Loan Party against any and all of the obligations of the Borrower now or hereafter existing under this Agreement or any other Document to such Lender, irrespective of whether or not such Lender has made any demand under this Agreement or any other Document and although such obligations of the Loan Party may be contingent or unmatured or are owed to a branch or office of such Lender different from the branch or office holding such deposit or obligated on such indebtedness. The rights of each of the Lender Secured Parties under this Section are in addition to other rights and remedies (including other rights of setoff, consolidation of accounts and bankers' lien) that the Lender Secured Parties may have. Each Lender agrees to promptly notify the Borrower and the Agent after any such setoff and application, but the failure to give such notice shall not affect the validity of such setoff and application. If any Affiliate of a Lender exercises any rights under this Section 11.4, it shall share the benefit received in accordance with Section 11.5 as if the benefit had been received by the Lender of which it is an Affiliate.

11.5 Application of Proceeds

Except as otherwise agreed to by all of the Lenders in their sole discretion or as otherwise expressly provided for herein, all (a) payments made by or on behalf of a Loan Party under the Documents after acceleration pursuant to Section 11.2, and (b) proceeds resulting from any realization or enforcement of the Security, including by way of foreclosure, will be applied and distributed by the Agent or any nominee thereof in the following manner:

- (a) first, in full and final payment of any amounts due and payable by way of recoverable expenses, including all out-of-pocket realization and enforcement costs and all legal costs and disbursements (on a solicitor and his own client full indemnity basis);

- (b) second, in full and final payment of all accrued and unpaid interest, BA Stamping Fees and agency fees based on each Lender's Rateable Portion;
- (c) third, in full and final payment of all other Lender Secured Obligations owing under the Documents, *pro rated* in accordance with the provisions hereof; and
- (d) finally, if there are any amounts remaining and subject to applicable Law, to the appropriate Loan Party.

11.6 Adjustment

Except as otherwise agreed to by all of the Lenders in their sole discretion, after all Obligations are declared by the Agent to be due and payable pursuant to Section 11.2, (i) each Lender agrees that it will at any time or from time to time thereafter at the request of the Agent as required by any Lender, purchase at par on a non-recourse basis a participation in the Aggregate Principal Amount owing to each of the other Lenders and make any other adjustments as are necessary or appropriate in order that the Aggregate Principal Amounts owing to each of the Lenders, as adjusted pursuant to this Section 11.6, will be in the same proportion as each Lender's Individual Commitment Amount was to the Commitment Amount immediately prior to the Event of Default resulting in such declaration, and (ii) the amount of any repayment made by or on behalf of the Loan Parties under the Documents or any proceeds received by the Agent or the Lenders pursuant to Section 11.5(c) will be applied by the Agent in a manner such that to the extent possible the Aggregate Principal Amount owing to each Lender after giving effect to such application will be in the same proportion as each Lender's Individual Commitment Amount was to the Commitment Amount immediately prior to the Event of Default resulting in such declaration.

ARTICLE 12 CONFIDENTIALITY

12.1 Non-Disclosure

All information, other than information that is required by applicable Law to be disclosed by the Party receiving the information to any Administrative Body of competent jurisdiction, including any central bank or other banking regulatory authority and any official bank examiners or regulators, will be held by the Parties in the strictest confidence and will not be disclosed to any Person, except as provided in Sections 12.2 and 12.3 provided that the confidential nature of the information is made known or ought to have been known to the disclosing Party.

12.2 Exceptions

Section 12.1 does not apply to information:

- (a) of a Party where that Party consents in writing to its disclosure;
- (b) which becomes part of the public domain without breach of Section 12.1;
- (c) received from a third party without restriction on further disclosure and without breach of Section 12.1;

- (d) in connection with the exercise of any remedies hereunder or under the other Documents or any suit, action or proceeding relating to the enforcement of its rights hereunder or thereunder;
- (e) developed independently without breach of Section 12.1; or
- (f) to the extent required to be disclosed by order or direction of a court or Administrative Body of competent jurisdiction.

12.3 Permitted Disclosures by the Agent or the Lenders

Confidential information received by the Agent or a Lender may be disclosed to (i) their respective Affiliates, the Agent or any other Lender, including any Participant or any financial institution which desires to become a Lender hereunder or any actual or prospective counterparty (or its advisors) to any securitization, swap or derivative transaction relating to the Loan Parties, any Subsidiaries thereof, and the Obligations (provided that in the case of any Participant, prospective lender or actual or prospective counterparty any such Person has entered into confidentiality covenants with the Agent and the Borrower substantially the same as those contained in this Article 12) and (ii) their respective employees, auditors, accountants, legal counsel, geologists, engineers and other consultants and financial advisors retained by such Persons on a need to know basis and subject to the obligation to maintain confidentiality.

ARTICLE 13 ASSIGNMENT

13.1 Assignment of Interests by the Borrower

Subject to Section 10.2(c), this Agreement and the rights and obligations hereunder will not be assignable, in whole or in part, by the Borrower without the prior written consent of all of the Lenders.

13.2 Assignment by the Lenders

Each Lender will have the right to sell or assign in minimum portions of \$5,000,000 (with such Lender, where such sale or assignment is not of all of such Lender's Individual Commitment Amount, retaining an Individual Commitment Amount under the Term Loan Facility of at least \$5,000,000), such Lender's Individual Commitment Amount to one or more Lenders acceptable to the Borrower and the Agent, each acting reasonably, provided that at and after the time of the assignment, the Borrower will not be under any obligation to pay by way of withholding tax or otherwise any greater amount than it would have been obliged to pay if the Lender had not made an assignment. An assignment fee of [redacted] for each such assignment (other than to an affiliate of a Lender) will be payable to the Agent by the assigning Lender. In the event of such sale or assignment, the Borrower, the Agent and the other Lenders will execute and deliver all such agreements, documents and instruments as the Agent or Lender may reasonably request to effect and recognize such sale or assignment, including an Assignment Agreement. Notwithstanding the foregoing, no consent of the Borrower will be required if an assignment (a) occurs during an Event of Default which is continuing, (b) is made between financial institutions who, at the relevant time, are already Lenders, or (c) is made by a Lender to an Affiliate of the Lender or an Approved Fund.

13.3 Effect of Assignment

To the extent that any Lender sells or assigns any portion of its Individual Commitment Amount pursuant to Section 13.2 and such new Lender or new Lenders, as the case may be, has executed and delivered to the Borrower and the Agent an Assignment Agreement, such Lender (if the assignment was not to an Affiliate of the Lender) will be relieved and forever discharged of any and all of its covenants and obligations under the Documents in respect of that portion of its Individual Commitment Amount, so sold or assigned from and after the date of such Assignment Agreement and the Borrower's recourse under the Documents in respect of such portion so sold or assigned from and after the date of the Assignment Agreement for matters arising thereunder from and after the date of the Assignment Agreement will be to such new Lender or new Lenders only, as the case may be, and their successors and permitted assigns.

13.4 Participations

Any Lender may at any time sell to one or more financial institutions or other Persons (each of such financial institutions and other Persons being herein called a "**Participant**") without the consent of, or notice to, the Borrower, participating interests in any of the Advances, commitments, or other interests of such Lender hereunder, provided, however, that:

- (a) no participation contemplated in this Section 13.4 will relieve such Lender from its commitments or its other obligations hereunder or under any other Document;
- (b) such Lender will remain solely responsible for the performance of its commitments and such other obligations as if such participation had not taken place;
- (c) the Agent will continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and each of the other Documents;
- (d) no Participant will have any rights (through a right of consent or approval or otherwise) to require such Lender to take or refrain from taking any action hereunder or under any other Document; and
- (e) the Borrower will not be required to pay any amount hereunder that is greater than the amount which it would have been required to pay had no participating interest been sold.

ARTICLE 14 ADMINISTRATION OF THE TERM LOAN FACILITY

14.1 Authorization and Action

- (a) Authorization and Action. Each Lender hereby irrevocably appoints and authorizes the Agent to be its agent in its name and on its behalf and to exercise such rights or powers granted to the Agent or the Lenders under the Documents to the extent specifically provided therein and on the terms thereof, together with such powers and authority as are reasonably incidental thereto. As to any matters not expressly

provided for by the Documents, the Agent will not be required to exercise any discretion or take any action, but will be required to act or to refrain from acting (and will be fully indemnified and protected by the Lenders to the greatest extent permitted by Law in so acting or refraining from acting) upon the instructions of the Majority Lenders, and such instructions will be binding upon all Lenders, provided however that the Agent will not be required to take any action which, in the opinion of the Agent, might expose the Agent to liability in such capacity, which could result in the Agent incurring any costs and expenses, or which is contrary to the spirit and intent of this Agreement.

- (b) Lenders' Determination. Where the provisions of this Agreement provide that any waiver of or any amendment to any provision of the Documents may be made or any action, consent or other determination in connection with the Documents may be taken or given, with the consent or agreement of the Lenders (and not "all of the Lenders") or the Majority Lenders (in accordance with Section 14.7), then any such waiver, amendment, action, consent or determination so made, so taken or so given with the consent or agreement of the Lenders or the Majority Lenders will be binding on all of the Lenders and all of the Lenders will cooperate in all ways necessary or desirable to implement and effect such waiver, amendment, action, consent or determination.
- (c) Deemed Non-Consent. If the Agent delivers a notice to a Lender requesting advice from such Lender as to whether it consents or objects to any matter in connection with the Documents, then, except as otherwise expressly provided herein, if such Lender does not deliver to the Agent its written consent or objection to such matter within 7 Banking Days of the delivery of such notice by the Agent to such Lender, such Lender will be deemed not to have consented thereto upon the expiry of such 7 Banking Day period.
- (d) Release and Discharge of Security. Each Lender hereby irrevocably authorizes the Agent to execute and deliver such releases and no-interest letters (including providing directions to the Collateral Agent with respect to same) as may be required in connection with any disposition of assets by one or more Loan Parties in respect of which the Agent has received an officer's certificate of the Borrower certifying that such disposition is permitted hereunder, together with any other information from the Borrower reasonably required by the Agent, if any, to satisfy itself that any such disposition is permitted hereunder.

14.2 Procedure for Making Advances

- (a) Pro Rata Advances. Subject to Section 7.4(a), all Advances made by the Lenders will be made in accordance with each Participating Lender's Rateable Portion of such Advance, except to the extent that the Agent deems any variations therefrom to be immaterial. The Agent shall determine all adjustments to the amounts required to be advanced by the Lenders to reflect as nearly as practicable the respective Rateable Portions of the Lenders under the Term Loan Facility.

- (b) Instructions from Borrower. The Lenders, through the Agent, will make Advances available to the Borrower as required hereunder by debiting the account of the Agent to which each Lender's Rateable Portion of such Advances have been credited in accordance with Section 5.6 (or causing such account to be debited) and, in the absence of other arrangements agreed to by the Agent and the Borrower in writing, by transferring (or causing to be transferred) like funds in accordance with the instructions of the Borrower as set forth in the Notice of Borrowing, Notice of Rollover or Notice of Conversion, as the case may be, in respect of each Advance, provided that the obligation of the Agent hereunder will be limited to taking such steps as are in keeping with its normal banking practice and which are commercially reasonable in the circumstances to implement such instructions, and the Agent will not be liable for any damages, claims or costs which may be suffered by the Borrower or any of the Lenders and occasioned by the failure of such funds to reach their designated destination, unless such failure is due to the gross negligence or wilful misconduct of the Agent, as determined by a final, non-appealable judgment of a court of competent jurisdiction.

14.3 Remittance of Payments

Forthwith after receipt of any payment by the Borrower hereunder and subject to Section 11.4, the Agent, if and to the extent a Lender is entitled thereto, will remit to such Lender its Rateable Portion of such payment, provided that, if the Agent, on the assumption that it will receive on any particular date a payment of principal, interest or fees hereunder, remits to a Lender its Rateable Portion of such payment and the Borrower fails to make such payment, each such Lender agrees to repay to the Agent forthwith on demand such Lender's Rateable Portion of any such payment, together with all reasonable costs and expenses incurred by the Agent in connection therewith and interest thereon at the rate and calculated in the manner customarily applicable to interbank payments for each day from the date such amount is remitted to such Lender. The exact amount of the repayment required to be made by a Lender pursuant hereto will be set forth in a certificate delivered by the Agent to such Lender, which certificate will be conclusive and binding for all purposes in the absence of manifest error.

14.4 Redistribution of Payment

Each Lender agrees that, subject to Section 11.4:

- (a) If it exercises any right of counter-claim, set off, bankers' lien or similar right with respect to any property of any Loan Party or if under applicable Law it receives a secured claim, the security for which is a debt owed by it to the Loan Party, it will apportion the amount thereof proportionately between:
- (i) amounts outstanding at the time owed by the Loan Party to such Lender under this Agreement, which amounts will be applied in accordance with this Section 14.4; and
 - (ii) amounts otherwise owed to it by a Loan Party,

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

- (b) If it receives, through the exercise of a right or the receipt of a secured claim described in Section 14.4(a) or otherwise, payment of a proportion of the aggregate amount of principal, interest and fees due to it hereunder which is greater than the proportion received by any other Lender in respect of the aggregate amount of principal, interest and fees due in respect of the Term Loan Facility (having regard to the respective proportionate amounts advanced as Advances by each of the Lenders under the a Term Loan Facility), the Lender receiving such proportionately greater payment will purchase a participation (which will be deemed to have been done simultaneously with receipt of such payment) in that portion of the Term Loan Facility of the other Lenders so that their respective receipts will be *pro rata* to their respective Rateable Portions, provided however that, if all or part of such proportionately greater payment received by such purchasing Lender is otherwise recovered by it, such purchase will be rescinded and the purchase price for such participation will be returned to the extent of such recovery, but without interest. Such Lender will exercise its rights in respect of such secured claim in a manner consistent with the rights of the Lenders entitled under this Section 14.4 to share in the benefits of any recovery on such secured claims.
- (c) If it does any act or thing permitted by Sections 14.4(a) or 14.4(b), it will promptly provide full particulars thereof to the Agent.
- (d) Except as permitted under Sections 14.4(a) or 14.4(b), no Lender will be entitled to exercise any right of counter-claim, set off, bankers' lien or similar right without the prior written consent of the other Lenders.

14.5 Duties and Obligations

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

- (a) may assume that there has been no assignment or transfer by the Lenders of their rights under the Documents, unless and until the Agent receives a duly executed Assignment Agreement from such Lender;
- (b) may consult with counsel (including Borrower's Counsel), independent public accountants and other experts selected by it and will not be liable for any action

taken or omitted to be taken in good faith by it in accordance with or reliance upon the advice of such counsel, accountants or experts;

- (c) will incur no liability under or in respect of the Documents by acting upon any notice, consent, certificate or other instrument or writing believed by it to be genuine and signed or sent by the apparently proper Person or by acting upon any representation or warranty of any Loan Party made or deemed to be made hereunder;
- (d) may assume that no Default or Event of Default has occurred and is continuing unless it has actual knowledge to the contrary; and
- (e) may rely, as to any matter of fact which might reasonably be expected to be within the knowledge of any Person, upon a certificate signed by or on behalf of such Person.

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

14.6 Prompt Notice to the Lenders

Notwithstanding any other provision herein, the Agent agrees to provide to the Lenders, with copies where appropriate, all information, notices and reports required to be given to the Agent by the Borrower hereunder, promptly upon receipt of same, excepting therefrom information and notices relating solely to the role of the Agent hereunder. The Agent shall have no duty to disclose any information obtained or received by it or any of its affiliates relating to the Loan Parties or any of their Subsidiaries to the extent such information was obtained or received in any capacity other than as the Agent hereunder.

14.7 Agent and Agent Authority

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

14.8 Lenders' Credit Decisions

It is understood and agreed by each Lender that it has itself been, and will continue to be, solely responsible for making its own independent appraisal of and investigations into the financial condition, creditworthiness, condition, affairs, status and nature of the Loan Parties. Accordingly, each Lender confirms with the Agent that it has not relied, and will not hereafter rely, on the Agent (a) to check or inquire on its behalf into the adequacy, accuracy or completeness of any information provided by the Loan Parties or any other Person under or in connection with the Term Loan Facility (whether or not such information has been or is hereafter distributed to such Lender by the Agent) or (b) to assess or keep under review on its behalf the financial condition, creditworthiness, condition, affairs, status or nature of any Loan Party. Each Lender acknowledges that copies of the Documents have been made available to it for review and each Lender acknowledges that it is satisfied with the form and substance of the Documents. A Lender will not make any independent arrangement with any Loan Party for the satisfaction of any Obligations owing to it under the Documents without the written consent of the other Lenders.

14.9 Indemnification

The Lenders hereby agree to indemnify the Agent and its directors, officers, agents and employees (to the extent not reimbursed by the Borrower) in accordance with their respective Rateable Portions, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against the Agent or its directors, officers, agents and employees in any way relating to or arising out of the Documents or any action taken or omitted by the Agent under or in respect of the Documents in its capacity as Agent, provided that no Lender will be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the Agent's gross negligence or wilful misconduct, as determined by a final, non-appealable judgment of a court of competent jurisdiction. Without limiting the generality of the foregoing, each Lender agrees to reimburse the Agent promptly upon demand for its Rateable Portion of any reasonable out-of-pocket expenses (including legal fees, on a solicitor and his own client full indemnity basis) incurred by the Agent in connection with the preservation of any right of the Agent or the Lenders under, or the enforcement of, or legal advice in respect of rights or responsibilities under, the Documents, to the extent that the Agent is not reimbursed for such expenses by the Borrower. This indemnity will survive the termination of the other provisions of this Agreement as a separate and continuing covenant of the Lenders.

14.10 Successor Agent

The Agent may, as hereinafter provided, resign at any time by giving 30 days' notice (the "**Resignation Notice**") thereof to the Lenders and the Borrower. The remaining Lenders, with the consent of the Borrower, such consent not to be unreasonably withheld, will forthwith upon receipt of the Resignation Notice unanimously appoint a successor administrative agent (the "**Successor Agent**") to assume the duties hereunder of the resigning Agent. Upon the acceptance of any appointment as administrative agent hereunder by a Successor Agent, such Successor Agent will thereupon succeed to and become vested with all the rights, powers, privileges and duties as administrative agent under the Documents of the resigning Agent. Upon such acceptance, the

resigning Agent will be discharged from its further duties and obligations as agent under the Documents, but any such resignation will not affect such resigning Agent's obligations hereunder as a Lender, including for its Rateable Portion of the applicable Commitment Amount. After the resignation of the Agent as administrative agent hereunder, the provisions of this Article 14 will continue to enure to its benefit as to any actions taken or omitted to be taken by it while it was the administrative agent of the Lenders hereunder. Notwithstanding the foregoing, if the remaining Lenders fail to appoint a Successor Agent within 30 days of receipt of the Resignation Notice, the resigning Agent may, with the approval of the Borrower prior to an Event of Default, such approval not to be unreasonably withheld, appoint a Successor Agent from among the Lenders. The Agent may also be removed at any time by the Majority Lenders upon 30 days' notice to the Agent and the Borrower as long as the Majority Lenders, in consultation with the Borrower, appoint and obtain the acceptance of a successor within such 30 days, in accordance with the terms and conditions set out in this Section 14.10.

14.11 Taking and Enforcement of Remedies

Except as otherwise provided herein, each Lender hereby acknowledges that, to the extent permitted by applicable Law, rights and remedies provided under the Documents to the Lenders are for the benefit of the Lenders collectively and not severally and further acknowledges that its rights and remedies thereunder are to be exercised not severally but collectively through the Agent upon the decision of the Lenders (with the required majority or unanimity as herein provided), regardless of whether acceleration of Obligations hereunder was made, and accordingly, notwithstanding any of the provisions contained herein, each of the Lenders hereby covenants and agrees that it will not be entitled to take any action with respect to the Term Loan Facility, including any acceleration of Obligations thereunder, but that any such action will be taken only by the Agent with the prior written direction of the Lenders (with the required majority or unanimity as herein provided). Notwithstanding the foregoing, in the absence of written instructions from the Lenders, and where in the sole opinion of the Agent the exigencies of the situation warrant such action, the Agent may without notice to or consent of the Lenders take such action on behalf of the Lenders as it deems appropriate or desirable in the circumstances. Each of the Lenders hereby covenants and agrees that it has not heretofore and will not seek, take, accept or receive any security for any of the Obligations of the Loan Parties under the Documents and will not enter into any agreement with any of the Parties relating in any manner whatsoever to the Term Loan Facility, unless all of the Lenders under the Term Loan Facility will at the same time obtain the benefit of any such security or agreement, as the case may be.

14.12 Reliance Upon Agent

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

14.13 Agent May Perform Covenants

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

14.14 No Liability of Agent

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

14.15 Nature of Obligations under this Agreement

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

14.16 Anti-Money Laundering Legislation

- (a) The Borrower acknowledges that, pursuant to the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and other applicable anti-money laundering, anti-terrorist financing, government sanction and “know your client” Laws, whether within Canada or elsewhere (collectively, including any guidelines or orders thereunder, “**AML Legislation**”), the Lenders and the Agent may be required to obtain, verify and record information regarding the Borrower, its directors, authorized signing officers, direct or indirect shareholders or other Persons in control of the Borrower, and the transactions contemplated hereby. The Borrower shall promptly provide all such information, including supporting documentation and other evidence, as may be reasonably requested by any Lender or the Agent, or any prospective assign or participant of a Lender or the Agent, in order to comply with any applicable AML Legislation, whether now or hereafter in existence.
- (b) If the Agent has ascertained the identity of the Borrower or any other Loan Party or any authorized signatories of the Borrower or any other Loan Party for the purposes of applicable AML Legislation, then the Agent:

- (i) shall be deemed to have done so as an agent for each Lender, and this Agreement shall constitute a “written agreement” in such regard between each Lender and the Agent within the meaning of applicable AML Legislation; and
- (ii) shall provide to each Lender copies of all information obtained in such regard without any representation or warranty as to its accuracy or completeness.

Notwithstanding the preceding sentence and except as may otherwise be agreed in writing, each of the Lenders agrees that the Agent has no obligation to ascertain the identity of the Borrower or any other Loan Party or any authorized signatories of the Borrower or any other Loan Party on behalf of any Lender, or to confirm the completeness or accuracy of any information it obtains from the Borrower or any other Loan Party or any such authorized signatory in doing so.

14.17 Lender Consent

- (a) Unanimity. Notwithstanding anything herein to the contrary and without limiting in any way the context of any provision in this Agreement requiring the consent, approval, action, agreement or waiver of all Lenders, the following matters will require the consent, approval, action, agreement or waiver, as the context requires, of all Lenders:
 - (i) the reduction or forgiveness of any Obligations payable by any Loan Party under the Term Loan Facility or under any of the Documents;
 - (ii) the postponement of any maturity date of any Obligations of any Loan Party to the Lenders or under any of the Documents;
 - (iii) the release or discharge of the Security, or any part thereof, or any release of any Material Subsidiary from a guarantee unless, in each case, otherwise expressly permitted or provided in this Agreement or any change in the ranking or priority of the Security;
 - (iv) any change in the nature of Advances;
 - (v) any waiver of the Events of Default described in Sections 11.1(a), 11.1(c), 11.1(e), 11.1(f) or 11.1(m);
 - (vi) any change to the covenants referred to in Sections 3.1, 3.2, 3.5, 3.6, 10.1(a), 10.2(e), 11.5, 11.6 and 14.4;
 - (vii) any decrease in the applicable margins or fees set out in Section 3.7;
 - (viii) any amendment to this Section 14.17(a);

- (ix) any change to the definition of “Majority Lenders” or “Permitted Encumbrances”; and
 - (x) any amendment to Section 11.6.
- (b) Majority Consent. Subject to Section 14.17(a), any waiver of or any amendment to any provision of the Documents and any action, consent or other determination in connection with the Documents will bind all of the Lenders if such waiver, amendment, action, consent or other determination is agreed to in writing by the Majority Lenders.

14.18 Departing Lenders

If a Lender: (i) is a Defaulting Lender; (ii) seeks Additional Compensation in accordance with Article 8; or (iii) refuses to give timely consent to an amendment, modification or waiver of this Agreement that, pursuant to Section 14.17, requires consent of all the Lenders (and the consent of the Majority Lenders has been given with respect thereto) (a “**Non-Consenting Lender**”) (collectively, the “**Departing Lenders**”), then the Borrower may either:

- (a) replace the Departing Lender with another financial institution acceptable to the Agent, acting reasonably, who purchases at par (or such lesser amount as may be agreed to by the Departing Lender) the Aggregate Principal Amount owing to the Departing Lender and such Lender’s entire Individual Commitment Amount and assumes the Departing Lender’s Individual Commitment Amount and all other obligations of the Departing Lender hereunder, provided that prior to or concurrently with such replacement:
 - (i) the Departing Lender shall have received payment in full of all principal, interest, fees and other amounts through such date of replacement (or such lesser amount as may be agreed to by the Departing Lender) (including the provision of Escrow Funds to the Agent on behalf of such Lender in respect of outstanding Bankers’ Acceptances accepted by such Lender) and a release from any further obligations to make Advances under the Documents after the date of such replacement;
 - (ii) the assignment fee required to be paid by Section 13.2 shall have been paid to the Agent;
 - (iii) all of the requirements for such assignment contained in Section 13.2 shall have been satisfied, including the consent of the Agent and the receipt by the Agent of such agreements, documents and instruments as the Agent may reasonably require; and
 - (iv) in the case of a Departing Lender who is a Non-Consenting Lender, (A) each assignee consents, at the time of such assignment, to each matter in respect of which such Non-Consenting Lender was a Non-Consenting Lender, and (B) the Borrower also requires each other Lender that is a Non-

Consenting Lender to assign the Aggregate Principal Amount owing to it and its Individual Commitment Amount; or

- (b) elect to terminate the Departing Lender's Individual Commitment Amount, in which case the Commitment Amount shall be reduced by an amount equal to the amount of any Individual Commitment Amount so cancelled (provided that prior to or concurrently with such cancellation the Departing Lender shall have received payment in full of all principal, interest, fees and other amounts through such date of cancellation (including the provision of Escrow Funds to the Agent on behalf of such Lender in respect of outstanding Bankers' Acceptances accepted by such Lender) (or such lesser amount as may be agreed to by the Departing Lender) and a release from any further obligations to make Advances under the Documents after such termination).

ARTICLE 15 MISCELLANEOUS

15.1 Notices

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

- (a) left at the relevant address set forth below; or
- (b) by facsimile or sent by other means of recorded electronic communication; and
 - (i) if to the Agent, addressed to the Agent at:

National Bank of Canada, as Agent
Corporate Customer Service – Syndication and Agency Group
500 Place d'Armes, 26th Floor
Montreal, Quebec H2Y 2W3

Attn: Syndication
E-Mail: [redacted]

Facsimile: [redacted]

With a copy to:

National Bank Financial Loan Structuring & Syndication – Corporate &
Investment Banking Group – Canada
1155 Metcalfe Street
23rd Floor
Montreal, Quebec H3B 4S9

Attn: Vice President
Email: [redacted]

- (ii) if to any other Lender, at the address held on file by the Agent; and
- (iii) if to any Loan Party, addressed to such Loan Party at:
Whitecap Resources Inc.
3800, 525 – 8 Avenue S.W.
Eighth Avenue Place East
Calgary, Alberta Canada T2P 1G1
Facsimile: [redacted]
Attention: Chief Financial Officer
- (c) The Parties each covenant to accept service of judicial proceedings arising under the Documents at its respective address set forth herein.
- (d) Any notice or other communication given or made in accordance with this Section 15.1 will be deemed to have been received on the day of delivery if delivered as aforesaid or on the day of receipt of same by facsimile or other recorded means of electronic communication, as the case may be, provided such day is a Banking Day and that such notice is received prior to 12:00 noon local time and, if such day is not a Banking Day or if notice is received after 12:00 noon local time, on the first Banking Day thereafter.
- (e) Each Party may change its address and facsimile number for purposes of this Section 15.1 by notice given in the manner provided in this Section 15.1 to the other Parties.
- (f) Any notice given under any of the Documents to the Agent will be deemed to also be given to and received by the Agent in its capacity as Lender.

15.2 Telephone Instructions

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

15.3 No Partnership, Joint Venture or Agency

Except as expressly provided for herein, the Parties agree that nothing contained in this Agreement nor the conduct of any Party will in any manner whatsoever constitute or be intended to constitute

any Party as the agent or representative or fiduciary of any other Party nor constitute or be intended to constitute a partnership or joint venture among the Parties or any of them, but rather each Party will be separately responsible, liable and accountable for its own obligations under the Documents, or any conduct arising therefrom and for all claims, demands, actions and causes of action arising therefrom. The Parties agree that no Party will have the authority or represent that it has, or hold itself out as having, the authority to act for or assume any obligation or responsibility on behalf of any other Party, save and except as may be expressly provided for in this Agreement.

15.4 Judgment Currency

If, for the purposes of obtaining judgment in any court or any other related purpose hereunder, it is necessary to convert an amount due hereunder in the currency in which it is due (the “**Original Currency**”) into another currency (the “**Second Currency**”), the rate of exchange applicable will be the Spot Rate on the relevant date to purchase in Calgary, Alberta the Original Currency with the Second Currency and includes any premium and costs of exchange payable by the purchaser in connection with such purchase. Each Party (the “**First Party**”) agrees that its obligation in respect of any Original Currency due from it to the another Party hereunder will, notwithstanding any judgment or payment in the Second Currency, be discharged only to the extent that on the Banking Day following the receipt of any sum so paid in the Second Currency, the other Parties may, in accordance with normal banking procedures, purchase in the Calgary, Alberta foreign exchange market the Original Currency with the amount of the Second Currency so paid; and if the amount of the Original Currency so purchased is less than the amount originally due in the Original Currency, the First Party agrees that the deficiency will be a separate and continuing obligation of it, independent from its obligations under this Agreement, and will constitute in favour of the other Parties a cause of action which will continue in full force and effect notwithstanding any such judgment, or order to the contrary, and the First Party agrees, notwithstanding any such payment or judgment, to indemnify the other Parties against any such loss or deficiency. The Borrower acknowledges and agrees that any indebtedness, obligations or liabilities it may incur or suffer under this Section 15.4 will form part of the Obligations and be secured by the Security. The Lenders through the Agent will pay to the Borrower the amount, if any, after netting out all amounts due by the Borrower under this Section 15.4 which the Lenders may realize in excess of what is owed to them by virtue of the conversion of the Original Currency into the Second Currency.

15.5 General Indemnity

In addition to any liability of the Borrower to the Lenders under any other provision hereof, the Borrower will and does hereby indemnify each Indemnified Party and hold each Indemnified Party harmless against any losses, claims, costs, damages or liabilities (including reasonable out-of-pocket expenses and reasonable legal fees on a solicitor and his own client full indemnity basis) incurred by the same as a result of or in connection with: (a) any cost or expense incurred by reason of the liquidation or re-deployment in whole or in part of deposits or other funds required by any Lender to fund any Bankers’ Acceptance or to fund or maintain any Advance as a result of the Borrower’s failure to complete a Drawdown or to make any payment, repayment or prepayment on the date required hereunder or specified by it in any notice given hereunder; (b) subject to permitted or deemed Rollovers and Conversions, the Borrower’s failure to provide for the payment to the Agent for the account of the Lenders of the full principal amount of each Bankers’

Acceptance on its maturity date; (c) the Borrower's failure to pay any other amount, including any interest or fees, due hereunder on its due date after the expiration of any applicable grace or notice periods; (d) the prepayment of any outstanding Bankers' Acceptance before the maturity date of such Bankers' Acceptance; (e) the Borrower's failure to give any notice required to be given by it to the Agent or the Lenders hereunder; (f) the failure of any Loan Party to make any other payment due hereunder or under any of the other Documents; (g) the inaccuracy of any Loan Party's representations and warranties contained in any Document; (h) any failure of any Loan Party to observe or fulfil its covenants under any Document; (i) the occurrence of any other Default or Event of Default; or (j) any use of the proceeds of the Term Loan Facility, including to pay the purchase price of any acquisition; provided that this Section 15.5 will not apply to any losses, claims, costs, damages or liabilities that arise by reason of the gross negligence or wilful misconduct of the Indemnified Party claiming indemnity hereunder, as determined by a final, non-appealable judgment of a court of competent jurisdiction. The provisions of this Section 15.5 shall survive repayment of the Obligations of the Borrower under the Documents.

15.6 Environmental Indemnity

The Borrower hereby indemnifies and holds harmless each of the Agent and the Lenders, including their respective directors, officers, employees and agents (collectively, the "**Indemnified Parties**"), for any costs, losses, damages, expenses, judgments, suits, claims, awards, fines, sanctions and liabilities whatsoever (in this Section 15.6 collectively a "**Claim**") suffered or incurred by an Indemnified Party, arising out of, or in respect of:

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

except in such cases where and to the extent that such Claims results from the gross negligence or wilful misconduct of any of the Indemnified Parties, as determined by a final, non-appealable judgment of a court of component jurisdiction. This indemnity will survive repayment or cancellation of the Term Loan Facility or any part thereof, including any termination of the other provisions of this Agreement. Other than for costs and expenses incurred by the Indemnified Parties for investigating, defending or denying a Claim or preparing any necessary environmental assessment report or other reports in connection with any Claim (the reasonable costs thereof to be paid forthwith by the Borrower on demand therefor), the Indemnified Parties will not request indemnification from the Borrower unless an Indemnified Party is required by Law, based on the advice of such Indemnified Party's counsel, to honour a Claim or any part thereof. During the continuation of an Event of Default, the Indemnified Parties will be entitled, but not obligated, to negotiate any settlement of a Claim in consultation with the Borrower, and any such settlement will be binding on the Parties. The provisions of this Section 15.6 shall survive repayment of the Obligations of the Borrower under the Documents.

15.7 Expenses

The Borrower will pay or reimburse the Agent and the Lenders, as applicable, for all reasonable out-of-pocket expenses, including reasonable legal fees and disbursements (on a solicitor and his own client full indemnity basis) and enforcement costs, incurred by the Agent and the Lenders, as applicable, in connection with the negotiation, preparation, execution and maintenance of the Documents and the enforcement of their rights and remedies under the Documents.

15.8 Further Assurances

The Borrower will, from time to time forthwith at the Agent's request and at the Borrower's own cost and expense (to the extent reasonable), do, make, execute and deliver, or cause to be done, made, executed and delivered, all such further documents, financing statements, financing change statements, assignments, acts, matters and things which may be reasonably required by the Agent with respect to the Term Loan Facility, the Security or any part thereof and to give effect to any provision of the Documents.

15.9 Waiver of Law

To the extent legally permitted, the Borrower hereby irrevocably and absolutely waives the provisions of any applicable Law which may be inconsistent at any time with, or which may delay or limit in any way, the enforcement of the Documents in accordance with their terms.

15.10 Attornment and Waiver of Jury Trial

The Parties hereto do hereby irrevocably:

- (a) submit and attorn to the non-exclusive jurisdiction of the courts of the Province of Alberta for all matters arising out of or relating to the Documents or any of the transactions contemplated thereby; and
- (b) to the extent legally permitted, waive any right they may have to, or to apply for, trial by jury in connection with any matter, action, proceeding, claim or counterclaim arising out of or relating to the Documents or any of the transactions contemplated thereby.

15.11 Interest on Payments in Arrears

- (a) Except as otherwise provided in this Agreement, interest will be paid by the Parties as follows:
 - (i) on amounts for which any Party has actually incurred an out-of-pocket expense and for which another Party has an obligation under the Documents to reimburse such amounts to the Party incurring the expenses, interest will be payable on such amount at the interest rate applicable to Canadian Prime Rate Loans plus 2% from and including the day on which the amount was incurred to but excluding the day on which the amount is reimbursed if, commencing on the date which is 3 Banking Days following a demand for

payment of the amount in accordance with the terms of the Documents, such expense has not been paid; and

- (ii) on amounts payable by one Party to another Party under the Documents where such payment is in default but the non-payment of such amount has not required an actual out-of-pocket expense by the Party to whom such payment is due, at the interest rate applicable to Canadian Prime Rate Loans plus 2% from and including the day on which the payment was due to, but excluding the day on which the payment is made whether before or after judgment, but if such payment is a reimbursement by the Lenders to the Borrower for overpayment by it to the Lenders or is in respect of an inadvertent underpayment by the Agent, the Lenders or the Borrower to another Party (based on information provided by such other Party), such interest will only be calculated from the date which is 3 Banking Days following a demand for payment by the Party entitled to it.
- (b) All interest referred to in this Section 15.11 will be simple interest calculated daily on the basis of a 365-day year. For the purposes of the *Interest Act* (Canada), the annual rates of interest to which such rates are equivalent are the rates so determined multiplied by the actual number of days in a period of one year commencing on the first day of the period for which such interest is payable and divided by 365.

15.12 Payments Due on Banking Day

Whenever any payment hereunder will be due on a day other than a Banking Day, such payment will be made on the next succeeding Banking Day and such extension of time will in such case be included in the computation of payment of interest thereunder.

15.13 Acknowledgement and Consent to Bail-In of Affected Financial Institutions

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

- (a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and
- (b) the effects of any Bail-In Action on any such liability, including, if applicable:
 - (i) a reduction in full or in part or cancellation of any such liability;
 - (ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will

be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Document; or

- (iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of the applicable Resolution Authority.

15.14 Whole Agreement

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

15.15 Counterparts; Effectiveness; Electronic Execution

This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Documents and any separate letter agreements with respect to fees payable to the Agent constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in the Section 2.1 of this Agreement, this Agreement shall become effective when it has been executed by the Agent and when the Agent has received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or by sending a scanned copy by electronic mail shall be effective as delivery of a manually executed counterpart of this Agreement. This Agreement and any other Document may be signed by way of associating or otherwise appending an electronic signature or other facsimile signature of the applicable signatory and the words “execution”, “signed”, “signature”, and words of like import in this Agreement and any other Document shall be deemed to include electronic signatures or other facsimile signature, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature. Each party hereto agrees that, at any time, the Agent and each Lender may convert paper records of this Agreement, the other Documents and all other documentation delivered to the Agent hereunder in such capacity (each, a “**Paper Record**”) into electronic images (each, an “**Electronic Image**”) as part of the Agent’s or Lender’s, as applicable, normal business practices. Each party hereto agrees that each such Electronic Image shall be considered as an authoritative copy of the Paper Record and shall be legally binding on the parties and admissible in any legal, administrative or other proceeding as conclusive evidence of the contents of such document in the same manner as the original Paper Record.

15.16 Return by the Lenders of Erroneous Payments

- (a) If the Agent notifies a Lender, or any Person who has received funds on behalf of a Lender (any such Lender or other recipient, a “**Payment Recipient**”) that the Agent has determined in its sole discretion (whether or not after receipt of any notice under Section 15.16(b)) that any funds received by such Payment Recipient

from the Agent or any of its Affiliates were erroneously transmitted to, or otherwise erroneously or mistakenly received by, such Payment Recipient (whether or not known to such Lender or other Payment Recipient on its behalf) (any such funds, whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise, individually and collectively, an “**Erroneous Payment**”) and demands the return of such Erroneous Payment (or a portion thereof), such Erroneous Payment shall at all times remain the property of the Agent and shall be segregated by the Payment Recipient and held in trust for the benefit of the Agent, and such Lender shall (or, with respect to any Payment Recipient who received such funds on its behalf, shall cause such Payment Recipient to) promptly, but in no event later than two Banking Days thereafter, return to the Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made, in same day funds (in the currency so received), together with interest thereon in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Payment Recipient to the date such amount is repaid to the Agent in same day funds at the greater of the Federal Funds Rate and a rate determined by the Agent in accordance with banking industry rules on interbank compensation from time to time in effect. A notice of the Agent to any Payment Recipient under this Section 15.16(a) shall be conclusive, absent manifest error.

- (b) Without limiting Section 15.16(a), each Lender, or any Person who has received funds on behalf of a Lender, hereby further agrees that if it receives a payment, prepayment or repayment (whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise) from the Agent (or any of its Affiliates) (x) that is in a different amount than, or on a different date from, that specified in a notice of payment, prepayment or repayment sent by the Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment, (y) that was not preceded or accompanied by a notice of payment, prepayment or repayment sent by the Agent (or any of its Affiliates), or (z) that such Lender, or other such recipient, otherwise becomes aware was transmitted, or received, in error or by mistake (in whole or in part) in each case:
 - (i) (A) in the case of immediately preceding clauses (x) or (y), an error shall be presumed to have been made (absent written confirmation from the Agent to the contrary) or (B) an error has been made (in the case of immediately preceding clause (z)), in each case, with respect to such payment, prepayment or repayment; and
 - (ii) such Lender shall (and shall cause any other recipient that receives funds on its respective behalf to) promptly (and, in all events, within one Banking Day of its knowledge of such error) notify the Agent of its receipt of such payment, prepayment or repayment, the details thereof (in reasonable detail) and that it is so notifying the Agent pursuant to this Section 15.16(b).
- (c) Each Lender hereby authorizes the Agent to set off, net and apply any and all amounts at any time owing to such Lender under any Document, or otherwise

payable or distributable by the Agent to such Lender from any source, against any amount due to the Agent under Section 15.16(a) or under the indemnification provisions of this Agreement.

- (d) In the event that an Erroneous Payment (or portion thereof) is not recovered by the Agent for any reason, after demand therefor by the Agent in accordance with Section 15.16(a), from any Lender that has received such Erroneous Payment (or portion thereof) (and/or from any Payment Recipient who received such Erroneous Payment (or portion thereof) on its respective behalf) (such unrecovered amount, an “**Erroneous Payment Return Deficiency**”), upon the Agent’s notice to such Lender at any time, (i) such Lender shall be deemed to have assigned its Rateable Portion of the Aggregate Principal Amount (the “**Assigned Loans**”) (but not its Individual Commitment Amount) in the currency in which the Erroneous Payment was made, in an amount equal to the Erroneous Payment Return Deficiency (or such lesser amount as the Agent may specify) (such assignment of its Assigned Loans (but not its Individual Commitment Amount), the “**Erroneous Payment Deficiency Assignment**”) at par plus any accrued and unpaid interest (with the assignment fee to be waived by the Agent in such instance), and is hereby (together with the Borrower) deemed to execute and deliver an Assignment and Assumption Agreement (or, to the extent applicable, an agreement incorporating an Assignment and Assumption Agreement) with respect to such Erroneous Payment Deficiency Assignment, (ii) the Agent as the assignee Lender shall be deemed to acquire the Erroneous Payment Deficiency Assignment, (iii) upon such deemed acquisition, the Agent as the assignee Lender shall become a Lender hereunder with respect to such Erroneous Payment Deficiency Assignment and the assigning Lender shall cease to be a Lender hereunder with respect to such Erroneous Payment Deficiency Assignment, excluding, for the avoidance of doubt, its obligations under the indemnification provisions of this Agreement and its applicable Individual Commitment Amounts which shall survive as to such assigning Lender and (iv) the Agent may reflect in the register the change to its ownership interest in the Assigned Loans subject to the Erroneous Payment Deficiency Assignment. The Agent may, in its discretion, sell any Assigned Loans acquired pursuant to an Erroneous Payment Deficiency Assignment and upon receipt of the proceeds of such sale, the Erroneous Payment Return Deficiency owing by the applicable Lender shall be reduced by the net proceeds of the sale of such Assigned Loan (or portion thereof), and the Agent shall retain all other rights, remedies and claims against such Lender (and/or against any recipient that receives funds on its respective behalf). For the avoidance of doubt, no Erroneous Payment Deficiency Assignment will reduce the Individual Commitment Amount of any Lender and such Individual Commitment Amount shall remain available in accordance with the terms of this Agreement. In addition, each party hereto agrees that, except to the extent that the Agent has sold its Assigned Loans (or a portion thereof) acquired pursuant to an Erroneous Payment Deficiency Assignment, and irrespective of whether the Agent may be equitably subrogated, the Agent shall be contractually subrogated to all the rights and interests of the applicable Lender under the Documents with respect to each Erroneous Payment Return Deficiency (the “**Erroneous Payment Subrogation Rights**”).

- (e) The parties hereto agree that an Erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any obligations owed by the Borrower or any other Loan Party, except, in each case, to the extent such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, comprised of funds received by the Agent from (i) the Borrower or any other Loan Party or (ii) the proceeds of realization from the enforcement of one or more of the Documents against or in respect of one or more of the Borrower or other Loan Party, in each case, for the purpose of making such Erroneous Payment.
- (f) To the extent permitted by applicable Law, no Payment Recipient shall assert any right or claim to an Erroneous Payment, and hereby waives, and is deemed to waive, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Agent for the return of any Erroneous Payment received, including without limitation waiver of any defense based on “discharge for value” or any similar doctrine.
- (g) Each party’s obligations, agreements and waivers under this Section 15.16 shall survive the resignation or replacement of the Agent, any transfer of rights or obligations by, or the replacement of, a Lender, the termination of the Commitment Amount and/or the repayment, satisfaction or discharge of all Obligations (or any portion thereof) under any Document.

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SP-1

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

**WHITECAP RESOURCES INC., as
Borrower**

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

**NATIONAL BANK OF CANADA, as
Agent**

By: ("Signed")
Name:
Title:

By: ("Signed")
Name:
Title:

**NATIONAL BANK OF CANADA, as
Lender**

By: ("Signed")
Name:
Title:

By: ("Signed")
Name:
Title:

**THE TORONTO-DOMINION BANK, as
Lender**

By: ("Signed")
Name:
Title:

By: ("Signed")
Name:
Title:

BANK OF MONTREAL, as Lender

By: ("Signed")

Name:

Title:

By: ("Signed")

Name:

Title:

**THE BANK OF NOVA SCOTIA, as
Lender**

By: ("Signed")
Name:
Title:

By: ("Signed")
Name:
Title:

**CANADIAN IMPERIAL BANK OF
COMMERCE, as Lender**

By: ("Signed")
Name:
Title:

By: ("Signed")
Name:
Title:

**CHINA CONSTRUCTION BANK
TORONTO BRANCH, as Lender**

By: ("Signed")
Name:
Title:

By: ("Signed")
Name:
Title:

ATB FINANCIAL, as Lender

By: ("Signed")
Name:
Title:

By: ("Signed")
Name:
Title:

HSBC BANK CANADA, as Lender

By: ("Signed")

Name:

Title:

By: ("Signed")

Name:

Title:

**FÉDÉRATION DES CAISSES
DESJARDINS DU QUÉBEC, as Lender**

By: ("Signed")
Name:
Title:

By: ("Signed")
Name:
Title:

SCHEDULE A
WHITECAP RESOURCES INC.
TERM LOAN CREDIT AGREEMENT
DATED AUGUST 31, 2022

DEFINITIONS

“**Abandonment/Reclamation Order**” means any abandonment, reclamation and/or non-compliance order or directive issued by an Energy Regulator which relates to any assets of any one or more of the Loan Parties.

“**Abandonment and Reclamation Report**” means an annual report pertaining to the abandonment and reclamation obligations of the Loan Parties in respect of upstream oil and gas wells, facilities and pipelines located in Canada, such report to be substantially in the form attached hereto as Schedule I.

“**Accommodation**” means an accommodation referred to in Section 3.6.

“**Accounting Change**” has the meaning attributed thereto in Section 1.16(a).

“**Accounting Change Notice**” has the meaning attributed thereto in Section 1.16(a).

“**Acquisition Transaction**” means any acquisition by the Borrower or its Subsidiaries of (i) shares, units or other equity interests in any other Person (other than the Borrower or any Subsidiary) such that such Person becomes a Subsidiary or (ii) the property or assets of another Person (other than the Borrower or any other Subsidiary).

“**Additional Compensation**” has the meaning attributed to it in Section 8.1(a).

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

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

- (a) in respect of Canadian Prime Rate Loans, the disbursement or credit of funds to, or to the credit of, the Borrower; and
- (b) in respect of Bankers’ Acceptances, the acceptance by the Lenders of drafts issued under the Agreement by the Borrower and, where the Lenders are purchasing such drafts, the disbursement of the Net Proceeds to the Borrower as provided hereunder.

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

“**Affiliate**” means, in relation to any Person, any other Person or group of Persons acting in concert, directly or indirectly, that controls, is controlled by or is under common control with the first mentioned Person, and for the purposes of this definition and references in this Agreement to Affiliate, “*control*” means the possession, directly or indirectly, by such Person or group of Persons acting in concert of the power to direct or cause the direction of the management and policies of the first mentioned Person, whether through the ownership of Voting Securities or otherwise.

“**After-Acquired Property**” has the meaning attributed to it in Section 4.5.

“**Agency Fee Letter**” means the agency fee agreement dated as of the Closing Date, between the Agent and the Borrower, as amended, confirmed, replaced or restated from time to time.

“**Agent**” means, initially, NBC or any successor to NBC appointed as administrative agent pursuant to Section 14.10.

“**Aggregate Principal Amount**” means the aggregate of the amount of principal outstanding from time to time under the Term Loan Facility, including the face amount of all unmatured Bankers’ Acceptances issued thereunder.

“**Agreement**” means the agreement in writing dated the Closing Date between the Borrower, the Lenders and the Agent entitled “Term Loan Credit Agreement” inclusive of all Schedules, including this Schedule A, as amended, confirmed, replaced or restated from time to time and “hereto”, “hereof”, “herein”, “hereby” and “hereunder”, and similar expressions mean and refer to the Agreement and, unless the context otherwise requires, not to any particular Article, Section, paragraph or other subdivision thereof.

“**AML Legislation**” has the meaning attributed to it in Section 14.16.

“**Anti-Corruption Laws**” means all laws, rules, and regulations of any Sanctions Authority that apply to the Loan Parties from time to time concerning or relating to bribery of government officials or public corruption.

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

“**Assignment Agreement**” means an assignment and assumption agreement whereby a financial institution becomes a Lender, substantially in the form of Schedule H, with the blanks completed.

“**BA Discount Rate**” means:

- (a) in relation to a Bankers’ Acceptance accepted by a Schedule I Lender, the CDOR Rate;
- (b) in relation to a Bankers’ Acceptance accepted by a Lender other than a Schedule I Lender (other than any Lender that has agreed by prior written notice to the Agent that the BA Discount Rate in respect of such Lender shall be the CDOR Rate), the CDOR Rate plus 10 Basis Points per annum; or

- (c) in either such case, in relation to a BA Equivalent Loan made by any Non-BA Lender (other than any Lender that has agreed by prior written notice to the Agent that the BA Discount Rate in respect of such Lender shall be the CDOR Rate), the CDOR Rate plus 10 Basis Points per annum or a BA Equivalent Loan made by ATB Financial, the CDOR Rate.

“**BA Equivalent Loan**” means Canadian Dollar Accommodations made pursuant to Section 7.3.

“**BA Stamping Fee**” has the meaning attributed to it in Section 3.7(a)(ii).

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

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

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

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

“**Banking Day**” means with respect to any Accommodation and all matters pertaining thereto, any day excluding Saturday, Sunday or any day which is a legal holiday in Toronto, Canada, Montreal, Quebec or Calgary, Canada.

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

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

“**Borrower**” means Whitecap Resources Inc., and its successors and permitted assigns.

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

“**Borrower’s Counsel**” means Burnet, Duckworth & Palmer LLP or another barrister or solicitor or firm of barristers and solicitors or other lawyers in an appropriate jurisdiction retained by the Loan Parties and acceptable to the Agent, acting reasonably.

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

“**Canadian Dollar Exchange Equivalent**” means with reference to Canadian Dollars, the amount thereof expressed in Canadian Dollars, and with reference to any amount (the “**Original Amount**”) expressed in any other currency (the “**Other Currency**”), the amount expressed in Canadian Dollars on the date when such amount is being determined as herein provided, required to purchase the Original Amount of the Other Currency at the Spot Rate on the Banking Day immediately preceding the date such conversion is to be made.

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

“**Canadian Prime Rate**” means the variable rate of interest quoted by the Agent from time to time as the reference rate of interest which it employs to determine the interest rate it will charge for demand loans in Canadian Dollars to its customers in Canada and which it designates as its prime rate, provided that if such rate of interest is less than the one month CDOR Rate plus 100 Basis Points per annum (the “**Floor Rate**”), then the Canadian Prime Rate will equal the Floor Rate.

“**Canadian Prime Rate Loan**” means an Advance in Canadian Dollars which bears interest at a rate based on the Canadian Prime Rate.

“**Capital Adequacy Guidelines**” means the Capital Adequacy Requirements (CAR) Guideline issued by the Office of the Superintendent of Financial Institutions Canada and all other guidelines or requirements relating to capital adequacy issued by the Office of the Superintendent of Financial Institutions Canada or any other Administrative Body regulating or having jurisdiction with respect to any Lender, as amended, modified, supplemented, reissued or replaced from time to time.

“**CDOR Rate**” means, on any day when Bankers’ Acceptances are to be issued pursuant hereto, the average annual yield rate applicable to Canadian Dollar bankers’ acceptances having identical issue and comparable maturity dates as the Bankers’ Acceptances proposed to be issued by the Borrower displayed and identified as such on the display referred to as the “**CDOR Page**” (or any display substituted therefor) of Reuters Limited (or any successor thereto or Affiliate thereof) as at approximately 10:15 a.m. (Toronto time) on such day, or if such day is not a Banking Day, then on the immediately preceding Banking Day (as adjusted by the Agent in good faith after 10:15 a.m. (Toronto time) to reflect any error in a posted rate or in the posted average annual rate); provided that: (a) if such a rate does not appear on such CDOR Page, then the CDOR Rate, on any day, shall be the discount rate quoted by the Agent (determined on or around 10:00 a.m. (Toronto time) on such day) which would be applicable in respect of an issue of bankers’ acceptances in a comparable amount and with comparable maturity dates to the Bankers’ Acceptances proposed to be issued by the Borrower on such day, or if such day is not a Banking Day, then on the immediately preceding Banking Day; and (b) if the rate determined as aforesaid shall ever be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.

“**CDS**” has the meaning attributed to it in Section 7.2(d).

“**Change of Control**” means the occurrence of any of the following events:

- (a) 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 Securities of the Borrower; or
- (b) during any period of two consecutive years, individuals who at the beginning of such period constituted the board of directors of the Borrower cease, for any reason, to constitute at least a majority of the board of directors of the Borrower, 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 Borrower shall never be an Incumbent Director.

“**Claim**” has the meaning attributed to it in Section 15.6.

“**Closing Certificate**” means the certificate of each Loan Party dated as of the Closing Date, in form and substance satisfactory to the Agent, acting reasonably.

“**Closing Date**” means, (a) the date on which all conditions precedent set forth in Section 2.1 are satisfied or waived or (b) such other date as may be agreed upon in writing between the Borrower and the Lenders.

“**Closing Opinion**” means each opinion of the Borrower’s Counsel dated as of the Closing Date, addressed to the Agent, the Lenders and their legal counsel and in form and substance satisfactory to the Agent, acting reasonably.

“**Collateral Agent**” means TSX Trust Company in its capacity as collateral agent under the *Pari Passu* Intercreditor Agreement, and its successors and assigns in such capacity.

“**Commitment Amount**” means Cdn. \$705,000,000 as otherwise increased or decreased pursuant to this Agreement.

“**Commodity Swap Contracts**” means, collectively, any contract for a commodity swap or other protection agreement or option designed to protect against fluctuations in commodity prices (which, for greater certainty, includes both physically and financially settled hedges).

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

“**Compliance Certificate**” means the certificate of the Borrower substantially in the form of Schedule G, with the blanks completed.

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

- (a) all Net Income for such period; plus
- (b) Interest Expense to the extent deducted in determining such Net Income; plus
- (c) all amounts deducted in the calculation of such Net Income in respect of the provision for income taxes; plus
- (d) all amounts deducted in the calculation of such Net Income in respect of non-cash items, including depreciation, depletion, amortization (including amortization of goodwill and other intangibles), accretion, deferred income taxes, foreign currency obligations, non-cash losses resulting from marking-to-market 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 Borrower’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 Borrower which is not a Material Subsidiary, to the extent that the distribution by that Subsidiary of amounts of such Net Income to the Borrower 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 Consolidated 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 Loan 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 Loan 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 Loan 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 Consolidated EBITDA for such acquisitions or dispositions, the Borrower must have first delivered to the Lenders all such relevant information in such detail as reasonably required by the Lenders (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 Borrower, and the Lenders, acting reasonably, must have approved same and the Lenders shall provide notice of this approval or non-approval within 15 days of receiving all of the requisite information.

“Consolidated EBITDA to Consolidated Interest Expense Ratio” means, as at the end of a fiscal quarter, the ratio of Consolidated EBITDA to Consolidated Interest Expense for the 12 months ending at the end of such fiscal quarter.

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

- (a) all interest of the Borrower and its Subsidiaries accrued or payable in respect of such period, including capitalized interest, imputed interest with respect to lease obligations and interest on Permitted Indebtedness (excluding the one-time underwriting fee to be payable by the Borrower in connection with the issuance of Permitted Indebtedness);
- (b) all fees (including standby and commitment fees, acceptance fees in respect of bankers’ acceptances and fees payable in respect of letters of credit, letters of guarantee and similar instruments) accrued or payable in respect of such period, prorated (as required) over such period;
- (c) any difference between the face amount and the discount proceeds of any bankers’ acceptances, commercial paper and other obligations issued at a discount, prorated (as required) over such period;
- (d) the aggregate of all purchase discounts relating to the sale of accounts receivable in connection with any asset securitization program; and
- (e) all net amounts charged or credited to interest expense under any Interest Rate Swap Contracts in respect of such period.

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

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

“**Conversion**” means in relation to an Advance, a conversion of an Advance into another type of Advance made pursuant to the Agreement.

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

“**Debt**” means all obligations, liabilities and indebtedness of the Borrower and its Subsidiaries which would, in accordance with GAAP, be classified upon a consolidated balance sheet of the Borrower as indebtedness for borrowed money of the Borrower and its Subsidiaries and, whether or not so classified, shall include (without duplication and on a consolidated basis):

- (a) indebtedness of the Borrower and its Subsidiaries for borrowed money;
- (b) all other liabilities of the Borrower and its Subsidiaries represented or evidenced by a note, bond, debenture or other evidence of indebtedness;
- (c) obligations of the Borrower and its Subsidiaries arising pursuant to bankers’ acceptance facilities and commercial paper programs, and under letters of credit, letters of guarantee and similar instruments (supporting obligations which would otherwise constitute Debt within the meaning of this definition), or indemnities issued in connection therewith;
- (d) obligations of the Borrower and its Subsidiaries under guarantees, indemnities, assurances, legally binding comfort letters or other contingent obligations relating to the indebtedness 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 such indebtedness or such other Debt obligations of such other Person, including endorsements of bills of exchange (other than for collection or deposit in the ordinary course of business);
- (e) all obligations of any other Person which are secured by a Lien on any of the assets of any of the Borrower and its Subsidiaries; and
- (f) all indebtedness of the Borrower and its Subsidiaries representing the deferred purchase price of any property or services where such purchase price remains unpaid after the expiry of the customary time period payment, which period is not to exceed 90 days, and all obligations of the Borrower and its Subsidiaries created or arising under any conditional sales agreement or other title retention agreement (but excluding operating leases) or any capital lease,

provided that, for greater certainty, Debt shall not include any amounts in respect of Hedging Agreements other than realized losses under any Hedging Agreement that are due and owing (to the extent such losses would otherwise constitute Debt within the meaning of this definition).

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

“**Defaulting Lender**” means any Lender and, in the case of paragraph (b) below, a Lender’s parent (being any person that directly or indirectly controls a Lender where control has the same meaning as in the definition of Affiliate):

- (a) that has notified the Borrower (verbally or in writing) that it does not intend to or is unable to comply with any of its funding obligations under this Agreement or has made a public statement to that effect or to the effect that it does not intend to or is unable to fund advances generally under credit arrangements to which it is a party;
- (b) that becomes insolvent, has been deemed insolvent by a court of competent jurisdiction or any other applicable Administrative Body, or becomes the subject of bankruptcy or insolvency proceeding or that becomes subject to a Bail-In Action; or
- (c) that is generally in default of its obligations under other existing credit or Document under which it has commitments to extend credit.

“**Departing Lender**” has the meaning attributed to it in Section 14.18.

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

“**Director**” means a director of a corporation and reference to action by the directors or board of directors when used with respect to a corporation means action by the directors of such corporation as a board or, whenever duly empowered, by an executive committee or any other duly authorized committee of the board.

“**Discount Fraction**” means:

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

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

“Distribution” means any:

- (a) payment of any dividend on or in respect of any shares, units or other ownership interests of any class in the capital of a Loan Party (including any thereof acquired through the exercise of warrants or rights of conversion, exchange or purchase);
- (b) redemption, retraction, purchase or other acquisition or retirement, in whole or in part, of shares, units or other ownership interests of any class in the capital of a Loan Party (including any thereof acquired through the exercise of warrants or rights of conversion, exchange or purchase);
- (c) payment of principal, interest or other amounts in whole or in part, of any indebtedness of a Loan Party for borrowed money (including any Debt incurred or assumed by a Loan Party pursuant to a capital lease or operating lease);

to (in the case of paragraphs (a) and (c) of this definition) or by or from (in the case of paragraph (b) of this definition) any shareholder or unitholder or any Affiliate of a shareholder or unitholder of a Loan Party (other than a Lender), whether made or paid in or for cash, property (other than equity interests in the distributing Loan Party) or both, or

- (d) transfer of any property for consideration of less than fair market value by a Loan Party to any shareholder or unitholder or to any Affiliate of a shareholder or unitholder of a Loan Party.

“Documents” means the Agreement and any other instruments or agreement entered into by the Parties relating to the Term Loan Facility, including the Security and any document or agreement resulting from the operation of Section 4.1.

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

“EEA Financial Institution” means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

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

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

“Electronic Image” has the meaning given to it in Section 15.15.

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

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

“Environmental Certificate” means the certificate of the Borrower substantially in the form of Schedule C, with the blanks completed.

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

“EPPA” means the *Employment Pension Plans Act*, R.S.A. 2000, c E-8, including the regulations made and, from time to time, in force.

“Erroneous Payment” has the meaning ascribed to it in Section 15.16(a).

“Erroneous Payment Deficiency Assignment” has the meaning ascribed to it in Section 15.16(d).

“Erroneous Payment Return Deficiency” has the meaning ascribed to it in Section 15.16(d).

“Erroneous Payment Subrogation Rights” has the meaning ascribed to it in Section 15.16(d).

“Escrow Funds” has the meaning attributed to it in Section 7.5.

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

“Event of Default” means an event specified in Section 11.1.

“Exchange Rate Swap Contracts” means, collectively, any contract for the sale, purchase, exchange or future delivery of foreign currency (whether or not the subject currency is to be delivered or exchanged) or any hedging contract, forward contract, swap agreement, futures contract, or other foreign exchange protection agreement or option with respect to any such transaction, in each case designed to hedge against fluctuations in foreign exchange rates.

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

“**Existing *Pari Passu* Notes**” means, collectively, (a) the Second Senior Secured Notes, and (b) the Third Senior Secured Notes and includes any of the foregoing to the extent refinanced in an amount not exceeding the original principal amount thereof.

“**FATCA**” means Sections 1471 through 1474 of the Internal Revenue Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Internal Revenue Code.

“**Federal Funds Rate**” means, for any day, the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the annual rates of interest on overnight Federal funds transactions with members of the Federal Reserve Board arranged by Federal funds brokers, as published on the next succeeding Banking Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Banking Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day on such transactions received by the Agent from three Federal funds brokers of recognized standing selected by it.

“**Financial Calculation**” has the meaning attributed to it in Section 1.16(a).

“**First Party**” has the meaning attributed to it in Section 15.4.

“**Floor Rate**” has the meaning attributed to it in the definition of Canadian Prime Rate.

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

“**GAAP**” means generally accepted accounting principles in Canada, as adopted and modified (if applicable) by CPA Canada (or any successor thereto), applied on a consistent basis, which (i) with respect to covenants of a financial nature (including financial ratios) are in effect on the date hereof, and (ii) for all other purposes, are in effect from time to time, and as of the date hereof for both (i) and (ii) are IFRS.

“**Hedging Agreements**” means, collectively, Exchange Rate Swap Contracts, Interest Rate Swap Contracts, Commodity Swap Contracts and any other derivative agreement or similar agreement or arrangement.

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

“**includes**” means “includes without limitation” and “**including**” means “including without limitation”.

“**Indemnified Parties**” has the meaning attributed to it in Section 15.6.

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

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

“**Interest Rate Swap Contracts**” means, collectively, any contract for a rate swap, rate cap, rate floor, rate collar, forward rate agreement, futures or other rate protection agreement or option with respect to any such transaction, designed to hedge against fluctuations in interest rates.

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

“**Junior Debt Intercreditor Agreement**” means an intercreditor agreement between the holders of Permitted Junior Debt, or an agent or trustee thereof, the Collateral Agent on behalf of the Secured Parties, and the Loan Parties, in form and substance satisfactory to the Majority Lenders, acting reasonably.

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

“**Lender BA Suspension Notice**” has the meaning attributed to it in Section 7.6.

“**Lender Secured Obligations**” means, collectively, the Obligations.

“**Lender Secured Parties**” means, collectively, the Agent and the Lenders.

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

“**Level**” means the applicable level as set out in the Pricing Table.

“**Liability Management Rating**” means, for any Material Jurisdiction, the environmental liability management rating (or equivalent) relating to the upstream oil and gas wells, facilities and pipelines located within such jurisdiction, as determined in accordance with the rules and regulations of each applicable Material Jurisdiction and its Energy Regulator for the then relevant period (and, for certainty, after adjusting the “deemed assets” (or the equivalent) to include any

security deposits provided to the applicable Energy Regulator if such security deposits are so included by the applicable Energy Regulator).

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

“**LMR Assets**” means, for any province or similar jurisdiction in Canada, all of the upstream oil and gas wells, facilities, pipelines and other physical assets relevant to the determination of the Liability Management Rating in such jurisdiction.

“**Loan Parties**” means the Borrower and each Material Subsidiary; and “**Loan Party**” means any of them.

“**Majority Lenders**” means Lenders representing greater than 66^{2/3}% of the Aggregate Principal Amount under the Term Loan Facility.

“**Material Acquisition**” means an acquisition by a Loan Party of (a) shares or other ownership interests in a Person who becomes a Subsidiary of the Borrower or (b) any other assets which increases the Consolidated Tangible Assets of the Borrower, as shown on the then most current consolidated financial statements of the Borrower, by more than 10%.

“**Material Adverse Effect**” means a material adverse effect on:

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

provided that fluctuations in commodity prices for Petroleum Substances shall not be regarded as an event or circumstance that constitutes a Material Adverse Effect.

“**Material Disposition**” means a sale, transfer or other disposition by a Loan Party of (a) shares or other ownership interests in a Subsidiary of the Borrower or (b) any other assets which, in each case, decreases the Consolidated Tangible Assets of the Borrower, as shown on the then most current consolidated financial statements of the Borrower, by more than 10%.

“**Material Jurisdiction**” means any province or similar jurisdiction in Canada where (a) the Loan Parties, in aggregate, directly own or operate any LMR Assets and (b) the aggregate associated undiscounted and uninflated abandonment and reclamation liabilities (expressed in nominal

dollars) of such LMR Assets in such jurisdiction, as shown in the most recent Abandonment and Reclamation Report delivered to the Agent, are in excess of the Threshold Amount.

“**Material Subsidiary**” shall mean any Subsidiary of the Borrower that:

- (a) comprises 10% or more of Consolidated Tangible Assets;
- (b) generates 10% or more of the Borrower’s Consolidated EBITDA;
- (c) provides a guarantee in respect of any Permitted *Pari Passu* Debt or any Permitted Junior Debt; or
- (d) is designated as a Material Subsidiary by the Borrower pursuant to Section 10.1(o).

“**Maturity Date**” means the date, which must be a Banking Day, on which the Bankers’ Acceptance or BA Equivalent Loan matures.

“**NBC**” means National Bank of Canada, a Canadian chartered bank, and its successors and permitted assigns.

“**Net Income**” means, in respect of the period for which it is being determined, the net earnings of the Borrower determined on a consolidated basis in accordance with GAAP, as set forth in the consolidated financial statements of the Borrower for such period.

“**Net Proceeds**” means the Discount Proceeds of a Bankers’ Acceptance (or in the case of a BA Equivalent Loan, the amount of such BA Equivalent Loan), less the applicable stamping fee as provided hereunder in respect of Bankers’ Acceptances.

“**New Rules**” has the meaning attributed to it in Section 8.1(c).

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

“**Non-Consenting Lender**” has the meaning attributed to it in Section 14.18.

“**Note Purchase Agreements**” means, collectively, (a) the Second Note Purchase Agreement, (b) the Third Note Purchase Agreement, and (c) any note purchase agreement hereafter entered into by the Borrower for the purposes of refinancing the Existing *Pari Passu* Notes in an amount not exceeding the original principal amount thereof, as the same may be amended, restated, supplemented, replaced or otherwise modified from time to time.

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

“**Notice of Rollover or Notice of Conversion**” means, in relation to Advances, a notice by the Borrower to the Agent substantially in the form of Schedule E, with the blanks completed, and

“**Notice of Rollover**” means such notice in respect of a Rollover and “**Notice of Conversion**” means such notice in respect of a Conversion.

“**Obligations**” means, without duplication, the aggregate amount of all obligations, liabilities and indebtedness of a Loan Party to the Agent or any Lender under the Documents and all obligations, contingent or otherwise, of any of the foregoing arising from any guarantee made by a Person in respect thereof.

“**Oil and Gas Properties**” means the oil and gas reserves and related properties and facilities of the Loan Parties.

“**Original Currency**” has the meaning attributed to it in Section 15.4.

“**Paper Record**” has the meaning given to it in Section 15.15.

“**Pari Passu Intercreditor Agreement**” means the amended and restated intercreditor agreement between the Loan Parties, the Agent and the holders of the Existing *Pari Passu* Notes dated December 20, 2017, as the same may be further amended, restated or supplemented from time to time.

“**Pari Passu Debtholders**” means the holders of the Permitted *Pari Passu* Debt.

“**Pari Passu Revolving Credit Facilities**” means the credit facilities under the *Pari Passu* Revolving Credit Agreement.

“**Pari Passu Revolving Credit Agreement**” means the amended and restated credit agreement dated April 27, 2018 among the Borrower, as borrower, the persons party thereto from time to time as lenders and National Bank of Canada, as agent on behalf of such lenders, as amended, restated, supplemented or otherwise modified from time to time.

“**Participant**” has the meaning attributed to it in Section 13.4.

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

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

“**Permitted Dispositions**” means any:

- (a) sale or disposition of Oil and Gas Properties (and related tangibles) resulting from any pooling, unitization or farmout entered into in the ordinary course of business and in accordance with sound industry practice when, in the reasonable judgment of the Borrower, it is necessary to do so in order to facilitate the orderly exploration, development or operation of such Oil and Gas Properties;
- (b) sale or disposition in the ordinary course of business and in accordance with sound industry practice of tangible personal property forming part of the Oil and Gas

Properties that is obsolete, no longer useful for its intended purpose or being replaced in the ordinary course of business;

- (c) sale or disposition of current production from Oil and Gas Properties made in the ordinary course of business;
- (d) any other sales or dispositions of assets, property or undertaking of any of the Loan Parties for fair market value to third parties, if the aggregate fair market value thereof does not exceed 10% of Consolidated Tangible Assets in any consecutive 12-month period; and
- (e) subject to Section 10.2(e), sales or dispositions of Oil and Gas Properties between Loan Parties.

“Permitted Encumbrances” means:

- (a) undetermined or inchoate Liens arising in the ordinary course of and incidental to construction or current operations (including any Liens arising in connection with the posting of cash with counterparties to agreements relating to the processing, marketing and/or transportation arrangements of the Borrower or any of its Subsidiaries) which have not been filed pursuant to Law against the Loan Parties or in respect of which no steps or proceedings to enforce such Lien have been initiated or which relate to obligations which are not due or delinquent or if due or delinquent, any Lien which the applicable Loan Party is in good faith contesting if such contest involves no risk of loss that would reasonably be expected to have a Material Adverse Effect and an adequate reserve in accordance with GAAP has been established by the applicable Loan Parties;
- (b) Liens incurred or created in the ordinary course of business and in accordance with sound industry practice in respect of the joint operation of oil and gas properties or related production or processing facilities as security in favour of any other Person conducting the development or operation of the property to which such Liens relate, for the applicable Loan Party’s portion of the costs and expenses of such development or operation, provided such costs or expenses are not due or delinquent or if due or delinquent, any Lien which the applicable Loan Party is in good faith contesting if such contest involves no risk of loss that would reasonably be expected to have a Material Adverse Effect and an adequate reserve in accordance with GAAP has been established by the applicable Loan Party;
- (c) to the extent a Lien is created thereby, a sale or disposition of oil and gas properties resulting from any pooling or unitization agreement entered into in the ordinary course of business when, in the applicable Loan Party’s reasonable judgment, it is necessary to do so in order to facilitate the orderly exploration, development or operation of such properties;
- (d) to the extent a Lien is created thereby, farmout interests or overriding royalty interests, net profit interests, reversionary interests and carried interests in respect of the applicable Loan Party’s P&NG Rights that are or were entered into with or

granted to arm's length third parties in the ordinary course of business and in accordance with sound industry practice;

- (e) Liens for penalties arising under non-participation provisions of operating agreements in respect of a Loan Party's P&NG Rights or any related facilities, if such Liens would not reasonably be expected to have a Material Adverse Effect;
- (f) easements, rights-of-way, servitudes, zoning or other similar rights or restrictions in respect of land held by a Loan Party (including rights-of-way and servitudes for railways, sewers, drains, pipelines, gas and water mains, electric light and power and telephone or telegraph or cable television conduits, poles, wires and cables) which, either alone or in the aggregate, would not reasonably be expected to have a Material Adverse Effect;
- (g) any Lien or trust arising in connection with worker's compensation, employment insurance, pension and employment Law;
- (h) the right reserved to or vested in any municipality or governmental or other public authority by the terms of any lease, license, franchise, grant or permit acquired by a Loan Party or by any statutory provision to terminate any such lease, license, franchise, grant or permit or to require annual or other periodic payments as a condition of the continuance thereof;
- (i) all reservations in the original grant from the Crown of any lands and premises or any interests therein and all statutory exceptions, qualifications and reservations in respect of title;
- (j) any right of first refusal in favour of any Person granted in the ordinary course of business with respect to all or any of the P&NG Rights or related facilities of a Loan Party;
- (k) public and statutory Liens not yet due and similar Liens arising by operation of Law;
- (l) Liens in respect of the Secured Obligations (subject to the terms of the *Pari Passu* Intercreditor Agreement) or Liens permitted pursuant to the definition of Permitted Junior Debt (subject to the terms of the Junior Debt Intercreditor Agreement);
- (m) the interest of any Person under any Purchase Money Lien or capital lease and any other miscellaneous Lien not otherwise described in paragraphs (a) through (l) above, provided that (i) the underlying obligation in respect thereof is Permitted Indebtedness and (ii) no such Lien extend to all or substantially all of the property, assets and undertaking of a Loan Party; and
- (n) any Lien from time to time disclosed by the Borrower to the Agent and which is consented to by the Lenders.

“Permitted Incremental *Pari Passu* Debt” means any senior secured Debt (other than any Existing *Pari Passu* Notes refinanced in an amount not exceeding the original principal amount of the Existing *Pari Passu* Notes) issued by the Borrower after the Closing Date which is subject to the *Pari Passu* Intercreditor Agreement and which:

- (a) is in a maximum aggregate principal amount of not more than the aggregate of:
 - (i) any Existing *Pari Passu* Notes repaid after the Closing Date (other than to the extent refinanced in an amount not exceeding the original principal amount of the Existing *Pari Passu* Notes); and
 - (ii) up to \$400,000,000 of other Permitted *Pari Passu* Debt after the Closing Date (excluding, for certainty, Permitted *Pari Passu* Debt incurred under the Existing *Pari Passu* Notes) that is permanently repaid, provided that any commitment for such repaid Permitted *Pari Passu* Debt is irrevocably cancelled; and
- (b) has a term that is no earlier than the Termination Date at the time of incurrence thereof.

“Permitted Indebtedness” means, collectively:

- (a) all Lender Secured Obligations;
- (b) Permitted *Pari Passu* Debt;
- (c) Debt between Loan Parties;
- (d) any other Debt of a Loan Party secured by Liens described in paragraph (m) of Permitted Encumbrances, provided that all such Debt at no time exceeds the Threshold Amount, in aggregate;
- (e) Permitted Junior Debt;
- (f) unsecured Debt for the sole purpose of financing acquisitions (that are not otherwise prohibited hereunder); provided that the term of such Debt does not exceed two years;
- (g) any guarantees that are permitted by Section 10.2(f); and

in each case, subject to compliance (including *pro forma* compliance) with Section 10.3.

“Permitted Junior Debt” means Debt created, incurred or issued by the Borrower (including guarantees thereof by the other Loan Parties) and which is owing to the lenders thereof pursuant to the terms of Permitted Junior Debt Documents, which Debt has all of the following characteristics:

- (a) such Debt shall be denominated in Canadian Dollars or U.S. Dollars;

- (b) the aggregate Canadian Dollar Exchange Equivalent of the principal amount of all Permitted Junior Debt shall not exceed Cdn.\$500,000,000 (or the Canadian Dollar Exchange Equivalent Amount thereof) as determined at the time any such Permitted Junior Debt is incurred;
- (c) the Senior Leverage Ratio is no more than 3.50 to 1.00 at the time of incurrence of such Debt after giving effect to the use of proceeds of such Debt;
- (d) such Debt has an initial term and final maturity which is not earlier than the first anniversary of the then latest Termination Date as at the date such Debt is incurred;
- (e) such Debt does not have any scheduled principal repayments, amortizations, redemptions or purchases prior to the then latest Termination Date;
- (f) such Debt is unsecured or, if secured, such Debt, the holders thereof and the security provided therefor, shall be subject to the Junior Debt Intercreditor Agreement;
- (g) the Borrower has provided the Agent with copies of all material documents with respect to such Debt;
- (h) at the time of the creation, incurrence or issuance of such Debt, no Default or Event of Default has occurred and is continuing or will result therefrom or will exist immediately thereafter and the Borrower has delivered to the Agent an officer's certificate to such effect;
- (i) at the time of the creation, incurrence or issuance of such Debt, no default or event of default shall exist under any Permitted *Pari Passu* Debt Document;
- (j) such Debt shall not, other than at maturity, provide for any mandatory redemption, purchase for cancellation or other repayment thereof (including any defeasance) in a circumstance when the Borrower is not also required to repay all Lender Secured Obligations prior thereto;
- (k) the terms of such Debt shall not provide for any cross-default to other Debt (as opposed to a cross-acceleration thereto or a payment default on maturity) or any maintenance financial tests (as opposed to an incurrence test); and
- (l) the material conditions, covenants, events of default or other terms of such Debt are no more restrictive on the Borrower and its Subsidiaries, in the aggregate, than the conditions, covenants, events of default and other terms of this Agreement.

“Permitted Junior Debt Documents” means all indentures, note purchase agreements, notes, credit agreements, loan agreements, security agreements, debentures, pledge agreements and any other agreement or instrument evidencing, governing or entered into in connection with Permitted Junior Debt.

“**Permitted *Pari Passu* Debt**” means the Existing *Pari Passu* Notes, the *Pari Passu* Revolving Credit Facilities and any Permitted Incremental *Pari Passu* Debt and any guarantees provided by the Material Subsidiaries in connection therewith.

“**Permitted *Pari Passu* Debt Documents**” means the Note Purchase Agreements, the *Pari Passu* Revolving Credit Agreement and all other indentures, note purchase agreements, notes, credit agreements, loan agreements, security agreements, debentures, pledge agreements and any other agreement or instrument evidencing, governing or entered into in connection with Permitted *Pari Passu* Debt.

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

“**Petroleum Substances**” means petroleum, natural gas, natural gas liquids, bitumen, 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.

“**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 Loan Parties at such time in and to any, or such as are stipulated, of the following, by whatever name the same are known:

- (a) rights to explore for, drill for, produce, take, save or market Petroleum Substances from or allocated to its lands or lands with which the same have been pooled or unitized;
- (b) rights to a share of the production of Petroleum Substances from or allocated to lands or lands with which the same have been pooled or unitized;
- (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 from or allocated to lands or lands with which the same have been pooled or unitized;
- (d) rights of a Loan Party in lands or documents of title related thereto, including leases, subleases, licenses, permits, reservations, rights and privileges; and
- (e) rights to acquire any of the above rights described in paragraphs (a) through (d) of this definition,

and includes interests and rights known as working interests, royalty interests, overriding royalty interests, gross overriding interests, production payments, profits interests, net profits interests, revenue interests, net revenue interests and other economic interests.

“**Pricing Change Effective Date**” has the meaning attributed to it in Section 3.7(e).

“**Pricing Table**” means the pricing table labeled “Pricing Table” set forth in Section 3.7(a).

“Principal Repayment” means the repayment by or for and on behalf of the Borrower to the Lenders of all or a portion of any principal outstanding to the Lenders under the Term Loan Facility.

“Purchase Money Lien” means a Lien, whether given to a vendor, lender or any other Person, securing Debt assumed or incurred as, or to provide, all or part of the purchase price or other acquisition cost of property, other than P&NG Rights, which Lien is limited exclusively to such property and any proceeds thereof and any extension, renewal, refinancing or replacement thereof.

“Rateable Portion” means, at any time and from time to time with respect to each Lender under the Term Loan Facility and subject to adjustment pursuant to Section 7.4(f) in respect of the Term Loan Facility, the portion of the Aggregate Principal Amount owing to such Lender relative to the Aggregate Principal Amount owing to all Lenders.

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

“Resignation Notice” has the meaning attributed to it in Section 14.10.

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

“Rollover” means, with respect to an Advance in relation to maturing Banker’s Acceptances, the issuance of new Bankers’ Acceptances in respect of all or any portion of such Bankers’ Acceptances at their Maturity Date.

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

“Sanctions Authority” means any of: (a) the Canadian government; (b) the United States government; or (c) the respective governmental institutions, departments and agencies of any of the foregoing, including OFAC and, the United States Department of State; and “Sanctions Authorities” means all of the foregoing Sanctions Authorities, collectively.

“Sanctioned Country” means, at any time, a country or territory which is the subject or target of any Sanctions.

“**Sanctions List**” means the “Specially Designated Nationals and Blocked Persons” list maintained by OFAC or any substantially similar list maintained by, or public announcement of Sanctions designation made by, any of the Sanctions Authorities.

“**Sanctioned Person**” means:

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

“**Second Note Purchase Agreement**” means the note purchase agreement made effective as of May 31, 2017, initially among the Borrower, PGIM, Inc. or its affiliates and certain other institutional investors as such Note Purchase Agreement may be amended, restated, supplemented, replaced or otherwise modified from time to time.

“**Second Senior Secured Notes**” means the senior secured notes issued pursuant to the Second Note Purchase Agreement in a maximum aggregate principal amount of Cdn.\$200,000,000, with a term of up to 7 years and an interest rate of 3.54% per annum.

“**Secured Obligations**” means the Lender Secured Obligations and the Permitted *Pari Passu* Debt.

“**Secured Parties**” means the Collateral Agent, the *Pari Passu* Debtholders, the Agent, the Lender Secured Parties.

“**Security**” has the meaning attributed to it in Section 4.1 and includes any other Lien hereafter granted by the Borrower or any Loan Party to secure the payment of Obligations in connection with the Term Loan Facility.

“**Senior Leverage Ratio**” means, as at the end of each fiscal quarter of the Borrower, the ratio of (i) Total Debt, *minus* Permitted Junior Debt, to (ii) Consolidated EBITDA for the then most recently completed twelve months.

“**Specified Representations and Warranties**” means those representations and warranties set forth in Sections 9.1(a), 9.1(b)(i), 9.1(b)(iv), 9.1(c), 9.1(u) and 9.1(z)(iii).

“**Spot Rate**” means, in relation to the conversion of one currency into another currency, the spot rate of exchange for such conversion as quoted by the Bank of Canada at the close of business on the Banking Day that such conversion is to be made (or, if such conversion is to be made before close of business on such Banking Day, then at approximately close of business on the immediately preceding Banking Day), and, in either case, if no such rate is quoted, the spot rate of exchange quoted for wholesale transactions by the Agent on the Banking Day such conversion is to be made in accordance with its normal practice.

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

“**Successor Agent**” has the meaning attributed to it in Section 14.10.

“**Target**” means, collectively, XTO ULC and XTO Partnership.

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

“**Term Loan Facility**” means the non-amortizing, non-revolving term credit facility established hereunder, in the maximum principal amount as set forth in Schedule B, being Cdn. \$705,000,000 as of the date hereof to be made available to the Borrower by the Lenders in accordance with the provisions hereof, subject to any reduction in accordance with the provisions hereof.

“**Termination Date**” means the earliest of: (a) May 31, 2026, (b) the date the Term Loan Facility is repaid in full and all Commitment Amounts are cancelled, and (c) the date that the Obligations are accelerated pursuant to Section 11.2.

“**Third Note Purchase Agreement**” means the note purchase agreement to be dated as of December 20, 2017, among the Borrower and PGIM, Inc., or its affiliates, and certain other institutional investors, as such Note Purchase Agreement may be amended, restated, supplemented, replaced or otherwise modified from time to time.

“**Third Senior Secured Notes**” means the senior secured notes issued in Canadian Dollars pursuant to the Third Note Purchase Agreement in a maximum aggregate principal amount of Cdn.\$195,000,000, with a term of 9 years and an interest rate of 3.9% per annum.

“**Threshold Amount**” means 1.5% of the Consolidated Tangible Assets at the applicable time, expressed in Canadian Dollars or the Canadian Dollar Exchange Equivalent thereof in any other currency.

“Total Debt” means, as at the end of each fiscal quarter of the Borrower, all Debt of the Borrower (on a consolidated basis); provided that, if the Liability Management Rating of any Loan Party which owns or operates any LMR Assets in any Material Jurisdiction is less than 2.00 in such Material Jurisdiction, or from and after March 31, 2020 in the case of British Columbia only and while it is a Material Jurisdiction, 1.25, at any the end of any fiscal quarter of the Borrower (an **“Affected Loan Party”**), an aggregate amount equal to the Undiscounted Non-Producing ARO of each such Affected Loan Party in such Material Jurisdiction shall be included as Total Debt at such date.

“Total Debt to EBITDA Ratio” means, as at the end of each fiscal quarter of the Borrower, the ratio of (a) Total Debt to (b) Consolidated EBITDA for the then most recently completed twelve months.

“UK Financial Institution” means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

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

“Undiscounted Non-Producing ARO” means the aggregate uninflated and undiscounted abandonment and reclamation obligations of the Loan Parties for all LMR Assets in the applicable Material Jurisdiction(s) which are inactive (non-producing), suspended or abandoned.

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

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

“XTO Acquisition Agreement” means the share purchase and sale agreement dated June 28, 2022 among XTO Vendor, as vendor and the Borrower, as Purchaser, including all annexes and exhibits thereto in respect of the XTO Acquisition Transaction (as amended, restated, supplemented or otherwise modified from time to time, to the extent permitted by this Agreement).

“XTO Acquisition Agreement Representations” means the representations made by or on behalf of each, or any, of the XTO Vendor and/or the Target in the XTO Acquisition Agreement as are material to the interests of the Lenders, but only to the extent that the Borrower or any of its affiliates party thereto has the right (taking into account any applicable cure provisions) to terminate its obligations under the XTO Acquisition Agreement, or the right not to consummate the XTO Acquisition Transaction pursuant to the terms of the XTO Acquisition Agreement (in each case, without giving effect to notice or lapse of time or both), as a result of any inaccuracy of such representations or warranties in the XTO Acquisition Agreement.

“XTO Acquisition Assets” means all those assets of the Target which, upon consummation of the XTO Acquisition Transaction shall become assets of the Loan Parties.

“XTO Acquisition Documents” means, collectively, the XTO Acquisition Agreement and each other material agreement and material document delivered by or on behalf of any Loan Party in connection therewith (and, in each case, any amendment thereto).

“XTO Acquisition Transaction” means the Borrower’s acquisition from the Vendor of all of (i) the issued and outstanding equity of XTO ULC and (ii) the partnership interests of the Vendor in XTO Partnership, on the Closing Date.

“XTO Partnership” means XTO Energy Canada which, upon consummation of the XTO Acquisition Transaction, will change its name to Whitecap Energy Canada.

“XTO ULC” means XTO Energy Canada ULC which, upon consummation of the XTO Acquisition Transaction, will change its name to Whitecap Energy Canada ULC.

“XTO Vendor” means XTO Energy Canada Holdings LP.

**SCHEDULE B
WHITECAP RESOURCES INC.
TERM LOAN CREDIT AGREEMENT
DATED AUGUST 31, 2022**

COMMITMENT AMOUNTS

LENDERS	TERM LOAN FACILITY COMMITMENT AMOUNT
National Bank of Canada	[redacted]
The Toronto-Dominion Bank	[redacted]
Bank of Montreal	[redacted]
The Bank of Nova Scotia	[redacted]
Canadian Imperial Bank of Commerce	[redacted]
China Construction Bank Toronto Branch	[redacted]
Royal Bank of Canada	[redacted]
ATB Financial	[redacted]
HSBC Bank Canada	[redacted]
Fédération des Caisses Desjardins du Québec	[redacted]
Total	\$705,000,000

**SCHEDULE C
WHITECAP RESOURCES INC.
TERM LOAN CREDIT AGREEMENT
DATED AUGUST 31, 2022**

FORM OF ENVIRONMENTAL CERTIFICATE

TO: **NATIONAL BANK OF CANADA (“NBC”)**, as Agent for the Lenders.

Re: Term Loan Credit Agreement made as of August 31, 2022, between Whitecap Resources Inc., the Lenders, and NBC as Agent for the Lenders (as amended, supplemented, restated or replaced from time to time, the “**Credit Agreement**”).

This certificate is delivered pursuant to Section [10.1(e)(ii)] of the Credit Agreement.

I, _____, am the duly appointed [insert name of office] of the Borrower and hereby certify in such capacity for and on behalf of the Borrower, and not in my personal capacity and without assuming any personal liability whatsoever, as follows:

1. The following certifications are made to the best of my knowledge after due enquiry. My due enquiry has been limited to discussions and correspondence with responsible officers and staff of the Loan Parties to confirm that the internal environmental reporting and response procedures of the Loan Parties have been followed in all material respects as they relate to the certifications made herein and that the matters herein set forth are true and correct, and that matters reported on by such officers and staff are true and correct.
2. The following certifications in paragraphs 3 through 9 are qualified as to (i) the matters, if any, disclosed in Exhibit 1 hereto, and (ii) any breach of, or failure to comply with, any Environmental Laws, provided that the breach or failure to comply has not had, or would not reasonably be expected to have (whether on an individual or cumulative basis), a Material Adverse Effect.
3. The property of each Loan Party is owned, leased, managed, controlled or operated, in compliance with Environmental Laws.
4. There are no existing, pending or threatened (by written notice):
 - (a) claims, complaints, notices or requests for information received from an Administrative Body by any Loan Party, or of which any Loan Party is otherwise aware, with respect to any alleged violation of or alleged liability under any Environmental Laws by any Loan Party; or
 - (b) stop, cleanup or preventative orders, directions or action requests, notice of which has been received from an Administrative Body by any Loan Party or of which any Loan Party is otherwise aware, relating to the Environment which as a result thereof, requires any work, repair, remediation, cleanup, construction or capital

expenditure with respect to any property owned, leased, managed, controlled or operated by any Loan Party.

5. Except in compliance with Environmental Laws, no Contaminant has been received, handled, used, stored, treated or shipped at or from, and there has been no discharge or Release of a Contaminant at, on, from or under any property owned, leased, managed, controlled or operated by any Loan Party.
6. None of the lands and facilities owned, leased, managed, controlled or operated by any Loan Party, have been used as a land fill site or, except in compliance with Environmental Laws, as a waste disposal site.
7. No condition exists, at, on or under any of the premises or facilities owned, leased, managed, controlled or operated by any Loan Party, which with the passage of time, or the giving of notice or both, has given rise to or would reasonably be expected to give rise to a violation or liability under any Environmental Laws.
8. No Loan Party is aware of any matter affecting the Environment which has had or would reasonably be expected to have a Material Adverse Effect.
9. The Borrower:
 - (a) has obtained and has caused each other Loan Party to obtain all permits, licenses and other authorizations (collectively the “**Permits**”) which are required under Environmental Laws and is in compliance with all terms and conditions of all Permits; and
 - (b) certifies that each of the Permits is in full force and effect and unrevoked as of the date of this Certificate.

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

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

Dated at _____, _____ effective the date first written above,

WHITECAP RESOURCES INC.

By: _____
Name:
Title:

EXHIBIT 1

**SCHEDULE D
WHITECAP RESOURCES INC.
TERM LOAN CREDIT AGREEMENT
DATED AUGUST 31, 2022**

FORM OF NOTICE OF BORROWING

TO: **NATIONAL BANK OF CANADA** (“NBC”), as Agent for the Lenders.

Re: Term Loan Credit Agreement made as of August 31, 2022, between Whitecap Resources Inc., the Lenders, and NBC as Agent for the Lenders (as amended, supplemented, restated or replaced from time to time, the “**Credit Agreement**”).

1. THE DRAWDOWN DATE IS THE _____ DAY OF _____, _____.

2. Pursuant to Section 5.2 of the Credit Agreement, the undersigned hereby irrevocably requests that the following Accommodations under the Term Loan Facility be made available:

TYPE OF ADVANCE	PRINCIPAL AMOUNT	TERM
Canadian Prime Rate Loan	_____	N/A
Bankers’ Acceptances	_____	_____

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

DATED this _____ day of _____, _____, at _____, _____.

WHITECAP RESOURCES INC.

By: _____
Name:
Title:

**SCHEDULE E
WHITECAP RESOURCES INC.
TERM LOAN CREDIT AGREEMENT
DATED AUGUST 31, 2022**

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

TO: **NATIONAL BANK OF CANADA (“NBC”)**, as Agent for the Lenders.

Re: Term Loan Credit Agreement made as of August 31, 2022, between Whitecap Resources Inc., the Lenders, and NBC as Agent for the Lenders (as amended, supplemented, restated or replaced from time to time, the “**Credit Agreement**”).

1. Pursuant to Section 5.4 of the Credit Agreement, the undersigned hereby irrevocably notifies the Agent that it will be:

(a) rolling over part or all of the Accommodation made under the Term Loan Facility described as:

Type of Accommodation: _____

*Principal Amount: _____

Date of Maturity: _____

into the same Accommodation made under the Term Loan Facility

Date of Maturity: _____

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

or;

(b) converting part or all of the Accommodation made under the Term Loan Facility described as:

Type of Accommodation: _____

*Principal Amount: _____

Date of Maturity: _____

into an Accommodation made under the Term Loan Facility described as:

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

Type of Accommodation: _____

*Principal Amount: _____

Date of Maturity: _____

effective the ____ day of _____, ____.

or;

(c) Repaying part or all of the Advance made under the Term Loan Facility described as:

Type of Accommodation: _____

*Principal Amount⁽¹⁾: _____

Date of Maturity: _____

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

- 2. To the extent that this Notice rolls over or converts any Accommodations to Bankers' Acceptances, **[[all, Schedule I, Schedule II, Schedule III, no] [choose one or more as applicable] Lenders will purchase them at the applicable BA Discount Rate [or] [the Borrower [will/will not] market the Bankers' Acceptances.]]**
- 3. This Notice is irrevocable.
- 4. No Default or Event of Default has occurred and is continuing.
- 5. Capitalized terms used herein and not otherwise defined herein have the meanings given to them by the Credit Agreement.

DATED this ____ day of _____, ____ at _____, _____.

WHITECAP RESOURCES INC.

By: _____
Name:
Title:

SCHEDULE F
WHITECAP RESOURCES INC.
TERM LOAN CREDIT AGREEMENT
DATED AUGUST 31, 2022

LOAN PARTY INFORMATION

Borrower and Subsidiaries

Legal Name	Jurisdiction of Incorporation or Formation	Location of Chief Executive Office	Location of Business and Assets	Ownership
Whitecap Resources Inc.	Alberta	Alberta	Alberta, Saskatchewan British Columbia	Shares publicly traded
Whitecap Energy Canada ULC	Alberta	Alberta	Alberta	100% owned by Whitecap Resources Inc.
Whitecap Energy Canada	Alberta	Alberta	Alberta	100% owned by Whitecap Resources Inc. and Whitecap Energy Canada ULC

**SCHEDULE G
WHITECAP RESOURCES INC.
TERM LOAN CREDIT AGREEMENT
DATED AUGUST 31, 2022**

FORM OF COMPLIANCE CERTIFICATE

TO: **NATIONAL BANK OF CANADA** (“NBC”) as Agent for the Lenders.
Re: Term Loan Credit Agreement made as of August 31, 2022, between Whitecap Resources Inc., the Lenders, and NBC as Agent for the Lenders (as amended, supplemented, restated or replaced from time to time, the “**Credit Agreement**”).

This Compliance Certificate is delivered pursuant to Section 10.1(e)(ii) of the Credit Agreement.

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

- (a) This Compliance Certificate applies to the fiscal **[quarter/year]** of the Borrower ending _____, _____ (the “**Calculation Date**”);
- (b) I am familiar with and have examined the provisions of the Credit Agreement and I have made such reasonable investigations of corporate records and inquiries of other officers and senior personnel of each of the Loan Parties as I have deemed necessary for purposes of this Compliance Certificate;
- (c) Based on the foregoing, no Default of Event of Default has occurred and is continuing except as previously disclosed in writing to the Agent pursuant to Section 10.1(d) of the Credit Agreement;
- (d) As of the date hereof, the Borrower and the Material Subsidiaries own not less than 90% of the Consolidated Tangible Assets;
- (e) As of the date hereof, the Borrower and the Material Subsidiaries generate not less than 90% of the Consolidated EBITDA of the Borrower;
- (f) **[Note: Clause and related Exhibit details applicable if any Permitted Junior Debt is outstanding] [As of the fiscal quarter of the Borrower ending on the Calculation Date, the Senior Leverage Ratio was _____:1.00, in respect of which detailed calculations are set forth in Exhibit 1 hereto;]**
- (g) As of the fiscal quarter of the Borrower ending on the Calculation Date, the Total Debt to EBITDA Ratio was _____:1.00, in respect of which detailed calculations are set forth in Exhibit 1 hereto;

- (h) As of the fiscal quarter of the Borrower ending on the Calculation Date, the Consolidated EBITDA to Consolidated Interest Expense Ratio was _____:1.00, in respect of which detailed calculations are set forth in Exhibit 1 hereto;
- (i) As of the date hereof, the Borrower has no Subsidiaries other than those listed in Schedule F to the Credit Agreement, the legal and beneficial owners of all of the issued and outstanding Voting Securities of each Material Subsidiary is as set out in Schedule F to the Credit Agreement [**or: Schedule F to the Credit Agreement is revised as follows: (list changes here)**];
- (j) The Liability Management Rating of the Borrower and, where applicable, its Material Subsidiaries in each Material Jurisdiction as of the date hereof is as follows:

Loan Party	Material Jurisdiction	Liability Management Rating
_____	_____	_____

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

Dated at _____, _____ this _____ day of _____, _____.

WHITECAP RESOURCES INC.

By: _____
Name: _____
Title: _____

EXHIBIT 1

**PART A
SENIOR LEVERAGE RATIO**

DETAILED CALCULATIONS

(see attached)

**PART B
TOTAL DEBT TO EBITDA RATIO**

DETAILED CALCULATIONS

(see attached)

**PART C
CONSOLIDATED EBITDA TO CONSOLIDATED INTEREST EXPENSE RATIO**

DETAILED CALCULATIONS

(see attached)

**SCHEDULE H
WHITECAP RESOURCES INC.
TERM LOAN CREDIT AGREEMENT
DATED AUGUST 31, 2022**

FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT

TO: **NATIONAL BANK OF CANADA** (“NBC”) as Agent for the Lenders.
Re: Term Loan Credit Agreement made as of August 31, 2022, between Whitecap Resources Inc., the Lenders, and NBC as Agent for the Lenders (as amended, supplemented, restated or replaced from time to time, the “**Credit Agreement**”).
Date: **[■]** (the “**Effective Date**”)

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

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

Commitment Amount in paragraph 4, below subject to the provisions of the Credit Agreement.

4. The Assignee confirms that its Individual Commitment Amount under the Credit Agreement will be as follows:

[State amount thereof in Canadian Dollars.]

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

Agent for periods prior to the Effective Date or with respect to the making of this assignment directly between themselves.

9. Notices will be given to the Assignee in the manner provided for in the Credit Agreement at the following address:

[■]

Attention: [■]

Facsimile: [■]

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

Dated effective as of the date first written above.

[Name of Assignee]

By: _____
Name:
Title:

* * *

The Assignor hereby acknowledges the above Assignment and Assumption Agreement and agrees that its Individual Commitment Amount is reduced by an amount equal to the Individual Commitment Amount assigned to the assignee hereby.

Dated this ■ day of ■, 20____.

[Name of Assignor]

By: _____
Name:
Title:

Consented to and acknowledged this _____ day of _____, _____ by:

NATIONAL BANK OF CANADA, as
Agent

WHITECAP RESOURCES INC.,

**[if assignment not to an existing Lender
or an Approved Fund and while no
Event of Default exists]**

Per: _____
Name:
Title:

Per: _____
Name:
Title:

**SCHEDULE J
HEDGING POLICY**